

10.2 Construction of Entrances to Wilpinjong Mine

REPORT BY THE MANAGER WORKS
TO 04 AUGUST 2021 ORDINARY MEETING
GOV400088, ROA100367

RECOMMENDATION

That Council:

1. **receive the report by the Manager Works on the Construction of Entrances to Wilpinjong Mine;**
2. **amend the 2021/22 Operational Plan to include a budget for the construction of entrances to Wilpinjong Mine of \$535,500 funded by contributions from Peabody Energy;**
3. **grant delegation to the General Manager to approve variations to the contract up to an accumulative total of 20% of the original contract sum; and**
4. **authorise the General Manager to negotiate final terms and sign all necessary contractual documentation to formally accept the funds from Peabody Energy.**

Executive summary

Council has been requested by Wilpinjong Mine (Peabody Energy) to construct 2 entrances to the mine off Ulan-Wollar Rd that have been approved as part of their development consent. This work is proposed to be undertaken by Council as a Private Works arrangement where full costs are paid by Wilpinjong.

Disclosure of Interest

Nil

Detailed report

Peabody Energy requested Council quote the works based on design drawings supplied by Peabody. One entrance is existing, the other is a new entrance. Both entrances are designed to current standards and incorporate what is known as the Basic Right (BAR) treatment and include a widened sealed shoulder. Council staff have provided a cost and program schedule for the works that is acceptable to Peabody. The cost of the works is estimated at \$535,500. This construction project will be completed prior to the end of this calendar year subject to any delays.

Council will enter into a contractual agreement with Peabody Energy for the project.

Community Plan implications

Theme	Connecting Our Region
Goal	High quality road network that is safe and efficient
Strategy	Provide a roads network that balances asset conditions with available resources and community needs

Strategic implications

Council Strategies

Roads Asset Management Plan

Council Policies

Private Works Policy -this project is considered as private works, however the conditions within the Private Works Policy are not suitable for the size and nature of this project. It is proposed to enter into a contractual arrangement that specify project specific conditions including payment terms that are acceptable to both parties.

Legislation

Roads Act

Financial implications

Staff have allowed for overheads and some profit in the quoted price. The budget allocation is for an amount of expenditure with matched income, so there is no impact to Operating Performance Ratio at this stage.

Budget Year	Operating Performance Ratio	Own Source Revenue	Building & Infrastructure Renewal
2021/22	-	✓	-
Future Years	-	-	-

Associated Risks

Staff will manage the construction risks such as program and cost.

ANDREW KEARINS
MANAGER WORKS

GARRY HEMSWORTH
DIRECTOR OPERATIONS

21 July 2021

Attachments: Nil

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER