

4. BUS XCHANGE

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The purpose of this report is to clarify for Councillors the request in the Pink Pages of the draft plan for 2002/03 for an increase of \$200,000 in the provision for the operational costs of the Bus Xchange.

BACKGROUND

When the Council first mooted the idea of a Bus Xchange for the city it (along with Environment Canterbury) considered amongst other things the quality of service to be provided from such a facility. The standard decided upon was the quality of service provided at Christchurch Airport. To meet these expectations funds will have to be provided to maintain this high standard. It must be remembered that the Bus Xchange comprises the building (bus lanes) and Colombo Street platforms D and E.

In 1999 the Property Unit made provision in its 2000/01 budget for nine months operational costs for running the Bus Xchange. As there had not previously been a facility of this type the budget figures of the Canterbury Public Library were used as a guide for assessing these costs. In subsequent budgets 2001/02 and now 2002/03 we have been able to estimate some of the budget figures more accurately (ie the cleaning and the Centre Management Contracts). However, it is difficult to accurately predict such costs as insurance, rates, cleaning consumables and electricity when the budget is set several months in advance and these figures are subject to outside economic influences and patronage levels.

At the end of the current financial year we will have our first opportunity of measuring actual operational costs overall for a full 12 month period against our budgeted figures. In addition to the above, the building has just come out of the construction warranty period and the Property Unit now has to tender out the contracts for fire service, HVAC, electrical, lift, escalators and doors which were previously a "maintenance period" cost for the contractor. At this point the contracts have not been tendered so we have estimated these costs.

One of the main contributing factors to the increase in the budget has been the success of the Bus Xchange. Since the 2001/02 budget was drawn up the Bus Xchange has become fully operational and the patronage has increased 9.5% over the last 12 months. There are also many non-passenger movements through the Xchange to other premises connected to the Bus Xchange.

This has added to the costs in cleaning both the interior and exterior, security and maintaining other services associated with the operational aspects of the Xchange.

OPERATIONAL COSTS

1. Insurance & Electricity

We have been notified by our insurers that insurance cover will cost more and this has been reflected in the 2002/03 budget. Likewise there is an impending price increase for the supply of power. We have little control over these costs.

2. Building Maintenance etc

The building has just come out of the construction warranty period. As yet we have not commenced the tender process but we are sure that with the increased patronage there will be an increase in operational costs. For example we currently have a door contract in place. Over the last year with the increased patronage the doors have had to be serviced more regularly. Also provision has been made for other maintenance issues arising from wear and tear and vandalism to the building, both internally and externally.

3. Cleaning Consumables

During the present financial year the Property Unit had to give notice to the initial contract cleaners (contract estimated at \$98,000 pa) who were not performing and had to be replaced. Therefore, we tendered out the cleaning of the Bus Xchange. Tenders were received ranging from \$120,000 to \$200,000 per annum. QSE (Quality Service Enterprises Limited) were confirmed as the new cleaners. The contract price was \$120,000.

The contract covers not only the interior of the Bus Xchange but the exterior, bus lanes, along Lichfield Street (windows, building and sweeping footpath) Platform D (outside ramp in Colombo Street) cleaning bus shelter and sweeping footpath and Platform E (Ballantynes) cleaning bus shelter and sweeping footpaths. The footpath cleaning is done in conjunction with the City Streets contractor.

Allowance has been made in the budget for the increase in the contract price and for the increase in cost of consumables, (cleaning materials, paper towels, toilet paper etc).

4. **Centre Management**

H G Livingstone Ltd were appointed as Bus Xchange Managers. Their contract runs from 1 August 2000 and terminates 31 July 2003.

The reason Livingstones were engaged was that the adjoining property owners were already using their services and that a Centre Management Office had already been established in 'The Crossing'. If we had decided to employ another Property Management Company we would have had to provide another office within the Bus Xchange. The overall objective of retaining Livingstones was to ensure that The Crossing development as a whole, including The Crossing building, the Bus Xchange, the car park building, the adjacent Cashel Plaza and where possible Ballantynes and other adjoining neighbours is managed in an overall co-ordinated manner for the benefit of all parties.

