

Business Paper

DEMERGER TRANSITION COMMITTEE MEETING

COUNCIL CHAMBERS, GUNDAGAI

4PM, Tuesday 10th March, 2026

Administration Centres: 1300 459 689

NOTICE OF MEETING

A Meeting of The Demerger Transition Committee will be held in the Council Chambers, Gundagai on:

Tuesday, 10th March, 2026 at 4PM

The agenda for the meeting is enclosed.

Roger Bailey
Interim General Manager

Live Streaming of Meetings Statement

This meeting is streamed live via the internet and an audio-visual recording of the meeting will be publicly available on Council's website.

By attending this meeting, you consent to your image and, or, voice being live streamed and publicly available. Please refrain from making any defamatory statements.

Statement of Ethical Obligations

The Mayor and Councillors are bound by the Oath/Affirmation of Office made at the start of the Council term to undertake their civic duties in the best interests of the people of Cootamundra-Gundagai Regional Council and to faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the Local Government Act or any other Act, to the best of their skill and judgement.

It is also a requirement that the Mayor and Councillors disclose conflicts of interest in relation to items listed for consideration on the Agenda or which are considered at this meeting in accordance with Council's Code of Conduct and Code of Meeting Practice.

AGENDA

Order Of Business

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1 ACKNOWLEDGEMENT OF COUNTRY

Council acknowledges the Wiradjuri people, the Traditional Custodians of the Land at which the meeting is held and pays its respects to Elders, both past and present, of the Wiradjuri Nation and extends that respect to other Aboriginal people who are present.

2 APOLOGIES, LEAVE OF ABSENCE AND AUDIO-VISUAL ATTENDANCE REQUESTS**3 DISCLOSURES OF INTEREST**

4 CONFIRMATION OF MINUTES

4.1 MINUTES OF THE DEMERGER TRANSITION COMMITTEE MEETING HELD ON TUESDAY 24 FEBRUARY 2026

REPORTING OFFICER	Peter Bascomb, Demerger Transition Manager
AUTHORISING OFFICER	Roger Bailey, Interim General Manager
FINANCIAL IMPLICATIONS	There are no Financial implications associated with this report.
LEGISLATIVE IMPLICATIONS	There are no Legislative implications associated with this report.
POLICY IMPLICATIONS	There are no Policy implications associated with this report.
ATTACHMENTS	1. Minutes of the Demerger Transition Committee Meeting held on Tuesday 24 February 2026

RECOMMENDATION

That the Minutes of the Demerger Transition Committee Meeting held on Tuesday 24 February 2026 be confirmed as a true and correct record of the meeting.

Minutes

DEMERGER TRANSITION COMMITTEE MEETING

ALBY SCHULTZ MEETING CENTRE, COOTAMUNDRA

4PM, TUESDAY 24th February, 2026

Administration Centres: 1300 459 689

**MINUTES OF COOTAMUNDRA-GUNDAGAI REGIONAL COUNCIL
DEMERGER TRANSITION COMMITTEE MEETING
HELD AT THE ALBY SCHULTZ MEETING CENTRE, COOTAMUNDRA
ON TUESDAY, 24 FEBRUARY 2026 AT 4PM**

PRESENT: Cr Abb McAlister (Mayor), Cr Rosalind Wight (Deputy Mayor), Cr David Graham, Cr Penny Nicholson, Cr Ethan Ryan, Cr Gil Kelly

IN ATTENDANCE: Cr Collins, Cr Cooper, Cr Syed, Peter Bascomb (Demerger Transition Manager), Roger Bailey (Interim General Manager)

1 ACKNOWLEDGEMENT OF COUNTRY

The Chairperson acknowledged the Wiradjuri people who are the Traditional Custodians of the Land at which the meeting was held and paid his respects to Elders, both past and present, of the Wiradjuri Nation and extended that respect to other Aboriginal people who were present.

2 APOLOGIES, LEAVE OF ABSENCE, AND AUDIO-VISUAL ATTENDANCE REQUESTS

2.1 APOLOGIES

Nil

2.2 LEAVE OF ABSENCE

Nil

2.3 AUDIO-VISUAL ATTENDANCE REQUESTS

Nil

3 DISCLOSURES OF INTEREST

Nil

4 CONFIRMATION OF MINUTES

4.1 MINUTES OF THE DEMERGER TRANSITION COMMITTEE MEETING HELD ON TUESDAY 27 JANUARY 2026

COMMITTEE RESOLUTION

Moved: Cr Penny Nicholson

Seconded: Cr Gil Kelly

That the Minutes of the Demerger Transition Committee Meeting held on Tuesday 27 January 2026 be confirmed as a true and correct record of the meeting.

CARRIED

5 GENERAL MANAGER'S REPORT

5.1 GENERAL MANAGER OFFICE

5.1.1 COMMITTEE MEETING SCHEDULE

COMMITTEE RESOLUTION

Moved: Cr Penny Nicholson

Seconded: Cr Ethan Ryan

That the Committee:

1. Alter its meeting schedule to be the second Tuesday of the month at a time to be determined by the Interim General Manager in consultation with the Chair prior to the issuing of the Committees business papers.
2. Reschedule its next meeting to be on Tuesday 10 March 2026.

CARRIED

Cr Syed arrived at 4:08pm.

5.1.2 FORMAL APPROVAL OF SOFTWARE ACQUISITION

COMMITTEE RESOLUTION

Moved: Cr Gil Kelly

Seconded: Cr David Graham

The Committee recommends that Council:

1. Formally endorses the acquisition and implementation of Civica Altitude ERP and Magiq EDMS software systems for the proposed Cootamundra and Gundagai councils
2. Approve exemptions, under section 55(3)(i) of the Local Government Act 1993, to the tendering requirements for the reasons stated in the report.

CARRIED

Cr Wight arrived at 4.11pm.

5.1.3 DISPUTE RESOLUTION PANEL MEMBERSHIP EXPRESSION OF INTEREST

COMMITTEE RESOLUTION

Moved: Cr Penny Nicholson

Seconded: Cr Ethan Ryan

That the Committee approves the Expression of Interest documentation for the Chair and Members of the Demerger Transition Dispute Resolution Panel attached to this report.

CARRIED

The Meeting closed at 4.22pm.

CHAIRPERSON

GENERAL MANAGER

5 GENERAL MANAGER'S REPORT

5.1 GENERAL MANAGER OFFICE

5.1.1 MODIFICATION TO THE COMMITTEE'S MEETING SCHEDULE

DOCUMENT NUMBER	460337
REPORTING OFFICER	Peter Bascomb, Demerger Transition Manager
AUTHORISING OFFICER	Roger Bailey, Interim General Manager
RELEVANCE TO COMMUNITY STRATEGIC PLAN	4. Collaborative and progressive leadership 4.2 Proactive, practical Council leaders who are aligned with community needs and values
FINANCIAL IMPLICATIONS	There are no Financial implications associated with this report.
LEGISLATIVE IMPLICATIONS	There are no Legislative implications associated with this report.
POLICY IMPLICATIONS	There are no Policy implications associated with this report.
ATTACHMENTS	Nil

RECOMMENDATION

That the Committee modify its meeting schedule as follows:

1. The May meeting be held on Tuesday 5 May 2026 rather than the scheduled 12 May.
2. The June meeting be held on Tuesday 16 June 2026 rather than the scheduled 9 June.

Introduction

The Demerger Transition Manager (DTM) will be on leave on the dates of the currently scheduled May and June meetings. This report provides for the rescheduling of those meetings.

Discussion

At its February meeting the Committee changed its meeting schedule to be the second Tuesday of each month.

Given the DTM's planned leave and the requirement for the Committee to meet to ensure the continued progress of the demerger transition, it is recommended that the May and June meetings be rescheduled.

