

Subsequent Business Paper



Ordinary Meeting of Council

to be held at

Council Administration Centre

180 Mort Street, Lithgow

on

Wednesday 28 January 2026

at 6:30 PM

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1. Administration Reports

1.1. LATE REPORT - I&PD - 28/01/2026 - TEN 16 25 Tender Evaluation Report for Pavement Rehabilitation & Sealing - Magpie Hollow Road - TEN 16/25

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: Nimalika Wijetunga – Project Officer

Responsible Officer: Jonathon Edgecombe - Director of Infrastructure and Economy

Executive Summary

This report summarises the tender evaluation process undertaken for the Pavement Rehabilitation & Sealing at Magpie Hollow Road project tender number TEN16/25.

The project is co-funded under the NSW Disaster Recovery Funding Arrangements for Essential Public Asset Restoration works and Council revenue sources, with a total project budget of \$1,694,976. (DRFA Funding amount \$320,237 and Council Funding amount \$1,374.739).

Administration's Recommendation

THAT Council:

1. In accordance with Clause 178 (1)(b) of the Local Government (General) Regulation 2021, declines to accept any of the tender submissions for Pavement Rehabilitation and Sealing at Magpie Hollow Road, tender number TEN16/25;
2. In accordance with Clause 178 (3)(e) of the Local Government (General) Regulation 2021, enter into negotiations with the highest ranked tenderer to confirm tendered pricing.
3. Authorise the General Manager to approve the outcome of the negotiations and execute a contract with the highest ranked tenderer, with the details reported to an upcoming Infrastructure Committee meeting.

Attachments

1. TE N 16 25 Pavement Rehabilitation& sealing for Magpie Hollow Rd - Confidential Tender Evaluation- [1.1.1 - 1 page]
2. TE N 16 25 Pavement Rehabilitation& sealing for Magpie Hollow Rd - Confidential Tender Evaluation- [1.1.2 - 1 page]

Background and discussion

This project covers the section of Magpie Hollow Road from 3.1km west of Great Western Highway, for a distance of 1.955km, and is a project identified in Council's ongoing road rehabilitation program. The project enables Council to maintain and improve the condition of the road network within the Lithgow Local Government Area.

The scope of works includes rehabilitation of the existing road pavement, sealing, shoulder construction, stormwater drainage replacement, clearing, road marking, and signposting. These works are essential for preserving the integrity of the road network, extending pavement life, and enhancing safety and serviceability for all road users. Magpie Hollow Road is a key route for

residents and commercial traffic; its rehabilitation will ensure continued accessibility and reduce future maintenance costs.

This project will be undertaken using Council's new approach to road renewal where we do not simply focus on those areas that have reached a critical point of failure. This project combines both the reactive and proactive measures by both reconstructing failed sections with DRFA funding (reactive) and renewing the full length of the road by application of a two-coat bitumen overlay (proactive). Alongside associated drainage renewals that will also occur, this approach ensures that driveability is immediately improved and that resilience is built back into the asset, for it to remain in good condition for much longer.

Overall, this rehabilitation and sealing project will significantly improve road safety, pavement longevity, and serviceability, supporting the Council's objective of maintaining a reliable and sustainable road network.

Tender Process

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

Name	Position	Role on TEP
Nimalika Wijetunga	Project Officer	Chair
Paul Creelman	Transport Manager	Member
Peter Fisher	Team Leader- Projects	Member
Cameron Shields	General Manager Civil and Disaster Recovery – Shepherd Services Pty Ltd	External Member

Council's Director of Finance and Governance, Vanessa Browning, acted as a Probity Officer and independently oversaw the tender process to ensure that Council's procurement processes were followed and the evaluation was carried out in a fair and transparent manner.

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

- Value for money (40%),
- Methodology (20%),
- Capacity (15%),
- Capability (12.5%), and
- Local Preference Policy (5%).

