FLEET & PLANT

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1. OBJECTIVE

To outline the principles by which the City's Fleet & Plant is procured to achieve compliance, optimum operational utilisation and replacement cost effectiveness.

2. PRINCIPLES

This policy is underpinned by the Objectives and Principles of the Council's CG-12 Purchasing Policy and details the specific requirements for the procurement, selection and disposal of the City's Fleet & Plant.

3. LIGHT VEHICLES

3.1 Light Vehicle Selection Considerations

Vehicle selection shall be based on five (5) criteria:

Item	Considerations	Description
1	**Fit for Purpose**	The vehicle must firstly meet the functional requirements of the position for which the vehicle is being acquired. This will be assessed as part of the **Mechanical & Operational Assessment** criteria.
2	**Service Support**	It is preferred that the vehicle has local warranty and service support available. This will be assessed as part of the **Mechanical & Operational Assessment** criteria.
3	**Economic**	**Average annual whole of life costs (WOL) are** based on 24,000km annual utilisation and shall be used to provide a cost comparison between vehicles that meet the functionality requirements for the position. WOL will be calculated using Institute of Public Works Engineering Australasia (IPWEA) Whole of Life Cost Calculator and will take into account fixed and variable costs such as purchase price, resale value, repairs & maintenance (R&M), depreciation, fuel consumption, insurance and registration. These calculations will be assessed as part of the **Whole of Life Costs** criteria.
4	**Safety**	The City has an obligation to provide a safe work place. Vehicle safety ratings are assessed by Australian New Car Assessment Program (ANCAP) on a scale of 1 - 5. Only vehicles with a 5 Star ANCAP Safety Rating will be considered for selection. Additional safety features such as lane departure assist, Electronic Stability Control (ESC), Anti-lock Braking Systems (ABS), Tyre Pressure Monitoring Systems (TPMS), reverse sensors / alarms will be assessed as part of the **Mechanical & Operational Assessment.**
5	**Environmental Impact**	The main greenhouse gas emitted by motor vehicles is carbon dioxide (CO_2). The level of CO_2 emissions is linked to the amount of fuel consumed by the car, and the type of fuel used. All new vehicle models sold in Australia are tested to determine both fuel consumption and the level of CO_2 emissions. Emissions are measured by grams per kilometre, or (g/km). Only vehicles with a combined (g/km) of $\leq$ 240 g/km will be considered for selection.

Item	Considerations	Description
		The Australian Government's Green Vehicle Guide (GVG) represents the industry standard for providing information on fuel consumption, noise and air pollution and will be consulted during the procurement process. Where applicable and fit for purpose, Council will consider hybrid, hydrogen, or electric or other alternative fuel options. This will be assessed as part of the **Environmental Impact** criteria.

3.2 Weighted Analysis for Purchasing Decisions

A weighted assessment taking into account economic, safety, operational requirements and environmental criteria shall be conducted on a range of vehicles that meet fit for purpose and council image requirements.

Weighting Criteria in Light Vehicle Purchase Decisions

Criteria	Weighting (%)
Annual Whole of Life Costs (including Purchase Price))	50
Mechanical & Operational Assessment (Scoresheet completed by panel members; scoring attributes related to Fit for Purpose, Safety, Service Support, and Delivery Timeframe, out of 10)	30
Environmental Impact	20

The selection model provides a weighted evaluation score for each vehicle included in the assessment. The evaluation panel shall make a recommendation from the highest scoring vehicles that are fit for purpose, economically competitive, satisfy minimum safety & environmental standards and meet the City's requirements.

3.3 Optimum Replacement Timing

The optimum replacement timing for light fleet changeover shall be reviewed annually. The current optimum replacement timing for all passenger cars and utilities is 5 years/120,00km whichever occurs first. When identified for replacement vehicles may be subject to a Risk Assessment to determine if the useful life can be prolonged. Deferments shall not exceed 12 months at a time without a new Risk Assessment being conducted.

3.4 Optional Extras

Optional extras fitted to light-fleet vehicles can have a substantial effect on the resale value and capital purchase costs. Vehicle extras will be provided on a case by case basis to suit operational requirements and are to be approved by the Chief Executive Officer.

4. HEAVY VEHICLE & PLANT

4.1 Heavy Vehicle & Plant Selection Considerations

Heavy vehicle & plant selection shall be based on five (5) criteria:

Item	Considerations	Description
1	**Fit for Purpose**	The item must firstly meet the functional requirements of which the vehicle or machine is being acquired. Departmental consultation should be undertaken to ensure operational suitability. This will be assessed as part of the **Mechanical & Operational Assessment** criteria.

