

Extraordinary Council Meeting

Business Paper

Notice is hereby given that an Extraordinary Council Meeting of Parkes Shire Council will be held in the Parkes Council Chambers, 2 Cecile Street, Parkes, on Tuesday 7 April 2026 at 4:00 PM.



Kent Boyd PSM
GENERAL MANAGER

Governing Body

Composition:	Ten (10) Councillors
Membership:	Councillor WP Jayet, Councillor KM McGrath, Councillor LA O'Leary, Councillor J Paddison, Councillor DJA Pout, Councillor GW Pratt, Councillor MK Scherer, Councillor GS Wilson
Quorum:	6 Councillors
Chairperson:	Chairperson, Councillor NC Westcott
Deputy Chairperson:	Deputy Chair, Councillor MA Applebee

Pursuant to section 223 of the *Local Government Act 1993*, the role of Parkes Shire Council's governing body is:

- To direct and control the affairs of Parkes Shire Council in accordance with the *Local Government Act 1993*, in consultation with the General Manager.
- To provide effective civic leadership to the local community.
- To ensure as far as practicable the financial sustainability of the Council.
- To ensure as far as practicable that the Council acts in accordance with the principles set out in Chapter 3 of the *Local Government Act 1993* and other strategic plans, programs, strategies and policies of the Council.
- To determine and adopt a rating and revenue policy and Operational Plans that support the optimal allocation of the Council's resources to implement the strategic plans (including the Community Strategic Plan) of the Council and for the benefit of the local area.
- To keep under review the performance of the Council, including service delivery.
- To make decisions necessary for the proper exercise of the Council's regulatory functions.
- To determine the process for appointment of the General Manager by the Council and to monitor the General Manager's performance.
- To determine the senior staff positions within the organisation structure of the Council, following consultation with the General Manager.
- To consult regularly with community organisations and other key stakeholders and keep them informed of the Council's decisions and activities.
- To be responsible for ensuring that the Council acts honestly, efficiently and appropriately.

Matters determined by meetings of Parkes Shire Council's governing body will include all those non-delegable functions identified in section 377 of the *Local Government Act 1993*.

Council Chambers

Seating Plan



Guiding Principles

In accordance with section 8A of the *Local Government Act 1993*, Councillors are reminded of the guiding principles applicable to decision-making by local councils:

Councils should recognise diverse local community needs and interests.

Councils should consider social justice principles.

Councils should consider the long-term and cumulative effects of actions on future generations.

Councils should consider the principles of ecologically sustainable development.

Council decision-making should be transparent and decision-makers are to be accountable for decisions and omissions.

Statement of Ethical Obligations

In accordance with clause 3.22 of Council's Code of Meeting Practice, Councillors are reminded of their Oath or Affirmation of Office made under section 233A of the Act and their obligations under Council's Code of Conduct to disclose and appropriately manage conflicts of interest.

Oath or Affirmation of Office

The Oath or Affirmation is taken by each Councillor whereby they swear or declare to undertake the duties of the office of Councillor in the best interests of the people of the Parkes Shire and Parkes Shire Council and that they will faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the *Local Government Act 1993* or any other Act to the best of their ability and judgment.

Conflicts of Interest

All Councillors must declare and manage any conflicts of interest they may have in matters being considered at Council meetings in accordance with the Council's Code of Conduct. All declarations of conflicts of interest and how the conflict of interest was managed will be recorded in the minutes of the meeting at which the declaration was made.

Councillors attending a meeting by audio-visual link must declare and manage any conflicts of interest they may have in matters being considered at the meeting in accordance with Council's Code of Conduct. Where a Councillor has declared a pecuniary or significant non-pecuniary conflict of interest in a matter being discussed at the meeting, the Councillor's audio-visual link to the meeting will be suspended or terminated for the time during which the matter is being considered or discussed by Council, or at any time during which Council is voting on the matter.

Councillors should ensure that they are familiar with Parts 4 and 5 of Council's Code of Conduct in relation to their obligations to declare and manage conflicts of interests.

