



HEAVY PLANT REVIEW COMMITTEE

MINUTES

Section 5.9(2)(a) LGA 1995

The function of the Heavy Plant Committee is to review the 12 Year Plant Replacement Program annually prior to budget adoption and to make recommendations to the Council as to plant purchases to be funded.

Ordinary Meeting of the Heavy Plant Review Committee
Held in the Council Committee Room
Lowood Road, Mount Barker WA 6324
12 noon Tuesday 4 December 2018

ROB STEWART
CHIEF EXECUTIVE OFFICER

Committee Members

Cr L Handasyde, Cr J Oldfield, Cr J Moir and Cr C Pavlovich (Resolution No. 228/17)

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Membership: Quorum (2)

Cr L Handasyde

Cr J Oldfield

Cr J Moir

Cr C Pavlovich

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

At 12.10pm, Cr Oldfield declared the meeting open.

2 RECORD OF ATTENDANCE / APOLOGIESMembers Present

Cr J Oldfield (Presiding Member)

Cr L Handasyde

Cr C Pavlovich

Observer

Cr B Bell

Officers

Mr R Stewart

Chief Executive Officer

Mr D Lynch

Manager Works and Services

Ms A Chadbourne

Senior Administration Officer, Works and Services

Apologies

Cr J Moir

3 DISCLOSURE OF INTERESTCr C Pavlovich

Item: 5.1

Type: Financial (Section 5.60 (A) and Section 5.61)

Nature: Shire have hired driver and water truck

Extent: Owner of company which Shire is using to hire equipment for road construction works

12.12pm Cr Pavlovich requested that he be allowed to participate in discussion pursuant to Section 5.68 of the Local Government Act 1995 and withdrew from the meeting.

Decision pursuant to Section 5.68 of the Local Government Act 1995

Moved Cr L Handasyde, Seconded Cr J Oldfield;

That with regard to Item 5.1, Cr C Pavlovich be permitted to participate in discussion pursuant to Section 5.68 of the Local Government Act 1995 as the interest is so trivial or insignificant as to be unlikely to influence his conduct in relation to the matter.

CARRIED

12.15 Cr C Pavlovich returned to the meeting.

4 CONFIRMATION OF MINUTES

Moved Cr L Handasyde, Seconded Cr J Oldfield;

That the Minutes of the Ordinary Meeting of the Heavy Plant Committee, held on 24 April 2018 as circulated, be taken as read and adopted as a correct record.

CARRIED

5 REPORTS OF COMMITTEE MEMBERS AND OFFICERS

5.1 HEAVY PLANT – AMENDMENT TO EXISTING FLEET – BUDGET REVIEW

File Ref: N47162
Author: David Lynch
 Manager Works and Services
Author: David Lynch
 Manager Works and Services
Proposed Meeting Date: 4 December 2018

PURPOSE

The purpose of this report is to recommend some amendments to the Heavy Plant Replacement Program for 2018/19.

BACKGROUND

The Council at its meeting held on 10 July 2018 resolved to accept the Shire budget for 2018/19. This included the allowance for heavy plant replacement for \$936,234.00 with \$226,909.00 allocated to trade-ins.

Minor Plant replacement was allocated \$208,250.00 with \$72,500.00 for trade-ins. The Plant Replacement Program can be summarised in the table below. Please note all figures exclude GST.

Plant Item	No	Budget	Trade	Net
Isuzu Tipper	T1	83,806	25,909	57,897
DAF Tip Truck – 6 wheeler	T32	197,428	51,000	146,428
Cat 12M Grader	G3	345,000	85,000	260,000
Hino 1727 4x2 Truck	T3	125,000	25,000	100,000
Isuzu GIGA Truck	T31	185,000	40,000	145,000
Heavy Plant Total		936,234	226,909	709,325
Plant Item	No	Budget	Trade	Net
Manager Works & Services LV	LV46	45,000	30,000	15,000
Works Supervisor LV	LV36	42,000	18,000	24,000
Works Crew Transporter LV	LV52	38,000	12,000	26,000
LV Total		125,000	60,000	65,000
Heavy Duty Road Verge Slasher	SL4	35,000	7,500	27,500

Refurbish Semi End Tipper		8,000	-	8,000
3 Point Linkage Tank Sprayer	New	5,400	-	5,400
600L Skid mounted Fire Fighter Unit	New	4,850	-	4,850
Angle Broom	New	11,000	-	11,000
Gravely Zero Turn Ride On Mower	TC10	9,500	2,500	7,000
Ariens Zoom XL 42 Ride On Mower	TC11	9,500	2,500	7,000
Minor Plant Total		208,250	72,500	135,750

The principal purpose of this meeting will be to examine purchases to date and then consider some alterations to the Heavy Plant Replacement Program to cater for some immediate issues. It is anticipated that a further meeting will be held in April 2019 following recommendations made at this meeting.