An open tender process was used to attract the maximum number of respondents for evaluation. The documentation was available for interested parties to download from Council's VendorPanel system from 12 December 2025. Eight (8) responses were received by the tender closing time at 5:00pm on 19 January 2026, from the following organisations:

- Doolan Company Pty Ltd,
- Dukes Earthmoving Pty Ltd,
- First Civil Pty Ltd,
- Gracey & Son Earthmoving,
- Gracey's Earthmoving & Excavations Pty Ltd,
- Green Civil Services Pty Ltd,
- Peter's Earthmoving Pty Ltd, and
- Stabilised Pavements of Australia Pty Ltd.

Tender Evaluation

The TEP reviewed the submissions and met on 21 January 2026 to discuss the proposals in accordance with the pre-determined evaluation criteria. The detailed result of this evaluation contains information that is commercial-in-confidence and is presented in the confidential attachment for Councillors, Tender Evaluation Scoresheet.

Stabilised Pavements of Australia Pty Ltd submitted a price proposal for only part of the scope (sealing works only); therefore, this submission was excluded from the final evaluation.

The recommended Tenderer scored highest on price, understanding of the project, proposed timeframe, proven experience and prior application of WHS and Environmental Management practices. Previous project reference checks verified the work performance detailed in the Tenderer's responses. This Tenderer also meets the requirements of Council's Local Procurement Policy.

At this stage all tender submissions are above the current budget allocation. Given the tight timeframe for reporting this to the January Ordinary meeting, and ensuring that works commence on the roads as soon as possible, the Administration recommends to Council that all tenders be declined, in accordance with Clause 178 (1)(b) of the Local Government (General) Regulation 2021.

It is further recommended that the TEP would then negotiate with all tenderers in accordance with Clause 178 (3)(e) of the Regulation. These negotiations would simply involve asking tenderers to confirm their pricing, using a spreadsheet that would be emailed to all tenderers to ensure consistency of response. Following the outcome of the negotiations, the Council would authorise the General Manager to approve the outcome of the negotiations and execute a contract with the highest-ranked tenderer. The results of this would then be reported back to Council at the next Infrastructure Committee meeting, alongside any budget variations required to ensure that the full road rehabilitation program is delivered within budget.

Note:

Councillors will note that the Tender Evaluation Spreadsheet attached to this report indicates that the recommended tenderer did not submit Professional Indemnity and Liability insurance as part of their tender submission; however, all other required insurances were submitted. While this is the case, it does not affect the conformity of his tender response, as the required insurances will be obtained from the recommended tenderer prior to contract award.

Consultation and Communication

Council has received many requests from residents for repair works on Magpie Hollow Roads and this has resulted in Council splitting the works into two stages to allow for repair works to commence as quickly as possible. Stage 1 of these works have substantially commenced.

Once the tender has been awarded, and the successful tenderer notified, the timing of the works will be communicated to the residents via letterbox drop and Council's social media channels.

Policy

The tender process was undertaken in accordance with Policy 1.4 - Tendering and Policy 1.7 - Local Procurement.

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

Council's Project Officer has undertaken a risk assessment of the project and identified real and perceived risks, and treatment strategies have been applied. The risk register will be updated over the course of the project.

Financial

- Budget approved - \$1,694,976, funded via the NSW Disaster Recovery Funding Arrangements and council funding.
- Cost Centre - PJ 100904, PJ 101025
- Expended to date - \$495,440
- Future potential impact – Construction Cost for this tender: \$880,995.11, in addition to projected internal projected management and ancillary works of \$555,040 will result in a projected shortfall of \$236,499.11. This shortfall is the result of a protracted DRFA approval process which saw Council's applications take 6 – 12 months from submission to approval. It is recommended that additional negotiation is undertaken to minimise the construction cost amount as far as is reasonably practicable. If required, a budget variation will be produced to ensure the full road rehabilitation program is delivered within budget.

1.2. LATE REPORT - I&PD - 28/01/2026 - Tender Evaluation - Pavement Rehabilitation and Sealing - Lowther Siding Road - TEN 17/25

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: Rohan Ranasinghe – Project Officer

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

Executive Summary

This report summarises the tender evaluation process that has been undertaken for the pavement rehabilitation and sealing at Lowther Siding Road. This work includes pavement excavation, sub grade compaction, base course overlay, two-coat sealing, road marking and signs.