Order of Business

1	OPENING OF MEETING	6
2	ACKNOWLEDGEMENT OF COUNTRY.....	6
3	PRAYER.....	7
4	APOLOGIES AND APPLICATIONS FOR A LEAVE OF ABSENCE.....	7
5	APPLICATIONS TO ATTEND BY AUDIO-VISUAL LINK	7
6	DISCLOSURES OF INTERESTS	8
7	URGENT BUSINESS	8
8	ADOPTION OF MULTIPLE ITEMS OF BUSINESS.....	8
9	REPORTS OF THE DIRECTOR INFRASTRUCTURE AND SUSTAINABILITY	9
	9.1 Lachlan Duplication Pipeline Procurement Pre-Approval.....	9
10	REPORT OF CONFIDENTIAL RESOLUTIONS	13

1 OPENING OF MEETING

In the spirit of open, accessible and transparent government, meetings of Parkes Shire Council are video recorded and webcast, consistent with Council's Code of Meeting Practice and the *Local Government Act 1993*.

Council accepts no liability for any defamatory, discriminatory or offensive remarks or gestures made during the course of meetings. Opinions expressed or statements made by individual participants are the opinions or statements of those individuals, and do not imply any form of endorsement by Council.

Closed sessions of Council meetings are not video recorded or webcast.

Recordings and webcasts are protected by copyright and owned by Council, and published to Council's website. No part may be copied, recorded, reproduced or transmitted without the prior written consent of the General Manager. Any recording or webcast is not, and shall not, be taken to be an official record of Council or discussion depicted therein. Only the official minutes may be relied upon as an official record of the meeting.

Authorised media representatives are permitted to record meetings provided written notice has been lodged. A person may be expelled from a meeting for recording without notice. Recordings may only be used for the purpose of accuracy of reporting and are not for broadcast, or to be shared publicly. No recordings of any private third-party conversations or comments of anyone within the Chamber are permitted.

Please ensure that mobile phones and other electronic devices are turned off or are in silent mode for the duration of the meeting.

Under Council's Code of Meeting Practice, individuals acting in a disorderly manner can be asked by the Chairperson to leave the meeting.

2 ACKNOWLEDGEMENT OF COUNTRY

Parkes Shire Council acknowledges the Wiradjuri People who are the Traditional Custodians of the Land. We would also like to pay respect to the Elders past, present and emerging of the Wiradjuri Nation and extend that respect to other Aboriginal peoples from other nations who are present.

3 PRAYER

4 APOLOGIES AND APPLICATIONS FOR A LEAVE OF ABSENCE

In accordance with clauses 5.3, 5.5 and 5.7 of Council's Code of Meeting Practice, apologies must be received and accepted from absent Councillors and a leave of absence from the Council Meeting may be granted.

5 APPLICATIONS TO ATTEND BY AUDIO-VISUAL LINK

In accordance with clauses 5.19 of Council's Code of Meeting Practice, Councillors may attend and participate in meetings by audio-visual link with the approval of the Council where they are prevented from attending the meeting in person because of ill-health or other medical reasons or because of unforeseen caring responsibilities.

Requests by Councillors for approval to attend a meeting by audio-visual link must be made in writing to the General Manager prior to the meeting in question and provide reasons why the Councillor will be prevented from attending the meeting in person.

Councillors attending a meeting by audio-visual link are reminded that they must ensure that no other person is within sight or hearing of the meeting at any time that the meeting is closed to the public under section 10A of the *Local Government Act 1993*.

Note: Consistent with clause 5.45 of Council's Code of Meeting Practice, attendance by Council staff at meetings of the Council by audio-visual link shall be with the approval of the General Manager.

6 DISCLOSURES OF INTERESTS

In accordance with Part 16 of Council's Code of Meeting Practice, all Councillors must disclose and manage any conflicts of interest they may have in matters being considered at the meeting.

Council's Code of Conduct deals with pecuniary and non-pecuniary conflicts of interest and political donations, and provides guidance on how these issues should be managed.