STATUTORY ENVIRONMENT

There are no statutory implications for this report.

EXTERNAL CONSULTATION

Consultation has taken place with heavy vehicle manufacturers.

FINANCIAL IMPLICATIONS

Heavy plant purchases are funded from the Plant Replacement Reserve which is invested on an annual basis according to the long term plant purchase schedule.

POLICY IMPLICATIONS

Council Policy I/PM/1 Plant – General applies.

STRATEGIC IMPLICATIONS

The Shire of Plantagenet Strategic Community Plan 2017 – 2026 provides at Outcome 2.6 (Assets and infrastructure management over the long term to meet current and future needs) the following:

Strategy 2.6.1:

'Develop and implement long-term Service and Asset Management Plans for all Council assets having regard to current and future asset needs and the Shire's long term financial plan'.

Accordingly, the recommended outcome for this report aligns with the Strategic Community Plan.

The Shire of Plantagenet Corporation Business Plan 2016/17 – 2020/21 includes Action 2.6.1.3:

'Ensure the Council has an efficient and cost effective plant and machinery management program'.

Accordingly, the recommended outcome for this report aligns with the Strategic Community Plan.

OFFICER COMMENT

Purchases to date for heavy plant and minor plant replacement for this financial year are itemised below. Please note all fixtures exclude GST.

Heavy Plant

Item	Budget	Actual	Trade	Net
Isuzu Tipper	83,806	83,806	25,909	57,897
DAF Tip Truck – 6 wheeler	197,428	197,428	51,000	146,428
Cat 12M Grader	345,000			
Hino 1727 4x2 Truck	125,000			
Isuzu GIGA Truck	185,000			
Total	936,234	281,234	76,909	204,325

Minor Plant

Item	Budget	Actual	Trade	Net
Manager Works & Services LV	45,000	36,272	11,091	25,181
Works Supervisor LV	42,000	40,964	18,182	22,782
Works Crew Transporter LV	38,000	40,964	8,181	32,783
Item	Budget	Actual	Trade	Net
Heavy Duty Road Verge Slasher	35,000	9,600	N/A	9,600
Refurbish Semi End Tipper	8,000	Still to be completed		
3 Point Linkage Tank Sprayer	5,400	4,300	N/A	4,300
600L Skid mounted Fire Fighter Unit	4,850	3,100	N/A	3,100
Angle Broom	11,000	7,150	N/A	7,150

Gravely Zero Turn Ride On Mower	9,500	15,315	3,300	10,765
Ariens Zoom XL 42 Ride On Mower	9,500		1,250	
Total	208,250	148,065	42,004	115,661

To date all purchases except for one light vehicle (Works Crew Transporter) have been at or below budget with savings made in a number of areas.

Minor Plant Savings

The heavy duty slasher was replaced with a new genuine Bobcat slasher at a saving of \$25,400.00. This slasher has proved to be exceptionally capable for its assigned tasks and is well regarded by staff for its ease of hook-up and operating parameters. It has features such as a floating deck which reduces impact when cutting across uneven ground resulting in a much smoother cut, as does its twin rotor design which increases torque distribution at the cutting point (outside edge of blades) compared to traditional single bar slashers. This increase results in constant rotation speed and a smooth cut. The blades are very easy to change as the whole slasher is able to be tilted sideways hydraulically so the deck is near vertical, and maintenance is able to be carried out more easily (and therefore frequently) in a safer manner.

The old slasher was not able to be traded in due to its poor condition but has been minimally refurbished for use in 'rough' cutting areas behind the Kubota tractor.

Two lawnmowers were due to be changed over this year but with the decision to make one member of the Parks and Gardens team redundant and to put approximately half of the mowing out to contract, a single mower was purchased in their place. This mower is considerably more robust and powerful than the trade-in mowers with a slightly wider cut. It has also proved its worth and has anecdotally cut mowing times down to nearly half in the portions mowed by Shire staff.

Heavy Plant Replacement

At previous meetings the issue of grader replacement (G3) was discussed. Costings of various replacement options are shown at Attachment One. As of the date of the Agenda closing the Manager Works and Services (MWS) is still awaiting a changeover costing and analysis of the Shire's grader from Westrac.

Prices have been received from Komatsu and John Deere for new graders and are shown below.