Examples of the time-critical agenda for the Committee are:

- May: Determine the successful contractor for the updated financial sustainability plan (FSP) and associated documentation.
- June: Initial meeting with the FSP contractor.

Financial

As the proposed meetings do not align with Council's scheduled workshops, members of the Committee may need to make an additional travel expense claim.

OLG 23a Guideline consideration

N/A

5.1.2 FINANCIAL SUSTAINABILITY PLAN

DOCUMENT NUMBER	459920
REPORTING OFFICER	Peter Bascomb, Demerger Transition Manager
AUTHORISING OFFICER	Roger Bailey, Interim General Manager
RELEVANCE TO COMMUNITY STRATEGIC PLAN	4. Collaborative and progressive leadership 4.2 Proactive, practical Council leaders who are aligned with community needs and values
FINANCIAL IMPLICATIONS	There are no additional financial implications associated with this report.
LEGISLATIVE IMPLICATIONS	There are no Legislative implications associated with this report.
POLICY IMPLICATIONS	There are no Policy implications associated with this report.
ATTACHMENTS	<ol style="list-style-type: none"> 1. Tender Specification ↓ 2. Tender Response Schedules 3. Tender Evaluation Procedure 4. Tender Evaluation Worksheet

RECOMMENDATION**That the Committee:**

- 1. Endorses the Request for Tender documentation attached to this report, including the Scope of Works and Tender Evaluation Procedure, for an updated Financial Sustainability Plan plus a Long-Term Financial Plan and Revenue Policy for each of the proposed successor councils.**
- 2. Recommends that Council delegates to the Committee the authority to appoint the preferred consultant.**

Introduction

This report seeks the Committee's endorsement of the Scope of Works for a consultancy to prepare updated financial plans for the proposed successor councils.

Discussion

A financial sustainability plan (FSP) was prepared by Always Thinking Advisory in 2024 and updated early 2025 as part of Council's submission to the Boundaries Commission. As such the FSP formed a critical basis for the Minister's approval of the demerger and is also a critical part of the documentation required for the preparation of the Proclamation. Most importantly the FSP, and its derivative documentation, is critical to the viability of the successor councils.

Since the FSP was drafted Council has prepared new asset management plans (AMPs) and is in the process of updating its service catalogue with more pragmatic service levels. The FSP was also based on some assumptions that need to be reviewed based on the evolution of CGRC finances, to

be reflected in the FY26 annual statements, and the planning for the demerger, including the development of draft organisation structures in June / July.

It is therefore necessary for the FSP to be reviewed and updated, not the least to ensure the SVs to be applied by the successor councils are calculated using the most recent information.

The OLG has indicated that if the required SVs are greater than those identified in the 2024 FSP then further community consultation may be required. This consultation has been included in the scope of works as an option.

Once the Committee is satisfied with the updated FSP, the Scope of Works requires that the appointed consultant then drafts a long-term financial plan and revenue for policy for each of the successor councils.

In reaching their decision Committee members should pay particular attention to the scope of works included in the tender specification (attachment 1) and the tender evaluation procedure including the membership of the tender evaluation panel (attachment 3).

Financial

This work will be funded from Council's allocated demerger budget and will have no additional impact on Council's budget.

OLG 23a Guideline consideration

N/A

Schedule 3 Specification

1 Introduction

Cootamundra Gundagai Regional Council (CGRC) was formed in May 2016 by the merger of the former Cootamundra & Gundagai Shire Councils (the successor councils). The merger has never been supported by the communities and after multiple reports, submissions and NSW Boundaries Commission inquiries the Minister for Local Government, in June 2025, approved the demerger of CGRC.

The Minister, in his announcement approving the demerger, made it clear that CGRC is wholly responsible for preparing everything necessary to demonstrate that the proposed Cootamundra and Gundagai Councils will be operationally effective and financially sustainable from day 1 of their creation, currently scheduled to be 1 July 2027.

Most of the financial sustainability work, and the planning for operationally effective organisations, must be completed by 1 December 2026 to enable the documentation to be adopted by Council and submitted to the Minister for preparation of the Proclamation required to create the successor councils..

Council is therefore commissioning an independent Financial Sustainability Plan (FSP) and other documentation to extend and refine the FSP submitted to the 2025 Public Inquiry that preceded the Minister's approval of the demerger.

1.1 Background Information

In May 2016, the Cootamundra Gundagai Regional Council (CGRC or the Council) was formed through an amalgamation of the Cootamundra and Gundagai Shires.

Like many rural and regional Councils, the predecessor councils reported various levels of deficit in the years preceding the 2016 merger. CGRC has continued to struggle financially, continuing to report operating deficits and insufficient funds to match its externally and internally restricted reserves.

The FY25 audited Annual Statements can be found [here](#), while the FY26 Q2 Quarterly Budget Review was included in Council's February 2026 business paper, available [here](#).

Council has established the following oversight structure for the demerger transition project:

1. Established a Demerger Transition Committee (DTC) comprising 6 Councillors, including the Mayor as Chair
2. Appointed a Demerger Transition Manager (DTM)
3. Established a Demerger Transition Disputes Resolution Panel (DTDRP) comprising 3 people with extensive local government experience. At the time of issuing this RfT the EoI process for Chair and members of the DTDRP had not been completed.

1.2 OLG's Role

The Minister has made it clear that the OLG will have little involvement in the planning for and implementing the demerger. Of particular note the Minister has made it clear that CGRC must cover all demerger costs, including consultants recruiting staff ahead of the demerger.

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At the time of preparing this RfT OLG has provided only broad guidelines of what the Minister, Parliamentary Counsel, OLG and possibly IPART will require to enable the Proclamation to be drafted and any special variation (SV) approved.

1.3 Demerger Project Overview

It took over 9 years of lobbying by the communities, Council and the local MP to reach the point of the Minister's decision to approve the demerger.

The agreed objectives of the Demerger Transition Project are:

1. 6-months ahead of the commencement date for the new Councils, the project must have prepared documentation sufficient for the OLG to prepare the required Proclamation
2. to enable the two successor councils to effectively commence operations the project must develop two separate suites of IP&R documents and other governance arrangements, including policies and organisational structure, that clearly demonstrate that the two councils will be operationally and financially sustainable in the long term.

Given the objectives and with the target date of 1 July 2027 for the commencement of the two successor Councils, the project is broken into three broad phases:

1. Pre-December 2026: preparation of everything required for the development of the proclamation including:
 - 1.1. This FSP
 - 1.2. Individual IP&R suites
2. December 2026 – June 2027: Implementation Part 1
3. From 1 July 2027: Implementation Part 2

2 Scope of Work

2.1 Work Included

The prime objective of the FSP is to identify robust options to ensure both the successor councils can operate sustainably and effectively into the future.

The FSP terms of reference are to build upon the work already undertaken to:

1. Document factors contributing to CGRC current financial position.
2. Assess Council's current financial settings and oversight strategies from an efficiency, effectiveness and sustainability and performance management perspective and how they might need to change to ensure the successor councils are sustainable.
3. Identify potential opportunities for the successor Councils to increase revenue and reduce costs including through, but not limited to current:
 - 3.1. rates, fees and charges
 - 3.2. Council management, operations, services, capital program, monitoring and governance systems
 - 3.3. consideration of equity and distribution issues
 - 3.4. broader Council planning and strategy activities, including service levels.

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4. Develop a set of recommended, evidence-based options for Council's deliberation, noting the potential risks and benefits of each, plus a recommended implementation strategy and timeframe.
5. Produce a clear and concise FSP final report and, for each successor Council, a long-term financial plan and draft revenue policy.
6. A summary of findings suitable for public release.

