

FLEET & PLANT

Purpose

The purpose of this policy is to outline the principles by which the City's Fleet & Plant is procured to achieve compliance, optimum operational utilisation and replacement cost effectiveness. This policy is underpinned by the Objectives and Principles of the Council's CG-12 Purchasing Policy and details the specific requirements for the procurement, selection and disposal of the City's Fleet & Plant.

Definitions

Council Member means a person who is currently serving a term of office as an elected member of the Council in accordance with the Act.

The **Act** means the *Local Government Act 1995*.

Whole of Life Costs means the total cost of owning and operating a fleet vehicle over its entire lifespan, including acquisition, operating costs, maintenance costs, disposal costs and depreciation.

Mechanical & Operational Assessment means a comprehensive evaluation of a vehicle's mechanical integrity, operational efficiency and environmental impact.

Policy Provisions

1. LIGHT VEHICLES

1.1 Light Vehicle Selection Considerations

Vehicle selection shall be based on five (5) criteria:

| Item | Considerations | Description |
|------|-----------------|--|
| 1 | Fit for Purpose | The vehicle must firstly meet the functional requirements of the position for which the vehicle is being acquired. This will be assessed as part of the Mechanical & Operational Assessment criteria. |
| 2 | Service Support | It is preferred that the vehicle has local warranty and service support available. This will be assessed as part of the Mechanical & Operational Assessment criteria. |
| 3 | Economic | Average Annual Whole of Life Costs (WOL) are based on 24,000km annual utilisation and shall be used to provide a cost comparison between vehicles that meet the functionality requirements for the position. WOL will be calculated using Institute of Public Works Engineering Australasia (IPWEA) Whole of Life Cost Calculator and will consider fixed and variable costs such as purchase price, resale value, repairs & maintenance (R&M), depreciation, fuel consumption, insurance and registration. These calculations will be assessed as part of the (WOL) criteria. |

| Item | Considerations | Description |
|------|----------------------|--|
| 4 | Safety | The City has an obligation to provide a safe work place. Vehicle safety ratings are assessed by Australian New Car Assessment Program (ANCAP) on a scale of 1 - 5. <u>Only vehicles with a 5 Star ANCAP Safety Rating will be considered for selection.</u> Additional safety features such as lane departure assist, Electronic Stability Control (ESC), Anti-lock Braking Systems (ABS), reverse sensors / alarms will be assessed as part of the Mechanical & Operational Assessment . |
| 5 | Environmental Impact | The main greenhouse gas emitted by motor vehicles is carbon dioxide (CO ₂). The level of CO ₂ emissions is linked to the amount of fuel consumed by the car, and the type of fuel used. All new vehicle models sold in Australia are tested to determine both fuel consumption and the level of CO ₂ emissions. Emissions are measured by grams per kilometre, or (g/km). Only vehicles with a combined (g/km) of ≤ 240 g/km will be considered for selection. The Australian Government's Green Vehicle Guide (GVG) represents the industry standard for providing information on fuel consumption, noise and air pollution and will be consulted during the procurement process. Where applicable and fit for purpose, Council will consider hybrid, hybrid electric, hydrogen, or electric or other alternative fuel options. This will be assessed as part of the Environmental Impact criteria. |

1.2 Weighted Analysis for Purchasing Decisions

A weighted assessment considering economic, safety, operational requirements and environmental criteria shall be conducted on a range of vehicles that meet fit for purpose and council image requirements.

Weighting Criteria in Light Vehicle Purchase Decisions

| Criteria | Weighting (%) |
|--|---------------|
| Annual Whole of Life Costs (including Purchase Price) | 50 |
| Mechanical & Operational Assessment (Scoresheet completed by panel members; scoring attributes related to Fit for Purpose, Safety, Service Support, and Delivery Timeframe, out of 10) | 30 |
| Environmental Impact | 20 |

The selection model provides a weighted evaluation score for each vehicle included in the assessment. The evaluation panel shall make a recommendation from the highest scoring vehicles that are fit for purpose, economically competitive, satisfy minimum safety & environmental standards and meet the City's requirements.

