



## **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  
11.00am Tuesday 6 December 2016

**Rob Stewart**  
**CHIEF EXECUTIVE OFFICER**

Committee Members

Cr L Handasyde, Cr J Oldfield and Cr C Pavlovich (Resolution No. 228/15)

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**Presiding Member: Cr L Handasyde**

**Deputy Presiding Member: Cr C Pavlovich**

**Membership: Quorum (2)**

Cr L Handasyde

Cr J Oldfield

Cr C Pavlovich

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

At 11.33am, Cr Handasyde 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 Le Cerf Manager Works and Services

Ms A Chadbourne Senior Administration Officer, Works and Services

Mr C Standish Principal Works Supervisor

Observer

Cr B Bell Council Representative

**3 CONFIRMATION OF MINUTES**

**Moved Cr J Oldfield, Seconded Cr C Pavlovich;**

**That the Minutes of the Ordinary Meeting of the Heavy Plant Committee Meeting, held on 10 May 2016 as circulated, be taken as read and adopted as a correct record.**

**CARRIED**

**4 DISCLOSURE OF INTEREST**

Part 5 Division 6 Local Government Act 1995

Nil

## 5 REPORTS OF COMMITTEE MEMBERS AND OFFICERS

### 5.1 TENDER CO2-1617 SUPPLY/TRADE AND DELIVERY OR OUTRIGHT SALE (DISPOSAL) OR SUPPLY ONLY OF A PRIME MOVER

**File Ref:** N36769  
**Attachments:** [Specifications - Prime Mover](#)  
**Responsible Officer:** Dominic Le Cerf  
Manager Works and Services  
**Author:** Amy Chadbourne  
Senior Administration/Project Officer Works  
and Services  
**Proposed Meeting Date:** 6 December 2016

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#### PURPOSE

The purpose of this report is to consider tender submissions received for the supply/trade and delivery or outright sale (disposal) or supply only of a prime mover.

#### BACKGROUND

As part of the Shire's plant replacement program, tender CO2-1617 Supply/Trade and Delivery or Outright Sale (Disposal) or Supply only of a Prime Mover was advertised state wide on 22 October 2016 with submissions closing on 7 November 2016.

Three tender submissions were received.

#### STATUTORY ENVIRONMENT

Local Government Act 1995 Section 3.57 – Tenders for providing goods or services

Local Government Act 1995 Section 3.58 – Disposing of property

Local Government (Functions and General) Regulations 1996 Section 30(3)(a)

Delegation LG012 (Property - Acquisition and Disposal)

The delegation authorises the Chief Executive Officer to acquire or dispose of any goods and services (other than land) valued at an amount not exceeding \$99,999.00 whether or not a tender process is undertaken. As the amount under discussion is greater than \$99,999.00, the matter is presented to the Council.

#### EXTERNAL CONSULTATION

Information has been provided to interested Tenderers upon request.

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## FINANCIAL IMPLICATIONS

The Shire's 2016/2017 annual budget has a provision of \$145,000.00 (ex GST) for the net changeover of its existing prime mover.

## POLICY IMPLICATIONS

Council Policy No. I/PM/1 Plant – General stipulates changeover criteria for heavy plant.

Council Policy No F/FM/7 – Purchasing and Tender Guide

Council Policy F/FM/14 – Regional Price Preference

A price preference will apply to quotations of \$30,000.00 value or greater and all tenders invited by the Shire of Plantagenet, for the supply of goods and services and construction services, unless the Council resolves that this policy not apply to a particular quotation or tender.

A price preference of 10% applies to businesses located within the Prescribed Area (The local government areas of Albany, Broomehill-Tambellup, Cranbrook, Denmark, Kojonup, Plantagenet, Jerramungup, Gnowangerup and Manjimup) up to a maximum price reduction of \$50,000.00.

This preference enables businesses/contractors within local governments in the Prescribed Area to claim a price preference for their whole bid, regardless of the origin of the labour or materials, as all labour and materials are deemed to be regional content.

## STRATEGIC IMPLICATIONS

The Shire of Plantagenet Strategic Community Plan 2012-23 provides at Outcome 2.6 (Assets and infrastructure managed 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 future asset needs and the Shire's long term financial plan.'*

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

## OFFICER COMMENT

Pursuant to Council Policy No. I/PM/1 Plant – General, the criteria for replacing a heavy truck is at five to seven years or 250,000 to 500,000km.

