

Subsequent Business Paper



Ordinary Meeting of Council

to be held at

Council Administration Centre

180 Mort Street, Lithgow

on

Monday 22 September 2025

at 6:30 PM

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1. Administration Reports

1.1. I&PD - 22/09/2025 - Professional Services Tender

Strategic Context for this matter:

Developing Our Built Environment: To provide a choice of effective public and private transport options, suitable entertainment and recreational facilities, and lifestyle choices while enhancing the existing rural areas, villages and towns that make up the Lithgow LGA.

Author: Jonathon Edgecombe - Director of Infrastructure and Project Delivery

Responsible Officer: Jonathon Edgecombe - Director of Infrastructure and Project Delivery

Executive Summary

This report summarises the tender evaluation process that has been undertaken for Professional Engineering Support Services (2025/26 - 2027/28). The package covers support services associated with the delivery of Council's asset management continuous improvement initiatives and the delivery of its yearly renewal programs.

For 2025/26, the project will be funded by a combination of the Disaster Recovery Funding Arrangements (DRFA), Council's approved Special Rate Variation, and General Revenue. From 2025/26 onwards, assuming an average road renewal program value of \$12 million, the yearly cost of \$561,700 equates to approximately 4.7% of the program value. This is well within the standard project management allowances of between 8-12%.

Administration's Recommendation

THAT Council:

1. Note the tender evaluation and the attached Confidential Evaluation Report for the Professional Engineering Support Services Tender (25/26 - 27/28).
2. In accordance with Clause 178 (1)(a) of the Local Government (General) Regulation 2021, accept the tender submission from Shepherd Services Pty Ltd for the total tendered amount of \$1,609,464 (ex GST).
3. Authorise the General Manager to execute the contract on behalf of Council under delegated authority.

Attachments

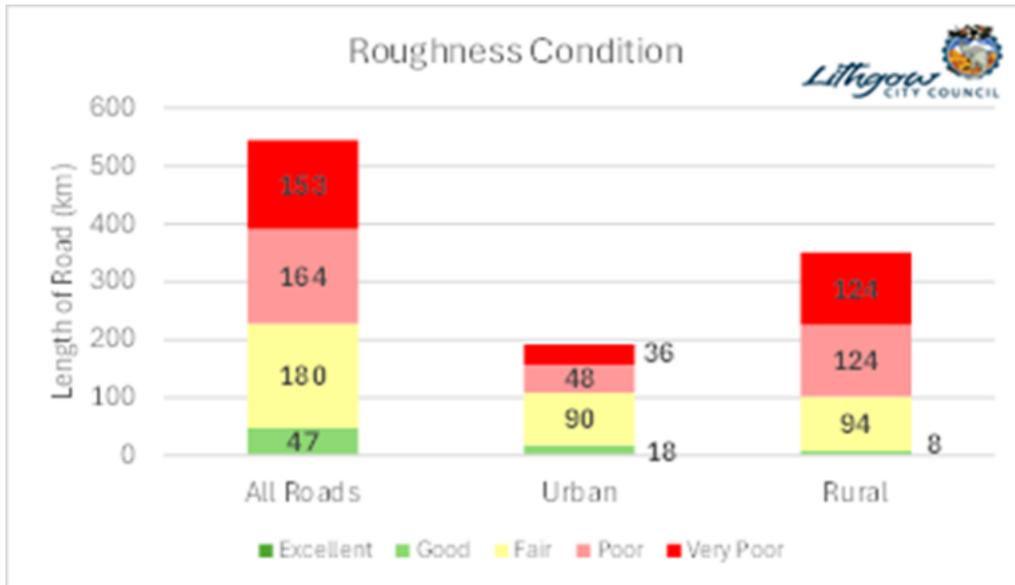
1. CONFIDENTIAL - Professional Services Tender Evaluation Report [1.1.1 - 26 pages]