Item	Considerations	Description
2	**Service Support**	It is preferred that the vehicle has local warranty and service support available. This will be assessed as part of the **Mechanical & Operational Assessment** criteria.
3	**Economic**	**Average annual whole of life costs (WOL) are** based on unit specific annual utilisation targets and shall be used to provide a cost comparison between trucks / machines that meet the functional requirements. The WOL costs will be calculated using the IPWEA Whole of Life Cost Calculator and will take into account fixed and variable costs such as purchase price, resale value, repairs & maintenance (R&M), depreciation, insurance and registration. These calculations will be assessed as part of the **Whole of Life Costs** criteria.
4	**Safety**	Safety features to be considered with heavy vehicles & machinery will include; machine ergonomics / operator comfort e.g. air suspension seat and machine controls, (VTCS) variable traction control system, Roll Over Protection Systems (ROPS), and Falling Object Protection Systems (FOPS), acceptable access & egress from the vehicle and reverse sensors, cameras & alarms. This will be assessed as part of the **Mechanical & Operational Assessment**.
5	**Environmental Impact**	When assessing heavy vehicles & machinery, emission standards such as USA Environmental Protection Agency (e.g. Tier 4) or European Union (e.g. Euro 5) will be the reference for comparisons. Fuel and oil burn data will be reviewed as part of the Environmental Impact assessment. Type & quality of fuel and oil filtration systems will also be considered in order to provide the most efficient, clean and quiet operation. This will be assessed as part of the **Environmental Impact** criteria.

4.2 Weighted Analysis for Purchase Decisions

A weighted assessment taking into account economic, safety and environmental criteria shall be conducted on a range of vehicles and plant that meet fit for purpose requirements. The below weightings should be used in conjunction with the Council's Purchasing Policy CG-12.

Weighting Factors in Heavy Vehicle and Plant Purchase Decisions

Criteria	Weighting (%)
Whole of Life Costs (WOL). Includes Purchase Price	50
Mechanical & Operational Assessment (Scoresheet completed by panel members; scoring attributes related to Fit for Purpose, Safety, Service Support, and Delivery Timeframe, out of 10)	40
Environmental Impact	10

The selection model provides a weighted evaluation score for each vehicle included in the assessment and the Evaluation Panel shall make a recommendation from the highest scoring vehicles that are fit for purpose, have local service support and meet the City's public image requirements.

4.3 Optimum Replacement Timing

The current optimum replacement timing for heavy vehicle and plant varies depending on size and type as well as application. When identified for replacement, items may be subject to a Risk Assessment to determine if the useful life can be prolonged. As with light vehicles, deferments shall not exceed 12 months at a time without a new Risk Assessment being conducted.

The below Optimum Replacement benchmarks are provided by the IPWEA Fleet Community in response to a national survey and should be considered as a guide only. Several factors are considered when recommending useful life and annual utilisation benchmarks: local operating conditions (location & terrain), availability of local hire plant, operational imperatives and emergency preparedness.

Type	Years	Utilisation (hrs or kms)
Grader	10	8,000 hr
Backhoe Loader	7	5,000 hr
Front End Loader (FEL)	8	8,000 hr
Skid Steer Loader (Bobcat)	5	5,000 hr
Excavator > 15t	10	8,000 hr
Heavy Duty Truck (HR & HC)	8	500,000 km
Light Duty Truck (LR)	6	150,000 km
Medium Duty Truck (MR)	8	200,000 km
Ride On Mower (Front Deck 72”)	5	2,000 hr
Tractor > 100hp	7	5,000 hr
Landfill Compactor	10	8,000 hr
Vibrating Drum roller (7t and over)	8	5,000 hr
Rubber Tyre Roller	10	5,000 hr

5. FLEET & PLANT DISPOSAL

Local Government Act 1995 and Council’s CF-17 Disposal of Assets Policy informs fleet & plant disposal requirements.

Fleet & plant disposal is to be conducted as per legislative requirements with disposal methods restricted to:

- trade-in to the dealer supplying the new vehicle (dependent on changeover value)
- disposal by public auction
- Tender.

6. CONSEQUENCES

This policy represents the formal policy and expected standards of the Council. Appropriate approvals need to be obtained prior to any deviation from the policy. Elected Members and Employees are reminded of their obligations under the Council’s Code of Conduct to give full effect to the lawful policies, decisions and practices of the Council.

7. ROLES AND RESPONSIBILITIES

All fleet and plant procurement is in accordance with budget allocation.

Purchasing Thresholds and Requirements as per Purchasing Policy CG-12 shall be adhered to.

An Operational Policy titled OP-HR-10-Motor Vehicle Usage shall be followed at all times when determining vehicle allocations and vehicle use status for City of Karratha employees.

8. REFERENCES TO RELATED DOCUMENTS

- OP-HR-10 Motor Vehicle Usage
- CG12 Purchasing Policy
- CG17 Disposal of Asset Policy
- *Local Government Act 1995*
- *City of Karratha Enterprise Agreement 2019*

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This policy takes effect from the date of adoption by Council and shall remain valid until it is amended or deleted.