The requirement to use the criteria specified in this section 1.2 Weighted Analysis for Purchasing Decisions, may be waived for the purchase of employment contract vehicles on a case-by-case basis.

1.3 Optimum Replacement Timing

The optimum replacement timing for light fleet changeover shall be reviewed annually. The current optimum replacement timing for all passenger cars and utilities is 5 years/120,000km whichever occurs first. When identified for replacement vehicles may be subject to a Risk Assessment to determine if the useful life can be prolonged. Deferments shall not exceed 12 months at a time without a new Risk Assessment being conducted or exceeds OEM or manufacturer's warranty period

1.4 Optional Extras

Optional extras fitted to light-fleet vehicles can have a substantial effect on the resale value and capital purchase costs. Vehicle extras will be provided on a case-by-case basis to suit operational requirements and are to be approved by the Chief Executive Officer.

1.5 Employment Contract Vehicles

Where a vehicle is provided for professional and private use as part of an employment contract as determined by the Chief Executive Officer, a vehicle appropriate to the role will be allocated within maximum greenhouse emissions and standards.

2. HEAVY VEHICLES & PLANT

2.1 Heavy Vehicle & Plant Selection Considerations

Where a vehicle is provided for professional and private use as part of an employment contract as determined by the Chief Executive Officer, a vehicle appropriate to the role will be allocated within maximum greenhouse emissions and standards.

Heavy vehicle & plant selection shall be based on five (5) criteria:

| Item | Considerations | Description |
|------|----------------------|--|
| 1 | Fit for Purpose | The item must firstly meet the functional requirements of which the vehicle or machine is being acquired. Departmental consultation should be undertaken to ensure operational suitability. This will be assessed as part of the Mechanical & Operational Assessment criteria. |
| 2 | Service Support | It is preferred that the vehicle has local warranty and service support available. This will be assessed as part of the Mechanical & Operational Assessment criteria. |
| 3 | Economic | Average annual whole of life costs (WOL) are based on unit specific annual utilisation targets and shall be used to provide a cost comparison between trucks / machines that meet the functional requirements. The WOL costs will be calculated using the IPWEA Whole of Life Cost Calculator and will consider fixed and variable costs such as purchase price, resale value, repairs & maintenance (R&M), depreciation, insurance and registration. These calculations will be assessed as part of the Whole of Life Costs criteria. |
| 4 | Safety | Safety features to be considered with heavy vehicles & machinery will include; machine ergonomics / operator comfort e.g. air suspension seat and machine controls, (VTCS) variable traction control system, Roll Over Protection Systems (ROPS), and Falling Object Protection Systems (FOPS), acceptable access & egress from the vehicle and reverse sensors, cameras & alarms. This will be assessed as part of the Mechanical & Operational Assessment . |
| 5 | Environmental Impact | When assessing heavy vehicles & machinery, emission standards such as USA Environmental Protection Agency (e.g. Tier 4) or European Union (e.g. Euro 5) will be the reference for comparisons. Fuel and oil burn data will be reviewed as part of the Environmental Impact assessment. Type & quality of fuel and oil filtration systems will also be considered to provide the most efficient, clean and quiet operation. |

| Item | Considerations | Description |
|------|----------------|--|
| | | Where applicable and fit for purpose, Council will consider hybrid, hybrid electric, hydrogen, or electric or other alternative fuel options. This will be assessed as part of the Environmental Impact criteria. |

2.2 Weighted Analysis for Purchase Decisions

A weighted assessment considering economic, safety and environmental criteria shall be conducted on a range of vehicles and plant that meet fit for purpose requirements. The below weightings should be used in conjunction with the Council's Purchasing Policy CG-12.

