



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
10.30am Tuesday 10 May 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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Membership: Quorum (2)

Cr L Handasyde (Chairperson)

Cr J Oldfield

Cr C Pavlovich (Deputy Chairperson)

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

At 10.36am the Presiding Member declared the meeting open.

2 RECORD OF ATTENDANCE / APOLOGIESMembers Present

Cr L Handasyde (Presiding Member)

Cr J Oldfield

Cr C Pavlovich

Visitors

Cr B Bell

Cr J Moir

Staff

Mr D Le Cerf Manager Works and Services

Mr J Fathers Deputy Chief Executive Officer

Ms A Chadbourne Senior Administration Officer, Works and Services

3 CONFIRMATION OF MINUTES

Moved Cr C Pavlovich, Seconded Cr J Oldfield;

That the Minutes of the Ordinary Meeting of the Heavy Plant Committee Meeting, held on 15 March 2016 as circulated, be taken as read and adopted as a correct record.

CARRIED

4 DISCLOSURE OF INTEREST

There was no disclosure of interests by Committee members.

5 REPORTS OF COMMITTEE MEMBERS AND OFFICERS

5.1 TENDER CO5-1516 - SUPPLY/TRADE AND DELIVERY OR OUTRIGHT SALE (DISPOSAL) OR SUPPLY ONLY OF A BACKHOE LOADER

File Ref: N37152
Responsible Officer: John Fathers
Acting Chief Executive Officer
Author: Dominic Le Cerf
Manager Works and Services
Proposed Meeting Date: 10 May 2016

PURPOSE

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

BACKGROUND

As part of its plant replacement program, the Shire obtained quotes to trade-in and replace its current 2008 JCB backhoe through eQuotes, a system developed by the Western Australian Local Government Association (WALGA) using its Preferred Supplier Panel.

During a recent annual audit by Moore Stephens Australia, the Shire was advised that according to Section 3.58 of the Local Government Act 1995 and Section 30 of the Local Government (Functions and General) Regulations 1996, any plant or equipment valued at over \$20,000.00 must be sold by public auction or, as in this case, a public tender.

Tender CO5-1516 - Supply/Trade and Delivery or Outright Sale (Disposal) or Supply only of a Backhoe Loader was advertised state wide and four submissions were received.

STATUTORY ENVIRONMENT

Local Government Act 1995

- Section 3.57 (Tenders for providing goods and services)
- Section 3.58 (Disposing of property)

Local Government (Functions and General) Regulations 1996

- Section 30 (Exemptions to Section 3.58 of the Local Government Act 1995)

EXTERNAL CONSULTATION

Consultation has taken place with WALGA in relation to quotations for the supply and trade of the existing JCB backhoe.

Further consultation has taken place with potential suppliers from the WALGA Preferred Supplier Panel, interested tenderers and staff from both the Shire of Kojonup and the Shire of Cranbrook.

FINANCIAL IMPLICATIONS

The Shire of Plantagenet 2015/2016 annual budget has a provision of \$191,000.00 (ex GST) for the net changeover of its existing backhoe.

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.

STRATEGIC IMPLICATIONS

The Shire of Plantagenet Strategic Community Plan 2013-2023 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 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

Pursuant to Council Policy No. I/PM/1 Plant – General, the criteria for replacing a backhoe is six to eight years and/or 6,000 to 8,000 hours. The current backhoe (purchased 2008) has completed 6,807 hours as at 4 May 2016.

The public tender was advertised on 9 and 16 April 2016 closing on 29 April 2016. Four submissions were received from the following companies:

- Westrac Pty Ltd;
- Hitachi Construction Machinery Australia;
- JCB Constructions; and
- McIntosh & Sons.

Tenderers were given the option of supply and trade-in of a backhoe, outright purchase of the machine or supply only of a new backhoe loader. The tendered rates for the supply, trade and outright purchase of a backhoe is shown on attachment One. The specifications for the tendered backhoes are shown on attachment Two.

Discussions within Council works staff in relation to the tendered backhoes have found all to have good operational and mechanical features. The pilot control joysticks for the CAT 444F2 backhoe operation and comfortable air adjustable seat are good safety features from an operator’s perspective.

The CAT 444F2 backhoe would meet the needs of the Council and although it is over \$20,000.00 dearer than its rival tenderer, the after sales service from Westrac has proven to have been of benefit to the Shire.

Currently the Council does not own any Case equipment. Therefore after sales services are an unknown. It is worth noting that McIntosh & Sons do have branches in Albany and Katanning. A further note is that none of the Shires in the Southern Link Voluntary Regional Organisation of Councils (VROC) or Regional Alliance has a Case backhoe.

