

## POLICY

### PLANT, EQUIPMENT & STORES - REPLACEMENT & DISPOSAL - Plant, Equipment & Vehicles

Date adopted by Council	28 November 2022
Minute number	H.11.1.1.c
Endorsed by	Senior Management Group
CM Ref	CD-64/22
Due for review	November 2026
Related documents	N/A
Responsible officer	Finance Manager
Department/Section	Corporate Services
Category	Corporate
Community Strategic Plan goal	Responsible Governance
	<b>5.3</b> Effective financial and asset management to ensure Council's long-term sustainability



## Policy Statement

This policy applies to all Council owned plant, equipment and vehicles that Council has direct responsibility for and control over including (but not limited to):

- Plant and Machinery
- Equipment
- Heavy Vehicles
- Light Utility Vehicles
- Passenger Vehicles

## Objective

Council owns, controls, manages and maintains an extensive fleet of plant, equipment and vehicles.

The objective of the Plant & Vehicle Replacement Policy is to:

- Provide the desired level of service from Council's plant & vehicle fleet in the most effective and efficient manner for present and future needs.
- Provide equipment to enable affordable services.
- Manage and maintain a modern, efficient and safe plant and vehicle fleet
- Support local businesses where possible.

The aim of the Plant and Vehicle Replacement Policy is to:

- Service potential or future plant and vehicle requirements.
- To manage the assets of the fleet to ensure the appropriate asset value is maintained.
- To optimise plant and vehicle replacement to ensure value for money while maintaining appropriate asset value.
- To manage Plant and Vehicle Fleet replacement in such a manner as to not place unreasonable burden on the Council forward budgets.

## Policy Details

The following plant replacement schedule has been created using information from various sources which include the current resale values, past trade trends, whole of life costs, maintenance costs and dealer information. This information has been collated to provide an optimal replacement timeframe for plant and fleet vehicles to give the best economic turnover result for Council while satisfying Council's operational requirements.

Exceptions to this schedule may occur on a case by case basis under the following circumstances:

- changes to operational requirements
- excessive wear/exceptional circumstances
- favourable marketing conditions
- plant location
- budget requirements
- condition of auxiliary systems on truck mounted units, etc.
- certain items of plant with low utilisation rates (when compared to accepted industry standards) required in areas for daily operational use. (e.g. Backhoe required for water supply repairs in small town). In these cases such items of plant, which may be scheduled for replacement, may be transferred to those locations that leave the oldest



items of plant in the lower utilisation areas whilst always keeping the newest item of plant in higher utilisation areas

All such exceptions shall be investigated by the Fleet and Workshop Coordinator, Finance Manager and the Director of Corporate and Community Services and assessed prior to budget preparation to ensure optimum fleet utilisation and best value for money and where necessary reported to the Council.

In general, replacement times for plant, equipment and vehicles should be:

<b>Plant / Vehicle Type</b>	<b>Replacement Criteria</b>
Petrol/Diesel Passenger sedans, wagons and SUV Type vehicles	Up to 80,000 km / 3 years
Diesel 2WD Utilities and Dual Cabs	Up to 90,000 km / 4 years
Diesel 4WD Utilities and Dual Cabs	Up to 90,000 km / 4 years
Backhoes	8,000 hrs / 8 years
Dozers	10,000 hrs / 12 years
Excavators (<15 tonne)	10,000 hrs / 10 years
Excavators (>15 tonne)	8,000 hrs / 8 years
Graders	10,000 hrs / 10 years
Loaders	10,000 hrs / 10 years
Skid Steer Loaders	8,000 hrs / 10 years
Landfill Compactors	10,000 hrs / 15 years
Miscellaneous Plant (site/lunch vans, other trailers, crushing plants, motorbikes – ATV's, small ride-on mower, etc.)	Assessed & investigated on an organisational needs basis
Mowers – Large Ride-On	3,000 hrs / 4 years
Quarry Trucks - Dump	15,000 hrs / 10 years
Rollers	8,000 hrs / 8 years
Rubber Tyres Rollers	10,000 hrs / 10 years
Tractors	8,000 hrs / 8 years
Trailers – Semi	20 - 30 years
Dog Trailers	10 years
Trucks – Heavy (including body &	8 years
Trucks – Light	8 years
Trucks – Medium	8 years
Trucks - Prime Movers	10 years
Trucks – Road Patching	6 years
Trucks – Street sweepers	6 years
Electric vehicles	4 years

To maintain a reliable plant/vehicle fleet, it is necessary that a programmed replacement policy be adhered to.



A ten (10) year replacement program is to be maintained for all of Council’s plant and reviewed on an annual basis along with plant hire rates to ensure an appropriate annual revenue return. These reviews are the responsibility of the Fleet Supervisor, Finance Manager and the Director Corporate and Community Services.

When determining the most economical time to replace plant/vehicles, consideration is given to the type of machine/vehicle, hours/kilometres, repairs (past and required) and current value.

