

**SPREYDON PARKS MAINTENANCE CONTRACT
SUPPLEMENTARY INFORMATION**

RR 7714

Officer responsible Parks Manager	Author Ken Lawn, Director of Operations
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The purpose of this report is to provide information to the Committee about the consequences of awarding the contract for the Spreydon Parks Maintenance Contract to Grounds and Services Limited.

The Parks Manager has recommended that the lowest tender (Grounds and Services Limited) for the Spreydon Parks Maintenance Contract be accepted. The tender is \$10,000 less than the second lowest contractors, Works Operations (\$23,000 lower taking into account day works). Given that the contract was put out to tender, and that all the contractors have been evaluated to ensure the tenderers are able to successfully carry out the contract, it is appropriate that the Parks Manager has recommended that the lower tender be accepted.

The consequence of that decision will be that the Works Operations Unit will need to reduce its Green Maintenance staff by six, together possibly with one supervisor. The total cost of redundancy associated with that will be in the order of \$150,000. In terms of total work, Works Operations have won back one Parks Maintenance Contract, and now lost one. However, the additional contract won earlier was able to be absorbed by efficiencies within the Green Maintenance team, together with compensating for some other work lost in association with berms maintenance.

The consequence of this contract results in the Council saving \$23,000 a year for four years, at a cost of \$150,000. This result reinforces the appropriateness of reviewing the use of tendering for contracts where the Council has a choice about the method of service delivery.

The City Manager spoke at the last Council meeting of the need to review this arrangement following the loss of a roading contract by the sum of \$3,000. A comprehensive report will be prepared over the next two months, which will canvass a range of options, and recommend a way forward.

**Chairman's
Recommendation:** For discussion.