Councillors, and where applicable, other Council Officials, must be familiar with Council's Code of Conduct and their obligations to disclose and manage any conflicts of interest that they may have in matters being considered at this Council Meeting.

Note: Councillors and staff who declare an Interest at the Council Meeting are also required to complete a Declaration of Interest form.

Obligations	
Pecuniary Interests	<p>A Councillor who has a pecuniary interest in any matter with which the Council is concerned, and who is present at a meeting of the Council at which the matter is being considered, must disclose the nature of the interest to the meeting.</p> <p>The Councillor must not be present at, or in sight of, the meeting:</p> <ul style="list-style-type: none"> (a) At any time during which the matter is being considered or discussed, or (b) At any time during which the Council is voting on any question in relation to the matter.
Non-Pecuniary Conflicts of Interest	<p>A Councillor who has a non-pecuniary conflict of interest in a matter, must disclose the relevant private interest in relation to the matter fully and on each occasion on which the non-pecuniary conflict of interest arises in relation to the matter.</p>
Significant Non-Pecuniary Conflicts of Interest	<p>A Councillor who has a significant non-pecuniary conflict of interest in relation to a matter under consideration at a Council meeting, must manage the conflict of interest as if they had a pecuniary interest in the matter.</p>
Less than Significant Non-Pecuniary Interests	<p>A Councillor who determines that they have a non-pecuniary conflict of interest in a matter that is not significant and does not require further action, when disclosing the interest must also explain why conflict of interest is not significant and does not require further action in the circumstances.</p>

7 URGENT BUSINESS

8 ADOPTION OF MULTIPLE ITEMS OF BUSINESS

The Council may, at any time, resolve to adopt multiple items of business, as recommended in the report, byway of a single resolution. The Chairperson must list the items of business to be adopted and ask Councillors to identify any individual items of business listed by the Chairperson that they intend to vote against the recommendation made in the Business Paper, or that they wish to speak on (13.2).

9 REPORTS OF THE DIRECTOR INFRASTRUCTURE AND SUSTAINABILITY**9.1 LACHLAN DUPLICATION PIPELINE PROCUREMENT PRE-APPROVAL****IP&R Linkage:** **Pillar:** Environment**Goal:** Our utilities are well planned and effeciently managed.**Strategy:** Provide essential water and sewer infrastructure to meet the needs of our growing community.**Author:** **Kylie Trueber, Projects and Emergency Management Officer****Authoriser:** **Bikash Paudel, Executive Manager Water Engineering****Annexures:** **Nil**

RECOMMENDATION

That Council:

1. Note the report on the procurement of pipe for the Lachlan Pipeline Duplication Project
 2. Note that a reduced tender period has been considered
 3. Resolve that because of the extenuating circumstances set out in the report a satisfactory result would not be achieved by inviting tenders to submit a price and then await the outcome of the submission.
 4. Note that the reasons for the decision of the Council in resolution 3 are as follows:
 - (a) The product with respect to which the tender relates can only be provided by larger manufacturers
 - (b) Council has received expert advice that due to the nature of the relevant market, offers from those manufacturers which will be made in response to the request for tender will only be open for acceptance for a period of 48hours
 - (c) Even if the tender period was shortened to 7 days as permitted under the Regulations, some if not all the relevant tenders would expire prior to Council being able to undertake an assessment of tenders, report the matter to Council and resolve to accept or reject any tenders.
 - (d) This would result in Council either having no valid tenders which it is able to accept, or it would not be able to consider for acceptance all of the tenders lodged in response to the request for tender.
 - (e) This would not be a satisfactory result for Council.
 5. Delegate the authority to execute the contracts for the supply of the pipe for the Lachlan Pipeline Duplication Project to the General Manager.
 6. Provide a report to a future Council meeting on the outcome of the procurement process.
-

BACKGROUND

Why a Two-Stage Tender?

