

5. CONTRACTING OF HYDROMETRIC SERVICES TO NIWA LTD

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The purpose of this report is to seek the approval of the Council to the letting of a contract to the National Institute of Atmospheric and Water Research, a Crown Research Institute, for the delivery of hydrometric services.

The Council has a network of hydrometric measuring devices from which are collected a series of data about river groundwater flows, water quality and rainfall volumes. The data collected from this network is used for the Council's management of the river network under its control, and the design of stormwater networks. Data is also used for emergency management purposes, particularly in time of floods. This network has to date been developed and run by staff within the Christchurch City Council.

During the review of Information Management and Technology Services, the opportunity to review both the size of this network, and how it is maintained and delivered, was undertaken. The review involved internal specialists and an external reviewer and concluded that we could reduce the size of the network (i.e. the number of recording devices), from 124 sites to 46 sites. The review also concluded that the reduced network would be better and more efficiently delivered by a partnership arrangement with NIWA Limited, who are experts at delivering and maintaining this type of network around the country. This would result in the reduction of three positions from within the Christchurch City Council and an annual saving of \$100,000 after contracting out this activity.

The arrangements with NIWA would result in a number of advantages for the Council.

- Delivering operational savings
- Access to experienced personnel with appropriate skills
- Access to established databases and database systems
- Access to NIWA's ongoing environmental research programmes, and their scientific expertise
- Established field staff who can incorporate the CCC workload
- Access to NIWA's instrumentation systems

There are two reasons for this report being placed before the Committee. The first is that Section 247E of the Local Government Act 1974 provides that where the Council is considering entering into a contract which involves significant expenditure the local authority must consider whether or not the matter should be put to tender. That section of the Local Government Act 1974 remains in force until 1 July 2003, although it is noted that it is not repeated in the new Local Government Act. The new test of significance under the new Act applies. This change in arrangements is not considered to be a significant matter in terms of that Act. However, to ensure that we comply with the provisions of the 1974 Act it is appropriate for the Council to make a resolution in terms of that section. This is a relatively specialist service, and it is not considered that there are any other providers who could in Christchurch provide the full service to the standard able to be readily provided by NIWA.

The second reason why this matter is before the Council is that the total contract, over a period of years, including renewals, exceeds \$500,000. It is proposed to enter into a two-year contract, with four rights of renewal of two years each. This would mean that the total value of the contract over those years exceeds the delegation to the Directors of Finance and Operations of \$500,000.

During discussion on the above report, the Committee requested that further information on the contract be obtained for the Council meeting. The additional information is the subject of a supplementary public excluded report which has been separately circulated to Councillors.

- Recommendation:**
1. That, pursuant to Section 247E of the Local Government Act 1974, the Council determine that the proposed contract for the provision of Hydrometric Services be not put to tender, and that a contract be entered into with NIWA.
 2. That the Council approve completing the negotiation of a contract for hydrometric services with NIWA Ltd for two years, with four rights of renewal of two years each.