



# **Plant and Vehicle Replacement Policy**

<b>Date policy was adopted by Council:</b>	25 May 2011
<b>Resolution number:</b>	139/11
<b>Previous Policy review date:</b>	November 2013
<b>Next Policy review date:</b>	January 2016
<b>Reference number:</b>	C13121968

### 1. OUTCOMES:

Council operates a diverse plant, equipment and vehicle fleet that are essential to the provision of Council Strategic priorities:

1. Image and Influence,
2. Culture and Leisure,
3. Infrastructure, Access and Transport.

The Plant Fleet needs to be effectively managed to allow delivery of the priorities.

### 2. POLICY:

This Policy applies to all Council owned plant and vehicles that the Queanbeyan City Council has direct responsibility for or control over including:

- passenger vehicles
- light commercial vehicles
- plant and machinery

The Objective of this policy is to ensure that sound management techniques are embedded in the management of the Councils plant, fleet and equipment. This can be achieved by ensuring that:

1. Plant and Vehicle fleet replacement strategies are driven by
  - a. defined service levels
  - b. optimisation of use
  - c. performance standards
  - d. risk exposure and market trends
2. All lifecycle costs are taken in to consideration when determining plant hire rates,
3. Financial resources are properly allocated and managed to optimise investment in plant and equipment,
4. Depreciation is included in plant hire rates, cash backed and restricted in an internal reserve for both fleet and plant and equipment.

### 3. DEFINITIONS

**Community Transport Vehicles** - These vehicles include Community transport buses but not the passenger **vehicle fleet** operated by the group.

**Lifecycle costs** - All costs associated with the life of a plant, vehicle or piece of equipment including but not limited to: purchase and disposal, operation, maintenance, depreciation and replacement.

**Plant and Equipment** - Trucks, mowers, tractors, earthmoving machinery, trailers, specialised units and parks maintenance equipment.

**Vehicle Fleet** – Councils leaseback vehicles predominately passenger vehicles, though some utilities are included.

**Waste Fund Plant** – The plant used solely by the waste fund (chipper)

#### **4. CONTENT:**

Councils approach to its plant and vehicle fleet replacement should include a common and consistent techniques and objectives. An annual plant and vehicle fleet report must:

1. Develop and review a 5 year plant replacement programs for Plant and Vehicle replacement programs annually,
2. Develop both a 5 year budget to fund the replacement program and 10 year financial plan,
3. Review future plant requirements by staff,
4. Report performance against this policy,
5. Incorporate feedback into a draft program from stakeholders into plant and vehicle replacement activities undertaken by Council. The draft program to include economic justification, potential alternatives (such as contractors), opportunities to resource share with other Councils, funding arrangements (e.g. loans, leasing), also analysis of hire rates and depreciation,
6. Recognise opportunities for plant and vehicle disposal and replacement.
7. Actively market test passenger vehicles to determine changeover costs trends and adjust replacement strategies accordingly,
8. Ensure quality assurance by adopting checklists to ensure that all relevant stakeholders are involved in the total process of plant and vehicle replacement,
9. Include changes to plant and vehicle fleet for insurance purposes.

Consideration should also be given to:

1. Risk Management,
2. Compliance with OH&S Legislation,
3. Green fleet initiatives such as vehicle emission levels and fuel economy,
4. Market trends – optimum changeover, market preferences, and
5. Warranty provisions.

#### **Replacement by Type**

Passenger Vehicles (leaseback)	3 years	or	75,000km
Utilities and other pool vehicles	5 years	or	100,000km
Light trucks (up to 6 tonnes)	5 years	or	100,000km
Heavy/specialised trucks (over 6 tonnes)	10 years	or	200,000km
Buses	10 years	or	150,000km
Mowers	3 years	or	3,000hrs
Tractors	6 years	or	7,500hrs
Loaders	9 years	or	11,000hrs
Backhoes	9 years	or	11,000hrs
Trailers and sundry plant	As required		

Community Transport Vehicles and Waste Fund Plant will not be included in the vehicle and plant funds but operated by the respective funds. The principals of this policy will also be applied to these plant and vehicles. Fees will charge by the Plant fund for the services rendered.