Reference to any relevant previous minute

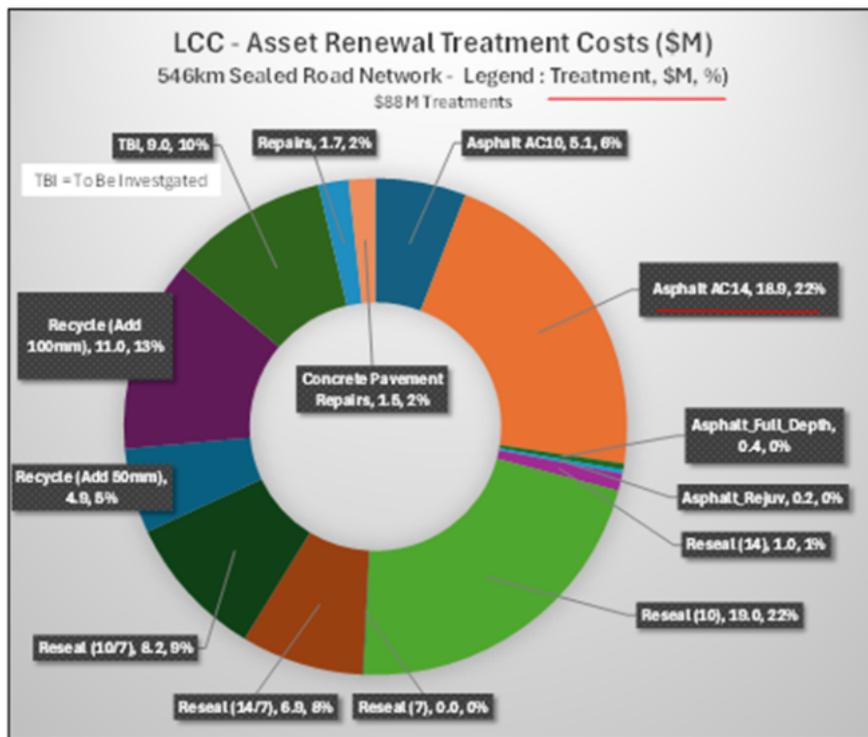
Min. No. 25-210 – Ordinary Meeting of Council held on 25 August 2025 (I&PD - 25/08/2025 - Infrastructure Committee Meeting Minutes - 5 August 2025)

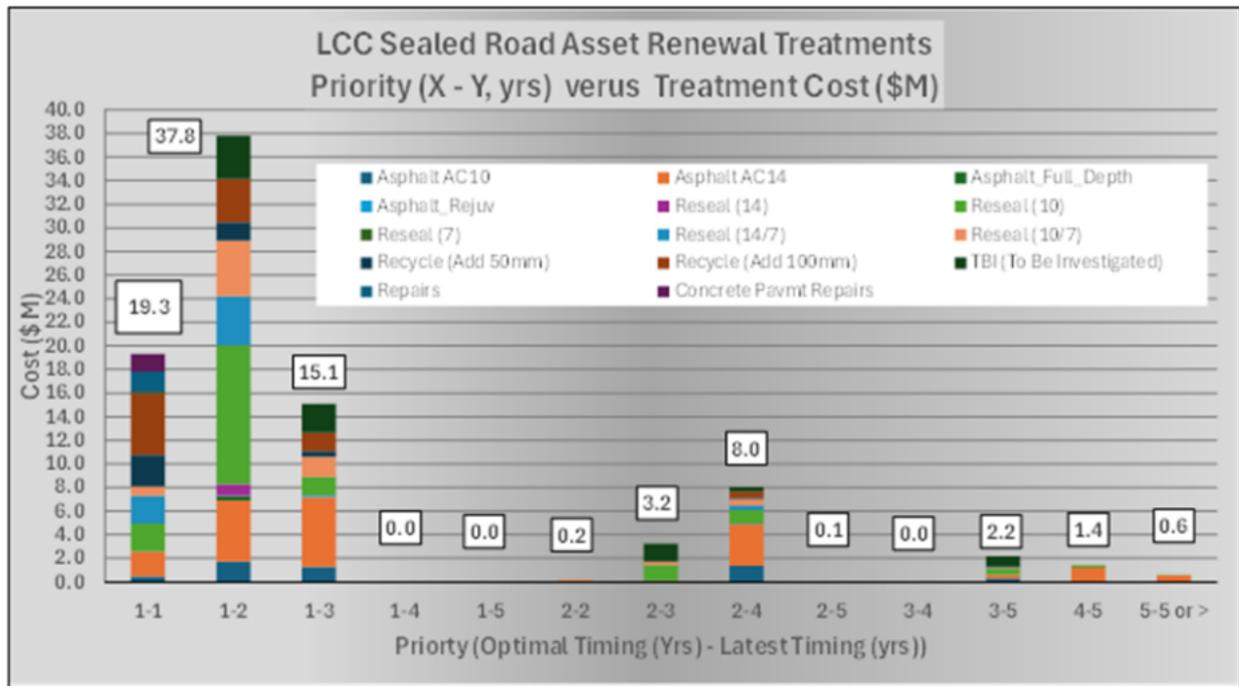
Background and discussion

Lithgow City Council is facing a significant challenge with approximately 50% of its sealed road network is in poor or very poor condition, with an estimated renewal backlog of \$88 million. This can be broken up into the following Roughness Condition Index:



Over the past 18 months, Council has demonstrated significant leadership in walking up to this issue through the engagement of specialist consultants to work alongside Council staff to quantify the challenge through advanced condition assessment, strategic planning, and preliminary design work. This has resulted in the following preliminary renewal and treatment strategy, currently subject to validation through Falling Weight Deflection and invasive pavement testing in select locations.





It is clear to Council and our community that historic practices of asset renewal and maintenance have been sub-optimal, as a result of Council's resource constraints. This concern has been amplified by the impacts of natural disasters, of which Council has suffered through almost a dozen declared disasters in quick succession. Both factors have culminated in a troubling and unsustainable position with respect to Lithgow's road network condition.

