

	<b>PLANT &amp; EQUIPMENT REPLACEMENT POLICY</b>	<b>Doc No. 1</b>	
		<b>Version</b>	<b>Date</b>
		<b>1</b>	<b>May 2022</b>
<b>Controller</b>	<b>Approved by:</b>	<b>Review Date</b>	
	<b>Council</b>		
Executive Manager - Engineering	<b>Minute Number</b> 2022/96		

## POLICY OBJECTIVE

The objectives of this policy is to ensure Council's plant, light commercial vehicles and other mechanical equipment is current, applicable and available in good working order to achieve the best cost benefits and service for Council and the Community.

## SCOPE

To ensure Council's plant and equipment reflect and adhere to contemporary Plant and Equipment Industry Standards and WHS Safety Requirements in particular the replacement periods of Councils plant and equipment.

## POLICY STATEMENT

### 1. REPLACEMENT PERIODS

Replacement periods will be set to provide the best financial result for Council whilst also taking into account Council's operational needs and funding resources. In general, as a guide changeover periods for plant and equipment will be as follows;

<b>Plant Item</b>	<b>Turnover Kilometres/hours</b>	<b>Turnover Period</b>
Utilities, wagons, vans and light trucks (up to two tonne)	60,000 – 90,000 km	3 - 5 Years
Trucks (up to 8,500kg GVM)	125,000 – 175,000 km	5 – 7 years
Trucks (over 8,501kg GVM)	200,000 – 300,000 km	6 – 8 years
Road Grader	7,500 – 8,500 hours	8 – 10 years
Road Roller	7,000 – 8,000 hours	8 – 10 years
Backhoe	6,000 – 6,500 hours	5 – 7 years
Front End Loader/Excavator	6,500 – 7,500 hours	8 – 10 years
Skid Steer/Bobcat/Forklift	4,000 – 4,500 hours	7 – 8 years
Tractor	6,000 – 6,500 hours	5 – 7 years
Water truck / Fuel Truck	175,000 – 200,000 km	10 – 12 years
Asphalt Repair Truck	180,000 – 200,000 km	6 – 8 years
Caravans	2,500 – 3,500 hours	10-15 years
Slasher/Wing Mowers	N/A	6 – 7 years
Others	On an as needs basis	

If it is necessary to replace an item of plant or equipment outside the stated replacement period, this will be reported to Council.

## **2. PURCHASING & DISPOSAL**

The purchasing of major plant and equipment should consider the following (but not limited to):

- Demonstrated need for the item
  - Age, safety and compliance
  - Cost of life, depreciation and maintenance costs
  - Replacement, purchase price and resale value, change over costs
  - Consideration of whether to purchase (by use of Council monies or loans), hire, lease or hire purchase;
  - Utilisation levels based on actual engine hours or kilometres worked, not days or hours booked
  - Encourage and pursue competitive purchases to maximise the value to both Council and the Community.
- Purchases are to be undertaken in accordance with Council's Procurement Policy, purchases in excess of \$250,000 (incl. GST) are to be conducted through a Public Tender process in accordance with the *Local Government Act (1993)* and the Local Government (General) Regulation (2005). Purchases below \$250,000 (incl GST) are to be conducted through a quotation process, with the number of quotes sought to be in accordance with the Procurement Policy.
  - Where an item of plant or equipment is no longer required, disposal can be by way of direct sale by tender or motor vehicle auction. Disposal of an item of plant or equipment is to be approved by either Council or the General Manager.

## **3. PLANT REPLACEMENT – GENERAL**

- A Fifteen Year Plant Replacement Program is to be maintained and reviewed annually and is to be reported to Council on an annual basis.
- Delegation is provided to the General Manager, under Section 377 of the Local Government Act (1993), to approve the purchase and replacement of major plant and vehicles in accordance with Council's adopted Annual Plant Replacement Program, subject to the changeover costs being within ten percent (10%) of the estimated changeover costs and within the total Council budget allocation for the program, and provided the purchase and replacement procedures are in accordance with Council's Procurement Policy
- Tools and equipment of value less than \$10,000 are not to be funded as plant but are to be purchased from the budget allocation of the Department concerned, considered as Small Plant.
- Plant and equipment items valued at \$5,000 although plant of lesser value can be allocated a plant number if required. So over \$5,000 plant number should be allocated, under \$5,000 plant number may be allocated for costing purposes.

## **POLICY DEFINITIONS**

Plant and equipment: See list of items in table

## POLICY ADMINISTRATION

BUSINESS GROUP:	Infrastructure and Works
RESPONSIBLE OFFICER	Executive Manager Engineering and Works
COUNCIL REFERENCE	
POLICY REVIEW DATE	Three (3) years from date of adoption
FILE NUMBER	D22.62648
RELEVANT LEGISLATION	. Local Government Act 1993 (NSW) . Local Government (General) Regulation 2005 (NSW)
RELATED POLICIES/PROCEDURES/PROTOCOLS	. Procurement Policy

## POLICY HISTORY

VERSION	DATE APPROVED	DESCRIPTION OF CHANGES
1.0	17.05.2022	New Policy