

BWG-P-07-10

Low Carbon Bus Procurement Feasibility study – Progress Report

1. Purpose

The purpose of the project is to conduct a feasibility study of how a Forward Commitment project would work when applied to low carbon buses and the UK bus market.

Objectives

The objective of the project is to determine whether a forward commitment strategy is feasible in the UK bus market for low carbon buses and more specifically:

- Establish whether there is customer interest in low carbon bus procurement and whether there is an unmet need which has the potential to be realised. It is assumed that the demand would come from public bodies rather than bus operators or passengers.
- Establish the contractual structure which would be required to deliver a Low Carbon Bus Forward Commitment.
- Develop a draft specification of a low carbon bus appropriate for procurement. This specification would be shared with TfL and the TRUS consortium which is looking at the potential for common European specification.
- Supplier feedback would be sought on the draft specification, contract length and the volumes required to establish economies of scale and reduce risk.
- To identify potential sources of financing the forward commitment. This could be through Central Government funding, local authority controlled funds, other sources.

2. Outline Work Plan & Progress

Overview	<p>Five streams of work have been agreed by the SWG, these are:</p> <ul style="list-style-type: none"> • Establish customer interest in low carbon bus procurement • Establish contractual structure backing LCB Forward Commitment • Low carbon bus specification • Supplier feedback • Identify potential sources of financing
Plan	<ul style="list-style-type: none"> • To present outputs of work streams to the Low Carbon Bus Procurement sub-group by October 2007. • To present a draft feasibility study to the BWG for comment and approval by 07/11/07. • To present to the Board for approval by 27/11/07. • Publish 4 months prior to the Low Carbon Vehicle Programme going live.
Progress	<ul style="list-style-type: none"> • Sub-group first met 24/11/06 and agreed the TOR and the work plan. • Meeting with TfL has taken place and planned with Mersey Travel
Issues	<ul style="list-style-type: none"> • Original work plan needed to be amended to take account of Bus Review and Low Carbon Vehicle Programme consultation

3. Work Stream Plan & Progress

Title	Establish customer interest in low carbon bus procurement
Resp	Lead: Jonathan Murray Assist: Neil Scales, Mike Winter, Myles Mackie
Overview	In London there is a demand for low carbon buses (hybrid) and TfL has secured senior support, budget and has the regulatory framework to realise this demand. This task is intended to determine the extent of latent demand for low carbon buses in the UK outside of London and how this demand could most effectively be translated into the procurement of low carbon buses. There are likely to be a number of mechanisms to achieve this objective given the regulatory framework. Stakeholders: TfL and PTE's, local authorities, ODA
Plan	<ul style="list-style-type: none"> • Interviews with key stakeholders. • Survey PTE's and LA's to determine level of latent demand. • Review of mechanisms via which demand can be affected.
Progress	<ul style="list-style-type: none"> • Meeting with TfL and planned with Mersey Travel
Issues	<ul style="list-style-type: none"> • Potential for Bus Review to influence outcome

Title	Establish contractual structure backing LCB Forward Commitment
Resp	Lead: Jonathan Murray Assist: Karen Booth, ?
Overview	This task will look at defining the contractual structure required to support the procurement of low carbon buses in each mechanism identified and at each stage in the market entry process. It is assumed this will be in the form of back to back contracts relating to bus services and bus procurement. Stakeholders: PTE's, local authorities and bus operators.
Plan	<ul style="list-style-type: none"> • Interviews with key stakeholders
Progress	<ul style="list-style-type: none"> • Meeting with TfL and planned with Mersey Travel
Issues	<ul style="list-style-type: none"> •

Title	Low carbon bus specification
Resp	Lead: ? Assist: Jonathan Murray, Mike Winter, Karen Booth
Overview	This task will develop a draft specification for a low carbon bus and will consider incorporating other environmental aspects including regulated emissions and noise. The draft specification will act as a potential starting point for developing a low carbon bus procurement group as part of the Low Carbon Vehicle Procurement Programme. It will also consider potential for a common European specification. Stakeholders: TfL, Mersey Travel, TRUS, other European initiatives
Plan	<ul style="list-style-type: none"> • Interviews with key stakeholders • Co-operation with TfL and TRUS • Co-operation with other European Initiatives
Progress	<ul style="list-style-type: none"> • TfL agreed to co-operate on development of specification • Meeting with TfL and planned with Mersey Travel • Member of TRUS advisory board

	<ul style="list-style-type: none"> NL developing environmental bus specification
Issues	<ul style="list-style-type: none"> Difficult to make clear statement on specification as it is unclear cost-benefit trade off for low carbon buses in future

Title	Supplier feedback
Resp	Lead: Jonathan Murray Assist: ?
Overview	Feedback will be sought from potential low carbon bus suppliers on the draft specification, the volumes and length of contract required to make a forward commitment effective at reducing risk. Stakeholders: bus manufacturers and technology suppliers
Plan	<ul style="list-style-type: none"> Presentation of findings from other tasks to Low Carbon Bus Procurement sub-group
Progress	<ul style="list-style-type: none"> Low Carbon Bus Procurement sub-group formed
Issues	<ul style="list-style-type: none">

Title	Identify potential sources of financing
Resp	Lead: Jonathan Murray Assist: ?
Overview	This task will look at how a forward commitment could be funded and the potential level of funding required. Sources which will be considered will include Central Government funding, local authority controlled funds, other sources. Stakeholders: DfT, PTE's, local authorities
Plan	<ul style="list-style-type: none"> Review of existing and potential funding sources. Interviews with key stakeholders.
Progress	<ul style="list-style-type: none"> Discussions with DfT on Low Carbon Bus Procurement Programme
Issues	<ul style="list-style-type: none"> Potential for Bus Review to influence outcome Highly sensitive to Low Carbon Vehicle Procurement Programme

Title	Draft final report
Resp	Lead: Jonathan Murray Assist: All
Overview	This will bring the various elements into a unified report for review, approval and publication by the Partnership.
Plan	<ul style="list-style-type: none"> Low Carbon Bus Procurement Group Combine inputs to produce complete report to be presented to BWG. Present to Steering Group and Board for approval.
Progress	<ul style="list-style-type: none"> None
Issues	<ul style="list-style-type: none">

4. Issues relating to further work

<ul style="list-style-type: none"> Potential for Bus Review to influence outcome Highly sensitive to Low Carbon Vehicle Procurement Programme
