

Plant and Vehicle Replacement - Council Policy

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| Effective Date | <i>20 May 2009</i> |
| Policy Owner | <i>Infrastructure Services - Fleet & Resources</i> |
| Link to Corporate Plan | <i>Financial Sustainability</i> |
| Review Date | <i>March 2025</i> |
| Related Legislation | <i>Nil</i> |
| Related Documents | <i>Procurement - Council Policy Fleet Management Committee - Terms of Reference</i> |

| Policy Version | Approval Date | Adopted/Approved |
|-----------------------|----------------------|------------------------------------|
| <i>1</i> | <i>20 May 2009</i> | <i>Ordinary Meeting of Council</i> |
| <i>2</i> | <i>5 June 2013</i> | <i>Ordinary Meeting of Council</i> |
| <i>3</i> | <i>15 March 2017</i> | <i>Ordinary Meeting of Council</i> |
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*This policy may not be current as Council regularly reviews and updates its policies. The latest controlled version can be found in the policies section of Council's intranet or Website. **A hard copy of this electronic document is uncontrolled.***



Plant and Vehicle Replacement - Council Policy

1. PURPOSE

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

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

- Provide the desired level of service from Council's plant and 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.

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 optimize 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 Budget in any one financial year.
- Ensure that Council's fleet is rationalised and achieves appropriate utilisation rates.

2. SCOPE

This policy applies to all items of plant and vehicles owned and managed by Council.

3. POLICY

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

- Plant and machinery
- Maintenance equipment
- Passenger vehicles / Utilities

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 and favourable market 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 Program Coordinator - Fleet and Resource, Senior Works Manager and the General Manager Infrastructure Services and assessed by the Fleet Management



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Committee 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 and vehicles should be:

| Plant / Vehicle Type | Replacement Time |
|--|--|
| Petrol/Diesel High Clearance SUV Type Wagons | Minimum 150,000 km / 5 years * |
| Diesel 2WD Utes & Dual Cabs | Minimum 150,000 km / 5 years * |
| Diesel 4WD Wagons, 4WD Utes & Dual Cabs | Minimum 250,000 km / 5 years * |
| Backhoes | 10,000 hrs / 15 years |
| Dozers | 10,000 hrs / 10 years |
| Excavators | 10,000 hrs / 10 years |
| Graders | 14,000 hrs / 14 years |
| Loaders | 10,000 hrs / 15 years |
| Miscellaneous Plant (store/lunch vans, other trailers, crushing plants, motorbikes – ATV's, small ride-on mower, etc) | Assessed & investigated as an on needs basis |
| Mowers – Large Ride-On | 2,000 hrs / 5 years |
| Quarry Trucks - Dump | 15,000 hrs / 10 years |
| Rollers | 10,000 hrs / 15 years |
| Tractors | 10,000 hrs / 10 years |
| Trailers – Semi | 20 - 30 years |
| Trucks – Heavy (including body & dogs) | 10 years |
| Trucks – Light | 8 years |
| Trucks – Medium | 10 years |
| Trucks - Prime Movers | 10 years |
| Trucks – Road Patching | 10 years |
| Trucks – Street sweepers | 10 Years |

* White fleet replacement may vary depending on condition and / or role.

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 Program Coordinator - Fleet and Resource, Senior Works Manager and the General Manager Infrastructure Services and approved by the Fleet Management Committee.

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

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

Plant and Vehicle Procurement:

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

Procedure:

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



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- Review of future plant requirements by staff in each area of Council and recommend changes as required.
- Review of fleet and plant utilisation and performance
- Plant/vehicle budget to be assessed and developed as per Plant and Vehicle Replacement Policy, operational requirements and budget by the Senior Works Manager and General Manager Infrastructure Services and approved by the Fleet Management Committee for adoption by the Council.
- A purchasing schedule including general vehicle/plant specifications and timings will be developed by the Program Co-ordinator - Fleet and Resources, Senior Works Manager and General Manager Infrastructure Services and approved by the Fleet Management Committee
- Request for Quote documents are to be developed by the Program Coordinator Fleet and Resource using approved technical specifications.

Fleet/Vehicles are to be evaluated using the Fleet Evaluation Spreadsheet which calculates each vehicle Whole of Life Costs. These vehicles are replaced at suitable intervals throughout the financial year.