Weighting Factors in Heavy Vehicle and Plant Purchase Decisions

| Criteria | Weighting (%) |
|---|---------------|
| Whole of Life Costs (WOL). Includes Purchase Price | 50 |
| Mechanical & Operational Assessment (Score sheet completed by panel members; scoring attributes related to Fit for Purpose, Safety, Service Support, and Delivery Timeframe, out of 10) | 40 |
| Environmental Impact | 10 |

The selection model provides a weighted evaluation score for each vehicle included in the assessment and the Evaluation Panel shall make a recommendation from the highest scoring vehicles that are fit for purpose, have local service support and meet the City's public image requirements.

2.3 Optimum Replacement Timing

The current optimum replacement timing for heavy vehicle and plant varies depending on size and type as well as application. When identified for replacement, items may be subject to a Risk Assessment to determine if the useful life can be prolonged. As with light vehicles, deferments shall not exceed 12 months at a time without a new Risk Assessment being conducted or exceeds OEM or manufacturer's warranty period.

The below Optimum Replacement benchmarks are provided by the IPWEA Fleet Community in response to a national survey and should be considered as a guide only. Several factors are considered when recommending useful life and annual utilisation benchmarks: local operating conditions (location & terrain), availability of local hire plant, operational imperatives and emergency preparedness.

| Type | Years | Utilisation (hrs. or kms) |
|-------------------------------------|-------|---------------------------|
| Grader | 10 | 8,000 hr |
| Backhoe Loader | 7 | 5,000 hr |
| Front End Loader (FEL) | 8 | 8,000 hr |
| Skid Steer Loader (Bobcat) | 3 | 3,000 hr |
| Excavator > 15t | 10 | 8,000 hr |
| Heavy Duty Truck (HR & HC) | 8 | 500,000 km |
| Light Duty Truck (LR) | 6 | 150,000 km |
| Medium Duty Truck (MR) | 8 | 200,000 km |
| Ride On Mower (Front Deck 72") | 5 | 2,000 hr |
| Tractor > 100hp | 7 | 5,000 hr |
| Landfill Compactor | 10 | 10,000 hr |
| Vibrating Drum roller (7t and over) | 8 | 5,000 hr |
| Rubber Tyre Roller | 10 | 5,000 hr |

3. FLEET & PLANT DISPOSAL

Local Government Act 1995 and Council's CF-17 Disposal of Assets Policy informs fleet & plant disposal requirements.

Fleet & plant disposal is to be conducted as per legislative requirements with disposal methods restricted to:

- trade-in to the dealer supplying the new vehicle (dependent on changeover value)
- disposal by public auction
- Tender.

Related Documents

| | |
|--------------------------|---|
| Legislation & Local Laws | <i>Local Government Act 1995</i> |
| Relevant Delegations | <i>Disposal of Local Government Property 1.3</i> <i>Authorisation of Expenditure B1.</i> |
| Strategies & Plans | <i>Corporate Business Plan 2020-2025</i> |
| Related Council Policies | <i>OP-HR-15 Motor Vehicle Usage Policy</i> <i>CG-12 Purchasing Policy</i> <i>CF-17 Disposal of Asset Policy</i> |
| Policy URL | |

Policy Owner

| | |
|-------------|--|
| Directorate | <i>Strategic Projects & Infrastructure</i> |
| Department | <i>Waste Fleet & Depot</i> |

Review Management

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|------------------|---------------------|
| Next review due: | <i>October 2028</i> |
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Version Management

| Version | Date | Council Resolution # | Description |
|---------|---------------------|----------------------|--------------------------------|
| 1.0 | <i>Oct 2010</i> | <i>151342</i> | <i>Original Policy Adopted</i> |
| 2.0 | <i>May 2016</i> | <i>153443</i> | <i>Policy Review</i> |
| 3.0 | <i>Sep 2020</i> | <i>154671</i> | <i>Policy Review</i> |
| 4.0 | <i>October 2024</i> | <i>241028</i> | <i>Policy Review</i> |