It is recommended that the tender from Westrac for the supply of a new CAT 444F2 backhoe and the trade-in on the 2008 JCB backhoe for a net changeover of \$166,300.00 (ex GST) be accepted.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr J Oldfield, Seconded Cr C Pavlovich;

That it be a recommendation to the Council:

That:

- 1. The tender submitted by Westrac for the supply of a new CAT 444F2 Backhoe, at a cost of \$201,300.00 (ex GST); and**
 - 2. The trade-in on the 2008 JCB backhoe at a price of \$35,000.00 (ex GST);**
- At a net changeover of \$166,300.00 (ex GST), be accepted.**

CARRIED

5.2 GRADER RIPPER MOUNTED RUBBER TYRED ROLLER

File Ref: N37650
Responsible Officer: John Fathers
Acting Chief Executive Officer
Author: Dominic Le Cerf
Manager Works and Services
Proposed Meeting Date: 10 May 2016

PURPOSE

The purpose of this report is to recommend that the funds for a new Graderoll Duo ripper mounted rubber tyred roller be included in the 2016/17 budget so it can be purchased before August 2016.

BACKGROUND

In March 2011 the Council purchased a Graderoll Duo ripper mounted rubber tyred roller to aid winter grading practices and improve gravel road compaction needs.

The possible purchase of a second Graderoll Duo roller has been discussed with both the Heavy Plant Committee and the Council. These discussions were based on the successful performance of the Shire's existing Graderoll Duo ripper mounted rubber tyred roller. The Graderoll Duo has performed as expected and has also contributed to significant savings in maintenance grading expenditure.

STATUTORY ENVIRONMENT

There are no statutory implications for this report.

EXTERNAL CONSULTATION

Consultation has occurred with the supplier.

FINANCIAL IMPLICATIONS

The purchase of a rubber tyred roller is not in the 2016/17 Plant Replacement Program. The purchase of an additional Graderoll Duo ripper mounted rubber tyred roller from Broons would cost \$47,365.00 (ex GST). If the item is purchased before August 2016 a discount of approximately \$3,100.00 (ex GST) will be offered.

POLICY IMPLICATIONS

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

STRATEGIC IMPLICATIONS

The Shire of Plantagenet Strategic Community Plan 2013-2023 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 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

The Graderoll Duo can be used by a single operator and is the only grader mounted roller with a unique independent walking system that allows the compactor tyres to follow the exact contour of the road. This system maintains constant tyre pressure on the road and leaves a smooth, uniform surface. The roller is highly mobile and simple to use. Other key features of the roller are:

- 2.3m wide, 100% coverage with a single pass;
- Operates in forward or reverse;
- Raise or lower on the run;
- Mounts to either the grader or the rippers; and
- 24 months full parts and service warranty.

Broons is hosting a demonstration with the Graderoll Duo roller at the Local Government Supervisors' Association Conference in Bunbury in August 2016. Broons have offered the Graderoll Duo roller demonstration unit to the Shire for \$47,365.00 (excluding GST) provided it is purchased before August 2016. This figure would allow the Shire a saving of \$3,100.00 (excluding GST). The discount is based on the freight charge to return the unit from Perth to South Australia.

It is recommended that the purchase of a Graderoll Duo roller be included in the Council's 2016/17 draft budget.

It is worth noting that Broons has provided the Shire with exceptional after sales service during the period the Shire has owned its existing Graderoll Duo roller. An example of this was when the Council changed graders from a CAT 12H to a CAT12M. Broons manufactured a mounting plate for the new 12M grader at no cost to the Shire worth approximately \$750.00.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved: Cr J Oldfield, Seconded Cr C Pavlovich;

That it be a recommendation to the Council:

That \$47,365.00 (excluding GST) for a new Graderoll Duo ripper mounted rubber tyred roller be included in the 2016/17 budget in order to purchase the item before August 2016.

CARRIED

5.3 HEAVY TRUCKS – REVIEW OF EXISTING FLEET

File Ref:	N37647
Responsible Officer:	John Fathers Acting Chief Executive Officer
Author:	Dominic Le Cerf Manager Works and Services
Proposed Meeting Date:	10 May 2016

PURPOSE

The purpose of this report is to provide the Heavy Plant Committee with a review of the Shire's heavy truck requirements.

BACKGROUND

At its meeting held on 15 March 2016, the Heavy Plant Committee resolved:
'That the intention of the CEO to:

1. Investigate hook lift truck options (rigid or semi) including cost and suitability;
2. Investigate the number and use of 8 tonne trucks in the Council's fleet with the potential to reduce the number from three to two;
3. Adjust the Council's plant inventory to three prime movers and three side tippers or two semis and two side tippers (currently one prime mover and back tipper) or similar;
4. Improve both efficiency and effectiveness of the Shire's heavy plant inventory by ensuring plant is fit for purpose and versatile including potential for operational changes; and
5. Advise the Heavy Plant Committee by the end of May 2016.

be noted.'

