

# STAFF REPORT

**TO:** Chairman and Members, Engineering Services Committee  
**FROM:** Peter Thomson, Engineering Manager  
**DATE:** 14 June 2007  
**SUBJECT:** **PROFESSIONAL SERVICES CONTRACTS**

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## 1 PURPOSE

This report provides an update to the committee members on the status of Council's existing professional service contracts with MWH (NZ) Ltd.

## 2 EXISTING PROFESSIONAL SERVICE CONTRACTS

As members will be aware Council divested its in-house business unit "Tasman Consultancy" in March 2000 and at the same time tendered its professional services for utilities and transport activities. The divestment and the tender for professional services were both awarded to MWH (NZ) Ltd commencing from 1 April 2000.

Contract 461 was a five-year contract for professional services for both utilities and transport activities. Near the end of the five-year contract term Council made the following decisions regarding different parts of the professional contract.

- a) Utilities professional services were extended for three years on a negotiated basis with a contract termination date of 30 June 2008.
- b) The transport professional services were extended for eighteen months to 30 September 2006 while Council was involved in exploring possible collaboration with Transit NZ for professional and contract services.

Council has not proceeded with formal collaboration with Transit NZ at this stage and consequently re-tendered the transport professional services component of contract 461 in mid 2006 under a new contract 682. This contract was competitively tendered in accordance with Land Transport NZ competitive pricing procedures and was awarded to MWH (NZ) Ltd from 1 October 2006 for a period of three years with extension out to a maximum of five years subject to satisfactory performance. Therefore the current maximum termination date for contract 682 for transport services is 30 September 2011.

Contract 461 for Utility Professional Services (water, wastewater, stormwater, refuse, rivers) has another twelve months to run. Staff will be reviewing procurement options for professional services beyond 30 June 2008 for the committee's consideration at its next meeting.

## 3 TDC – MOTUEKA OFFICE – SERVICING BY ENGINEERING STAFF

Since the divestment in April 2000 MWH (NZ) Ltd have provided temporary engineering staffing at the Motueka Service Centre on the basis of two half-days per week. This has generally been a satisfactory arrangement to allow a competent engineering staff member

to respond directly to public inquiries within Motueka. As a result of the customer services changes within TDC Engineering Services staff member David Cresswell's job description has been varied. David was formerly the Engineering Customer Services Officer however his job description is now Engineering Technical Support Officer. His new duties include providing the two half-day services at the Motueka Service Centre. This replaces the service previously provided by MWH (NZ) Ltd under contract 461.

This change in service has been running for some weeks now and is proving to be effective for both the department and the Motueka office.

#### **4 RECOMMENDATION**

**THAT this report be received.**

Peter Thomson  
**Engineering Manager**