

# Low Carbon Bus Procurement Proposed Work Plan

**LowCVP**

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## *LowCVP submission to PFV strategy review*

### **Encourage R, D&D in low carbon buses**

- Establish a low carbon transport innovation platform
- Grant support for demonstration
- Greater use of the **Forward Commitment**

### **Support the introduction of low carbon buses**

- National demonstration of low carbon buses
- Reform or supplement of BSOG
- Empowerment of Local Authorities

### **Stimulate the market for low carbon buses**

- Taxation system amended to provide meaningful incentives
- Encourage public sector bodies to purchase low carbon vehicles

# *LowCVP proposed amendments to low carbon bus targets*

## **Milestone for demonstration**

100 or more low carbon buses demonstrated in the UK by 2009.

## **Shifting to low carbon buses**

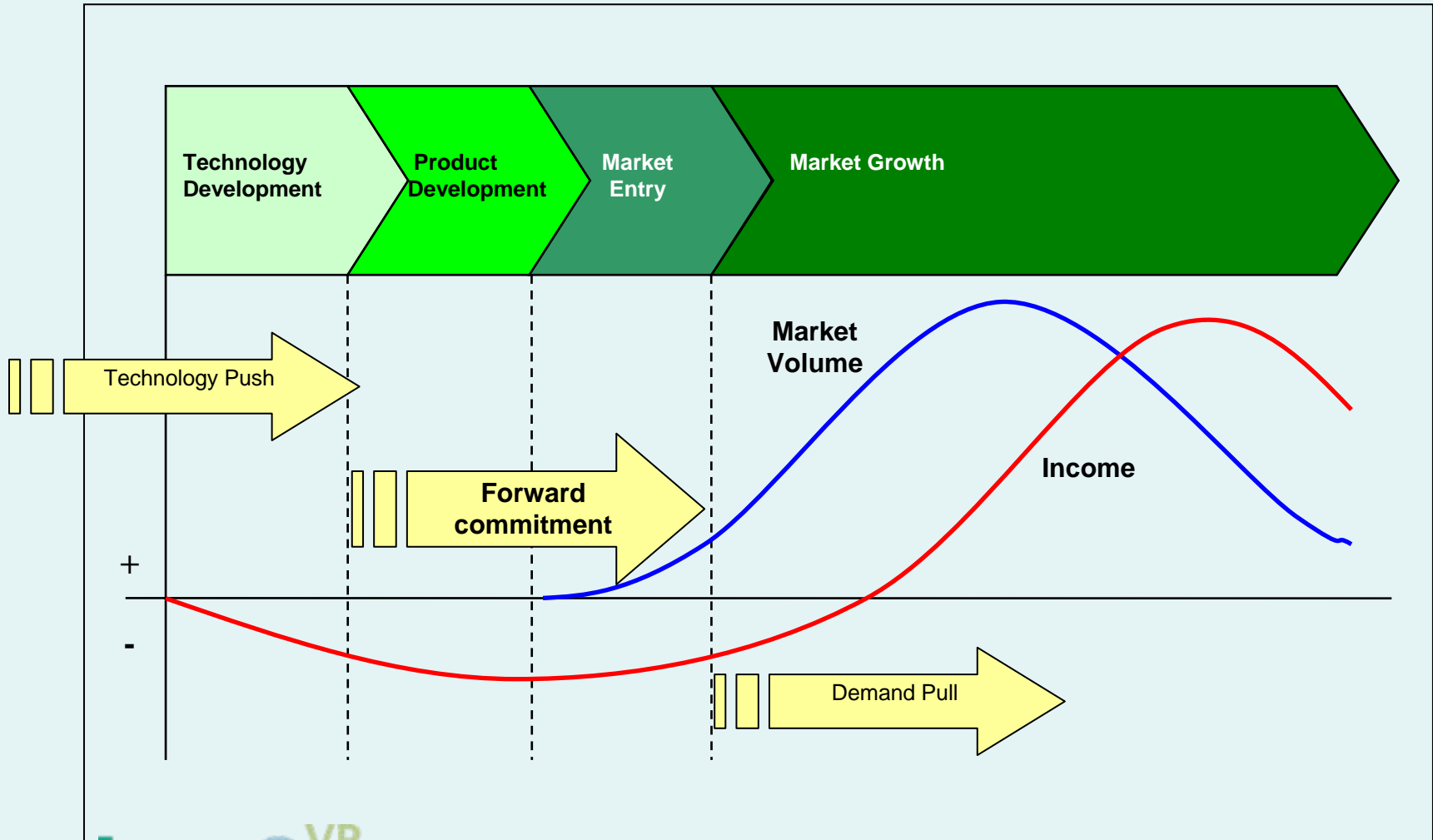
600 or more low carbon buses coming into operation per year by 2012.