When determining the most suitable replacement item of plant/vehicles, consideration shall be given to the resale value, suitability for purpose, performance/profitability, backup parts and service, maintenance and operator preference.

**Criteria for Vehicles provided by Council**

The type, standard and value of vehicles to be provided by Council for various administrative functions and approved personal lease-back opportunities to applicable employees guided by the following:

<b>OFFICER</b>	<b>VEHICLE TYPE AND STANDARD</b>	<b>VALUE OF VEHICLE (INCL GST &amp; LCT)</b>
Mayor	Large luxury passenger vehicle but with the discretion of the Mayor to select the type/style of vehicle	Up to \$80,000
General Manager	Large luxury passenger vehicle but with the discretion of the General Manager to select the type/style of vehicle	Up to \$80,000
Directors	Large deluxe standard passenger vehicle with the discretion of the Director to select type/style of vehicle	Up to \$70,000
Manager	Large or medium passenger vehicle	Up to \$60,000
Works Supervisors	4WD Utility	Up to \$55,000
Coordinators	Medium or small passenger vehicle or 4WD/2WD Utility	Up to \$45,000
Pool Vehicles	Medium or small passenger vehicle suitable for work functionality	Up to \$45,000

GST = Goods & Services Tax

LCT = Luxury Car Tax



### **Procedure for Acquisition and Replacement**

All plant, equipment and vehicles shall be purchased in accordance with the provisions of the Council's Procurement Policy.

In preparation for Council's Annual Budget an assessment and review shall be made of future plant and vehicle replacement requirements. Such review will accommodate the following:

- Review of future requirements of each service area of Council and recommend changes as required.
- Discuss with the relevant Manager of each Service area their future requirements and replacement cycles of existing plant and vehicles.
- Discuss and review technical specifications required for any new and/or replacement plant and vehicles with relevant Manager and Operators to ensure that the item will provide optimum benefit to Council's activities and operators satisfaction
- Plant/vehicle budget to be assessed and developed as per Plant and Vehicle Replacement Policy, operational requirements and budget by the Fleet Manager, Finance Manager and Director Corporate and Community Services for adoption by the Council.
- Tenders/Quotes for plant and vehicle replacement will be prepared at regular intervals throughout the financial year at a time to suit individual plant and vehicle replacement needs and as per Council's adopted Procurement Policy
- Tender/Quote documents are to be developed by the Fleet Supervisor and Finance Manager using specifications received by personnel in all regional areas including managers, coordinators, supervisors, operators and workshop staff.
- Any new fleet acquisitions shall have a minimum five (5) star vehicle safety rating as prescribed by the Australian New Car Assessment Program (ANCAP).
- For non-passenger vehicles Council's Work Health & Safety Officer shall assess the plant item for suitability in regard to safety and ergonomics.

### **Local Buying Policy**

Council applies its local buying policy where possible up to 5% or \$2,500 whichever is less.

### **Sustainable Fleet Replacement**

Consideration will be given for alternative powered options for future fleet acquisitions. This will involve the review of available electric and hybrid category vehicles and equipment. Review will entail the economic benefits and cost for replacement of existing fleet items as and when they become due for replacement.

### **Procedure for Disposal**

Existing plant, equipment and vehicles are to be disposed of by one of the following methods:

- Trade-in on a replacement plant item
- Public auction houses including larger internet auction sites such as 'Grays Online'
- Tender advertised in a local or regional newspaper



## **Delegations**

The Finance Manager has the delegated authority to:

- Accept tenders/quotes for the purchase and replacement of plant, equipment and vehicles subject to budget provisions up to \$50,000 (incl GST) in value.
- Authorise disposal of plant, equipment and vehicles that are:
  - Scheduled replacement items;
  - Items that are considered surplus to Council's requirements; and
  - Determine the most appropriate method of disposal for these items
- Authorise any amendments to plant, equipment and vehicles types in order to best suit the operational requirements for Council.

The Director Corporate and Community Services has the delegated authority to:

- Accept tenders/quotes for the purchase and replacement of plant, equipment and vehicles subject to budget provisions up to \$150,000 (incl GST) in value.

The General Manager has the delegated authority to:

- Accept tenders/quotes for the purchase and replacement of plant, equipment and vehicles subject to budget provisions up to \$250,000 (incl GST) in value.

All tenders over \$250,000 (incl GST) in value are to be approved by Council.

## **Responsibilities**

### **Councillors**

Councillors will consider any acquisitions above the tender value of \$250,000.

### **Senior Management Group**

The General Manager and/or relevant Director will approve any acquisitions required to be made under their delegation.

### **Particular/relevant Manager**

The Finance Manager will approve any acquisitions required to be made up to their delegation.

### **Particular/relevant Coordinators and Supervisors**

The Fleet Coordinator will prepare and provide quotes for acquisitions to be approved above their delegation.

## **References and Related Legislation**

Nil



## Version History

Version No.	Date	CM Reference	Reason for Review
1	26/09/2016	CD-89/21	New policy
2	28/11/2022	CD-64/22	Timed review