



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 24 April 2018

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

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

At 10.30am, Cr Oldfield declared the meeting open.

2 RECORD OF ATTENDANCE / APOLOGIESPresent

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

3 DISCLOSURE OF MEMBERS' INTERESTS

Part 5 Division 6 Local Government Act 1995

Nil.

4 CONFIRMATION OF MINUTES

Moved: Cr Handasyde, Seconded Cr Pavlovich;

That the Minutes of the Ordinary Meeting of the Heavy Plant Committee, held on 30 January 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 PURCHASES – 2017/2018

File Ref: N45283

Author: David Lynch

Manager Works and Services

PURPOSE

The purpose of this report is to examine the purchase of a maintenance truck following advertising of Tender CO4-1718 Supply and Delivery of a Maintenance Tip Truck.

BACKGROUND

The Council at its meeting held on 30 January 2018 resolved:

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

Plant Item	No	Price	Trade	Net
<i>Isuzu Tipper</i>	<i>T1</i>	<i>73,400</i>	<i>15,000</i>	<i>58,400</i>
<i>Kanga 524 Digger - petrol model, no trailer included</i>	<i>L14</i>	<i>23,850</i>	<i>5,000</i>	<i>18,850</i>
<i>DAF FATCF85 Tip Truck</i>	<i>T32</i>	<i>162,037</i>	<i>38,000</i>	<i>124,037</i>
<i>Mini Excavator - CAT 301.7D with 3 buckets and no trailer</i>	<i>New</i>	<i>36,000</i>	<i>-</i>	<i>36,000</i>
<i>Cold Planer/Profiler - CAT 306B</i>	<i>New</i>	<i>27,642</i>	<i>-</i>	<i>27,642</i>
<i>Excavator/Kanga trailer</i>	<i>New</i>	<i>9,000</i>	<i>-</i>	<i>9,000</i>
<i>CAT 259D Skid Steer with HiFlow</i>	<i>New</i>	<i>105,000</i>	<i>-</i>	<i>105,000</i>
TOTAL		436,929	58,000	378,929'

It should be noted the overall budget allowance for heavy plant replacement for 2017/2018 is \$752,580.00.

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.

OFFICER COMMENT

Purchases to date for heavy plant replacement following the Council's approval of the budget amendment at 30 January 2018 are as follows:

Plant Item	No	Price (Budget)	Price (Actual)	Changeover (Budget)	Actual Changeover (ex GST)
Isuzu Tipper – Proposed	T1	73,400	83,806	58,400	57,897
Kanga 524 Digger - petrol model, no trailer included	L14	23,850	26,500	18,850	21,500
Isuzu GIGA 455 – Proposed	T32	162,037	191,427	124,037	146,428
Mini Excavator – Bobcat E20L Zero Swing Compact Excavator	New	36,000	35,000	36,000	31,818
Cold Planer/Profiler – Bobcat 24" Planer and Smoot Cut Planer Wheel	New	27,642	20,880	27,642	20,880
Excavator/Kanga trailer	New	9,000	10,350	9,000	10,350
Bobcat Y650 Compact Track Loader	New	105,000	94,320	105,000	85,745
TOTAL (ex GST)		436,929.00	462,283	378,929	374,618

Provided the Council approves the recommendation in the report going to the Council Meeting of 24 April 2018 for the changeover of the two Shire maintenance trucks (T1 and T32), the total sum for heavy plant replacements will be less than the budgeted amount above by \$4,311.00.

It should be noted that some adjustments have been made to pricing as a result of GST included versus excluded.

The excavator/Kanga Trailer was originally quoted for purchase at \$9,000.00 (ex GST). The purchase of the Bobcat Excavator (instead of the proposed CAT model) caused this price to change as the Bobcat is 300kg heavier than CAT Mini Excavator and the trailer has been constructed to suit. The extra cost amounts to \$1,350.00 (ex GST).

The recommended tender submission for the changeover of the Shire's DAF truck for an Isuzu GIGA 455 truck is \$146,428.00 compared to the budgeted amount of \$124,037.00 (ex GST). The extra cost is due to a number of factors as follows:

- The price quoted for the budget amendment was for a 2017 model, whereas the actual price for the tender submission is for a 2018 model;

- The tipper was priced for the budget quote as a rear tipper when the model to be traded has a two way option – rear and side tipper; and
- The tender submission was more detailed and included a range of options which were not included in the budget quote.

The figures below provide a summary of the difference in the budget quote versus the tender submission (ex GST):

	Budget Quote	Tender Submission
Government Price	114,635.00	120,064.00
Price with extras	127,537.02	141,427.98
Add Evertrans tip body	34,500.00	56,000.00
Minus discount for two way tipper		(6,000.00)
	-----	-----
	162,037.02	191,427.99
Minus trade-in (ex GST)	(34,200.00)	(45,000.00)
	-----	-----
Total (ex GST)	127,837.00	146,427.98
	=====	=====

Tender CO4-1718 requested that where possible the truck to be provided as a changeover option be 'like for like'. In the instance of the replacement of the Shire's DAF FAT CF85, the Isuzu GIGA 455 was the vehicle most 'like for like'.

Despite the difference in the amount for the changeover of the Shire's DAF Truck of \$18,891.00, the total amount to be expended on heavy plant replacements for 2017/2018 still falls under the approved budget amount by \$4,311.00. It is therefore recommended that the Council approves the trade-in and purchase of the new Isuzu GIGA 455 truck.

Discussion

The Committee discussed the recommended tender purchases (CO3-1718 and CO4-1718) which are to be presented to the Council Meeting of 24 April 2018.

Whilst discussion centred on truck requirements and configurations that would suit Shire construction and maintenance needs, it was agreed that recommendations also need to be made to enable Shire staff to have the opportunity to improve efficiencies.

The meeting agreed on the tender purchase recommendations and highlighted that further discussion needed to take place by the Heavy Plant Review Committee about the truck needs of the Shire construction and maintenance crew and the types of applicable combinations – for example another prime mover with the ability to change trailers.

Committee Members wished it be noted they appreciated the work Mr Lynch had put in to obtain prices and information about the truck and other heavy plant changeovers.

5.2 HEAVY PLANT REPLACEMENT PROGRAM (DRAFT)

Discussion took place about the draft Plant Replacement Program (see Attachment One). Items proposed to be replaced for the 2018/2019 budget were noted including the suggestion that a grader coming up for changeover not be replaced and consideration be given to using a machine and operator on a contract basis.

It was agreed that a meeting should be held in early 2019 to look at the Draft Replacement Program for the following year.

6 NEXT MEETING

To be determined.

7 MEETING CLOSURE

At 10.57am, Cr Oldfield declared the meeting closed.

Presiding Member

Date

Attachment One

Plant Replacement Program (Draft)