2.2 Suggested Approach

Council has identified the following as a possible methodology for the FSP, while welcoming submissions that include modifications or alternative options to address the scope of work:

1. Conduct a thorough review of:
 - 1.1. Council's submissions to the Public Inquiry and Boundaries Commission, including the Demerger Transition Plan (DTP), Financial Sustainability Plan (FSP) and Service Catalogue (SC) developed for Council by Always Thinking Advisory.
 - 1.2. Council's recent past, current and long-term financial plans, internal and external audit results, pricing policies and related operational and delivery plans
2. Review asset planning and asset audits, plus internal management processes that have been undertaken and to identify any potential gaps or areas for improvement
3. Consult with Councillors, and key Council staff
4. Consider community perspectives and expectations via an online survey hosted on Council's website (supported by CGRC Communications staff). This may only be required if the modelling suggests that either of the required SVs is greater than the SVs identified in the 2025 FSP.
5. Compare key measures and other comparable data sets and practices from other Councils similar to the successor councils to inform the evidence base and potentially relevant options.

2.3 Specific Deliverables

2.3.1 Timeline

The scope of works must be finalised and delivered to a meeting of Council's Demerger Transition Committee on 10 November 2026.

The review is expected to incorporate the following deliverables. (Each should be incorporated into the project timeline as part of the tender submission). All dates are based on the successful tenderer being advised by 27 May 2026.

1. Inception meetings with:
 - 1.1. Key Council staff 15 & 16 June 2026
 - 1.2. The DTC 16 June 2026.
2. Preliminary Findings and Work-in-Progress Report (including stakeholder feedback to date), to be presented to the DTC meeting on 8 September 2026.
3. Final Draft FSP report and associated documentation report for final comments 13 October 2026

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4. Final FSP report and associated documentation to DTC meeting 10 November 2026.

It will be mandatory for the consultant's project lead and key personnel be present on-site for the inception meetings and for the project lead to attend in person the scheduled meetings of the DTC.

2.3.2 Consultation

It is expected the successful consultant will need at least three engagements with the DTC including those listed above.

3 Governance

The day-to-day monitoring of project milestones will be the responsibility of the DTM, noting that the DTM will be absent from 7 May 2026 returning 15 June 2026. During this the time the IGM will assume this responsibility.

The final FSP Report will be strictly the work of the independent consultant selected to undertake the review, the implementation of any review recommendations will be for DTC to consider and vote on.

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4 Timeline

Date	Milestone
10 March 2026	DTC to consider FSP documentation and whether to recommend to Council.
24 March 2026	Council to consider DTC's recommendation
25 March 2026	RfT released via Council's usual channels
30 April 2026	RfT closes
5 May 2026	DTC considers RfT responses and makes recommendation to Council
26 April 2026	Council selects successful consultancy and applicants notified
15 & 16 June 2026	Consultant induction
8 September 2026	Preliminary findings presented to DTC
13 October 2026	Draft FSP, LTFP & revenue policy presented to DTC
10 November 2026	Final FSP, LTFP & revenue policy presented to DTC

5 Reference Documents

The successful consultant will be supplied with the documentation necessary to conduct the review. This will include the results of relevant audit reports plus financial planning information. All documentation will be subject to confidential clauses in the signed contract.

The Contractor is also required to ensure compliance with the following documents. A copy of these documents can be found on Council's website.

Document Number	Document Title	Date Issued
	Health and Safety Policy	
	Smoke Free Work Environment Procedure	
	Work Wear Clothing and Personal Protective Equipment Procedure	
	Alcohol and Other Drug Procedure	
	Code of Conduct (including the model Code of Conduct	

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6 Response Schedules

6.1 Tender Form

6.1.1 Tenderer's Details

Tenderer's Details			
Business Name	<Enter Text>		
Trading As	<Enter Text>		
Date Established	<Enter Text>		
Business Type	<Enter Text> <i>Note – if trading as a trust, a copy of the Trust Deed must be attached and provided in the response (please delete this note prior to submission)</i>		
ABN	<Enter Text>	ACN	<Enter Text>
Registered Address	<Enter Text>		
Postal Address	<Enter Text>		
Telephone Number	<Enter Text>	Facsimile Number	<Enter Text>
General Email Address	<Enter Text>	Website Address	<Enter Text>
Address of Office Responding	<Enter Text>		
Postal Address	<Enter Text>		
Telephone Number	<Enter Text>	Facsimile Number	<Enter Text>
Contact Person Name	<Enter Text>		
Position in Company	<Enter Text>		
Telephone Number	<Enter Text>	Mobile Phone Number	<Enter Text>
Email Address	<Enter Text>		

Hereby Tenders to perform the work for:

6.1.2 Tender Details

Tender Details	
Contract Title	CGRC-Financial Sustainability Plan
Contract Number	
In accordance with the following documents:	
	Volume 1 – Conditions of Tendering
	Volume 2 – AS 4122 – 2010
	Volume 2 – Specification

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6.1.3 Contract Manager

Please provide the details of the proposed Contract Manager to be responsible for managing the agreement.

Response – Contract Manager Details	
Name	<Enter Text>
Position	<Enter Text>
Phone Number	<Enter Text>
Mobile Phone Number	<Enter Text>
Email Address	<Enter Text>
Comments	<Enter Text> <i>Note – any comments input here will not form part of any assessment of the Tender (please delete this note prior to submission)</i>

6.1.4 Compliance with Acts and Regulations

The Tenderer warrants that it has NOT, within 5 (five) years prior to submitting the Tender, been found to have breached any Act or Regulation which breach might be considered contrary to the values set out in the RFT document or the Council. If you have NOT breached the act, answer “No”.

The list below includes without limitation the following Acts. Has the Tenderer breached the:

Regulation or Act	Breached – Yes/No	Details
Fair Work Act 2009 (Cth)		<Enter Text Here or 'N/A'>
Industrial Relations Act 1996 (NSW)		<Enter Text Here or 'N/A'>
Work Health & Safety Act 2011 (NSW)		<Enter Text Here or 'N/A'>
Workplace Injury Management & Workers Compensation Act 1998 (NSW)		<Enter Text Here or 'N/A'>
Privacy Act 1988 (Cth)		<Enter Text Here or 'N/A'>
Disability Discrimination Act 1992 (Cth)		<Enter Text Here or 'N/A'>
Fair Trading Act 1987 (NSW)		<Enter Text Here or 'N/A'>
Racial Discrimination Act 1975 (Cth)		<Enter Text Here or 'N/A'>
Sex Discrimination Act 1984 (Cth)		<Enter Text Here or 'N/A'>
Age Discrimination Act 2004 (Cth)		<Enter Text Here or 'N/A'>
Anti-Discrimination Act 1977 (NSW)		<Enter Text Here or 'N/A'>

If you answered Yes to any of the above, please provide details.

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6.2 Statement of Compliance

Declaration	
Provide the Name and Position of the person making this Declaration who is authorised by the Tenderer to make statements and submit a response on behalf of the Tenderer.	
Name:	
Position:	
I confirm my understanding that no physical signature is required on this Declaration and that by lodging this Tender in accordance with Volume 1, I am automatically providing an electronic signature.	<input type="checkbox"/>
I confirm that the Tenderer offers to provide the requirements described in this RFT at the prices contained in the response.	<input type="checkbox"/>
I confirm that the Tenderer has capacity to supply to the requirements described in this RFT.	<input type="checkbox"/>

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6.3 Departures, Clarifications and Assumptions

The Tenderer is required to submit a conforming offer in accordance with the Request for Tender.

The Tenderer is required to identify any departures from, clarifications, or assumptions to the Tenderer’s offer that do not fully meet all of the requirements of the Tender including Volumes 1 and 2, any addenda issued and any other documents that form part of the Tender.