To maintain momentum and shift from planning to delivery, Council requires continued expert assistance to work alongside Council staff, embed best-practice asset management practice, and support the professional development of works teams within the organisation. It is expected that this will require an initial three-year engagement for 2025/26 through to the end of 2027/28, to implement the following:

- a blended approach wherein expert technical specialists are engaged to work alongside Council staff to assist with program delivery and technical support relating to the Council's endorsed asset repair and renewal program,
- development and implementation of a 3-year road renewal program and perpetual testing,
- investigation, procurement and delivery process, and
- staff development and process improvement.

Further detail regarding project scope is included below.

While this scope proposes a three-year engagement from 2025/26 through to the end of the 2027/28 financial year, there is also the opportunity for the extension of this engagement for a further two years, in one-year increments, at Council's discretion.

This project will support better asset management planning and prioritisation of funding in long-term financial plans, thereby optimising council expenditure, addressing asset vulnerabilities, building resilience to climate-related risks and natural disasters and reducing local government exposure to legal and financial liabilities.

Tender Process

A Tender Evaluation Panel (TEP) was formed, consisting of the following staff:

Name	Position	Role on TEP
Jonathon Edgecombe	Director Infrastructure and Project Delivery	Chair
Paul Creelman	Transport Manager	Member
Jim McGee	Principal Civil Engineer – Roads	Member

In accordance with the tender evaluation plan, it was determined that tender responses would be evaluated based on the following criteria:

- Value for money (30%),
- Proposed Methodology and Delivery Method (25%),
- Organisational Experience (20%),
- Key Personnel and Experience (25%), and
- Relevant Insurance (Compliance – yes or no).

A local preference ranking was not used as there are no suitable local contractors or consultants able to provide these services. This was evidenced by the lack of any local companies making a submission for this tender.

Council called for open tenders on 21 August 2025, and four (4) responses were received by the tender closing time, 5:00pm on 12 September 2025. These were received from the following companies:

- JJ Ryan Consulting Pty Ltd,
- Shepherd Services Pty Ltd,
- ARRB Group Ltd, and
- GHD Pty Ltd.

Tender Evaluation

The TEP reviewed the submissions and met on 16 and 17 September 2025 to discuss the proposals.

The table below provides a summary of the TEP's average scoring against the evaluation criteria. A detailed Tender Evaluation Report has been provided to all Councillors as a confidential attachment to this report. Please note that the attachment contains information that is commercial-in-confidence.

- **JJ Ryan Consulting Pty Ltd** submitted a non-conforming bid as it was missing both a Lump Sum Fee and an indicative monthly cashflow model. This submission was still subjected to a non-price assessment as a sentiment check against non-cash criteria and to determine whether the submission warranted follow-up clarification.

Tenderer (in order of ranking)	Overall Score (out of 100)
Shepherd Services Pty Ltd	86.1
GHD Pty Ltd	71.9
ARRB Group Ltd	62.5
JJ Ryan Pty Ltd	Non-conforming

According to the above table, Shepherd Services Pty Ltd achieved the highest score in the evaluation. In addition to submitting the lowest tender price, Shepherd Services Pty Ltd demonstrated a sound understanding of similar projects and significant Local Government and State Government experience, with many current employees having worked for Councils previously. The

company has previously been engaged by Council to successfully deliver its road condition assessment program. Shepherd Services Pty Ltd has also completed very similar projects for several other Councils across NSW and Queensland. Referees at Lachlan Shire Council were contacted and provided verification of the experience and expertise of Shepherd Services to deliver this project for Lithgow Council.

Consultation and Communication

Previous updates have been provided at the following sessions:

1. Councillor Information Session on 4 February 2025.
2. Audit Risk and Improvement Committee on 3 June 2025.
3. Infrastructure Committee Meeting of 3 June 2025.
4. Infrastructure Committee Meeting of 17 June 2025.
5. Infrastructure Committee Meeting of 5 August 2025.
6. Tourism Committee Meeting of 20 August 2025.

This is an ongoing, exciting project that is evolving regularly. The Administration will continue to report on the progress of this important initiative at the Infrastructure and Finance Committees and, as well as at Councillor Information Sessions, as required.

Policy

The tender process was undertaken in accordance with Policy 1.4 - Tendering and Policy 1.7 - Local Procurement. It also generally aligns with the requirements of Policy 1.5 - Asset Management.

Legal

The subject matter of this report is a function of Council conferred by Section 55 of the *Local Government Act 1993* and Part 7 the *Local Government (General) Regulation 2021*.

The project is subject to a thorough assessment of key environmental issues by way of formal Review of Environmental Factors, to ensure compliance with the *Environmental Planning and Assessment Act 1979*.

Risk Management

Not other than those risks identified within the report.

Financial

- Budget approved - \$15,603,207
- Cost centre – Various – all road rehabilitation, reseal, and reconstruction projects
- Expended to date - \$62,642
- Future potential impact - Full expenditure of \$1,609,464 (ex GST) over the three financial years of 25/26, 26/27 and 27/28.