

17.2 LATE ITEM - PLANT REPLACEMENT PROGRAM – PURCHASE OF NEW UTILITY

ATTACHMENT(S)	2023/24 Plant Replacement Program
FILE NO	New Plant File
APPLICANT	Nil
AUTHOR	Kay Squibb, Manager Finance & Administration
DATE	21 March 2024
DISCLOSURE OF INTEREST	Nil

STRATEGIC IMPLICATIONS	
Strategic Community Plan 2023-2033	Corporate Business Plan 2023 -2027
Community Outcomes	Corporate Actions
No specific community outcome	No specific corporate plan initiative

**SUMMARY**

The purpose of this report is to consider purchasing a new 4x4 dual cab utility for the Ranger.

**BACKGROUND**

An opportunity has arisen to employ the current Ranger on a part-time basis which would maintain the current level of service. The Council will note that amendments were included in the mid-year budget review to accommodate wages and a vehicle lease for employment of the Ranger.

Quotes were obtained from EasiFleet for an operating vehicle lease as this was first thought to be the best option to provide a vehicle for the Ranger. For comparison, quotes have since been sought to purchase a vehicle outright which would become part of the Shire’s fleet and future replacement in the plant replacement program.

**COMMENT**

Quotes for a two-year lease option were sought. The vehicle lease cost is \$1,281 ex GST per month, equating to \$15,372 per year (\$30,744 over the two year lease). Insurance and fuel aren’t included in the lease amount.

After discussion with the CEO and Manager of Works, it was felt that a lease may be an expensive option and not necessarily best value for money. As an alternative the following three quotes were obtained to purchase a vehicle outright -

Ford Ranger XLT dual cab	\$59,540
Volkswagon Amarok Life dual cab	\$57,616
Mazda BT50 dual cab	\$51,402

The plant replacement program has been reviewed to determine if funds held in the Plant Reserve are sufficient to accommodate purchasing another vehicle and the impact of future changeovers if this is the preferred option. The addition of another vehicle into the light fleet, and future changeovers for this, will have minimal impact on the balance of the Plant Reserve.

A Ford Ranger is the preferred vehicle as all the light fleet vehicles are Ford and consumables (oils, filters etc) are kept on hand at the Depot. Based on the current financial year, and previous years, the Ford vehicles have retained value fairly well and changeover prices are lower when compared to other makes.

It is recommended that the outright purchase of a Ford Ranger XLT dual cab is approved.

If the Council is in agreeance, amendments to the annual budget are required to purchase the vehicle and utilise funds from the Plant Reserve.

### **CONSULTATION**

Chief Executive Officer  
Manager of Works

### **STATUTORY ENVIRONMENT**

*Local Government Act 1995*

*s6.8 Expenditure from municipal fund not included in annual budget*

*(1) A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —*

*(a) is incurred in a financial year before the adoption of the annual budget by the local government; or*

*(b) is authorised in advance by resolution\*; or*

*(c) is authorised in advance by the mayor or president in an emergency.*

*\* Absolute majority required.*

### **FINANCIAL IMPLICATIONS**

Sufficient funds are held in the Plant Reserve to accommodate purchase of a new vehicle, and its future changeovers.

### **POLICY IMPLICATIONS**

Nil.

### **RISK MANAGEMENT IMPLICATIONS**

This item has been evaluated against the Shire's Risk Assessment and Acceptance Criteria. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures and with current resources.

### **ASSET MANAGEMENT IMPLICATIONS**

A new vehicle would become part of the Shire's fleet incorporated into the 10 year plant replacement program for management of these assets.

**VOTING REQUIREMENTS**

**Absolute Majority** as amendments to the annual budget are proposed.

**OFFICER RECOMMENDATION**

That the 2023/24 annual budget be amended to allow for the outright purchase of a Ford Ranger XLT dual cab at the quoted price of \$59,359.80 and a transfer of the same amount be made from the Plant Reserve.