The project is funded from both Disaster Recovery Funding Arrangements (DRFA) and Council, and the total budget is \$946,270 (DRFA funding amount \$305,728 and Council funding amount \$640,542).

Administration's Recommendation

THAT Council:

1. Note the tender evaluation for the Pavement Rehabilitation and Sealing at Lowther Siding Road.
2. In accordance with Clause 178 (1)(a) of the Local Government (General) Regulation 2021, accept the tender submission from Gracey & Son Earthmoving for the tendered amount of \$1,164,960.99 (ex GST).
3. Authorise the General Manager to execute the contract on behalf of Council under delegated authority.

Attachments

1. CONFIDENTIAL - TEN 17 25 Lowther Siding Road- Confidential Tender Evaluation- Master Score Sheet [1.2.1 - 1 page]
2. CONFIDENTIAL - TEN 17 25 Lowther Siding Road- Confidential Tender Evaluation- Final Score Sheet [1.2.2 - 1 page]

Background and discussion

Lowther Siding Road is a Lithgow City Council–owned road located at Lowther, with a total length of approximately 3.26 km. The existing pavement condition does not meet the required level of service, resulting in Council incurring ongoing annual maintenance costs.

The pavement condition was assessed by Council's engaged external consultant, Shepherd Services Pty Ltd. Following this assessment, the consultant recommended full pavement rehabilitation works to achieve the required level of service and improve the long-term performance of the road. Consequently, Council has resolved to undertake pavement rehabilitation works as part of Lithgow City Council's ongoing Road Rehabilitation Program to improve the road network within

the Local Government Area. The project is funded through the NSW Disaster Recovery Funding Arrangements (DRFA), together with a contribution from Council.

The scope of works includes profiling the existing pavement, subgrade compaction, placement of new base pavement, initial sealing of the base, sprayed bituminous surfacing, drainage cleaning, and installation of road signage.

This project will be undertaken using Council's new approach to road renewal where we do not simply focus on those areas that have reached a critical point of failure. This project combines both the reactive and proactive measures by both reconstructing failed sections with DRFA funding (reactive) and renewing the full length of the road by application of a two-coat bitumen overlay (proactive). Alongside associated drainage renewals that will also occur, this approach ensures that driveability is immediately improved and that resilience is built back into the asset, for it to remain in good condition for much longer.

These works are essential to preserve the integrity of the road network, extend pavement life, and enhance road safety and serviceability. Overall, this rehabilitation and sealing project will significantly improve road safety, pavement longevity, and serviceability, supporting Council's objective of maintaining a reliable and sustainable road network.

Tender Process

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

Name	Position	Role on TEP
Rohan Ranasinghe	Project Officer	Chair
Paul Creelman	Transport Manger, Transport	Member
Peter Fisher	Team Leader-Projects	Member
Cameron Shields	General Manager (Civil & Disaster)-Shepherd Services Pty Ltd	Member
Sarah Lewis	Executive Assistant to the Office of the General Manager & Mayor	Probity Advisor

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

- Value for money (40%),
- Methodology (30%),
- Capacity (15%),
- Capability (12.5%), and
- Local Preference Policy (2.5%).

Council called for open tenders on 12 December 2025, and seven (7) responses were received by the tender closing time, 5:00pm on 19 January 2026. These were received from the following companies:

- Doolan Company Pty Ltd,
- Dukes Earthmoving Pty Ltd,
- Gracey & Son Earthmoving,
- Gracey's Earthmoving & Excavations Pty Ltd,
- Green Civil Services Pty Ltd,
- Peters' Earthmoving, and
- Stabilised Pavements of Australia Pty Ltd.

Tender Evaluation

The TEP reviewed all submissions and there were six confirming submissions. Stabilised Pavements of Australia Pty Ltd submission was considered as a non-conforming submission. The TEP met on 21 January 2026 to discuss the proposals.

