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| Report No:               | FN12-06-04   |
| File No:                 | C797         |
| Date:                    | 26 June 2012 |
| <b>Decision Required</b> |              |

## REPORT SUMMARY

**Report to:** Communications Subcommittee  
**Meeting Date:** 26 June 2012  
**Report Author** Chris Choat – Communications Advisor  
**Subject:** Communications Contract for Services Update

### EXECUTIVE SUMMARY

The purpose of this report is to advise the Communications Subcommittee of the current state of the Communications Contract for Services between the Council and Dry Crust and to recommend the approval of taking up the one year renewal option as identified within the contract.

Over the term of the contract the Council and Subcommittee quite rightly have reviewed the manner in which the Council communicates with the communities it serves and the cost involved. It has been pleasing, and should be noted, that the contractor has played a willing and conscientious role in investigating and implementing where savings could be made and processes improved.

It should be noted that the implemented improvements have affected the contractor's return, but the level and quality of service has improved over the same period.

It should also be noted that this level of commitment to a partnership was one of the aims of the contract in its formation and thus has been achieved.

### RECOMMENDATION/S

That the Communications Subcommittee receives the report

That the Communications Subcommittee approves the taking up of the one year option of the Communications Single Service Provider Contract between the Council and Dry Crust Ltd.

### DRAFT RESOLUTION

**THAT the Communications Subcommittee:**

- 1. Receives the Communications Contract for Services Report FN12-06-04 and;**

- 2. Approves the take up of the one year renewal option commencing 1 July 2012 in the Communications Contract for Services with Dry Crust Communications Limited.**

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**Subject:** Communications Contract for Services Update

## **1. Purpose**

- 1.1 The purpose of this report is to advise the Communications Subcommittee of the current state of the Communications Contract for Services between the Council and Dry Crust and to recommend the approval of taking up the one renewal option as identified within the contract.

## **2. Background**

- 2.1 In July 2010 the Council and Dry Crust entered into a Communications Contract for Services with Dry Crust Communications. This was the first time the Council had a performance based contract in place for the implementation and delivery of communications services.
- 2.2 The contract had a term of two years with a right of renewal for a further year at the discretion of both parties. This term was identified and recommended by the Tenders Subcommittee of the Council.
- 2.3 The contract had for the first time put in place the level of service required by the Council and the related performance measures.

## **3. Present Situation/Matters to be Considered**

- 3.1 As part of the quality control within the service contract annual surveys were undertaken. The Council staff who have had to use the services of Dry Crust were offered the opportunity to complete a quality assessment survey of the service they received.
- 3.2 In the first survey, the results of which were reported to this Subcommittee, the results were predominantly positive, but there were a small number of minor issues. These were dealt with in the following year through a mix of process and procedure changes.

- 3.3 For the same survey held this year, covering factors such as timeliness, cost, standard, and recognition of the environment the Council operates within, the lowest score received was average with the majority of response even more positive.
- 3.4 Over the term of the contract the Council and Subcommittee quite rightly have reviewed the manner in which the Council communicates with the communities it serves and the cost involved. It has been pleasing, and should be noted, that the contractor has played a willing and conscientious role in investigating and implementing where savings could be made and processes could be improved.
- 3.5 It should be noted that the implemented improvements have affected the contractor's return, but the level and quality of service has improved over the same period.
- 3.6 It should also be noted that this level of commitment to a partnership was one of the aims of the contract in its formation and thus has been achieved.

#### **4. Options**

- 4.1 To approve the taking up of the option of one year renewal as identified within the current contract.
- 4.2 To begin the contract process immediately to test the current market.

#### **5. Pros and Cons of Options**

- 5.1 The renewal option within the current contract provides the Council with the ability to exit a contract after a suitable period of time for any reason. The level of commitment to the partnership and positive user satisfaction surveys should provide the Council with a level of comfort as to the level of service being currently provided.
- 5.2 Whilst the Council still has a choice, Dry Crust Communications Limited has expressed a desire to take up the one year renewal and has expressed ongoing commitment to furthering the partnership.
- 5.3 To re-enter the contract process at this stage is possible. However, if this was to be the option considered for the coming financial year it should have been taken into consideration in January of the current year (2012). This timeframe would have posed a number of issues as the Council would not have been able to provide any certainty in light of the then current amalgamation debate.

## **6. Evaluation of Options**

- 6.1 The cost effective option is to take up the option of the one year renewal, which will allow for the advantages of the current partnership to be further realised, and a full uninterrupted contract tendering process to be completed in the following year.

## **7. Recommendation/s**

- 7.1 That the Communications Subcommittee receives the report FN12-06-05.
- 7.2 That the Communications Subcommittee approves the taking up of the one year option of the Communications Contract for Services between the Council and Dry Crust Communications Limited.

## **8. Timeline/Next Steps**

- 8.1 The one year option will become active 1 July 2012. The preparation, including review of the current contracting arrangement for the next contract, will commence January 2013.

## **9. Draft Resolution**

### **THAT the Communications Subcommittee**

- 1 Receives the Communications Contract for Services report FN12-06-04 and;**
- 2 Approves the take up of the one year renewal option commencing 1 July 2012 in the Communications Contract for Services with Dry Crust Communications Limited.**