



## 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 Committee  
held in the Council Committee Room  
Lowood Road, Mount Barker WA 6324  
11.30am Tuesday 5 December 2017

John Fathers  
**ACTING 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

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**1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

At 11.32am, Mr Lynch declared the meeting open.

**2 RECORD OF ATTENDANCE / APOLOGIES**Present

Cr L Handasyde	Council Representative
Cr J Oldfield	Council Representative
Cr C Pavlovich	Council Representative
Mr D Lynch	Manager Works and Services
Ms A Chadbourne	Senior Administration Officer, Works and Services

Observers

Cr B Bell	Council Representative
Cr B Lang	Council Representative

Apology

Cr J Moir	Council Representative
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**3 DISCLOSURE OF MEMBERS' INTERESTS**

Part 5 Division 6 Local Government Act 1995

Nil.

**4 ELECTION OF CHAIRPERSON / DEPUTY CHAIRPERSON**

Mr Lynch called for nominations for the position of Presiding Member.

Cr Handasyde nominated Cr Oldfield.

As there were no other nominations Cr Oldfield was declared Presiding Member.

Cr Oldfield called for nominations for the position of Deputy Presiding Member.

Cr Pavlovich nominated Cr Handasyde.

As there were no other nominations, Cr Handasyde was declared Deputy Presiding Member.

**5 CONFIRMATION OF MINUTES**

**Moved Cr L Handasyde, Seconded Cr C Pavlovich;**

**That the Minutes of the Ordinary Meeting of the Heavy Plant Committee, held on 28 March 2017 as circulated, be taken as read and adopted as a correct record.**

**CARRIED**

## **6 REPORTS OF COMMITTEE MEMBERS AND OFFICERS**

### **6.1 HEAVY PLANT - AMENDMENT TO EXISTING FLEET - BUDGET REVIEW**

<b>File Ref:</b>	<b>N43547</b>
<b>Responsible Officer:</b>	<b>David Lynch Manager Works and Services</b>
<b>Author:</b>	<b>Amy Chadbourne Senior Administration/Project Officer Works and Services</b>
<b>Proposed Meeting Date:</b>	<b>5 December 2017</b>

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#### **PURPOSE**

The purpose of this report is to review and recommend some amendments to the Heavy Plant Replacement Program for 2017/18.

#### **BACKGROUND**

Following review of the Council's Heavy Plant Replacement Program by the Manager Works and Services (MWS) it was noted that some items of heavy plant previously recommended to be changed over in 2017/18 did not fit within the guidelines of Council Policy I/PM/1 Plant – General.

It is requested that the Heavy Plant Review Committee reassess the disposal of some items with the aim of retaining them for a longer interval due to less than optimal changeover pricing and the lack of any real need to dispose of one item. Also it is requested that the Committee consider the recommendation that two new pieces of plant are purchased.

#### **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 2013-2023 provides at Outcome 2.6 (Assets and infrastructure management over the long term to meet current and future needs) the following Strategy:

Strategy 2.6.1:

*'Develop and implement long-term Service and Asset Management Plans for all Council assets having regard for 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 Corporate Business Plan 2015/2016 – 2019/2020 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

The table below shows a section of the Heavy Plant Replacement Program adopted at the Special Council Meeting of 3 July 2017 and includes additional information about each item.

### Adopted Heavy Plant Replacement Program for 2017/18 (ex GST)

Item	Plant No	Age	Hours/km	Price	Trade	Net
Cat 928H Loader	L11	2012	3,460hrs	146,260	60,000	86,260
Cat 924 Front End Loader	L12	2005	8,650hrs	139,050	60,000	79,050
Kanga 524 Digger	L14	2004	1,828hrs	55,620	7,000	48,620
Isuzu GIGA Truck	T31	2008	289,187km	198,275	25,000	173,275
DAF FAT CF85 Tip Truck	T32	2008	288,733km	198,275	25,000	173,275
<b>TOTAL</b>				<b>737,480</b>	<b>177,000</b>	<b>550,480</b>

When this table was first reviewed by the current MWS it was immediately noted that the pricing therein was not current with commercial new pricing for front end loaders, nor were the trade-in prices considered to be accurate.

Indicative pricing for a new Cat 924 front end loader (FEL) is approximately \$100,000.00 more than the price in the table, assuming it comes as an integrated toolcarrier (IT) model with both general purpose bucket and forks. The trade-in price is likely to be \$65,000.00 giving a nett changeover closer to \$175,000.00. A non-IT model is approximately \$20,000.00 cheaper.

