20.2 CONFIDENTIAL ITEM - Plant Replacement – Volvo Truck

<table>
<thead>
<tr>
<th>Responsible Officer:</th>
<th>Director Operations Steve Bourne</th>
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<tbody>
<tr>
<td>Strategic Outcome:</td>
<td>Sustainable community finances and assets. Effective delivery of projects and services.</td>
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| Financial Implication: | Plant Machinery Reserve $1,607,036 as at 30/6/19  
Budget from endorsed plant replacement program  
Truck $290,000  
Trailer $100,000  
Total $390,000  
Less trade in $40,000 Estimated  
Nett cost $350,000  
Actual Truck and trailer $348,825.42  
Disposal via auction $40,000  
Nett Cost $308,825.42 |
| Statutory Implication: | Work Health and Safety Act and Regulations 2012 – staff must be consulted on matters that affect their worksite and conditions |
| Policy Implication:   | No. 92 Procurement Policy |
| Community Implication: | Improved service delivery. |
| Consultative Implication: | Staff, other Councils using equivalent plant. |

Report

Council endorsed a plant replacement program for 2019/20, including the replacement of a Truck (P1021) and Pig Trailer (P151) with a Truck and Dog Trailer, to match Council’s current truck fleet. The estimated changeover cost provided in the report was $350,000.

Tenders were sought through the LGA Procurement Panel. The tenders were assessed by Council Officers for compliance to the tender specification, suitability of the truck for Council’s work, supplier capabilities, safety and total cost of ownership. The Workshop Supervisor completed an assessment including the number of sales on each truck in the market, trade in values and operational costs. Operators reviewed the preferred model based on this assessment and confirmed its suitability. The prices below include truck and trailer (GST exclusive) but exclude trade in, registration and stamp duty.

<table>
<thead>
<tr>
<th>Truck Model</th>
<th>Tendered Price</th>
<th>Trade in price</th>
<th>Nett price</th>
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<tbody>
<tr>
<td>PACCAR DAF</td>
<td>$321,856</td>
<td>$14,545</td>
<td>$307,311</td>
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<tr>
<td>Mercedez Benz</td>
<td>$358,950</td>
<td>$25,000</td>
<td>$333,950</td>
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<tr>
<td>IVECO</td>
<td>$399,441</td>
<td>$11,000</td>
<td>$388,441</td>
</tr>
<tr>
<td>Isuzu Trucks</td>
<td>$291,366</td>
<td>$11,000</td>
<td>$280,366</td>
</tr>
<tr>
<td>Fuso Trucks - VPR284189</td>
<td>$311,664</td>
<td>No price</td>
<td>$311,664</td>
</tr>
<tr>
<td>Fuso Trucks - VPR284208</td>
<td>$296,664</td>
<td>No price</td>
<td>$296,664</td>
</tr>
<tr>
<td>Volvo - UD Trucks</td>
<td>$269,800</td>
<td>$11,000</td>
<td>$258,800</td>
</tr>
<tr>
<td>Volvo - Mack</td>
<td>$305,800</td>
<td>$11,000</td>
<td>$294,800</td>
</tr>
<tr>
<td>Volvo - Volvo</td>
<td>$338,150</td>
<td>$11,000</td>
<td>$327,150</td>
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</tbody>
</table>
Council has 3 Volvo trucks in its current fleet and it is recommended that;
- P1021 Scania Truck 465,000km purchased 1998
- P1027 Pig Trailer purchased in 1998
- P1055 Mack Truck 411,000km purchased 2000
- P151 Pig Trailer purchased 1985

are traded and replaced with;
- Volvo FM13 HA Truck
- Dog Trailer (AJ Stock)

The Scania and Mack trucks are old and well past their date for expected replacement and the trailers are 22 and 35 years old respectively

Trade in prices were sought for P1021 Scania Truck and P1027 Pig Trailer with $11,000 offered by Volvo for both, giving a nett cost of $337,825.42. It is recommended that the truck and trailer are purchased without trade in and the 2 trucks and 2 trailers are offered at auction.

The breakdown prices of the quote are:

**Volvo FM 460hp Rigid Cab Chassis**
Price $192,500 + GST

**Truck Rego**
Price $1,286.46
Stamp Duty $5,970

**AJ Stock Tub and Dog Trailer**
Tub Price $56,300 + GST
Upgraded PTO $450 + GST
Dog Trailer Price $88,900 + GST

**Trailer Rego**
Price $782
Stamp Duty $2,637

**Total price $348,825.42**

This offer is valid subject to an order being placed by 30 April.

Council has operated up to 6 trucks however the fleet has been reduced to improve operational efficiencies and affordability of Council’s fleet. As shown by the age of these plant, the replacement has fallen behind schedule. The changeover will provide Council with a fleet of 4 Volvo Trucks with equal capacity trailers, improving efficiency in road construction and resheeting. Council’s fleet is regularly supplemented by contractors during the construction season. Workshop efficiency and consumable supplies will improve by having all of the same manufactured fleet. This approach increases the overall usage of Council’s truck fleet and reduces the financial burden of owning a larger fleet. Using local contractors for additional transport requirements provides local employment.
MOVED CR MCLACHLAN
SECONDED CR SCHULTZ

That Council approves;
1. The purchase of a Volvo FM13 HA Truck and Dog Trailer (AJ Stock) at a purchase price of $348,825.42 (GST and on road costs exclusive), and
2. The disposal of the following assets by auction:
   • P1021 Scania Truck
   • P1027 Pig Trailer
   • P1055 Mack Truck
   • P151 Pig Trailer

CARRIED 544/20