All such departures, clarifications and assumptions must be fully documented in the table below.

Should the Tenderer seek to vary any term or matter set out in this RFx, and/or considers that its Proposal does not comply with any requirement specified in this RFx, that matter must be specified and addressed in the table below.

Any departures and/or clarifications and assumptions not shown on this Schedule will not be considered.

Compliance with Tender Requirements	
This offer is fully Compliant with all of the requirements of the Tender and the Terms and Conditions of Contract. (if the answer to this question is ‘No’ the Tenderer shall complete the table below)	<input type="checkbox"/> Yes <input type="checkbox"/> No
All departures from, clarifications, and assumptions made by the Tenderer, including those related to the Terms and Conditions of Contract are listed in the table below	<input type="checkbox"/> Yes <input type="checkbox"/> No

Clause Reference	Area relating to	Assumption Detail

6.3.1 Notification of Addendums (if any)

Please acknowledge receipt of any addendum(s) that have been issued by providing a list of all addendum numbers below separated by a comma. If no addendums have been issued for this RFT please enter "Nil" in the space below.

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6.4 Insurance

The table below details the Insurance requirements as determined by the Council to be required for this contract. The levels of cover for **Public Liability is \$20 Million**, and **Professional Indemnity of \$5 Million**. These are the minimum acceptable levels of cover for this contract and will be required to be maintained for the entirety of the contract (any insurance requirements that will need to extend beyond the completion of the contract will be noted individually). Please provide detail of insurance coverage in the table below against each of the insurance requirements detailed.

Additionally, the Tenderer shall submit as a separate attachment with its response, certificates of Currency for the Insurances detailed in the table below:

Insurance Type	Policy Number	Expiry Date	Value \$
Public Liability:			
Professional Indemnity:			
Workers Comp:			

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6.5 Schedule of Work Health and Safety Management Information

This questionnaire forms part of the Principal's Tender evaluation process and is to be completed by Respondents.

The objective of the questions in the table below is to provide an overview of the status of Tenderer's safety management system.

Tenderers may be required to verify their responses noted in their questionnaire by providing evidence of their ability and capacity in relevant matters

6.5.1 Work Health Safety Systems, Policies and Management

WHS Systems, Policies and Management	
Does the Tenderer have a third party accredited WHS management system? (if the answer to this question is 'Yes', please provide details of the accreditation in the response area provided below and attach a copy of the current certification)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the Tenderer have WHS management system? (if the answer to this question is 'Yes', please provide details of the accreditation in the response area provided below)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the Tenderer have a current WHS Policy?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the Tenderer have a WHS consultation mechanism for all employees?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the Tenderer have WHS training strategy for all employees?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the Tenderer have a process for WHS hazard identification, assessment and control?	<input type="checkbox"/> Yes <input type="checkbox"/> No

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6.6 Schedule of Industrial Relations Information

6.6.1 Federal and NSW Awards

List the Federal and NSW awards to which the Tenderer is bound.

Response – Federal and NSW Awards
<i>Insert response here (please delete this note prior to submission)</i> <Enter Text>

6.6.2 Enterprise, Workplace or Other Enforceable IR Agreements

List the enterprise, workplace or other enforceable industrial relations agreements to which the Tenderer is bound, and attach copies of those agreements to this Schedule.

Response – Enterprise, Workplace or Other Enforceable IR Agreements
<i>Insert response here (please delete this note prior to submission)</i> <Enter Text>

Undertaking to provide information

The Tenderer, if awarded the contract, will, on request, provide appropriate information to verify compliance with these awards, enterprise or workplace agreements and all other legal obligations relating to employment.

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6.7 Statement of Conflict of Interests and Fair Dealings

Conflicts of Interest: Independent Commission Against Corruption (ICAC) Guidance

A conflict of interest arises when the Tenderer, in performing the obligations under the Contract, is influenced or seen to be influenced by other interests.

There will be occasions when the performance of the obligations under the Standing Offer Deed will affect a personal or other interest that the Tenderer, or its employees or agents, may also have. Such interests may be able to be valued in money terms. Other interests which are less direct and do not involve money may also be affected.

Everyone has interests which are personal to them or someone close to them and it is not just the possession of these interests which gives rise to a problem. Similarly, from time to time individuals will deal with a matter as part of their work which affects a personal interest that they have. Again, that in itself may not cause any difficulties if the conflict is resolved in favour of the duty to perform the obligations under the Contract. It is inevitable that conflicts of interest will arise. It is important to emphasise that the mere fact that someone has a personal interest in a matter is not necessarily wrong. It is how the conflict is dealt with which can give rise to problems.

The first step is to recognise what situations could give rise to conflicts. Then the conflict must be resolved in favour of the duty to perform the obligations under the Contract.

Pecuniary Interests

Pecuniary or financial interests may result from owning property, holding shares or positions in companies or trusts, debts owed to other people, receiving gifts, income from working elsewhere as well as for Local Government Procurement, hospitality and sponsored travel. This list is not exhaustive.

It is not necessary for individuals to hold these interests themselves. A member of their family or close associate may hold them. This is seen to be the same as being an interest of the individual employee or agent of the Tenderer because of the closeness of the relationship.

It is not necessary that the Tenderer, or its employee/s or agent/s would or will act in favour of their personal interest. If they are in a position of conflict, there is that temptation. The aim is to prevent situations arising.

Non-pecuniary Interests

There may also be interests which do not have a financial component (that is, non-pecuniary interests). These might include a personal interest arising out of relationships based on common interest such as sporting, social or cultural activities as well as family, sexual and other relationships.

How Should Conflicts be Resolved?

The aim of resolving these conflicts is to prevent personal considerations from influencing the performance of the obligations under the Contract. Once conflicts have emerged they may be capable of resolution or avoidance by removing the source of the conflict or by making the interest public and thereby limiting the risk of personal interest prevailing over the duty to perform the obligations under the Contract.

The source of the conflict could be removed by requiring the individual to dispose of the

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interest which has caused the conflict.

Alternatively, it could be removed by a Tenderer, or its employees or agents being precluded from performing any obligations under the Contract regarding the matter in which he or she has the interest.

Each of these two responses would have the effect of removing the source of the conflict.

Adapted from guidance material prepared by the New South Wales Independent Commission Against Corruption (ICAC).

Conflicts of Interests and Fair Dealings		
1	The Tenderer has read the above guidance information from the ICAC. The Tenderer confirms that it is compliant with this section – Conflicts of Interest and Fair Dealings and having nothing to declare. (If the answer to this section is ‘No’, the Tenderer is to complete Item 2 below)	<input type="checkbox"/> Yes <input type="checkbox"/> No
2	The Tenderer discloses any and all information with regards to any real or perceived Conflicts of Interests or barrier to Fair Dealing where these exist, below.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Details Regarding Conflicts of Interest and Fair Dealings
<i>Insert response here (please delete this note prior to submission)</i> <Enter Text>

6.8 Schedule of Executive Summary of Proposal (including Capacity and Capability)

Please provide an Executive Summary of your proposal no longer than 2 (two) pages in length in the response space provided below.

Response – Executive Summary Proposal

Insert response here (please delete this note prior to submission)

<Enter Text>

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6.9 Schedule of Understanding of Requirement

Please provide detail of your understanding of the requirement of the Tender no longer than 2 pages in length in the response space provided below.

Response – Understanding of Requirement

Insert response here (please delete this note prior to submission)

<Enter Text>

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6.10 Schedule of Recent Relevant Experience and Referee's

Tenderers shall provide detailed information to demonstrate the Tenderer's experience and capability in relation to this Request for Tender by providing detail of 3 previous contracts / projects similar to this contract / project, completed within the last 5 years. In the table provided below.