STATUTORY ENVIRONMENT

There are no statutory implications for this report.

EXTERNAL CONSULTATION

Consultation has occurred with Shire works staff and supervisors, Albany City Motors, UD Trucks, West-Trans Equipment, Vaclift and Evertrans.

FINANCIAL IMPLICATIONS

The heavy plant items currently listed in the draft 2016/2017 budget are as follows:

Vehicle	Plant	Price	Trade	Net
Hino Truck	T6	\$230,000	\$40,000	\$190,000
Isuzu 6x4 Truck	T31	\$120,000	\$15,000	\$105,000
Kenworth DAF Truck	T32	\$192,500	\$45,000	\$147,500
Tip Truck - 4 Tonne - Parks and Gardens		\$68,000	\$13,000	\$55,000
TOTAL		\$610,500	\$113,000	\$497,500

The proposals within this report result in an amended net cost in the draft 2016/2017 budget of \$623,500.00. Assuming these proposals are adopted, together with the purchase of a new tip truck for Parks and Gardens (above) and the Graderoll Duo ripper mounted rubber tyred roller mentioned elsewhere in this agenda, the projected end of year (2016/2017) balance of the Plant Replacement Reserve would be \$535,480.00, so there is sufficient funds available for the proposals.

POLICY IMPLICATIONS

Policy I/P/M/1 – Plant – General applies.

STRATEGIC IMPLICATIONS

The Shire of Plantagenet Strategic Community Plan 2013-2023 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 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

The Shire operates a fleet of trucks that, together with its inventory of heavy plant, enables maintenance and construction tasks to be completed as part of the annual works program. These trucks are essential for moving people, materials, plant/equipment and tools to work sites.

In order to determine whether this fleet is productive and achieving the desired levels of service, following is a review of the heavy truck fleet.

The trucks listed below are part of the Shire’s heavy truck fleet:

- T2 - Isuzu medium end tipper (8 tonnes);
- T3 - Hino medium end tipper (8 tonnes);
- T6 - Hino prime mover;
- T25 - Mack hook lift;
- T31 - Isuzu 4x2 end/side tipper; and
- T32 - Kenworth DAF 4x2 end/side tipper.

The use of each of the listed trucks has been discussed with Shire mechanics, truck operators and supervisors. Items discussed included whether the vehicle was fit for

purpose, its productivity, size, multiple/flexible use, service needs, past experience and innovation. The results of these discussions are itemised below.

1. It is recommended that the lifting equipment be removed from T25 (hook lift) and installed on a new 8x4 twin steer cab chassis and dispose of the existing Mack truck. This would result in a truck which could be used for freighting multiple items such as floating plant, carrying rubbish skip bins, water, sand, gravel and drainage materials. Lift up trays would need to be made to cater for these uses.
2. If Item 1 above is implemented, then T2 would be surplus to requirements and therefore can be disposed of.
3. It is proposed to retain T3 as this truck can still carry small loads and provide versatility in hard to access sites.
4. It is also proposed to retain two six-wheeler and pig trailer configurations for road works instead of purchasing two new prime movers. This is based on the fact that the six wheelers are not much slower at side tipping than a semi-trailer and that six wheelers with a trailer are easier to turn on the job than a semi-trailer.

These trucks are currently end and side tip which allows flexibility in reaching objectives. T32 should be kept until the 2017/2018 year when replacement would be required, with T31 being replaced as scheduled in the 2016/2017 budget.

5. Prime mover T6 can be replaced with a new prime mover and a good second-hand side tipping trailer. The existing end tipping trailer would also be retained for bulk end tipping works.

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

Item	Task	Expenditure	Income / Trade-in
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	

Item	Task	Expenditure	Income / Trade-in
4	Replace T31 Isuzu 6x2 end / side tipper (in line with plant replacement program) with a 6x4 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 2017/18 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	
	TOTAL	\$749,000.00	\$147,000.00

Therefore, to enhance productivity in a cost effective manner whilst meeting operational requirements, it is recommended that the heavy truck review recommendations be endorsed by the Heavy Plant Committee and it be approved for implementation by the Council.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved: Cr C Pavlovich, Seconded Cr J Oldfield;

That it be a recommendation to the Council:

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

Item	Task	Expenditure	Income/ Trade-in
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	

Item	Task	Expenditure	Income/ Trade-in
4	Replace T31 Isuzu 6x2 end / side tipper (in line with plant replacement program) with a 6x4 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	
	TOTAL	\$749,000.00	\$147,000.00

CARRIED**6 NEXT MEETING**

To be determined.

7 CLOSURE OF MEETING

11.50pm The Presiding Member declared the meeting closed.

CONFIRMED: PRESIDING MEMBER _____ **DATE:** ____ / ____ / ____