Komatsu GD555_5 Motor Grader - \$335,000.00 (ex GST)

John Deere 670GP Motor Grader - \$381,900.00 (ex GST) – trade-in \$105,000.00

The full service history of G3 is attached to enable Committee Members to make informed decisions on various options (see Attachment Two)

The disposal or not of G3 also ties in with a proposal to replace the existing water truck. The Shire's current water truck continues to experience mechanical issues and is currently in the workshop again awaiting new parts. A service history of the water truck and the two trucks currently budgeted for replacement (T3 and T31) are shown at Attachment Three. In addition, an email from a local heavy vehicle supplier is included where various options and prices are discussed.

Some of the options for the replacement of the Shire's water truck are:

1. Continue to fix it, noting that it is a rare US built truck and that parts are very hard to locate in Australia. The replacement axle had to be obtained from the USA earlier this year at a cost of \$3,878.00 for the part;
2. Outright purchase another 6 wheeler using savings from retaining the grader, keeping T31 (Isuzu GIGA) as a third 6 wheeler and purchasing a slip-in water tank (13,000 to 15,000L); or
3. Similar to Option 2 above but outright purchase another similar sized light truck (6 wheeler), retain the smaller truck - T3 (8 tonne) and use the existing fibreglass tank which is able to legally carry 9,000L.

Each option has pro's and con's but the least favoured is Option 1 because of the unreliability of the vehicle.

Options 2 and 3 would benefit work efficiency overall with the most efficient being Option 2. However, with efficiency comes cost when outright purchase values are taken into account.

Hiring a water truck was not considered in any detail as it would likely cost in the order of \$60,000.00 or more annually.

Purchasing a new, purpose built water truck is seen as being too expensive. A copy of a costing received gives some information on the magnitude of such a purchase (Attachment Four).

12.47pm Cr C Pavlovich withdrew from the meeting

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION

That it be a recommendation to the Council:

That the following amendments to the Shire's 2018/19 Heavy Plant Replacement Program as shown at Attachment Five be endorsed and that the budget amendments detailed below be recommended to the Council at its meeting to be held on 29 January 2019.

Account	Description	Original / Amended Budget	New Budget (ex GST)	Net Cash Amount (ex GST)
51411.0006	CAT 12M Grader (G3)	(345,000)	-	345,000
51411.0006	Isuzu GIGA Truck (T31)	(185,000)	-	185,000
51411.0006	Isuzu GIGA 6 Wheeler Truck (New)	-	(200,000)	(200,000)
51411.0006	Hino 1727 Medium Truck (T3)	(125,000)	(143,000)	(18,000)
41411.0105	CAT 12M Grader (G3)	85,000	-	(85,000)
41411.0105	Isuzu GIGA Truck (T31)	40,000	-	(40,000)
41411.0105	Hino 1727 Medium Truck (T3)	25,000	33,500	8,500
51411.0006	Refurbish water Tank - (Accessory T31)	-	(20,000)	(20,000)
		933,075	757,575	(175,500)
	TOTAL (Ex GST)	428,075	428,075	-

COMMITTEE DECISION

Moved Cr L Handasyde, Seconded Cr J Oldfield;

That it be a recommendation to the Council:

That the amended 2018/19 Heavy Plant Replacement Program as follows be endorsed including the budget amendments as detailed:

Account	Description	Original / Amended Budget	New Budget (ex GST)	Net Cash Amount (ex GST)
51411.0006	CAT 12M Grader (G3)	(345,000)	-	345,000
51411.0006	Isuzu GIGA Truck (T31)	(185,000)	-	185,000
51411.0006	Isuzu GIGA 6 Wheeler Truck (New)	-	(200,000)	(200,000)
51411.0006	Hino 1727 Medium Truck (T3)	(125,000)	(143,000)	(18,000)
41411.0105	CAT 12M Grader (G3)	85,000	-	(85,000)
41411.0105	Isuzu GIGA Truck (T31)	40,000	-	(40,000)

41411.0105	Hino 1727 Medium Truck (T3)	25,000	33,500	8,500
51411.0006	Refurbish water Tank - (Accessory T31)	-	(20,000)	(20,000)
		933,075	757,575	(175,500)
	TOTAL (Ex GST)	428,075	428,075	-

CARRIED

12.49pm Cr C Pavlovich returned to the meeting

6 NEXT MEETING

26 February 2018 at a time to be decided.

7 MEETING CLOSURE

At 12.50pm Cr Oldfield declared the meeting closed.

Presiding Member

Date

Attachment Five