Contract / Project 1	
Contract / Project Name	<Enter Text>
Client	<Enter Text>
Date Completed	<Enter Text>
Contract / Project Value	<Enter Text>
Project Details	<Enter Text>
Referee	<Enter Text>
Name	<Enter Text>
Position	<Enter Text>
Office Phone Number	<Enter Text>
Mobile Phone Number	<Enter Text>
Email	<Enter Text>

Contract / Project 2	
Contract / Project Name	<Enter Text>
Client	<Enter Text>
Date Completed	<Enter Text>
Contract / Project Value	<Enter Text>
Project Details	<Enter Text>
Referee	<Enter Text>
Name	<Enter Text>
Position	<Enter Text>
Office Phone Number	<Enter Text>
Mobile Phone Number	<Enter Text>

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Contract / Project 2	
Email	<Enter Text>

Contract / Project 3	
Contract / Project Name	<Enter Text>
Client	<Enter Text>
Date Completed	<Enter Text>
Contract / Project Value	<Enter Text>
Project Details	<Enter Text>
Referee	<Enter Text>
Name	<Enter Text>
Position	<Enter Text>
Office Phone Number	<Enter Text>
Mobile Phone Number	<Enter Text>
Email	<Enter Text>

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6.11 Schedule of Key Personnel and Experience

The Tenderer shall provide details, including relevant experience, of the Tenderer's proposed Key Personnel this contract / project.

This information shall be sufficient to demonstrate that proposed Key Personnel have successfully completed a minimum of 2 similar contracts / projects. Details of the relevant experience of the Key Personnel proposed for use on the contract / project shall be provided in the Table below.

The Key Personnel nominated in the Table below are to be available for interview, if required, by the Principal during the Tender evaluation.

In the event that the Tender is successful, the Tenderer shall be bound by the information provided in this Schedule and shall not alter the personnel used for the works without the prior written permission of the Principal.

Proposed Key Personnel 1	
Name	<Enter Text>
Position	<Enter Text>
Proposed Role & Responsibility	<Enter Text>
Qualifications / Experience	<Enter Text>
Relevant Experience Example 1	
Contract / Project Name	<Enter Text>
Client	<Enter Text>
Project Value	<Enter Text>
Details of Contract / Project	<Enter Text>
Role & Responsibilities on Contract / Project	<Enter Text>
Relevant Experience Example 2	
Contract / Project Name	<Enter Text>
Client	<Enter Text>
Project Value	<Enter Text>
Details of Contract / Project	<Enter Text>
Role & Responsibilities on Contract / Project	<Enter Text>

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Proposed Key Personnel 2	
Name	<Enter Text>
Position	<Enter Text>
Proposed Role & Responsibility	<Enter Text>
Qualifications / Experience	<Enter Text>
Relevant Experience Example 1	
Contract / Project Name	<Enter Text>
Client	<Enter Text>
Project Value	<Enter Text>
Details of Contract / Project	<Enter Text>
Role & Responsibilities on Contract / Project	<Enter Text>
Relevant Experience Example 2	
Contract / Project Name	<Enter Text>
Client	<Enter Text>
Project Value	<Enter Text>
Details of Contract / Project	<Enter Text>
Role & Responsibilities on Contract / Project	<Enter Text>

Note to Tenderer – Copy and paste table as required to accommodate all Key Personnel

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6.12 Schedule of Proposed Subcontractors and Consultants

Provide details of all proposed subcontractors and consultants included within the Tenderers response.

Confirm (by entering 'Yes' in the third column of the table below) that the recent WHS, Environmental and Industrial Relations Management performance of each subcontractor and consultant has been reviewed by the Tenderer and found to be satisfactory.

Subcontractor / Consultant work	Name and Address of Subcontractor / Consultant	Confirmation of satisfactory WHS, IR and Environmental performance
<Enter Text>	<Enter Text>	<Enter Text>
<Enter Text>	<Enter Text>	<Enter Text>
<Enter Text>	<Enter Text>	<Enter Text>
<Enter Text>	<Enter Text>	<Enter Text>
<Enter Text>	<Enter Text>	<Enter Text>
<Enter Text>	<Enter Text>	<Enter Text>

6.13 Schedule of Contract / Project Program Information

Submit a program in MS Project or in the form of a bar chart or network diagram detailing key milestones and dates to satisfy the contract / project over its complete term.

The program is to be attached to the Tender response.

6.14 Contract Particulars

Complete the following items:

6.15 Schedule of Prices

Complete this Schedule by inserting the tendered rates and amounts, where appropriate. Where a rate is tendered, insert under **Amount** the amount arrived at by multiplying the tendered rate by the quantity.

The rates and lump sums tendered shall form part of the Agreement. The correct extended amounts and total shall be used to assess tenders. The correct total shall be the maximum amount of the Fee.

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6.15.1 Schedule of staff

Rates to be used for assessment of variations			
Tendered price to INCLUDE GST			
Item #	Description	Unit Rate	Tendered Unit Price
		hr	

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COOTAMUNDRA GUNDAGAI REGIONAL COUNCIL
TENDER EVALUATION PLAN

FOR
TENDER

CGRC Financial Sustainability Plan

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1. GENERAL

The objective of this Tender Evaluation Plan (TEP) is to identify a capable tenderer with an acceptable and substantially conforming tender providing the best value for money.

The evaluation procedures to be adopted will follow the requirements of the "Tender Instructions" and "Tender Conditions" contained in the Tender Document and should be read in conjunction with these procedures. This document outlines the procedures for evaluation of tenders received for CGRC Financial Sustainability Plan.

The pretender estimated cost of this contract was \$150,000 (inclusive of GST)

Where considered necessary by the Tender Evaluation Panel (Panel), assistance may be sought from specialist resources in technical, legal, insurance or financial matters.

The Panel are to be aware of the requirement to keep all matters relating to the tender evaluation confidential and to report any conflict of interest relating to any tenders.

The evaluation is intended to determine the most compliant, most commercially acceptable, best value for money offer that can provide the Works required by the Cootamundra Gundagai Regional Council at the required standard of quality and within the required time frame. The results of the evaluation will be recorded and a report prepared for acceptance by Council

2. REFERENCE DOCUMENTS

- Tendering Guidelines for NSW Local Government
- Local Government (General) Regulation 2005.

3. TENDER EVALUATION PANEL

A Tender Evaluation Panel made up as follows will assess the tenders:

Chairperson:	Peter Bascomb, DTM CGRC
Member:	Roger Bailey, IGM
Member:	Damien Smith, CFO CGRC
Member:	Chair ARIC

CODE OF CONDUCT

After close of tender and before commencing tender evaluation process all members of Tender Evaluation Panel will be required to sign an acknowledgement of the requirements to comply with the Code of Conduct as per the attached form.

4. PROCEDURES

- 4.1 After receipt and processing by Cootamundra Gundagai Regional Council, a member of the Panel, or delegate will collect the tenders. Circulation of

the tenders will be restricted and strictly controlled for security and confidentiality.

