

3. **WASTE MANAGEMENT UNIT/CITY CARE CONTRACT FOR REFUSE STATIONS - CONTRACT NO 2000/01-171**

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Corporate Plan Output: Solid Waste	

The purpose of this report is to obtain approval for acceptance of a negotiated contract with City Care which is above the delegated authority of Council officers.

**BACKGROUND**

Councillors will recall that as part of the Sale and Purchase Agreement with City Care Limited and in terms of Section 247E of the Local Government Act, the Council agreed that certain work would be negotiated and directly awarded to City Care for a defined period. Part of that work is for operation of the Council's Refuse Stations and Compost Manufacturing Plant. The details of this contract have now been agreed between the parties.

**TERMS OF THE CONTRACT**

Key details of the contract are as follows:

- Value of the contract per year \$3,944,371. Note this is a provisional price based on a negotiated and agreed schedule of rates similar to the previous agreement with Works Operations Unit. It includes a provisional sum of \$200,000 for further work to be negotiated at a future date.
- Length of contract five years starting 1 December 2000 plus five year right of renewal based on performance criteria (i.e. KPIs).
- A Partnership Agreement incorporating a list of objectives, gain sharing formula, key performance indicators and the like
- A management plan
- Flexibility to negotiate with changing circumstances (e.g. changes to compost manufacture from windrowing to in-vessel, changes to procedures for sale of compost, changes to plant operation and ownership and the like).

**Recommendation:** That the contract price negotiated with City Care Limited to implement the Refuse Station Contract (including Compost Plant work) for \$3,944,371 per year for a five year period starting 1 December 2000 be accepted.

(Note: Councillor Wright declared an interest in respect to the above clause and retired from voting and discussion thereon.)