

## 12.4.2 Special budget amendment Anncrouye Road rehabilitation ..... approx 15 mins

### DECISION REPORT

Date: 8 November 2023 Presentation Duration: Approx. 15 minutes  
To: General Council Meeting  
Author: Brenton Judge, Coordinator Road Construction  
Authorising Officer: Jason Hoolihan, General Manager Infrastructure and Utilities  
File Reference: ECM 1802592  
Presented for: Decision

#### ATTACHMENTS:

Nil

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#### PURPOSE:

The purpose of the report is to seek an adjustment to the budget funding so to proceed with Anncrouye Road Rehabilitation with the endorsement of the Strategic Program Project Group for an additional \$700,000 increasing the project funding from \$800,000 to \$1,500,000.

#### OFFICER RECOMMENDATION:

That Central Highlands Regional Council:

1. Approves a funding allocation of \$1,500,000 for Anncrouye Road Rehabilitation in accordance with Section 170 (3) of the Local Government Regulation increasing the overall budget by \$700,000.
2. Endorses the award of 2022T104N to Lohman Contracting for delivery of works for \$1,432,876.91 (excl. GST).

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#### REPORT:

##### Background

Central Highlands Regional Council (council) has gone to market for a contractor to undertake rehabilitation and embankment works at German Creek Crossing (Anncrouye Road). The scope of work is to rehabilitate the road and embankment of the road crossing surrounding German Creek Crossing. The terrain of the shoulder is very steep and heavily vegetated, with significant earthwork movement creating large cracking in the road, jeopardising the structural integrity.

##### Discussion/Current issue

Council went out to Tender to find a suitably skilled and priced contractor to undertake the scope of works, given the complexity. The preferred supplier from this arrangement was Lohman Contracting at \$1,432,876.91 (excl. GST).

Council is seeking an additional \$700,000 (to the existing project funding of \$800,000) to allow construction to occur before any further deterioration happens at this structure, which poses an increased safety risk. The speed at this structure has been reduced to 60km/hr with weekly inspections occurring. It is anticipated to be reduced to a single lane if observations indicate further deterioration.

The 2023-24 original budget for this project is \$800,000, with \$116 spent as at 30 September 2023. If the additional funds of \$700,000 are approved, the total budget will increase to \$1,500,000.

#### CONSIDERATIONS / IMPLICATIONS:

##### Corporate/Operational Plan Reference/Policy/Legislation:

Long-Term Destination Goal: 1. Deliver, enable and advocate for reliable services to our community

Corporate Plan Theme: 4. Quality Infrastructure and Assets

Corporate Plan Strategy: 4.1. Enable regional industry development with appropriate transport connectivity, tourism and services infrastructure

Policy/Legislation:

Not applicable

**Budget/Financial/Resourcing:**

There are no available funds within the current Infrastructure program to transfer from, therefore this request is for additional funds to the project budget.

The work is safety critical due to the deterioration of the road and the need to reduce the speed limit on this crossing.

Anncrouye Road is funded through an Infrastructure agreement between Central Highlands Regional Council and Anglo Coal. Council contributes to 25% of the project cost. Anglo Coal contributions are captured through mining rates.

**Communication/Engagement:**

- Consultation has occurred with the preferred supplier Lohman Contracting to ascertain capability to deliver the scope of works.
- Strategic Project Governance Group

**Risk Assessment:**

The speed has been reduced to 60km/hr with further safety measures being necessary if the crossing continues to degrade in its condition with potential to be reduced to single lane under traffic lights.

**Timings/Deadlines:**

Award constraints are inclusive of operational time for awarding contracts of this contract value due to upcoming caretaker period.

**Conflict of Interest Declaration:**

Council officers contributing to the preparation and approval of this report have no conflicts of interest to declare.

**Human Rights Impact:**

No

**Alternatives Considered:**

|          | Description                                                                                                                          | Positives                                                                                                                                | Negatives                                                                                                                                                                                                                                                                                                              |
|----------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Option 2 | Do not proceed / delay the project which would require continual monitoring of German Creek Crossing to ensure safety is maintained. | <ul style="list-style-type: none"> <li>• Operations for this financial year are maintained within existing budget allocations</li> </ul> | <ul style="list-style-type: none"> <li>• Reputational impacts of not repairing critical infrastructure.</li> <li>• Risk of geotechnical failure that could result in road closure and would result in the cost to be spent on this work in future years budget to be higher than the current tendered rate.</li> </ul> |

- END OF REPORT -