

STAFF REPORT

TO: Mayor and Councillors

FROM: Peter Thomson, Engineering Manager

REFERENCE: C760

DATE: 10 June 2009

SUBJECT: **RIVER MAINTENANCE CONTRACT 760 – 2009-2011**

1 PURPOSE

The purpose of this report is to provide details of the recent river works tender, and to seek Council approval to substantially maintain the rivers budgets for the purpose of achieving all Priority One works and the additional clearing of Crack Willow in the classified X and Y river rating areas.

2. BACKGROUND

The new rivers maintenance contract has recently been competitively tendered and awarded to Ferguson Bros Limited at a price of \$2,244,467 which is approximately 18% under the engineer's estimate of \$2,741,255. (Note this price is for the contract period of two years.)

The lower than expected tendered price received is considered a direct relationship to the economic downturn and the fierce competition between contracting firms. It should also be noted that the quantities used in the tender documents were also slightly less than current work programmes in our classified rivers.

The potential budget reduction relating to the rivers contract scheduled items compared with the engineers estimate is \$250,000 per annum.

The Draft 10 Year Plan and the Rivers Activity Management Plan identifies when Levels of Services are being met and the following related river maintenance sections out of the plan are as follows:

- All river maintenance and construction activities comply with any required resource consents;
- The 285 kms of classified X and Y rivers are cleared of Crack Willow at a rate of 15 kms of river length per year;
- Rivers are maintained within the X and Y classification areas to the annual allocated budget.

The schedule for the contract tender was based on approximately 90% of the Priority One works being able to be achieved within budget. The tender price received will enable the level of service for the rock protection in particular to be met if some of the

potential reduction is reallocated, i.e., all Priority One works will be able to be completed and with some allowance for priority two works should those sites further worsen during the year.

One of the Levels of Service listed in the Draft Ten Year Plan relates to the clearing of Crack Willow as part of riparian management. It has been difficult to assess the full extent and cost required to carry out this work. This is due the fact that a full survey assessment has yet to be undertaken to determine with complete accuracy the extent of the work required. During the preparation of the tender documents scheduled items for this work were minimised in order to ensure an affordable price for Council.

An increase in budget in the riparian management area would enable work that was removed from the contract to be included to meet our service levels. In addition more work under the contract may also be carried out. Overall this would give a greater level of confidence in achieving the Levels of Service for clearing crack willow within the 20 years proposed and preferably in a reduced timeframe.

It is therefore recommended that \$200,000 potential reduction from the river works tender be reallocated to meet Levels of Service and allow for additional riparian management works for the clearance of Crack Willow and Priority One works in the classified X and Y rating areas. The balance of the potential savings be used to reduce the riverworks maintenance budget by \$50,000 per annum.

3 RECOMMENDATION:

3.1 THAT Council approves the reallocation of most of the potential savings from the recent river works contract to undertake additional riparian management, gravel relocation and to maintain the expected Level of Service for Priority One works.

3.2 THAT Council reduces its annual funding for riverworks maintenance by \$50,000 in Years 1 through to 10 in the Ten Year Plan.

Peter Thomson
Engineering Manager