

Report No:	RESC11-12-05
File No:	
Date:	22 November 2011
<b>Information Only – no decision required</b>	

## REPORT SUMMARY

**Report to:** Engineering Services Committee  
**Meeting Date:** 8 December 2011  
**Report Author:** Gary Clark, Transportation Manager  
**Subject:** **New Approach to Road Maintenance Contracts for Waimea and Tasman**

### EXECUTIVE SUMMARY

This report outlines what Council is doing to provide a better contract arrangement for the current Waimea and Tasman road maintenance contracts when they come up for re-tender in July 2012.

### RECOMMENDATION/S

That the report be received.

### DRAFT RESOLUTION

**THAT the Engineering Services Committee receives the New Approach to Road Maintenance Contracts for Waimea and Tasman report, RESC11-12-05.**

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## 1. Background

- 1.1 As the Engineering Services Committee will be aware the contractor for the Waimea and Tasman roading maintenance contracts has confirmed that they do not wish to rollover the contract from June 2012. The contracts would have been due for an automatic rollover subject to acceptable performance in June 2012.
- 1.2 Downer has not been able to meet the performance requirements of both the Waimea and Tasman Contracts. Even if the contractor wanted to continue from June 2012, the automatic rollover would not have applied and Council would have terminated the contract.
- 1.3 The Waimea and Tasman Contracts combined both rural and urban areas.

## 2. Existing Situation

- 2.1 The current contracts provide services for different communities in the urban and rural areas of our north eastern parts of the District. There are many components to these community requirements which have different outcomes including:
  - Vegetation control
  - Street cleaning
  - Unsealed road maintenance
  - Footpath maintenance
  - Road signage
  - Drainage

- 2.2 For example, the vegetation requirement in the rural areas usually relates to mowing grass on the road verges, whereas in the urban areas it relates to traffic island plots and overhanging vegetation.
- 2.3 The current arrangement of the contracts is such that it has proved difficult to get one contractor to supply the levels of service for the different types of needs for the urban and rural communities.
- 2.4 There is also an issue with the current contracts with regard to lump sum work and measure and value tasks. This has led to some inefficiency with regard to the management of the works on our road network.

### **3. Discussion**

- 3.1 Council staff and our consultants are currently working to improve efficiencies in the road maintenance contracts for the Waimea and Tasman areas.
- 3.2 The new contracts will be set up to reflect the requirements of these different communities. This work will lead to a greater focus on providing value for money work programmes targeted to the needs of the different communities.
- 3.3 The new form of contracts will allow some of the smaller contractors in the region to tender for the urban work. This could provide more competition in the market and consequently better prices. The smaller contractors are able to be more responsive to customer service requests, most of which are generated in the urban area.
- 3.4 The larger rural contract will enable programmes and unit rate work to be better focused on the local needs. This is expected to lead to better value for money, less rework and better targeted management of consultants.

### **4. Recommendation**

- 4.1 That the report be received.

### **5. Resolution**

- 5.1 THAT the Engineering Services Committee receives the New Approach to Road Maintenance Contracts for Waimea and Tasman report, RESC11-12-05.**