The current prime mover (purchased 2007) has completed 291,711kms at 21 October 2016.

The public tender was advertised state wide on 22 October 2016 closing on 7 November 2016. Three submissions were received from the following companies:

- Albany City Motors;
- Bunbury Trucks; and
- Truck Centre WA.

Tenderers were given the options of supply and trade-in of a prime mover, outright purchase of the truck or supply only of a new prime mover. The specification for the prime mover is shown at Attachment One.

The prime mover quotes (including GST) are as follows;

<b>Company</b>	<b>Trade</b>	<b>Purchase</b>	<b>Net Change Over</b>
Albany City Motors	\$23,000.00	\$207,638.33	\$184,638.33
Bunbury Trucks	\$44,600.00	\$188,870.00	\$144,270.00
Truck Centre WA	\$22,000.00	\$246,730.00	\$224,730.00

Albany City Motors is eligible to claim a regional price preference under Council Policy F/FM/14. For the purposes of comparison, the purchase price can be lowered by 10% to \$186,874.50, resulting in a net changeover of \$163,874.50.

A breakdown of the prime movers offered is as follows:

- Albany City Motors - Isuzu Giga Exy, 510 horse power motor, 16 speed manual transmission and 3 year/500,000 km/6,500 hours warranty;
- Bunbury Trucks - Hino FS2848, 480 horse power, 3 year/500,000 km warranty and 18 speed manual transmission; and
- Truck Centre WA - Mack Granite MP8, 500 horse power, 4 year/800,000km/12,500 hours warranty and 12 speed direct drive automatic/manual transmission.

It is considered that the Hino FS2848 will be adequate for the construction and maintenance needs of the Shire and therefore, it is recommended that the tender from Bunbury Trucks be accepted.

## **VOTING REQUIREMENTS**

Simple Majority

## **COMMITTEE DECISION**

**Moved Cr C Pavlovich, Seconded Cr J Oldfield;**

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

**That:**

- 1. The tender submitted by Bunbury Trucks for the supply of a new Hino FS2848 at a cost of \$188,870.00 (inc GST); and**
- 2. The trade-in on the 2007 Hino prime mover at a price of \$44,600.00 (inc GST);**

**At a net changeover of \$144,270.00 (inc GST) be accepted.**

**CARRIED**

## 5.2 HEAVY PLANT - AMENDMENT TO EXISTING FLEET

**File Ref:** N39710  
**Responsible Officer:** Rob Stewart  
 Chief Executive Officer  
**Author:** Dominic Le Cerf  
 Manager Works and Services  
**Proposed Meeting Date:** 6 December 2016

### PURPOSE

The purpose of this report is to review the Shire's heavy truck requirements and recommend some amendments to the Heavy Plant Replacement Program.

### BACKGROUND

At its meeting held on 10 May 2016, the Heavy Plant Committee resolved that it be a recommendation to the Council:

*'That the following amendments to the Shire's Heavy Plant Replacement Program be endorsed.'*

<b>Item</b>	<b>Task</b>	<b>Expenditure</b>	<b>Income/ Trade-in</b>
1	Remove and upgrade lifting equipment from T25 Mack hook lift truck		
1	Install lifting gear on a new 8x4 twin steer cab chassis		
1	Manufacture two additional trays (float/materials bin)		
1	Dispose of existing T25 Mack hook lift truck	\$250,000.00	\$12,000.00
2	Dispose of T2 Isuzu truck		\$45,000.00
3	Retain T3 Hino (4x2) truck and replace in 2017/2018 plant replacement program	Neutral	
4	Replace T31 Isuzu 6x2 end / side tipper (in line with plant replacement program) with a 6x2 side tipper only truck in 2017/18	\$224,000.00	\$45,000.00
4	Retain T32 Kenworth DAF 6x2 end / side tipper to trade replace in 2017/2018 year (push back one year on replacement program)	Neutral	
5	Replace T6 Hino Prime Mover with a new prime mover but retain the end tipping trailer in 2016/17	\$190,000.00	\$45,000.00
5	Purchase a second hand side tipping trailer	\$85,000.00	
	<b>TOTAL</b>	<b>\$749,000.00</b>	<b>\$147,000.00'</b>



The suggested changes were accepted at the Council Meeting of 24 May 2016 and were reflected in the updated 12 year Plant Replacement Program.