Market Conditions and Geopolitical Considerations

Current global and geopolitical conditions are creating ongoing volatility in construction material supply chains, particularly for large-diameter pipeline materials. Key factors affecting supplier pricing and availability include:

- Ongoing geopolitical tensions and conflicts impacting global manufacturing and freight routes
- Volatility in energy prices affecting polymer production costs
- Disruptions to international shipping, including longer transit times and higher freight costs
- Reduced willingness by suppliers to hold prices for extended periods due to market uncertainty

As a result, many suppliers are:

- Limiting the validity period of price offers
- Applying escalation clauses or exclusions for delayed orders
- Prioritising availability and delivery certainty over long-term fixed pricing

The proposed two-stage tender process allows Council to:

- First confirm supplier capability, commercial alignment, and acceptance of terms (Stage 1), and
- Then seek current, market-tested pricing and availability at the point of commitment (Stage 2)
- Achieve SSWP milestone due 30th May 2026 for the execution of contract for the supply of material.
- Allows Council to test the market without price pressure
- Ensures tenderers accept Council's terms and conditions upfront
- Avoids wasted pricing effort by non-compliant suppliers
- Improves certainty on material availability and lead times

This approach reduces Council's exposure to price withdrawal, escalation risk, and supply unavailability, while maintaining a transparent and competitive procurement process

ISSUES AND COMMENTARY

Council is asked to consider whether the proposed procurement approach, including delegating authority to the General Manager to execute a contract outside standard tender timelines, is an appropriate and proportionate response to current market conditions.

The primary issue is the volatility of raw material pricing and the commercial reality that suppliers are only able to guarantee pricing for very short periods. Council must consider whether adherence to standard tender processes under these conditions would expose the project to avoidable cost escalation and undermine value for money.

A related issue is the balance between competitive procurement and financial prudence. While an accelerated procurement approach may reduce competitive tension, delaying procurement is likely to increase project costs and place pressure on the approved capital budget. Council must weigh the risks of reduced competition against the higher likelihood of price increases if procurement is deferred.

Council must also consider the financial and service delivery consequences of delay. The Lachlan Pipeline Duplication Project is critical infrastructure, and delays in securing pipe supply may impact construction sequencing, project timelines and water security outcomes for the community.

From a governance and compliance perspective, Council is required to be satisfied that the proposed approach is lawful, defensible and consistent with legislative and policy requirements. This includes ensuring that the delegation of authority is clearly defined, approved by Council, financially capped and supported by transparent reporting.

There is also a reputational consideration, as alternative procurement approaches can attract scrutiny if not clearly justified. Council must consider how the decision will be perceived by the community and whether the rationale demonstrates sound stewardship of grant funds.

Finally, Council should consider its risk appetite and precedent. The issue is ensuring that this decision is clearly positioned as a response to exceptional market conditions and does not signal a broader departure from Council's established procurement practices.

LEGISLATIVE AND POLICY CONTEXT

The proposed procurement approach has been assessed against the relevant legislative and policy framework governing local government procurement in New South Wales. While the approach departs from Council's standard tender timelines, it remains lawful and appropriate where explicitly approved by Council and supported by clear governance controls.

Under the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*, Council is required to undertake competitive tendering for contracts above prescribed thresholds, unless Council resolves to approve an alternative procurement method. In this instance, Council is being asked to formally approve the procurement approach and delegate limited authority to the General Manager to execute the contract, ensuring that the decision is made transparently and in accordance with legislative intent.

["Local Government Act 1993 No 30 - Division 1 Tendering -55"](#)

Under clause 3 (i) it states the following:

(3) This section does not apply to the following contracts —

(i) a contract where, because of extenuating circumstances, remoteness of locality or the unavailability of competitive or reliable tenderers, a council decides by resolution (which states the reasons for the decision) that a satisfactory result would not be achieved by inviting tenders"

The approach is consistent with the principles of Council's Procurement Policy, particularly in relation to value for money, risk management, accountability and financial sustainability. Given the exceptional market conditions, including short price-guarantee periods and volatile raw material costs, adherence to standard tender timeframes would likely expose Council to increased financial risk and undermine value for money outcomes.