Additionally, the previously scheduled replacement of the Cat 928H FEL does not meet the requirements of the Council Policy in either age or engine hours and it is

recommended that this item be removed from this schedule and its replacement held back until it does meet Council Policy guidelines.

Given that the changeover prices for the remaining Cat 924 FEL are beyond that budgeted, further investigation has been undertaken as to the state of the machine. Oil samples are sent away as part of routine servicing and indicate no major issues with the machine although the most recent sample from the rear differential indicated the presence of metal filings.

The parts to completely replace the inside of the rear differential were verbally estimated by Westrac as \$5,200.00 with labour and downtime to be added to this.

The Cat 924 FEL also requires a complete new set of tyres at an estimated cost of \$12,000.00 including fitting.

The MWS is of the opinion that given the high changeover cost and the lack of any major indications of impending failure, the Cat 924 FEL should be retained until it is no longer economically viable to keep it operating. The cost of new tyres and any future major repairs could come from the Council reserve on an as needed basis.

If the Cat 924 FEL suffered a major breakdown, the backhoe (Cat 444F) is available to cover its duties until repairs or a replacement is made.

If the Council did decide to replace one of the loaders, then for comparison, a new Cat 930K FEL costs approximately \$270,000.00 with a current trade-in of \$95,000.00 for the Cat 928H FEL. The changeover is again approximately \$175,000.00.

It is recommended that the Isuzu Tipper Truck (T1) which is used as a maintenance truck and tows a small plant trailer be replaced instead. T1 is a 2008 model, has 206,981km (November 2017) on the clock and is used extensively by the town maintenance crew. The majority of its workload involves the vehicle towing as well as frequently stopping and starting. The synchro gear box is showing issues with second and third gears.

Plant disposal guidelines state that a medium truck should be considered for replacement at seven to twelve years and 300,000km, and therefore fits within the required age bracket of the policy but not the kilometres travelled.

Indicative pricing for a new Isuzu FRR medium truck has been obtained and represents a list price of \$73,400.00 with a \$15,000.00 trade-in. No licensing fees or other on road costs are included.

The Isuzu GIGA truck (T31) meets Council Policy guidelines in terms of age but falls just below the kilometres travelled limit at approximately 290,000km. No particular issues have been recorded for this vehicle and it is considered a reliable truck.

It is recommended the DAF FAT CF85 tip truck (T32) remain in the Heavy Plant Replacement Program for replacement in 2017/18 as mechanical reports indicate it is beginning to have engine and transmission sensor issues. It should be noted the engine on this truck has been overhauled previously.

Additionally the DAF truck is a EURO compliant vehicle which requires AdBlue, and its general array of sensors and electronics is considerably more complicated than the Isuzu models, making it potentially more prone to breakdowns as it ages.

It should be noted that during 2017, T32 has cost the Council more in parts and mechanic time than T31 to operate.

The pricing given in the amended table for the replacement of the DAF truck only includes a standard end tipper body whilst the current vehicle has a combination end/side tipper body. A price increase would be expected to put a similar body on the replacement but at this point cannot be reported as estimates have not been received. An estimate should be received by the date of the Heavy Plant Review Committee Meeting.

The MWS has also sought confirmation that truck pricing includes the plumbing of hydraulics to the rear of the trucks for the trailers.

### **Potential New Purchases**

Approval is sought to purchase two additional items of plant, being a 1.7 tonne excavator and a cold planer attachment for the backhoe.

During the recent heavy rain events, a 1.5 tonne excavator was hired for the purposes of cleaning out roadside table drains and culvert pipes and the machine proved to be invaluable in this role. At a combination weight of just less than 2.5 tonne it could be towed around with a 4x4 utility and has proven to be considerably more versatile in this role than the backhoe.

Although at the bottom end of excavators in terms of capacity, a machine of this size remains capable of digging through road base and sealed material. Its primary use would be to assist the town maintenance crew with excavating failed portions of sealed roads.

Larger machines have been considered, however, the next step up in size (3 tonne) would require a plant trailer for transport reducing the machine's overall versatility as well as the cost of the trailer and lack of vehicles available for towing.

The pricing in the table below was obtained for both Cat and Volvo machines and includes a heavy duty trailer.

