

Melton Borough Council

Vehicle and Front Line Machine

Replacement & Renewal Policy

2014

Introduction

Melton Borough Council EMT currently operates a small fleet of crew carrying vehicles (x4) together with a number of front line ride- on ground maintenance machines (x5) .

The councils Property Services includes a single small van made available to the Caretaker service.

The councils Pest Control Service includes a single mid- range van made available to the Pest control service.

The effective management of the councils 'Fleet 'should aim towards consistency and the reduction of disparate procurement of makes and models. This in turn should reduce expenditure and increase efficiency in regards to:

- reducing the range of spares needed to be carried
- reducing the number of specialist agents needed to maintain the range of machines in service.

This situation to be achieved over time by taking opportunities at the predetermined proposed procurement intervals to increase the fleets consistency (where appropriate) .

Further benefits to this approach include increased use of interchangeable parts, the reuse of second-hand parts from our own older machines, the ability to temporarily keep a machine in use whilst awaiting parts replacement or repair. Similarly manufactured vehicle and machine usage (hours worked)commonly result in consistent general ware and tare , making the demand planning, and measurers in place to cover maintenance, repair and servicing better organised.

This policy will be complimented by an update to inventory

The Vehicle and Front Line Service Machine Replacement & Renewal Programme for Environmental Maintenance (see appendix 2) will set out the expected replacement / renewal procurement intervals based on a balanced overview of:

- The manufacturer guidance
- Actual and estimated hours in service for each vehicle or machine
- Knowledge of the requirements of the service (agreed service standards)

- The suitability of each machine or vehicle to best fit with the requirements of the range of sites maintained.
- The expected appropriate resource allocation

A-Statement of Policy

To provide a cost effective fleet of Crew Carrying vehicles and front line service machines plant and kit as required by the Council

B- Aims of the Policy

To ensure Melton Borough Council operates a cost effective fleet of vehicles and front line machines with an appreciation of the Environment and the safety and well-being of both council staff as well as members of the public.

C- Implementation

This Policy will provide guidance for the management and utilisation of the council's vehicle fleet. The policy is intended to encourage accountability, a better understanding of usage and costs and act as a guide to the on-going procurement programme.

Two key considerations to maintaining a fleet in operation that meets the desired 3E's are - firstly getting right the fine balance between rising maintenance costs as vehicles and machines age and the optimum time to replace or renew a vehicle, and secondly consideration of the fact that both engine and fuel technology are continuously advancing resulting in the need to regularly revisit both operational and financial appraisal with regard to pay back or breakeven calculations as well as revised capabilities and capacities of new models when considering procurement.

Procurement assessment will consider whole life costs and not just purchase costs and accordingly incorporate the factors: maintenance, servicing, tyres, rectification of breakdowns, alternatives available for unforeseen circumstances, re sale values / part exchange possibilities

The relevant Manager of vehicles and front line machinery will fully responsible for systems procedures and arrangement for;:

- Vehicle or machine acquisition including replacement & renewal , consideration to 3EEE's – specifically in regard to requirement of equipment vs. capability of equipment
- The control of fuel and running costs i.e. Maintenance, Repairs and Servicing.
- Vehicle accident reporting and repairs
- Vehicle disposal / Part Exchange / resale.
- Assurance that drivers and users are authorised, trained, lawfully compliant, suitable.
- Actual life against optimum life expecting to identify any potential issues with maintenance/abuse.

Acquisition

All vehicle and frontline machine acquisitions will proceed through the councils established procurement process, seeking authority to proceed at each stage following the mandate / business case route. **An overarching programme of replacement and renewal for the council fleet of Environmental maintenance vehicles and frontline machines is attached as Appendix 2**

Maintenance

All vehicles and machines will be regularly maintained for optimum performance, and kept in good repair, to control costs and improve safety. Where possible, repairs maintenance and servicing will be carried out in house.

Monitoring, Policy and Review

Vehicle and machine usage ,costs and purchase performance outcomes, both expected and actual, will be monitored annually to ensure this policy is consistently positioned to meet the desired 3EEE's level of service delivery. In addition the high costs associated with a councils 'fleet' which are essentially critical for its success, warrant this valuable asset to be controlled monitored and reported. As such this policy will be subject to review every 2 years or more frequently as required.

Disposal

Vehicles and main front line machines that have reached the end of their optimum working life will be removed from service when a replacement is due and available. The replacement and renewal programme included as Appendix 2 outlines the expected working life and accordingly those expected replacement dates.

There are a number of scenarios where renewal or replacement may be required outside of the expected timescale. Renewal or Replacement under these circumstances will be due to

- Damaged beyond repair.
- Repair not advised as cost is in excess of benefit gained (repair not financially viable)
- Renewal or replacement cost equal to that of repair
- Legislative changes significantly constraining or prohibiting usage or operation of a vehicle or machine as previously available prior to that change
- Unique time constrained beneficial opportunity
- Industry / technological development of significant advantage over existing vehicles or machines, with invest to save reasoning.

Disposal itself will be through one of the following methods

- Part Exchange – this is often the most straight forward and beneficial option for disposal and will be the first option considered under standard / normal circumstances
- Sold for market value at time of sale with income achieved used to offset cost of renewal or replacement
- Public auction – caution should be taken with this option as low prices, commissions, transport costs etc. often negate any surplus funds coming back into the service.

- Private auction – Mostly restricted to an internal or local process where vehicles or machines of an obscure, bespoke, or specifically dedicated nature with a known very limited or low market demand or value – could be carried out with sealed bids, short timescale and accepted limited exposure i.e.

Retention beyond expectation

There are a number of scenarios where on occasions it is deemed that the best option for an old vehicle or machine is retention .This will be for the reasons:

- “Like for like” replacement or renewal - not available , no longer manufactured , the cost has increased to a level that indicate extended retention of existing vehicle or machine as best option .
- Unique capabilities and or usage of old vehicle or machine no longer possible or available if replaced or renewed.
- Vehicle or machine to be used in service temporarily to cover unforeseen breakdowns , planned or unplanned maintenance
- The most cost effective use for the old vehicle or machine is for spare parts.

Financial annual budget provision of set- aside monies

The monies identified in the replacement programme as annual set aside monies is designed to accumulate the capital costs required for renewal or replacement at the set intervals detailed within the replacement programme Appendix 2) and have included an estimated annual inflation rate of 3% . This is expected to significantly address the expected annual inflation over the coming years as well as the marginal overall cost increases typical of commercial vehicles and horticultural machinery over that same timescale.