- 4.2 Where any information is required to be viewed / assessed by persons outside of the Panel, a confidentiality agreement will be sought prior to forwarding of the information. If considered necessary by the Panel, the information forwarded will be in the form of anonymous copies with all identification marks removed.
- 4.3 All communication with the Tenderers shall be through the Chairperson of the Panel or nominated delegate and shall be in writing, including documentation of any formal meetings involving the Panel or minuted telephone conversations.
- 4.4 At any stage of the assessment, where Tenderers have not supplied sufficient information, additional information may be requested within a specified time period considered reasonable by the Panel. If a response is not received by the deadline specified, the Panel may agree to provide the Tenderer additional time to reply or that the tender is to be assessed on the information already available.
- 4.5 All tenders received will be reviewed and assessed for compliance with the Tender Instructions and Tender Conditions (as listed in 5.2). Any informal or non-complying tender will be excluded from all further evaluation processes.
- 4.6 All remaining tenders will then be assessed in accordance with Section 5.1 of these procedures. All tenders that fail to reach the minimum score for non-price criteria will be eliminated from any further evaluation. If all tenders are eliminated, the Panel may agree to reduce this limit so that at least two (2) tenders are still under consideration. Tenders scoring a non-price score within 5% (1 point) of each other will be regarded as being equal for non-price capabilities, as per 5.1.
- 4.7 For all tenders passing the non-price assessment in 4.6 above, an Assessed Tender Price will then be calculated, by undertaking a dollar value assessment of any Qualification and Departures included in any tender. This assessment shall be initially prepared by the Chairperson & the final assessment signed off by the other Panel members.
- 4.8 Price evaluation will be carried out on the basis of Total Cost to the Principal. This will include the Lump Sum Price and an estimate of additional work based on unit rates quoted. The total adjusted tender amount (Lump Sum basis plus an estimate for additional work on a net rate basis) will be the basis for ranking of tenders.
- 4.9 The Preferred Tenderer will be the tenderer with the highest non-price score that, (after any adjustments) meets Council's budgeted limit.
- 4.10 The Panel is then to request the Preferred Tenderer to remove qualifications and departures if any from the tender. If based on these negotiations the relativity of the Adjusted Tender Price changes, then the tenderer with the next adjusted tender price that is within Council's budgeted amount is then to be requested to remove qualifications and departures if any from its tender. This process will be repeated until a clear preferred Tender with adjusted tender price that is within Council's budgeted amount emerges.

- 4.11 Should 2 or more Tenders offer Total Adjusted Tender amounts within \$2,000 of each other, then all these tenders will be regarded as equal value Tenders. In this case the Tender with the highest non-price score will be recommended as the preferred Tender for acceptance. Should two or more Tenders score non-price score within 5% (or 1 point) of each other then the Tenders are considered of equal capability and the Tender with the Lowest Adjusted Tender amount will be recommended.
- 4.12 When the Panel has completed negotiations with the Preferred Tender, a tender recommendation report detailing the specific tender evaluation and selection process will be prepared and submitted to the Chief Executive Officer for determination.

5. TENDER EVALUATION

5.1 GENERAL

Tenders will be evaluated in accordance with the requirements of AS4120 Code of Tendering and NSW Local Government (Tendering) Regulation 1999. Cost and Non-Cost Selection Criteria will be used in the evaluation of tender submissions received for this RFQ. A Non-Cost Selection Criteria Threshold will be applied to the evaluation of the submissions. The Respondent must achieve a Non-Cost Selection Criteria Score of at least 42% of the 60% (Total Non-Cost Selection Criteria Weighting). Respondents must achieve a score greater than the Non-Cost Selection Criteria Threshold to be eligible to be shortlisted and progress any further in the evaluation process.

The following Non-Cost Selection Criteria will be used in the evaluation of Tender submissions received for this RFT:

Weighted Criteria	
Understanding of requirements	20%
Experience in conducting Financial Sustainability Plans, preferably within a local government setting	25%
Key Personnel and their expertise and qualifications to conduct a FSP	25%
Robust and ethical methodology, data analysis and approach to generating viable options to inform Council decision making	20%

The following Cost Selection Criteria will be used in the evaluation of submissions received:

Weighted Criteria: Cost	
Schedule of process demonstrating good value for money	10%

Note: The Principal is not bound to accept the lowest, or any tender.

5.2 COMPLIANCE CHECK

The Chairperson will check each Tender for compliance against all items in the Tender Instructions and Tender Conditions listed below.

Mandatory Requirements	
Completed tender form	
Insurance coverage	
Statement of Conflict of Interest and Fair Dealings	
Bank Guarantees	
All schedules submitted and completed	
ASIC checks	

5.3 BASIS OF ASSIGNING RATINGS

Ratings will be assigned as outlined in the table below.

Grades	Ratings
Excellent	10
Above Average	8
Average	6
Below Average	4
Poor	2

6. TENDER RECOMMENDATION

The Chairperson, with assistance from the Panel as required, will prepare a tender recommendation report for concurrence by all members of the Panel. On concurrence, the report will be submitted to the Principal for its acceptance and approval to award.

7. AWARD OF CONTRACT

On approval by the Principal of the Tender Recommendation Report, the Chairperson will review all relevant documentation and a confidential report shall be prepared with a recommendation for approval of the award of the Contract to the successful tenderer. Once the IGM has approved the recommendation, the Principal will issue the LOA to the Contractor.

8. ADVISING UNSUCCESSFUL TENDERERS

The Panel Chair will also advise all unsuccessful tenderers of the result by letter. Unsuccessful tenderers may request a debriefing. The Chairperson of the Panel will on request debrief unsuccessful tenderers.

9. RECOMMENDATION

It is recommended that the above tender evaluation procedure and criteria be approved for the evaluation of tenders for the Cootamundra Gundagai Regional Council Financial Sustainability Plan.

Signed by:

10. SUMMARY OF EVALUATED TENDER PRICES

Based on the evaluation carried out by the tender evaluation panel, the panel recommends the tender be awarded to:

APPENDIX A - TENDER EVALUATION WORKSHEET

#	Selection Criteria	Weight	Weighted/Aggregate Scores				E1				E2				E3				E4			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
1	Understanding of requirements	20%	0	0	0	0																
2	Experience in conducting financial sustainability reviews, preferably within a local government setting	25%	0	0	0	0																
3	Key personnel and their expertise and qualifications to conduct a FSR	25%	0	0	0	0																
4	Robust and ethical methodology, data analysis and approach to generating viable options to inform council decision making	20%	0	0	0	0																
5	Schedule of process demonstrating good value for money	10%	0	0	0	0																
Vendor Total Score		100%	0.00	0.00	0.00	0.00	0															

Q1 ETC = quote 1 etc

5.2 ENGINEERING GUNDAGAI

5.2.1 LIME SPREADER BUSINESS CASE

DOCUMENT NUMBER	461228
REPORTING OFFICER	Trevor Dando, Acting Deputy General Manager Operations
AUTHORISING OFFICER	Roger Bailey, Interim General Manager
RELEVANCE TO COMMUNITY STRATEGIC PLAN	3. Protected and enhanced environment 3.2 We have attractive towns and villages
FINANCIAL IMPLICATIONS	Financial implications associated with this report are outlined in the Options and Financial sections of the report.
LEGISLATIVE IMPLICATIONS	There are no Legislative implications associated with this report.
POLICY IMPLICATIONS	There are no Policy implications associated with this report.
ATTACHMENTS	Nil

RECOMMENDATION

The committee recommends that Council:

1. **Note the report.**
2. **Approve the purchase of a second-hand lime spreader up to a value of \$175,000 (ex GST) as per the 2025/26 Plant Replacement Program.**
3. **Explore entering into a MOU with the neighbouring Council's to utilise Council's stabiliser at an agreed rate that ensures a commercial arrangement for the benefit of the parties.**
4. **Explore a 'shared service' arrangement for the use of plant between the two future 'new councils'.**

Introduction

Council's Gundagai Civil team undertake road stabilisation in-house. Currently the team has a tractor mounted stabiliser and lime spreader. Civil staff have expressed the following concerns with the current setup:

- The lime spreader on the front of the tractor restricts visibility, which is particularly important for urban works and stopping/starting on a particular spot;
- The lime spreader on the front of the tractor causes significant lime dust to coat the tractor when it is being discharged from the spreader providing a maintenance issue with the engine and also an OHS issue for the operator; and
- The spreader capacity is undersized for rural roads.

