

## Appendix 'Y'

### An Outline of How the Council Delivers this Service



## 1. The Council's Chosen Approach

The Council uses a multi-pronged approach to the delivery of its land transport responsibilities.

- a) It employs a Roading Asset Manager, who has responsibility for the roading assets.
- b) Maintenance work is contracted out (increasingly on a performance basis). This includes a Maintenance Alliance Contract covering the South Eastern Area of the District.
- c) Management of the various maintenance contracts and of network contract issues and queries is via the Council's in-house professional services Area Engineers' Business Unit.
- d) Higher level professional services have been outsourced to an external consultant (MWH NZ Ltd).
- e) Any work that falls outside the professional services contract or the roads maintenance contracts is either negotiated separately, or competitively tendered on a case-by-case basis according to scope, location, contractor availability and complexity.
- f) The Council owns and manages a gravel pit/quarry – and it intends to continue to do so.

The reasoning behind this is that metal sources are very strategic to the Council's requirements and the Council's continuing ownership ensures that there is a degree of rigour in the marketplace. Stewart Island is a case where appropriate metal is very hard to acquire, although a private quarry with reasonable material has recently opened up there.

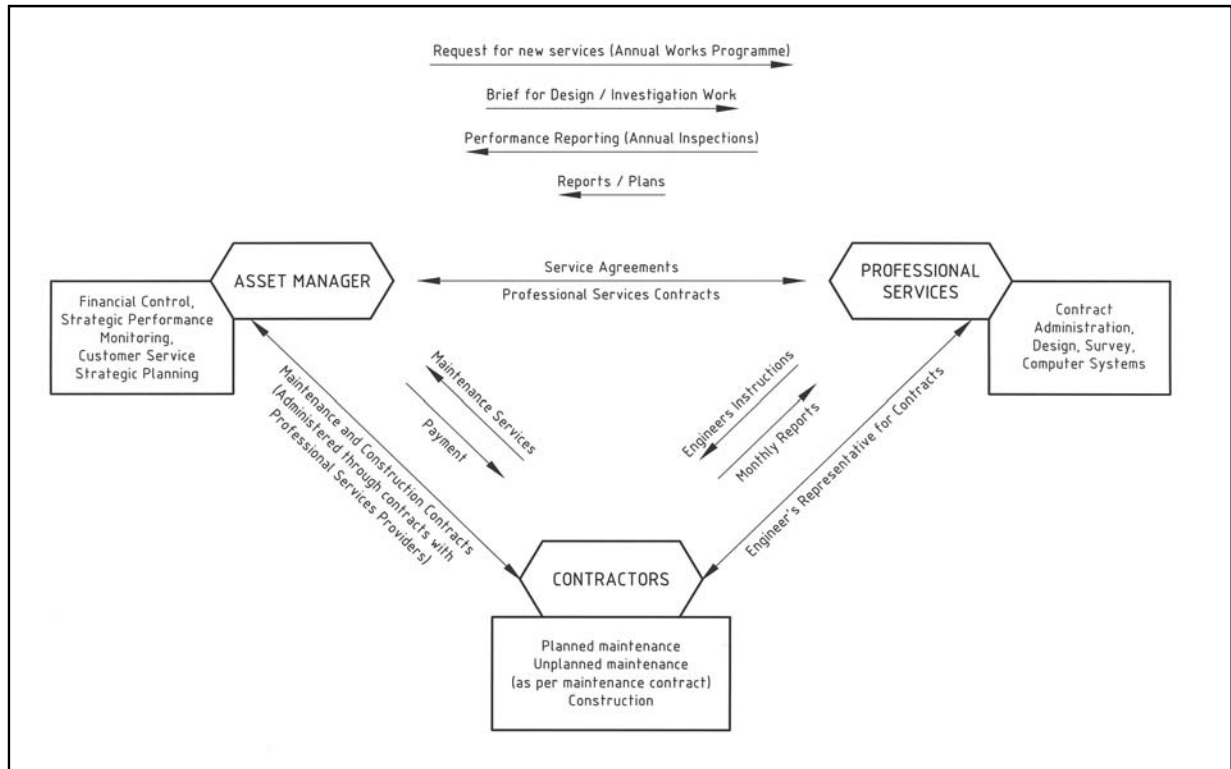
The current maintenance, construction and professional services contracts are summarised in Table Y1, and the roles and responsibilities of the respective parties are shown schematically in Table Y2.

