



Report 04.221
Date 19 April 2004
File WB/03/01/18

Committee Rural Services Wairarapa Committee
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AHB Vector Management Contract

1. Purpose

To provide an overview of the proposed new Vector Management contract for Bovine Tb with the Animal Health Board.

2. Background

A small group representing Regional Councils has been working with the Animal Health Board (AHB) on the development of a new Vector Management contract. Deliberations have been underway since mid 2003. Professional advice has been utilised extensively by both parties.

There have been considerable delays reaching some form of consensus on the new contract document due to its size and complexity. The AHB required the document to align with their new Business Strategy and Systems programme. This has resulted in a very lengthy (80 pages) document, including the introduction of new specifications and reporting requirements.

3. Negotiations

A draft of the contract was presented in December 2003 to all Regional Councils involved in Vector Management for review and comment. Submissions subsequently forwarded to the AHB resulted in a number of changes.

On 10 March 2004, Barry Harris, Colin Wright and the writer meet with the CEO of the AHB, William McCook, to discuss outstanding issues that concerned this Council. The main issues discussed included –

- ◆ The transfer of financial risk to the Council in relation to vector control contract failure;
- ◆ The inclusion of the AHB as a joint party to Council's liability insurance;
- ◆ The extent of AHB control over Council's vector control contractors;

- ◆ The lack of enforcement powers available to the Council, and the need for the AHB to develop and implement a clear enforcement policy;
- ◆ The lack of flexibility in the contract for ‘force majeure’ events; and
- ◆ The limited term of the contract.

Progress has subsequently been made with the following –

- ◆ transfer of financial risk – a new clause has been added that reduces the risk to Council should a vector control contractor fail to achieve the required works. However, the risk reduction is limiting in its extent;
- ◆ insurance – joint insurance is not now required. The Council’s insurance brokers have been asked for advice on other new insurance related clauses;
- ◆ enforcement – we have been advised that the AHB intend to prepare an Enforcement Policy this calendar year;
- ◆ contract term – the AHB have indicated that the contract will be for a two-year term, ending 30 June 2006. Indications are that Vector Management contracts are likely to be fully contestable thereafter.

The AHB was not prepared to make any further changes to the contract. A number of issues still remain, particularly the linkage of the proposed Vector Control Contracting Procedures with the new Vector Management contract. These will be discussed with the AHB and resolutions sought before committing to the new contract.

4. Comment

The Council has been managing vector control in the region since taking over the former Pest Control Board activities in 1989. For most of this period, the Council has been operating vector management in terms of a contract agreed with the AHB.

On balance, it is considered that the region will be best served by the Council continuing to manage this work.

5. Vector Management Capacity

The new contract will place considerable pressure on our small Vector Management team, due to the significantly increased planning and reporting requirements, and the need to manage the vector control contracting process within tighter timeframes. Contractor audit demands will increase as more

input contracts (ferret and wildlife surveys) are included. Vector Management resource needs will be regularly reviewed.

6. Communications

It is not considered appropriate to specifically communicate publicly on this matter.

7. Recommendation

That the report be received and the Committee note that the Council's Chief Executive will only sign the new Vector Management contract when satisfied that all material issues have been resolved.

Report prepared by:

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