

11. CITY CARE CONTRACT FOR WATER SUPPLY AND WASTEWATER RETICULATION WORKS

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

BACKGROUND

The April 2003 Council meeting accepted an offer from City Care Ltd, subject to some conditions, for the extension of the time of a number of strategic, assigned and negotiated contracts covered by the LATE agreement, in return for a reduction in contract costs. (\$1.5m total reduction over a number of Council Unit contracts.)

The City Water and Waste contracts involved included the follows works:

- Wastewater reticulation maintenance.
- Water supply reticulation maintenance.
- Water supply, wastewater and land drainage pumping and storage facilities maintenance.
- Installation of new water connections.
- Sewer grouting work.
- Fire hydrant servicing.

These separate five year contracts ran from 2001 to 2006. The three year extension now runs to 2009.

The opportunity has been taken to combine all these into a single amalgamated contract with common conditions of contract, and to strengthen the contract by improving key performance Indicators, reporting, and auditing requirements. The total annual value of this new amalgamated contract is \$4,832,074. This amount is adjusted from the previous separate contract totals combined total by the agreed savings, permitted cost adjustments, and some changes in work practices and standards.

The new amalgamated contract expiry date is now 30 June 2009. The contract contains a price adjustment formula for cost increases, as well as provisions for review and adjustments of the amount of work to be undertaken.

Recommendation: That the negotiated contract with City Care Ltd to undertake the Councils water supply and wastewater reticulation and pumping maintenance work for the period until 30 June 2009 for the annual sum of (\$4,832,074) per annum be approved.