### **STATUTORY ENVIRONMENT**

There are no statutory implications for this report.

### **FINANCIAL IMPLICATIONS**

If approved, it is estimated that savings of approximately \$70,000.00 can be achieved.

### **POLICY IMPLICATIONS**

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.

### **OFFICER COMMENT**

As part of the 12 Year Plant Replacement Program recently endorsed at the Council Meeting of 24 May 2016, the following items have been, or are due to be purchased:

- Tri-axle side tipping trailer;
- 4 tonne tipping truck for Parks and Gardens;
- Ariens Zero Turn Ride On Mower (TC10); and
- Hino Prime Mover Truck (T6) (tender recently closed with a decision to be endorsed at Council Meeting of 6 December 2016).

Following discussion with the Principal Works Supervisor, Mechanic and Manager Works & Services it is proposed the trade in and replacement of the Mack Hook Lift Truck (T25) with a 8 x 4 twin steer cab chassis with two additional trays be revised.

It is recommended the Hook Lift Truck be sold along with its lifting gear and hook lift bins. Five semi end-tipping trailers would be purchased for use instead. These trailers would be fitted with roll tarps and would be used at the Shire's waste facilities in place of the hook lift bins. The existing Prime Mover would be used to position trailers at the waste facilities with minimal change to the existing infrastructure.

The 8 tonne Isuzu medium end tipper (T2) would be surplus to requirements and would be disposed of as was planned for this financial year.

The following is a broad breakdown of the associated net costs to implement the changes suggested above.

Item	Task	Expenditure	Income/ Trade-in
1	Dispose of T25 Mack hook lift truck and lifting equipment, including bins		\$12,000.00
2	Purchase 5 semi end-tipping trailers with roll tarps	\$180,000.00	
2	Dispose of T2 Isuzu medium end tipper		\$45,000.00
3	Dispose of T3 Hino (4x2) truck and replace in 2017/2018 plant replacement program	Neutral	
4	Replace T31 Isuzu 6x2 end/side tipper (in line with plant replacement program) with a 6x2 side tipper only truck in 2017/18	\$224,000.00	\$45,000.00
4	Retain T32 Kenworth DAF 6x2 end/side tipper to trade replace in 2017/2018 year (push back one year on replacement program)	Neutral	
5	Replace T6 Hino Prime Mover with a new prime mover but retain the end tipping trailer in 2016/17	\$190,000.00	\$45,000.00
5	Purchase a second hand side tipping trailer	\$85,000.00	
	<b>TOTAL</b>	<b>\$679,000.00</b>	<b>\$147,000.00</b>

## VOTING REQUIREMENTS

Simple Majority

**OFFICER RECOMMENDATION**

That it be a recommendation to the Council:

That the following amendments to the Shire's Heavy Plant Replacement Program be endorsed and reflected in the 12 year Plant Replacement Program.

Item	Task	Expenditure
1	Remove and upgrade lifting equipment from T25 Mack hook lift truck and dispose of truck. Install lifting gear on a new 8x4 twin steer cab chassis. Manufacture two additional trays (float/materials bin).	\$250,000.00
2	Purchase 5 semi end-tipping trailers with roll tarps	(\$180,000.00)
	<b>TOTAL</b>	<b>\$70,000.00</b>

**COMMITTEE DECISION**

**Moved Cr C Pavlovich, Seconded Cr J Oldfield;**

**That alternative logistical options for the handling and disposal of putrescible waste at the Shire's Waste Facilities be investigated further and a report detailing heavy plant requirements be presented at the first Heavy Plant Committee Meeting to be held in 2017.**

**CARRIED**

Reasons for Change

Councillors believe more research needs to be carried out to look at options available to the Shire for the handling and disposal of waste at its five waste facilities as follows:

- Outline modifications needed at the sites to enable end-tipping trailers to be used;
- Consider issues with use of end-tipping trailers on different surfaces;
- Assess the saleability of semi end-tipping trailers at end of life;
- Detail the cost to the Council to purchase heavy plant to enable the waste handling system to be changed.

**6 NEXT MEETING**

To be determined in 2017.

**7 MEETING CLOSURE**

At 12.00pm Cr L Handasyde declared the meeting closed.

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

\_\_\_\_\_  
Date