

13. WATER SUPPLY MAINTENANCE CONTRACT

Officer responsible Water Services Manager	Author Bruce Henderson
Corporate Plan Output: 9.3.25 Supply of Water: Reticulation Maintenance	

The purpose of this report is to obtain approval for acceptance of a tender, which is above the delegated authority of Council Officers.

This contract is for the undertaking of the Council's Water Supply Reticulation Reactive Maintenance Work.

Councillors will recall that as part of the adoption of the sale and purchase agreement with City Care Ltd and as required by Section 247E of the Local Government Act the Council agreed that certain Council work would be negotiated directly to the new company for a period. Part of the negotiated work included undertaking Water Supply Reticulation Reactive Maintenance for an initial six year period until 30 June 2006. The agreement also includes provision for a review at two yearly intervals to ensure Council objectives are being met and a cost effective service is being provided.

On this basis contract documents have been prepared and prices negotiated for the two-year period ending 30 June 2002. The documents and prices reflect the reductions agreed to as part of the company formation.

The negotiated arrangement is a schedule of rates contract similar to the agreement that was in place with the ex Works Operations Unit. The total value of the contract for the two year period is \$3,146,062.50 excluding GST.

Recommendation: That the price negotiated with City Care Ltd to undertake the Council's Water Supply Reticulation Reactive maintenance work for a two year period for the sum of \$3,146,062.50 be accepted.