

18. CITY CARE LTD PROPOSAL

The Committee considered a report from Chris Kerr, Business Improvement Manager on a proposal received from City Care Ltd to reduce City Council costs by a net \$1m. The report provided a strategic framework for assessing their proposal, background information and a summary of the proposed reduction in contract costs of \$1.5m offered in return for an extension of three years on a number of strategic, assigned and negotiated contracts currently covered by the LATE agreement.

Details of the Council's objectives in establishing City Care Ltd, contract philosophy and risk and benefits of the proposal were contained within the report together with an evaluation against the strategic criteria considered appropriate for evaluating the proposal.

The Committee's recommendation as detailed below have been separately reported to Council in the report of the meeting of the Strategy and Finance Committee on 14 April 2003 and were:

1. That the Council accept the City Care offer as made.
2. That the Council and City Care Ltd commit to a programme of improving contracts between the parties to provide ongoing efficiencies and improving levels of service as detailed in Appendix B of the report.
3. That benchmark information and appropriate Key Performance Indicators be provided to the six and twelve month monitoring meetings of the respective Standing Committees on the performance of City Care Ltd on these contracts.
4. That the transfer station contract be included in the overall schedule of contracts in this proposal but the Council and City Care Ltd recognise that contract review processes currently underway may result in changes, including the possibility that the City Care contract could be terminated, to the contract and to contract roles and any such changes will be negotiated in good faith between the parties.
5. That the Council and City Care Ltd agree to remove contracts that have been re-negotiated, and to remove contracts as they are re-negotiated, from the LATE Agreement, noting that the contingent liability for redundancies remains in place for these contracts until 2009.