
CBD Cleaning and Waste Management Service

1. The Proposal

It is proposed that the budget for the Central Business District (CBD) street cleaning be increased by \$800k to \$4.2m in order to improve service confidence for the period leading up to and during Rugby World Cup (RWC) 2011, and by \$450k thereafter.

2. Proposal Costs

Outline project costs per year										
Project Component	Operating expenses \$000									
	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
Proposed	3,625	4,200	3,850	3,850	3,850	3,850	3,850	3,850	3,850	3,850
Current LTCCP	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400
Total increase in cost	225	800	450	450	450	450	450	450	450	450

3. Project Outline

In 2006 Excell (now Transpacific) won the contract, but the tender price was \$1.1m above the budget. The service levels were reduced to match the budget with lower standards of cleaning in certain areas. The work covers CBD Street cleaning including pedestrian walkways and malls, sumping as well as rubbish and recycling collection.

There is underlying concern that the CBD is not being maintained in a state of cleanliness expected to meet the challenges posed by the projected inflow of more than 20,000 visitors during 2011 as well as numerous planned events expected to take place before, during and after the RWC.

If the level of service is to be elevated to the contractual standard and meet the increased demand for service in 2011, additional resources need to be deployed with the corresponding increase in costs.

The current contract price is in the region of \$3.4 million but early indications are that a renegotiated contract would result in a cost increase of around \$450k per annum to a base contract price of \$3.85m plus consumer price index (CPI) and unknown variations for the events associated with RWC.

It is proposed that Council initiative the higher contractual standard of service half way through 2010/11 (reducing the \$450k per annum to \$225k for 2010/11) to ensure the required service level is 'up and running' smoothly six months out from the RWC.

We anticipate that the additional variation to meet the pick up in demand in service during 2011 be in the vicinity of \$350k.

We need to bring the level of service to the expected standard during 2010/11 financial year and ensure that our CBD is ready for the challenge.

4. Recommendation

Street cleaning service levels in the CBD can be improved only by deployment of additional resources. This has been market tested twice.

It is therefore recommended that the budget for the CBD contract be increased to \$3.85m in 2010/11 whilst a further \$350k be allocated in 2011/12 to cover the number of events scheduled to take place during the RWC.