**Table Y1 Schedule of Physical Works and Professional Services Contracts**

Roles	Responsibilities in Each Area		
Asset Management, Policy and Advocacy	Southland District Council – Roading Asset Manager.		
Professional Services – Projects and Higher Level Asset Management	MWH New Zealand Ltd (period of contract expired March 2009 but has been extended 12 months to March 2010)		
Professional Services – Routine Maintenance Activities and Network Controls	In-house Business Unit of SDC Area Engineers. Services provided to Asset Manager through an annual service agreement.		
Asset Maintenance <ul style="list-style-type: none"> <li>• Carriageway</li> <li>• Road Verges</li> <li>• Footpaths</li> <li>• K &amp; C</li> <li>• Bridges</li> <li>• Marker Posts</li> <li>• Vegetation Control (noxious plants)</li> </ul>	North Western Area (Te Anau, Five Rivers, Waikaia and Tuatapere Wards).  SouthRoads (contract expires 31 March 2010 with potential renewal to 31 March 2012).	Central: (Wallace, Winton, Riverton and Wallacetown Wards).  Fulton Hogan (contract expires 30 June 2011 with potential renewal to 30 June 2014).	South Eastern Area (Toetoes, Waihopai, Te Tipua and Stewart Island Wards).  Foveaux Alliance between SDC and Fulton Hogan (first year expired 31 September 2008 and was rolled over for 6 years).

Roles	Responsibilities in Each Area		
Street Lighting	District maintenance contract: Network Electrical Services (initial contract expired 30 September 2006 with renewals extending this to 30 September 2009).		
Pavement Rehabilitation	Competitively tendered in packages, each year, dependant on annual programme.		
Reseals	Three annual reseal contracts (as above North Western, Central, South Eastern). Reseal of all of Stewart Island is a separate contract over due for completion.		
Signs Maintenance	District maintenance contract: Hawkins Building Contractors (contract expired 30 June 2009 but was extended by 12 months to 30 June 2010).		
Pavement Marking (long-term performance based contracts)	North Western Area (Te Anau, Five Rivers, Waikaia and Tuatapere Wards).  Delta Utility Services (contract expires 30 September 2013 subject to rollovers).	Central: (Wallace, Winton, Riverton, and Wallacetown Wards).  Downer EDi Works (contract expires 30 September 2012 subject to rollovers).	South Eastern Area (Toetoes, Waihopai, Te Tipua ).  Delta Utility Services (contract expires 30 September 2013 subject to rollovers).
Work Outside Present Contracts	Negotiated or tendered on a case-by-case basis according to scope, location, contractor availability and complexity, and in accordance with Council procurement policy and relevant NZTA Competitive Pricing Procedures, i.e. Maintenance of Hollyford Road which is a special purpose road remote from the rest of the network.		

Table Y.2 Schematic Illustration of Roles and Responsibilities



## 2. Issues

### Alliancing Maintenance Contracts

The pros and cons of this type of contract are being considered to see if they produce a greater benefit to the District overall, and are worth applying to further contracts.

### Ownership of Gravel Pits

There needs to be ongoing review of Council's ownership of these resources including consideration of the costs and risks of ownership verses the strategic importance in some areas.

### Quality Audits

Consideration needs to be given to the development of quality audits and non conformance reporting system to monitor quality. Also any NZTA Audit actions to be flagged in Action Plan.

### 3. Future Action and Improvements

#### Schedule Future Improvement Priorities

Ref. No.	Item	Appendix Relative Urgency						Comments
		1	2	3	4	5	6	
Y1	Examine benefits of Alliance style contracting							Complete. Any change in thinking will be captured in the Procurement Strategy.
Y2	Continue to review strategic ownership of gravel reserve					✓		Refer also to Q1.
Y3	Consideration needs to be given to the development of quality audits and non conformance reporting system to monitor quality. Also any NZTA Audit actions to be flagged in Action Plan.					✓		NZTA audit actions are acted upon and implemented. Non conformances are addressed within the individual contracts.

Key:

- 1 = Extremely urgent (needs to be addressed now)
- 2 = Very urgent
- 3 = Urgent
- 4 = Reasonably or fairly urgent