## **Motivating future improvements**

X% of buses coming into operation per year by 2020 will be ultra low carbon buses.



# Role of the Forward Commitment in achieving market entry



# *Forward Commitment Proposition*

- ❑ An organisation/s commits to purchase a pre-defined quantity of a product\technology currently under development but not yet available as a commercial offering
- ❑ The commitment is for a future date and is based on a specified product performance being achieved
- ❑ The supply of a product meeting this performance specification within the agreed timeframes and framework triggers the Forward Commitment
- ❑ The Forward Commitment is for a quantity of product sufficient to encourage supplier investment to ensure economies-of-scale
- ❑ The Forward Commitment is enacted within the usual framework of best practice public procurement



## *Feasibility study to be undertaken in Q1 2006*

- ❑ Establish customer interest in low carbon bus procurement
  - Establish if there is an unmet need
  
- ❑ Establish contractual structure backing LCB Forward Commitment
  - Back to back contracts relating to bus services and bus procurement
  
- ❑ Low carbon bus specification
  - Develop draft specification, consider potential for common European specification
  
- ❑ Supplier feedback
  - Specification, volumes required
  
- ❑ Identify potential sources of financing
  - Central Government funding, local authority controlled funds, other sources.

# *Stakeholder engagement*

- ❑ PTEs and local authorities
  - Identify potential authorities to create the need
  - Raise awareness and communicate project objectives
  - Routes, park and rides where low carbon buses could be employed
  
- ❑ Potential purchasers
  - Identify potential purchasers
  - Raise awareness and communicate project objectives
  
- ❑ Potential suppliers
  - Identify potential suppliers
  - Raise awareness and communicate project objectives
  - Support consortium development as and where appropriate
  
- ❑ Other funding partners



# *Consortium Development*

- ❑ Establish political driver
  - Recruit PTE's and local authorities
  - Joint declaration to create market need for low carbon buses
  
- ❑ Identify lead contractor
  - Public or private sector body who will procure buses
  
- ❑ Definition of proposition
  - Establish basis for other bus procurers to participate
  - Engage with trade media to assist in recruitment and publicise to supply chain
  
- ❑ Sourcing partners
  - LowCVP will facilitate the recruitment of partners
  
- ❑ Develop and agree vehicle specification

# *Forward Commitment Delivery*

- ❑ **Phase 1:** Development and implementation of Procurement Strategy
  - Prototype development & demonstration
  
- ❑ **Phase 2:** Process of product development, delivery and demonstration
  - Batch production
  - Field trials independently monitored
  - Review and confirmation of performance against targets
  
- ❑ **Phase 3:** A clearly articulate outcome to the procurement
  - Forward commitment triggered or not triggered
  - If triggered supply of production vehicles commences

# *Feasibility Study*

## ❑ Recruiting participants

- Manufacturers well represented
- Mersey Travel agreed to champion with PTE's
- TfL agreed to keep close tabs on and participate in drafting specification
- Need to recruit bus operators

## ❑ Next steps

- Complete recruiting participants
- Divide responsibilities / hold workshop
- Produce first draft for review by sub-group