The purchase and disposal of all vehicles, plant and equipment shall be carried out as per Council's purchasing procedures.

**Funding**

1. Vehicle and plant replacement is to be funded from internally restricted reserves for:
  - a. vehicle fleet replacement,
  - b. plant fleet replacement.
2. A cash equivalent will be is to be transferred to the internally restricted reserve that includes:
  - a. depreciation,
  - b. inflation
3. Any income on sale of vehicles is to be transferred to the plant replacement internally restricted reserve with the exception of grant funded vehicles.
4. Tools and equipment, of value less than \$3,000, are not to be funded as plant but are to be expended from the respective budget allocation in the group concerned, including the maintenance expenses.

**Responsibility**

To achieve this Policy, the following key roles and responsibilities are identified:

- (A) Council:
  1. To act as custodians for plant and vehicle assets.
  2. To approve Council's plant and vehicle replacement annual budget
  3. To approve the sale and acquisition of large plant and equipment in excess of \$150,000.
  4. To ensure appropriate resources for plant and vehicle replacement activities are made available.
  5. To endorse the Plant and Vehicle Replacement Policy.
- (B) Group Manager City Infrastructure:
  1. To link the Plant and Vehicle Replacement Policy to the Plant and Vehicle Replacement Program using the principles of life-cycle analysis,
  2. To develop the Plant and Vehicle Replacement Program using the principles of life-cycle analysis,
  3. To present information to the Council and General Manager in terms of life-cycle risks and costs,
  4. To provide co-ordination for the implementation of the Plant and Vehicle Replacement Policy across Council departments,
  5. To communicate the Plant and Vehicle Replacement Policy across Council,
  6. To review the policy,
  7. To develop strategies,
  8. To provide leadership in implementing the Plant and Vehicle Replacement Policy.


**5. PERFORMANCE INDICATOR**

Performance indicators of compliance to this policy will be:

1. Plant ages and hours comply with those in this policy,
2. Depreciation is cash backed in to the internal reserves.

<b>POLICY:-</b>	
<b>Policy No:</b>	
<b>Policy Title:</b>	Plant and Vehicle Replacement Policy
<b>Date Policy was adopted by Council:</b>	25 May 2011
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<b>PROCEDURES/GUIDELINES:-</b>	
<b>Date Procedure/Guideline (if any) was developed:</b>	Nil
<b>RECORDS:-</b>	
<b>Container Reference in TRIM: Policy</b>	SF080616
<b>Container Reference in TRIM: Procedure</b>	Nil
<b>Other locations of Policy:</b>	Intranet (linked to TRIM Container)
<b>Other locations of Procedures/Guidelines:</b>	Nil
<b>DELEGATION (if any):-</b>	Nil
<b>RESPONSIBILITY:-</b>	
<b>Draft Policy developed by:</b>	General Manager
<b>Committees (if any) consulted in the development of the Draft Policy:</b>	
<b>Responsibility for Implementation:</b>	Group Manager Infrastructure
<b>Responsibility for Review of Policy:</b>	Group Manager Infrastructure

<b>INTEGRATED PLANNING FRAMEWORK:</b>	
<b>Community Strategic Plan:</b>	Strategic Priority No. 5
<b>Delivery Program Title:</b>	Plant and Motor Vehicles
<b>Operational Plan:</b>	Program No. 235

<b>Senior Authorising Officer</b>	<b>Position</b> General Manager	<b>Signature/Date</b>  26 May 2011
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<b>ACTION</b>	<b>COUNCIL MEETING DATE</b>	<b>RESOLUTION NUMBER</b>	<b>REPORT ITEM NUMBER</b>
<b>NEW/RECONFIRMED/ AMENDED</b>			
New	28 January 2009	023/09	Item 20
Amended	25 May 2011	139/11	Item 6

<b>DATE REVIEWED</b>	<b>REVIEWER POSITION</b>	<b>REVIEWER NAME</b>
11 July 2012	Manager Engineering Services	Derek Tooth
November 2013	General Manager	GaryChapman