The proposed delegation aligns with Council's Delegations Framework, as it is specific, time-bound and subject to a defined financial limit approved by Council. Probity and governance requirements will be maintained through appropriate documentation, supplier due diligence, contract controls and reporting back to Council following contract execution.

Overall, the proposed procurement method is considered compliant with legislative requirements and consistent with Council policy, representing a prudent and defensible response to current market conditions while maintaining appropriate oversight and accountability.

FINANCIAL IMPLICATIONS

The proposed procurement approach seeks Council approval to delegate authority to the General Manager to execute the pipe supply contract within a limited price guarantee period due to significant volatility in raw material costs, particularly crude oil which is used in the manufacture of PDPE Pipes.

This approach is intended to mitigate the risk of further cost escalation by enabling Council to secure pricing within the supplier's 48-hour guarantee window, which cannot be accommodated through the standard tender process.

From a financial perspective, the delegation supports price certainty and budget protection for the Lachlan Pipeline Duplication Project by reducing exposure to rapidly increasing material costs and potential project overruns. While the shortened procurement timeframe may reduce competitive tension compared to a full open tender, this risk is considered acceptable given current market conditions, the specialised nature of the supply, and the high likelihood of increased costs if procurement is delayed.

The financial risks associated with this approach will be mitigated through Council approved spending limits, contract approved and ready for execution, and post execution reporting to Council.

Overall, the proposed procurement method represents a financially prudent response to exceptional market conditions and supports value for money by minimising escalation risk and maintaining project affordability.

RISK IMPLICATIONS

The proposed procurement approach introduces a controlled level of risk for Council, primarily arising from the delegation of authority to execute a contract outside standard tender timeframe. These risks are considered manageable and proportionate when weighed against the risks of inaction under current market conditions.

From a financial risk perspective, the primary risk is reduced competitive tension due to accelerated procurement. However, this is offset by the significantly greater risk of cost escalation associated with volatile raw material pricing and short price-guarantee periods. Delaying procurement is likely to result in higher project costs, reduced affordability, or budget pressures elsewhere in the capital works program. Financial risk will be mitigated through Council approved spending limits, confirmation of budget availability, and securing fixed pricing where possible.

In terms of service delivery and infrastructure, failure to secure pipe supply in a timely manner poses a material risk to project delivery timeframes and to Council's ability to deliver critical water infrastructure outcomes. Delays may impact construction sequencing and increase reliance on ageing assets, with potential flow-on effects to service continuity. Early procurement reduces these risks and supports the timely delivery of essential infrastructure.

With respect to the compliance and governance environment, the departure from standard tender processes presents a risk if not explicitly authorised. This risk will be mitigated through a clear Council resolution approving the procurement method and delegation, compliance with legislative and policy provisions, and transparent reporting back to Council following contract execution.

There is a potential reputational risk should the procurement approach be perceived as lacking transparency or value for money. This risk will be mitigated by clearly articulating the exceptional market conditions, maintaining probity, documentation and audit readiness.

Project and contractual risks include supplier performance, delivery delays and reduced opportunity to negotiate contract terms under time constraints. These risks will be managed through supplier due diligence, clear performance and delivery requirements, and appropriate contractual protections.

Overall, the residual risks associated with the proposed procurement approach are considered acceptable and aligned with Council's risk appetite. The approach represents a proactive and prudent response to emerging market risks and supports Council's financial sustainability, service delivery obligations and infrastructure objectives.

COMMUNITY CONSULTATION

There are no community consultation requirements for Council associated with this report.

10 REPORT OF CONFIDENTIAL RESOLUTIONS

In accordance with clauses 14.22 and 14.23 of Council's Code of Meeting Practice, resolutions passed during a meeting, or a part of a meeting that is closed to the public must be made public by the Chairperson as soon as practicable. Such resolutions must be recorded in the publicly available minutes of the meeting.
