



GLEN INNES SEVERN COUNCIL Plant and Fleet Policy

RESOLUTION NUMBER:	40.03/19	MEETING:	28 March 2019
	25.3/13		28 March 2013

The purpose of this policy is to set the framework for managing Council's plant and fleet assets.

AIMS

The aims of the Glen Innes Severn Council Plant and Fleet Policy are to:

- Review plant and vehicle procurement to ensure that acquisitions are appropriate for Council's present and future needs in providing services to current and future generations;
- Manage plant, vehicle and equipment assets to ensure that value is maintained;
- Optimise plant and vehicle renewal to ensure value for money, based on 'whole of life cycle' principles;
- Instil confidence relating to probity, ethical behaviour, impartiality, independence, openness, integrity and professionalism in plant procurement;
- Maintain a functional, reliable, efficient, safe and sustainable plant and vehicle fleet.

RELATED LEGISLATION AND REFERENCES

This Policy should be read in conjunction with the:

- *Local Government Act 1993 and Local Government (General) Regulation 2005;*
- Tendering Guidelines for NSW Local Government, NSW Department of Premier and Cabinet Division of Local Government, October 2009;
- NSW Local Government Purchasing and Tendering Guide, Local Government Procurement;
- Glen Innes Severn Council Asset Management Strategy and Asset Management Plan, Part 8 – Plant and Fleet;
- Glen Innes Severn Council policies - Procurement and Disposal Policy, Asset Management Policy, Code of Conduct, Motor Vehicle Leaseback Policy;
- Glen Innes Severn Council procedures – Motor Vehicle Leaseback Agreement and Terms and Conditions.

DEFINITIONS USED IN THIS POLICY

Light Vehicles: Includes Council-owned motor vehicles that can be driven on a

Reference Number:	Version Number: 2 Date: 28/3/19	Review Date: February 2023	Responsible Officer: TSE
Related Documents:			

NSW car licence, carrying up to 12 adults and with mass less than 4.5 tonnes Gross Vehicle Mass (GVM); and unbraked trailers not exceeding 750kg Gross Trailer Mass (GTM).

Plant and Equipment: Includes all other Council-owned motorised or towed plant and equipment used for transporting people or goods with a value in excess of \$5,000.00, regardless of whether this equipment has full, conditional or no road registration.

Vehicle Fleet: Includes both *Light Vehicles* and *Plant and Equipment*.

Whole of Life Costs: Includes a vehicle's purchase price, resale value, opportunity costs, fuel, repairs, maintenance, insurance, oil, registration, and administration costs.

POLICY STATEMENT

Glen Innes Severn Council recognises that it will be required to purchase and maintain an extensive fleet of vehicles, plant and equipment for the provision of services to the community and optimise staff productivity. Council is committed to maintaining its fleet in an economically, socially and environmentally responsible manner.

Two (2) internal Administration Instructions will be maintained, with one (1) for *Light Vehicles* and one (1) for *Plant and Equipment*. These Administration Instructions ensure that the most appropriate vehicle is selected for its intended use, such that the vehicle has sufficient safety, productivity and performance for its intended purpose, while minimising the whole of life costs associated with the vehicle.

1.0 VEHICLE FLEET RENEWAL PROGRAM

- A rolling ten (10) year vehicle fleet renewal program to meet agreed service levels will be maintained as part of Council's Asset Management Plan and updated annually.
- A renewal reserve will be maintained to ensure that Council's vehicle fleet can be replaced at the optimum time, as deferred renewals will increase maintenance costs and reduce operational efficiency through downtime due to mechanical failure.
- Internal hire rates will be managed to ensure that an annual renewal provision is returned to the plant and fleet renewal reserve. The annual renewal provision is actual depreciation (purchase cost less anticipated residual, divided by the projected years of ownership). Internal hire rates will be calculated based on annual operational costs plus the annual depreciation provision for each item, divided by the anticipated timesheet hours or distance travelled.
- Vehicles may be provided as either a private benefit in a senior staff contract of employment, or as part of a leaseback arrangement with an employee, in accordance with Council's Motor Vehicle Leaseback Policy. All proposals to vary leaseback vehicle arrangements, including formulae for calculating the

Reference Number:	Version Number: 2 Date: 28/3/19	Review Date: February 2023	Responsible Officer: TSE
Related Documents:			

private use component of cars purchased by Council and offered to employees, will be referred to Council's consultative committee.