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

Tenderer	Overall Score (out of 100)
Doolan Company Pty Ltd	06
Dukes Earthmoving Pty Ltd	66
Gracey & Son Earthmoving	80
Gracey's Earthmoving & Excavations Pty Ltd	75
Green Civil Services Pty Ltd	50
Peters' Earthmoving	77

Gracey & Son Earthmoving, as the second lowest priced tenderer, demonstrated a sound understanding of the project scope, construction methodology, and associated risks. The contractor has previously been engaged by Lithgow City Council and has successfully delivered the Coxs River Road shoulder widening and resealing works. Gracey & Son Earthmoving has also completed similar works, including the Arkstone Road project for Oberon Council. Their past performance and relevant experience provide confidence in the contractor's capability to deliver the project in accordance with Council's requirements. A referee from LCC vouched for Gracey & Son Earthmoving quality of work.

Gracey & Son Earthmoving is based in Lithgow and meet the requirements of Council's Local Procurement Policy.

Consultation and Communication

Residents in the local area have been advised of the project and further direct communication will be issued once the tender is awarded.

Policy

The tender process was undertaken in accordance with Policy 1.4 - Tendering and Policy 1.7 - Local Procurement.

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

Council's Project Officer has undertaken a risk assessment of the project and identified real, and perceived risks and treatment strategies have been applied. The risk register will be updated over the course of the project.

Financial

- Budget approved - \$946,270 funded via both Council and DRFA
- Cost centre - PJ101024 and PJ100903
- Expended to date - \$ 68,994.
- Future potential impact – The tendered construction cost is \$1,164,960, resulting in a current budget shortfall of **\$287,684.90**. This shortfall is the result of a protracted DRFA application process wherein Council's applications took some 6 – 12 months from submission to approval. Over this time, deterioration spread and has increased the cost of repairs. This shortfall will be subject to further negotiations to minimise the variance as far as reasonably practicable. Project management costs and any potential additional works may further increase the projected shortfall. Expenditure for this project will be incurred partly within the current financial year, with the balance in the early part of the next financial year, at which time additional budget will be allocated for Council's consideration. Council is also negotiating with NSW Reconstruction Authority for a variation increase to the approved funding upper limit.

1.3. LATE REPORT - I&PD - 28/01/2026 - Draft Unformed and Unmaintained Roads Policy

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.

Responsible Governance & Civic Leadership To develop community confidence in the organisation by the way it is directed, controlled and managed.

Author: Jonathon Edgecombe - Director of Infrastructure and Project Delivery

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

Executive Summary

In response to the recent transfer of several Crown roads across the LGA to Council ownership and control, with specific reference being made to the primary access to 35 Honeysuckle Falls Road, the Infrastructure Committee requested the development of a draft Unformed and Unmaintained Roads Policy. This report is largely a duplicate of that which was presented to, and discussed by, that Committee on 22 January 2026.

For absolute public transparency, key properties/projects that are the subject of current discussion amongst Councillors and the Administration are detailed in the report.

Administration's Recommendation

THAT:

1. The draft Unformed and Unmaintained Roads Policy be placed on public exhibition for a period of 28 days.
2. If no submissions are received during the public submission period or in the General Manager's view the submissions do not warrant referral to Council, the Policy be adopted.

Attachments

1. DRAFT Unformed and Unmaintained Roads Policy [1.3.1 - 11 pages]

Reference to any relevant previous minute

Infrastructure Committee meeting held on 17 November 2025 - Update Honeysuckle Falls Road - Crown Roads Transfer.

Extra Ordinary Infrastructure Committee meeting held on 22 January 2026 - Unformed and Unmaintained Roads Policy.

Background and discussion

The draft Unformed and Unmaintained Roads Policy is attached for the Council's consideration to place on public exhibition. The intent of this policy is to guide Council decision making, contain the Council's costs of operation, and improve public transparency relating to Council's treatment of unformed and unmaintained roads across the local government area.

The policy will have particular relevance when considering how to respond to forced road transfers initiated by the Department of Planning, Housing and Infrastructure – Crown Lands. Notably, this relates to the most recent transfer of the southern Crown road providing access to 35 Honeysuckle Falls Road, Tarana. This road provides access to one residence only.