The second proposed purchase is a cold planer used for concrete stabilising patches in sealed roadways. The proposal is for a small width cold planer suitable for attachment to a skid steer with a 1200mm working width. These machines do not replace the larger 'BOMAG' type machines used for major highway works but are intended for townsite patching and smaller road works up to 100m<sup>2</sup>. The Shire currently spends between \$15,000.00 to \$25,000.00 per year on such patching through contractors who charge in the vicinity of \$8.00 to \$10.00/m<sup>2</sup>. Works and Services still have to supply plant and equipment for the contractors such as trucks, bobcats and rollers in addition to traffic control.

In order to run the cold planer efficiently, the posi-track type skid steer requires a hi-flow pump. The Council currently has two skid steers, both of which are approaching



3,000 hrs, a Cat 226B (L13) used for town maintenance and a second hand Cat 287B posi-track (L15). The Cat 226B will have to be replaced at some point in the next few years before it begins to start having mechanical issues but is in better condition than the Cat 287B posi-track. That said, the Cat 287B posi-track is used only for a few hours every week at the O'Neill Road Waste Management Facility and could likely continue in this task for many years without replacement, however, its versatility is limited because it would need retro fitting of auxiliary hydraulic remotes suitable for operating the cold planer.

It is therefore proposed that the Cat 287B posi-track is replaced with a Cat 259D posi-track skid steer that would be able to undertake the waste facility tasks and would also be available for operation of the cold planer.

The recommended amendments to the 2017/18 Heavy Plant Replacement Program are show in the table below.

**Amended Heavy Plant Replacement Program for 2017/18 (ex GST and on road costs (ORC))**

<b>Plant Item</b>	<b>No</b>	<b>Price</b>	<b>Trade</b>	<b>Net</b>
Isuzu Tipper	T1	73,400	15,000	58,400
Kanga 524 Digger	L14	41,155	5,600	35,555
DAF FATCF85 Tip Truck	T32	179,937	38,000	141,937
Mini Excavator (new) inc Plant Trailer	-	45,000	-	45,000
Cold Planer/Profiler (new)	-	43,712	-	43,712
Cat 287B Posi-Track Skid Steer	L15	96,000	18,000	78,000
<b>TOTAL</b>		<b>479,204</b>	<b>76,600</b>	<b>402,604</b>

**VOTING REQUIREMENTS**

Simple Majority

**OFFICER RECOMMENDATION**

That it be a recommendation to the Council:

That the following amendments to the Shire's 2017/18 Heavy Plant Replacement Program be endorsed.

Plant Item	No	Price	Trade	Net
Isuzu Tipper	T1	73,400	15,000	58,400
Kanga 524 Digger	L14	41,155	5,600	35,555
DAF FATCF85 Tip Truck	T32	179,937	38,000	141,937
Mini Excavator (new) inc Plant Trailer	-	45,000	-	45,000
Cold Planer/Profiler (new)	-	43,712	-	43,712
Cat 287B Posi-Track Skid Steer	L15	96,000	18,000	78,000
<b>TOTAL</b>		<b>479,204</b>	<b>76,600</b>	<b>402,604</b>

**COMMITTEE DECISION**

**Moved Cr L Handasyde, Seconded Cr C Pavlovich;**

**That it be a recommendation to the Council:**

- The recommended amendments to the Shire's 2017/18 Heavy Plant Replacement Program be endorsed with the following requests made of the Manager Works and Services:**

Plant Item	No	Price	Trade	Net
Isuzu Tipper	T1	73,400	15,000	58,400
Kanga 524 Digger	L14	41,155	5,600	35,555
DAF FATCF85 Tip Truck	T32	179,937	38,000	141,937
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<b>TOTAL</b>		<b>479,204</b>	<b>76,600</b>	<b>402,604</b>

2. The performance of the CAT 928H Loader and the CAT 924 Front End Loader be assessed in twelve (12) months' time.
3. More information be obtained on the following plant items:
  - a) The Kanga 524 Digger and any parts/attachments included in its changeover;
  - b) The trade-in price of the Isuzu Tipper (T1); and
  - c) Options for a general purpose trailer to transport plant including the Mini Excavator, the Kanga 524 Digger and any other relevant plant.
4. A report is to be presented to the Council at the meeting of 30 January 2018.

**CARRIED**

**7 NEXT MEETING**

Tuesday 30 January 2018 at a time to be confirmed.

**8 MEETING CLOSURE**

At 12.28pm, Cr Oldfield declared the meeting closed.

\_\_\_\_\_  
Presiding Member

\_\_\_\_\_  
Date