2.0 PLANT SELECTION

- The selection of plant and fleet assets will be driven by current and future operational needs to provide equipment that meets required levels of service, in a manner which will provide the best value to Council considered on a whole of life cycle basis.
- Council will include a fleet renewal schedule in each annual Operational Plan as part of its capital expenditure budget.
- Council will ensure that plant and fleet assets including any accessories are selected with due consideration to compliance with relevant legislation, codes of practice and guidelines, utilisation, whole of life costs, operational fit, risk management; occupational health and safety, training for operators and mechanical staff; warranty provisions, servicing, and sustainability.
- A key consideration where Council will consider ownership of plant is utilisation, as measured by the hours worked or annual distance travelled. For all fleet vehicles which will have low utilisation, particular consideration will be given to alternatives to ownership, such as the use of contractors, dry hired plant, and operating lease agreements.
- The provision of vehicles for private or commuter use by staff under a leaseback scheme shall be in accordance with Council's Motor Vehicle Leaseback Policy.
- Under Council's commitment to fleet safety, new light vehicles will have a safety rating of between four (4) and five (5) stars inclusive under the Australian New Car Assessment Program (ANCAP), where suitable models are available in the desired vehicle category. A risk assessment shall be submitted and considered with any tenders or quotations for major plant purchases.
- Council is committed to minimising the environmental impact of its motor vehicle fleet. Accordingly, sedans, hatchbacks and wagons supplied under this Policy will have a 4 to 5 Star rating under the Federal Government's 'Green Vehicle Guide'. Four wheel drive (4WD) vehicles and two wheel drive (2WD) sports utility vehicles (SUVs) will have a 3.5 to 5 Star rating. Utilities provided under this Policy will have a green rating that is as high as practicable for the required vehicle type. Major plant items will meet current Australian emissions guidelines.

3.0 PROCUREMENT

- Procurement processes will conform with Council's Procurement Policy, and shall be continuously improved to promote open competition amongst suppliers, and full accountability for staff in the administration process.
- Administration Instructions will be reviewed annually by Council's General Manager, to standardise the range of light vehicle makes and models in Council's fleet and to ensure that the optimum makes and models of vehicle are

Reference Number:	Version Number: 2 Date: 28/3/19	Review Date: February 2023	Responsible Officer: TSE
Related Documents:			

selected taking account of vehicle functionality and prevailing market conditions.

- Council will fit vehicles with accessories deemed required to meet operational requirements at the discretion of the relevant workplace Director. Accessories for private benefit are to be approved by the Technical Services Engineer and acquired and fitted in the first instance at the full cost of the leaseback operator, and on subsequent occasions will be replaced with vehicles at Council cost.
- A tender evaluation panel will be formed for major plant acquisitions with a possible contract value in excess of \$130,000. This panel will develop assessment criteria, provide input into a specification, evaluate tender offers and submit recommendations to Council for consideration.

4.0 OPERATION

- The vehicle fleet will be managed under a pooling system which recognises that all vehicles are a corporate asset and are accessible during business hours when appropriate.
- Council plant and fleet are to be driven by suitably qualified and authorised drivers only.
- The utilisation of Council's vehicle fleet will be actively monitored through means such as odometer readings taken when refilling with fuel, and periodic timesheet records. Electronic fleet monitoring systems using global navigation satellite systems may also be implemented on specific items of plant and equipment, for improved emergency response, security, occupant safety and cost control purposes.
- The vehicle fleet will be managed with due consideration to Council's fringe benefits taxation liability, and claiming any fuel rebates for which Council is eligible.
- The vehicle fleet will be comprehensively insured, and light vehicles provided with NRMA roadside assistance on a needs basis.
- Operators will be responsible for any traffic and parking infringements, except where determined otherwise by the General Manager.
- No smoking is permitted in Council vehicles.

