

14. COMPOST PLANT MANAGEMENT BY CITY CARE LIMITED

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The purpose of this report is to inform the Committee of recent management changes to the Compost Plant operation.

BACKGROUND

Since its commission in 1994, the day to day management of the Plant has been under the direct control of Gill Pontin, a member of the Solid Waste Team. City Care Ltd has provided labour and machinery to carry out the operation, initially on an hourly rate type basis and more recently under a service contract that covers supply of services for all the refuse station operations.

The management arrangement to date has been an appropriate one, given the lack of any experience in composting held by City Care Ltd staff, at the time of commissioning in 1994 and the relatively immature composting market in Christchurch at that time.

RECENT DEVELOPMENTS

Circumstances around both supply and demand of/for compost have changed since 1994. The sales market has become increasingly competitive and will need growing to absorb potential future increases in quantities, and with the steady ramping up of refuse tipping fees there has been interest from businesses who have organic waste streams unsuitable for the Council's open air windrow system of composting in developing a small purpose built plant for putrescibles and the like.

With the recent resignation of the Compost Plant Manager (tempted away by new challenges in Wellington) the opportunity has been taken to review the role and structure of this operation. A decision has subsequently been taken to dis-establish the position and move to full management of the Plant by City Care Ltd. The key factors in this decision were:

- The established history of City Care Limited staff working at the Compost Plant,
- Day to day management of the Plant is no longer a full time position,
- Future development of the Plant could benefit from the more market focussed approach potentially offered by City Care Limited in conjunction with Living Earth Ltd.

PROCESS OF HANDOVER

A Memorandum of Understanding has been agreed between City Water and Waste and City Care Limited committing each party to negotiating a final contract by 1 July 2003.

To provide confidence in continuing the high standard of compost production, the previous Compost Plant Manager has been retained on a one day per week basis for three months. This will also allow full 'knowledge transfer' to City Care Ltd management and enable them to accurately document all processes. Beyond three months, technical advice will continue to be available from Living Earth's compost scientist as and when required.

Finished compost will continue to be sent to Living Earth for sale under the contract between them and the Christchurch City Council. Note here that the Council resolved last year to assign the CCC/A1 contract to Living Earth following the purchase by Living Earth of the A1 business.

KEY ISSUES FOR NEGOTIATION

- Incentives to be provided within the contract to ensure continued promotion aimed at diverting green waste quantities from landfilling.
- KPI's to be developed to ensure quality control is maintained with particular emphasis on clopyralid residue together with other key KPI's.
- Flexibility to be provided to allow City Care Ltd to work in conjunction with Living Earth in developing markets.
- Assignment of the Christchurch City Council/Living Earth contract to a Christchurch City Council/City Care Ltd Contract.

- Flexibility to be provided to ensure that development of a putrescibles composting plant is not inhibited by this contract.

It should be noted here that the changes to this contract discussed in this report will not affect any proposals to establish a new putrescibles processing plant.

SUMMARY

With the recent resignation of the Compost Plant Manager the opportunity has been taken to review the Plant management arrangements. It has been considered prudent to negotiate a new contract with City Care Ltd to manage the Plant rather than just supply machinery and labour as previously. The Christchurch City Council/Living Earth contract for compost disposal will be assigned to become a City Care Ltd/Living Earth contract.

Staff

Recommendation: That the information be received.

Chairman's

Recommendation: That the actions taken by staff, as set out in the report, be endorsed.