



# Ministerial Services briefing

**Hon Chris Hipkins**  
**Minister Responsible for Ministerial Services**

**Title:** VIP Transport Hybrid Electric Vehicle Trial Evaluation

**Date:** 20 December 2017

Key issues	
VIP Transport has completed a six month trial of a Petrol Hybrid Electric Vehicle (PHEV) in the Crown fleet. The trial results indicate this vehicle is a viable future option for integration into the Crown fleet, alongside the current diesel-powered vehicles.	
Action sought	Timeframe
<p><b>Note</b> the attached evaluation report of the VIP Transport Petrol Hybrid Electric Vehicle trial; and</p> <p><b>direct</b> VIP Transport to provide a briefing on options and financial implications for integrating PHEVs into the Crown fleet in March 2018.</p>	At your convenience

## Contact for telephone discussions (if required)

Name	Position	Direct phone line	After hours phone	Suggested 1 <sup>st</sup> contact
Morag Ingram	Acting GM, Ministerial and Secretariat Services	04 495 7276	027 886 4844	✓
Steve Dyhrberg	Manager, VIP Transport	04 817 8916	s9(2)(a)	

Return to	Level 18, Bowen House
Cohesion reference	SEG/Operational Ministerial Advice and Briefings 2017
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## **Purpose**

1. This briefing advises you on the outcome of a trial of a Petrol Hybrid Electric Vehicle (PHEV) in the Crown fleet, and of the next steps for identifying options for, and financial implications of, integrating PHEV's into the Crown fleet.

## **Background**

2. VIP Transport (VIPT) is responsible for providing a safe and secure, on-call transport solution to members of the Executive, as provided for in the Members of Parliament (Remuneration and Services) Act 2013. A small number of other VIPs are also entitled to the service, including senior members of the judiciary and official guests of the New Zealand Government.
3. VIPT has a current supply agreement with BMW Group New Zealand (BMW) whereby it leases 32 diesel-powered 7 Series BMW vehicles to deliver transport services. VIPT also owns a small fleet of 'plain' diesel-powered Hyundai Santa Fes. Together, these vehicles constitute the Crown fleet. Please note the Crown fleet does not include self-drive vehicles provided to ministers. Note we briefed you on ministers' self-drive vehicles on 6 December.
4. VIPT and BMW entered into a commercial agreement in July 2015. VIPT is 21 months into a 45-month term for these cars, with the agreement due to finish in October 2019. The Hyundai Santa Fes are due to be replaced in 2018.

## **Hybrid Electric Vehicle Trial**

5. As noted above, the current Crown fleet consists exclusively of diesel-powered vehicles. Over the past year VIPT has been investigating options for increasing the utilisation of electric vehicles to deliver its services. This work is consistent with the Government's goals for a zero carbon emissions government vehicle fleet by 2025.
6. As part of this work, VIPT has been working with BMW to explore options for introducing a PHEV model into the Crown fleet. This has included a six month trial across a number of locations, to identify the suitability of a PHEV to deliver the required service under existing user requirements and operating procedures.
7. The trial comprised four evaluations that assessed the handling, fuel efficiency, passenger experience, and performance of the BMW 7 Series G12 (diesel) and the BMW 740Le Plug-in Hybrid Electric Vehicle, both on the open road and in urban environments.
8. This trial is now complete. The evaluation report is attached as Appendix A. The results of all four evaluations confirm that the tested model is suitable to be considered as a viable future option for integrating into the Crown fleet.
9. There are some operational issues, in particular driving range and availability of charging infrastructure, that mean the model currently available does not meet all the operational requirements of the Crown fleet, and is not a like-for-like replacement for current diesel vehicles. Subsequent engagement with BMW has helped mitigate some of these issues. These are detailed on pages 28 to 31 of the report.
10. The overall conclusion of the trial is that the BMW 740Le is suitable for inclusion into the broader Crown fleet alongside the current diesel vehicles, rather than as a complete replacement. This is due to the need for vehicles with ranges greater than the BMW 740Le can currently deliver.

### Next steps


11. VIPT is committed to supporting the Government's goals for implementing a greener vehicle fleet.
12. Following completion of the trial, VIPT will use the results to inform ongoing work with the wider Department of Internal Affairs, the Ministry of Business, Innovation and Employment, and other stakeholders to identify options and financial implications for integrating PHEVs into the Crown fleet.
13. We will brief you on these options and financial implications in March 2018, including the timeframe for any procurement and fleet replacement processes.

### Recommendations

It is recommended that you

- a) **note** that the current lease agreement with BMW Group New Zealand provides for 32 7 Series BMW vehicles for a 45 month period;
- b) **note** that VIP Transport has conducted an evaluation of a BMW 740Le Plug-in Hybrid Electric Vehicle and found it is suitable to be considered as a viable future option for integrating into the Crown fleet alongside the current diesel vehicles; and
- c) **direct** VIP Transport to provide a briefing on options and financial implications for integrating PHEVs into the Crown fleet in March 2018.

Yes/No

  
Morag Woodley  
Deputy Chief Executive  
Shared Services Branch

Hon Chris Hipkins  
Minister Responsible for Ministerial Services

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**Appendix A: Report: PHEV evaluation**