5.0 MAINTENANCE

- Vehicles travelling on public roads will be registered annually, including Compulsory Third Party (CTP) insurance.
- A vehicle maintenance management program shall be implemented for all fleet vehicles, including monitoring of tyre wear and fuel consumption, to ensure that agreed service levels are maintained and to identify asset renewal priorities.
- A record shall be kept by the Workshop Supervisor of fleet vehicle inspections, maintenance, repairs and modifications.

Reference Number:	Version Number: 2 Date: 28/3/19	Review Date: February 2023	Responsible Officer: TSE
Related Documents:			

- All drivers and operators are to routinely inspect Council vehicles in their control, and arrange for scheduled servicing at the appropriate time.
- Investigation reports into incidents or accidents will contain recommendations and a timetable for implementing corrective actions.
- Routine vehicle maintenance will generally be performed in-house using Council mechanics, except where this would void a manufacturer's warranty, or suitable in-house resources are not available.

6.0 DISPOSAL

- All light vehicles, plant and equipment will be disposed of by either inviting public quotations/tenders in addition to accepting trade offers, or by sale through a public auction. Advertising of any of the vehicle fleet for disposal will take place within the Glen Innes Severn local government area, in addition to any broader advertising.
- Disposal of major plant items contained in the renewal schedule will take place routinely via on line public auctions conducted throughout each year. These auctions will be endorsed within the annual Operational Plan. Minor items of plant (being those items of replacement value less than the capital threshold) approved for disposal in accordance with the Sale of Other Assets Policy will also be disposed of via these auctions.

RESPONSIBILITY

To achieve this policy the following key roles and responsibilities are identified:

Role	Responsibilities
Councillors	Adoption of policy, and ensuring sufficient resources are applied to implement the policy.
General Manager (in consultation with the Director Infrastructure Services)	Overall responsibility for developing plant and fleet policies and procedures and Administration Instructions.
Director Infrastructure Services	Reporting on the status and effectiveness of plant and fleet management within Council.
Directors	Implementation of operational Plant and Fleet policies and procedures within the relevant directorate.
Managers and Supervisors	Notify changes to operational requirements for vehicles within area of responsibility, consider road safety in recruitment, and provide induction to new employees into Council's fleet safety procedures.
Chief Financial Officer	Payment of Fringe Benefits Tax (FBT) and claim for diesel fuel rebate subsidy.

Reference Number:	Version Number: 2 Date: 28/3/19	Review Date: February 2023	Responsible Officer: TSE
Related Documents:			

Technical Services Engineer	Annual updates to the rolling 10-year plant renewal program, determination of internal hire rates, and regular updates to the General Manager on the Administration Instructions to ensure relevance to prevailing market conditions whilst meeting operational needs of the organisation.
Workshop Supervisor	Maintenance of Council's vehicle fleet to maximise availability at the lowest lifecycle cost, and updates to fleet asset register.
Risk and Compliance Coordinator	Liaison with insurers for all insurance claims.
Staff	Responsible for compliance with plant and fleet operating guidelines.

APPLICABILITY

This Policy applies to the procurement, operation, maintenance and disposal of all plant, equipment and vehicles that Council has direct responsibility for or control over, including plant and machinery, commercial vehicles, passenger vehicles, and small plant and equipment.

VARIATION

This Plant and Fleet Policy shall be reviewed every four (4) years to ensure that it meets the requirements of legislation and the needs of Council, or earlier as deemed necessary. Council reserves the right to vary or revoke this Policy at its discretion.

In accordance with the Local Government (State) Award, proposed variations to this Policy will be referred to Council's Staff Consultative Committee.

IMPLEMENTATION/COMMUNICATION

The Plant and Fleet Policy will be communicated by the Director Infrastructure Services to relevant Technical Services staff members for implementation.



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General Manager

8-4-2019

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Date

Reference Number:	Version Number: 2 Date: 28/3/19	Review Date: February 2023	Responsible Officer: TSE
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