Civil staff have previously hired in a lime spreader truck for major rural roads and state that their work output increases from approximately 700 metres per day to 1400 metres per day using a separate spreader truck.

Background

Sealed roads are made up of multiple layers. For most roads within the CGRC LGA, this is typically a bitumen layer on top of a base layer which is made up of imported gravel. The base layer sits on top of the subgrade, or natural ground. Most of the strength within the road comes from the base layer, with very little strength coming from the bitumen layer, which typically serves to reduce water ingress, stop dust and provide a better ride quality amongst other things.

Road stabilisation is a method of improving the base layer, where strength is most needed. A stabilising machine breaks up and mixes the bitumen and base layer with additives such as lime, cement, fly ash, or other binders to create a base layer which is strong enough and resilient enough for future traffic.

Typically, the process to stabilise a road, using the in-situ stabilisation technique includes the following:

- Site establishment (traffic control, identification of utilities etc),
- Mixing the bitumen and base layer with Councils stabilising tractor,
- Applying a binder (such as lime or cement) using a spreader. Adding water (if required),
- Mixing the binder into the mix,
- Rolling the mix to achieve adequate compaction,
- Grading the layer to achieve appropriate heights,
- Applying a new bitumen layer on time and line marking.

Lime stabilisation is important because it improves the strength and durability of weak or reactive soils, especially clay subgrades. When lime is mixed into the soil, it reduces plasticity, lowers moisture sensitivity, and increases load-bearing capacity. This creates a firmer, more stable foundation for the pavement layers above. In regions with highly reactive clays, like many parts of Cootamundra-Gundagai and surrounding areas, lime treatment helps limit shrink–swell movement that can cause cracking and premature pavement failure. By improving soil performance in place, lime stabilisation can also reduce excavation, material haulage, and construction costs, leading to longer-lasting roads and lower maintenance demands.

Where lime stabilisation is not as effective, other products such as cement or slag powder can be used to achieve the desired outcome. A combination of multiple products can also be used. A geotechnical engineer usually provide advice on the appropriate binder mix and application rates based on geotechnical testing results prior to works.

Lime stabilisation, cement stabilisation, slag or any other powder-based binders can all be spread using the same truck or tractor mounted spreader. The purpose of this business case is to explore the feasibility of procurement of a 10-tonne truck mounted spreader (known as a lime spreader) to spread, in a controlled and measured manner powdered binder on Councils stabilisation works. This would supersede the current 3 tonne.

Current situation

Currently Council undertakes a combination of in-house stabilisation, primarily within the Gundagai area, whereas Cootamundra primarily undertakes contracted stabilisation services. It is understood that Cootamundra have relied more on stabilisation services by a contractor in the past. This is in contrast to Junee Council who prefer to use a stabiliser which is similar in size to the one which Council own, including on State Highways. It should be noted that there is no contractual requirement for Council to use a certain sized stabiliser on State Highways, and this provides an opportunity for Council if it were to purchase a 10-tonne spreader.

The current preference to utilise contractors for some of Councils work has been because Contractors are sometimes more competitive than Council with Council's small spreader reducing economy of scale. Where transport and establishment is further away from Gundagai, contractors can be more economical currently with the use of the 3-tonne spreader. Increased productivity, by increasing the spreader capacity from 3 tonne to 10 tonne will likely offset current contractor financial benefits.

Usage to date of the stabiliser has been as follows:

- 60 hours in 2022 financial year
- 630 hours in 2023 financial year
- 360.5 hours in 2024 financial year
- 298.5 hours in 2025 financial year
- 150 hours in 2026 financial year (estimate for full year)

This makes an average of 300hrs per annum (5.8hrs per week).

In the 2026 financial year Council has undertaken significantly more rehabilitation works than heavy patching works. Currently contractors are more financially viable for undertaking rehabilitation works as the works require spreading of significantly larger amounts of lime in one go. This will not be the case if Council procures a 10-tonne lime spreader as those efficiencies which contractors currently enjoy will also be enjoyed by Council staff and equipment.

Options Assessment

Option 1 – Keep current configuration, where Council continues to use the stabiliser and tractor mounted spreader where feasible, and contracts in stabilisation services for works which are not conducive of the small tractor mounted spreader.

Benefits	Constraints
Utilises current equipment. This will incur no capital expenditure	The lime spreader on the front of the tractor restricts visibility, which is particularly important for urban works and stopping/starting on a particular spot and provides an OHS risk that could be eliminated
No requirement to wait on contractors to complete works	The lime spreader on the front of the tractor causes significant lime dust to coat the tractor when it is being discharged from the spreader and provides earlier degradation of the engine and provides for higher maintenance costs.
	The current spreader capacity (3 tonne) is undersized for rural roads

Option 2a – Procure a NEW 10 tonne lime spreader truck to compliment and optimise the output of our stabiliser.

Benefits	Constraints
Increased spreader capacity	Significant capital investment (\$276,500)
No requirement to wait on contractors to complete works	Additional equipment to register and maintain
Reduction in employee and tractor dust exposure	
Increased ability to undertake private works for neighbouring Councils.	

Option 2b – Procure a SECOND HAND 10 tonne lime spreader truck to compliment and optimise the output of our stabiliser.

Benefits	Constraints
Increased spreader capacity	Large capital investment (\$175,000)
No requirement to wait on contractors to complete works	Additional equipment to register and maintain
Reduction in employee and tractor dust exposure	
Increased ability to undertake private works for neighbouring Councils.	

Option 3 – Sell stabiliser, lime tanker and organise full contracting of all stabilisation services.

Benefits	Constraints
Nil capital investment on plant	Typically, more expensive than undertaking works in-house
Nil Council employee training requirements	Inability to guarantee plant is available when we needed which effects program
Ability to source plant which are optimised to the project (i.e. smaller one for town streets, larger one for rural roads)	Council need to pay for wet weather costs as Contractors cannot be re-deployed to other Council tasks like staff can.

Financial

Option 1 - has no capital expenditure (other than renewal of existing assets as required). This is financially cheaper from a fleet perspective, however, does not allow for project cost efficiencies.

Option 2 - has significant capital expenditure and will likely reduce project stabilisation costs by up to 25% on large projects if adopted. The following financial assessment assumes savings for the stabiliser/spreader combination only as external Councils are likely to request that combination, however additional savings are likely to be realised depending on if CGRC undertake a full-service

stabilising, where rollers, graders and other staff are utilised and become more productive as a result of less waiting around. Option 2 will see all profits be retained by Council and assist in topping up the Plant Reserve Fund.

Option 3 - has no capital expenditure (and will provide a short-term capital benefit from the sale of assets). This is financially cheaper from a fleet perspective, however, will likely be more expensive than undertaking the works in-house. Contractors have the ability to make a profit from the works which they are undertaking, of which option 3 will see 100% of those profits be provided to the contractor. This option will also see Council's contractors budget increase.

Applying Councils internal rates of \$200/h for stabiliser, and \$60/h for crew (x2 = \$120/h) and assuming a 10-hour day the total daily cost would be \$4,400 made up of \$2,000 for the stabiliser, \$1,200 for 2 crew and \$1,200 for the spreader.

Council currently has a contract with Stabilifix for use of a stabiliser and spreader. They currently charge \$5,500/day for this equipment.

Over the last 12 months, Council has paid for 41 days of stabilisation services. (\$225,500). If Council was to complete this in-house, it would have cost Council \$4,400 per day, or \$180,400 over the works completed in the last 12 months. If Council was to complete the works in-house, Council would have saved \$45,100.