As from April 2001 the Bus Xchange became fully operational and with the increased patronage, Livingstones in consultation with the participating property owners, have collectively increased the management of the facility from five days to seven days to make sure the operation of the Bus Xchange functions to the required standard. Two staff are now employed to provide this level of service.

5. **Security Services**

(a) *Guards*

Livingstones put out to tender a contract to supply security guards for the Bus Xchange/Crossing. The successful tenderer was Armourguard who were to provide guards between 5.30am–9am and 3pm–12 midnight, seven days per week with an additional guard being employed on Friday and Saturday between 8pm and 12 midnight. However, it has been found necessary to provide additional staff during the school holidays to cover from 5.30am until midnight. Since April we have found that it has been necessary to increase the guards' hours to cover other events that have occurred and to maintain an appropriate level of security at the Bus Xchange. This has come as an additional cost and has been taken into account in the 2002/03 budget.

(b) *Security Cameras*

Cameras were installed at the time of construction to provide security when the Xchange is operational. However, monitoring screens have been placed in the room within the Bus Xchange which has become the control room for bus movements, managed by Environment Canterbury. There are 10 on site cameras; two cover the bus lanes and the others the passenger lounges. Environment Canterbury monitor the bus lanes and provide a roster of four staff for this purpose. The cameras covering the passenger lounges are monitored from a security perspective on an infrequent basis. However, the daily operation is taped so if any incidents occur they can be viewed at a later time. The budget includes money for (amongst other things) monitoring and for supplying three additional cameras to cover areas not monitored, ie the toilet area with the Bus Xchange and Platforms D & E on Colombo Street which form part of the Bus Xchange. As the security in the Bus Xchange is (amongst other things) currently under review there is a need to provide funds for the upgrading of this service. A subcommittee comprising the chairs of all the Committees is to be established to assist officers in dealing with the issues identified.

SUMMARY OF COSTS

The figures shown in the attachment show the variation between the 2001–2002 budget and what is sought in the 2002–2003 budget.

The attachment shows this figure has been reduced from \$250,000 as shown in the detailed management budget page 1 8.9.0 to \$154,000. This is an increase of \$59,000 on the existing budget to take account of the security review that is being undertaken and the known increased security charges ie providing a security guard from 5.30am until midnight Monday to Saturday, Sunday 6.30am until midnight and an extra guard Friday and Saturday 8pm until midnight at a cost of \$120,000 which previously cost \$95,000.

We are presently negotiating with Environment Canterbury for the space they occupy within the Bus Xchange. This additional rent of \$50,000 has not been taken into account in the budget because of the negotiations.

ADDITIONAL INFORMATION

The following information, whilst not affecting the operation costs of the Bus Xchange should be taken into account when considering the total Council budget. By moving the buses from the Square, savings have been made and aesthetics of the Square enhanced.

- Perception of increased safety in the Square for tourists and the public. Bus movements have reduced significantly and there is less wear and tear on the Square.
- Security – the police have noticed a reduction in crime in the Square and its surrounds. This could be seen as an added cost for operating the Bus Xchange but this cost can be managed if the right combination of measures are put in place.
- Large decrease in the fumes from the buses and as the arrival and departure times from the Bus Xchange is controlled we don't have the same problem of buses sitting at bus stops with their engines running as was the case when buses used the Square.
- Less congestion in the Square with people waiting for buses. Again this has moved the problem to the region around the Bus Xchange. The current review will take account of this.

SUMMARY

The Bus Xchange has now been operating for 15 months with excellent patronage from a public passenger transport perspective. The unexpected volume of public/passenger movements through the Bus Xchange has resulted in increased operational cost. The Council has also set an expectation that the facilities will be maintained to a high standard but this has associated costs. This is indicated in the budget for 2002/03 which reflects these increases.

If the Council is to maintain the quality of service expected then future budgets will have to reflect this.

- Recommendation:**
1. That the information be received.
 2. That the Property and Major Projects Committee endorse the request for \$200,000 to be included in the Pink Pages of the 2002/03 Annual Plan for increased operational costs.

Chairman's Recommendation: That the above recommendation be adopted.