The Administration has taken into account the following considerations in preparing the draft policy:

- a. The terms contained within this draft policy mirror other similar policies across the Central West.
- b. Lithgow City Council has a significant renewal backlog that must be dealt with. The addition of any roads to the 'formed and maintained' list within its Roads Asset Register, without commensurate funding to support the transfer, will add to its financial strain.
- c. Still, Council is a public authority tasked with the management of roads in its LGA. Where roads are determined to provide a significant public benefit, the Council should consider forming and maintaining these roads.

The most consequential recommendations put forward in the draft policy include the following:

1. Noting that some historically maintained roads may not meet this criterion, as a general principle, road reserves servicing fewer than five (5) permanent residences will not be considered for classification as a formed and/or maintained road.

Please note that this clause (Clause 3 in the draft policy) will apply directly to the primary access to 35 Honeysuckle Falls Road. If endorsed by Council, this will require that the resident(s) maintain their access road as it does not provide broader public benefit. Council may perform work, however, it would be at the owner's cost.

2. All costs associated with Crown road closures or transfers, including survey, legal, gazettal, and agency fees, are to be borne by the applicant.

This clause (Clause 14 in the draft policy) responds to the fact that there are some circumstances where the public requests that Council seek the transfer of a road from Crown to private ownership. In such circumstances, those landowners receiving the benefit should cover the costs of doing so.

3. The Crown has demonstrated their intent to transfer any Crown road to Council that has been subject to any form of historic development approval (no matter how historic or small the development). This policy in its current form requires that if a DA is received from a property relying on Crown road access, and that development generates additional traffic, that Crown road must be upgraded to formed road standards as part of the DA conditions of consent. Conversely, if a development of a Crown road does not generate additional traffic, Council will apply a condition of consent noting that the Crown road will remain unformed and unmaintained.

This clause ensures that, if such a circumstance arises, ratepayers across Lithgow are not effectively subsidising the cost of development on Crown roads.

Alternatively, where the development does not increase the number of properties requiring the Crown road for access to greater than 5 properties, Council may instead include a condition of consent that notes that should the Crown transfer ownership, Council will class the road as 'unformed and unmaintained'.

This policy condition attempts to balance the overriding public interest against maintaining and upgrading former Crown roads, at Council's cost, after a forced transfer, while still allowing small sheds or house extensions to proceed.

Other specific provisions in the draft policy are listed below:

4. The Policy aligns with the Roads Act 1993, the Local Government Act 1993 and the Crown Lands Management Act (2016).
5. There are sections highlighted in yellow, which will be verified prior to public exhibition.
6. Moving forward, before any decision is made to change the classification of an asset, or assume ownership of an asset, the cost to upgrade it must be considered alongside maintenance and lifecycle costs, and the impacts of this change on existing renewal programs.
7. Where a Crown road reserve contains a road constructed and maintained by Council, Council will seek transfer of the reserve to Council ownership.
8. Where a Crown road provides the only legal and physical access to land, Council will not support closure of that road.
9. Prior to accepting transfer, Council must be satisfied that:
 - a. There are no fencing or other unapproved asset encroachments;
 - b. There are no enclosure permits or unresolved tenure anomalies; and
 - c. The road alignment is correct.

Consultation and Communication

Subject to the approval of Council, the draft Policy will be publicly exhibited for 28 days, and any submissions will be considered to determine if any significant changes are required. If no significant changes are required, the Policy will then be adopted and placed on Council's website. If significant changes are required, the amended Policy will be reported back to a future Council Meeting.

Policy

If adopted, the attached document will become a formal Policy of Council.

Legal

The draft Policy is consistent with, and informed by, the following legislation:

- Roads Act 1993 (NSW),
- Local Government Act 1993 (NSW), and
- Crown Lands Management Act 2016 (NSW).

Risk Management

The draft Policy will assist the Council to manage financial risks.

Financial

N/A

7. Closed Council

7.1. CONFIDENTIAL - LATE REPORT - I&PD - 28/01/2026 - Wolgan Road Variation Request

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

This report is CONFIDENTIAL in accordance with Section 10A(2) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following: -

- (d) commercial information of a confidential nature that would, if disclosed
 - (i) prejudice the commercial position of the person who supplied it, or
 - (ii) confer a commercial advantage on a competitor of the council, or
 - (iii) reveal a trade secret.