Junee Council

Over the last three years they have completed 120,000 m² of small patches and 60,000m² of road rehabilitation. This is approximately 4 weeks per year (20 business days) worth of work. Currently they are paying \$4,900 per day for the stabiliser and lime spreader. If Council was to charge \$4,900 per day to Junee Council to match their current rates, Council would have made a profit of \$9,400 after expenses over the last 12 months.

Combining just Council's savings and one other Council's work there could be a profit stream of in excess of \$50,000 per annum. It is expected that other Councils will also be interested in seeking CGRC stabilization services. Historically Snowy Valleys Council have also received private works for stabilization services, and by further developing relationships with other neighbouring Councils will see similar requests from them as well.

At the 2024 Local Government Annual Return, Councils stated they had the following:

- Hilltops Council has 1274km of sealed local and regional roads,
- Yass Valley Council has 674km of sealed local and regional roads
- Snowy Valleys Council has 732km of sealed local and regional roads
- Temora Council has 484km of sealed local and regional roads
- Wagga Council has 1281km of sealed local and regional roads.

Assuming a life of 80 years between stabilisation, this indicates an additional 55km of stabilising per year should be available throughout neighbouring councils for Council to potentially provide. This is approximately 4-6 months of works assuming only major rehabilitation works and would provide more work than Council's stabiliser has capability of completing within the optimal construction season.

The general consensus with neighbouring Councils is that it can be difficult to source stabilising services within the optimal construction season. A similar experience is evident in Gundagai, during construction season (September to March each year) it can be difficult to get a stabilizer unless it is pre-booked with significant lead times. Stabilising companies are more supportive of larger

quantities of work, where Councils book a stabiliser for one month or greater blocks. This can pose problematic for Councils which do not require services for a one-month block at a time.

Each year Council invests in significant stabilisation projects and long-term asset forecasts indicates that similar expenditure will be required long term to maintain roads at an acceptable level.

New Lime Spreader (Option 2a)

Council has sought quotations from companies to determine what it may cost to procure a spreader. Wirtgen Group provided a quotation of \$317,979.00 +GST. This included the spreader to be mounted on a vehicle provided by Council. StabilFix provided a quotation of \$276,500.00 + GST. This included the spreader to be mounted on a vehicle provided by Council. Flocon Industries provided a quotation of \$322,630.00 + GST This included the spreader to be mounted on a vehicle provided by Council.

Second Hand Lime Spreader (Option 2b)

Council staff have located a second-hand unit in Hartley, near Lithgow, which has a 10-tonne spreader on a 2017 Isuzu truck for \$145,000. The owner is using Grays Online to negotiate the sale. Council staff have personally inspected the spreader and have found that it is in good working condition.

The Gundagai Workshop Supervisor and the Gundagai Roads Supervisor have inspected the vehicle and spreader and believe it to be in reasonably good condition and meets the needs of the organisation to address the WHS matters raised above.

Investigations have also been made with Grays Online, and they estimate that the resale value of the 3-tonne spreader, if Council decided to purchase a 10-tonne spreader, would be in the order of \$25,000 (conservatively).

Economy of scale

A 10-tonne lime spreader complements Council's existing equipment. The stabiliser tractor and bulk lime tanker which Council already own both support direct implementation of the ten-tonne spreader. By procuring a 10-tonne spreader, Council will see efficiencies as follows:

- Reduction in grader, roller, water cart and other machinery waiting for lime spreading by up to 1 hour per day.
- Increased output over a 10-hour working day by 12.5% - This will see employee and machinery internal hire costs reduced by 12.5% for stabilising, or it will see an increase in operating output by up to 12.5% (excluding supply of lime)
- Reduction in establishment cost and transport costs for each project. For small projects which would typically take 1.5 days to complete will now be completed in 1 day. This reduces 1 day worth of establishment.

Based on an average of \$750,000 for rural road heavy patching in Gundagai per year and a conservative estimated 10% savings across a whole project if a larger lime spreader is used because of optimised productivity, it is estimated that Council will be able to find approximately \$75,000 in savings, or increased work scope per year. Council will be more competitive to outsource stabilization works to other Councils. Depending on the total value of spreader procured, it is estimated that a payback period of 3 years is realistic with Council financially better off on year 4. This will likely be less if significant private works is undertaken for other Councils. It is estimated that the life of the spreader will be approximately 10 years.

RMCC Works

Currently Council contracts all stabilisation services out for RMCC works. The current RMCC contract, which Council have with Transport for NSW and technical specifications which TfNSW rely on, allow for Councils current stabiliser to be utilised for these works. This will provide further benefit to both Cootamundra and Gundagai's Council, should Council procure the 10-tonne spreader. It will provide benefit to Cootamundra Council by offering a service can be more reliable and/or cheaper than contractors. It also provides Gundagai Council ability to have a profit generating income from private works.

Profit/loss of stabiliser to date

Council has reviewed the plant costs for Councils owned stabiliser to date to ensure that the stabiliser will not be a loss-making entity if we procure a spreader.

Description	Life to Date
Operating Expenditure	-\$121,068.01
Depreciation	-\$133,827.10
Operating Income	\$277,095.00
Profit/Loss	\$22,199.89

Life to date profit, after costs and depreciation is \$22,199.89. It is expected that this profit will improve with additional usage which a spreader would encourage.

Key Risks

Council staff have reviewed key risks when purchasing the lime spreader.

Description	Initial risk	Mitigation	Final risk
The lime spreader creates a loss-making business for Council	Medium	The business model for the lime spreader is primarily based on daily hire of the stabiliser and spreader combination. Should losses be realised, Council has multiple avenues to address this loss, including adjusting our hire rates, amending the availability to external councils, and at worst case scenario sell the spreader, stabiliser and bulk lime tanker. The risk to Council is a similar type of risk to if we were to private hire a grader to a neighbouring Council.	Low – with ongoing monitoring.
Council is unable to attract and retain appropriate staff	High	Attraction of Council staff relies on employee market variations. By ensuring that attraction is competitive in the market reduces this risk. Recently Council was able to successfully fill two senior plant operators, both positions are required to be able to operate the stabiliser and lime spreader.	Low-Medium depending on market at the time.

The spreader is unable to perform the job correctly	Low	Spreader will be calibrated regularly to reduce this risk. Typically, poor performance for stabilised pavements is in process practices or poor geotechnical analysis of the pavement. This risk typically sits with the project manager who directs the amount of lime to be spread. The more work which Council undertakes further reduces this risk as key staff are more familiar with industry best practice.	Low
Council is unable to prioritise works (internal vs external)	Medium	Appropriate Council staffing is maintained, and scheduling is managed. If in future where Council is requested to complete works outside of our capability, Internal works take priority. This is likely to be a risk if large grants for pavement rehabilitation become available to Council. Council also has the ability to offer part service wet-hire of the spreader and stabiliser, relying on other Councils teams to compact and trim the pavement. Some Councils will request this anyway.	Low
Council has a catastrophic failure of spreader and/or stabiliser	Extreme (but rare)	Continual preventative maintenance for the machinery, and supply of critical parts needs to be maintained. This risk is no different to a grader, loader or other key piece of Council equipment.	Medium

Local Economic Benefit

If Council was to procure a larger spreader, the purchase will not directly attract local economic benefit, however its usage by Council will attract significant local economic benefit as follows:

- Support local employees who will be operating the stabiliser and spreader – This will be a direct benefit compared to contractors undertaking the works.
- Better control of supply of lime products allows for Council to procure lime from neighbouring Council areas rather than from the greater market. This provides some economic benefit to Council as some of the operators of the neighbouring mine live and do business within the CGRC area.

OLG 23a Guideline consideration

Does not conflict with the Guidelines.