



Motor Vehicle Replacement Policy

Policy Number	E12
Responsible Officer(s)	Chief Executive Officer; Manager Asset Delivery; Manager Finance.
Policy Adopted	March 2024
Next Review Date	March 2028
Minutes reference	2024/03-10
Applicable Legislation	<i>Local Government Act 1999</i>
Related Policies	Procurement (Purchasing) Policy

1. POLICY PRINCIPLE

The purpose of this Motor Vehicle Replacement Policy is to establish guiding principles for replacement of light motor vehicles. In compliance with Section 49 of the *Local Government Act 1999* (“the Act”), Council should refer to this policy when acquiring motor vehicles.

2. SCOPE

The aim of this policy is to:

- Ensure motor vehicles acquired are fit for purpose;
- Enhance value for money through fair, competitive, non-discriminatory procurement;
- Promote the use of resources in an efficient, effective and ethical manner;
- Make decisions with probity, accountability and transparency;
- Provide reasonable opportunity for competitive local businesses to supply to Council;
- Appropriately manage risk; and
- Ensure compliance with all relevant legislation.

3. GUIDING PRINCIPLES

Council must have regard to the following principles in its acquisition of goods and services.

- Encouragement of open and effective competition;
- Obtaining value for money (not restricted to price alone);
 - An assessment of value for money must include, where possible, consideration of:
 - any relevant direct and indirect benefits to Council, both tangible and intangible;
 - efficiency and effectiveness of the proposed procurement activity;
 - the performance history, quality, scope of services and support of each prospective supplier;
 - fit for purpose of the proposed goods or service;
 - whole of life costs;
 - Council's internal administration costs;

- technical compliance issues;
 - risk exposure; and
 - the value of any associated environmental benefits.
- Probity, ethical behaviour and fair dealing;
 - Accountability, transparency and reporting;
 - Ensuring compliance with all relevant legislation; and
 - Encouragement of the development of competitive local business and industry. Where the evaluation criteria are comparable, Council may consider the following:
 - The creation of local employment opportunities;
 - Increased availability of local servicing support;
 - Increased convenience with communications with the supplier for contract management;
 - Economic growth within the local area;
 - Benefit to Council of associated local commercial transaction; and/or
 - The short-term and long-term impact of the procurement on local business.

4. POLICY DETAIL

4.1. Vehicle Selection

Vehicle selection should be based on the following criteria.

4.1.1. Suitability

The vehicle must be suitable or 'fit for purpose'. For example, when the vehicle is required to regularly travel on unsealed roads or needs to regularly gain access to an off-road environment, a 4x4 vehicle would be considered the most appropriate vehicle, or when passengers have restricted mobility an SUV may be considered more appropriate.

4.1.2. Lifecycle Cost

4.1.3. In general terms, the 'lifecycle cost' of a vehicle is the purchase price minus the trade-in value at the end its operating period. When selecting a vehicle, the 'lifecycle cost' should be a key consideration. The best lifecycle cost is usually a high demand vehicle that holds its value over time. Dual cab, 4 x 4 utility vehicles will be preferred subject to use requirements. Alternatively, SUV vehicles will be considered for pool vehicles or where vehicles form part of an employee's salary package. **Classification of Motor Vehicles**

In considering the appropriateness of a vehicle, the below Table should be taken into consideration:

Class:	Description:	Vehicle:
Class 1	CEO level: An executive level vehicle with standard options.	Executive range vehicle e.g. Ford Ranger Sport or equivalent.
Class 2	Senior Leadership with personal use provisions: Vehicle will be middle of the range. Vehicle may need to be optioned to suit specific requirements (fit for purpose) as directed by the Chief Executive Officer.	Median range vehicle e.g. Ford Ranger XLT or equivalent.
Class 3	Team Leader with commuter use provisions: Vehicle will be base model. Vehicle may need to be	Base range vehicle e.g. Ford Ranger XLS or

	optioned to suit specific requirements (fit for purpose) as directed by Manager Asset Delivery.	equivalent.
Class 4	Field and Pool vehicles: Vehicle will be base model. Vehicle may need to be optioned to suit the specific job requirements (fit for purpose) as directed by Manager Asset Delivery.	Base range vehicle e.g. Ford Ranger XL or equivalent.

Any other Classifications within Council that require a vehicle, will need to be negotiated and authorised by the CEO.

4.1.4. Vehicle Replacement

Council vehicles will be disposed of following due consideration of the most cost-effective option based on the optimal time for vehicle changeover which has been estimated as follows:

- 3 years or 90,000km for Manager vehicles
- 5 years or 150,000km for field vehicles

or at the discretion of Council/the Manager Asset Delivery to meet requirements for vehicles and budgets.

4.1.5. Procurement Method

Two Formal Quotations are to be obtained if at least one price includes South Australia State Government pricing. In all other instances three Formal Quotations are to be obtained. Formal Quotations are to be used for each vehicle purchased regardless of the number or combined value of vehicles purchased per financial year.

4.1.6. Vehicle Safety

Safety must be a priority and all vehicles are to meet minimum of 4.5 stars (preferred 5-star) Australia New Car Assessment Program (ANCAP) safety rating. Except where not practical or considered necessary, all Council vehicles will be fitted with a bullbar / nudge bar and appropriate driving lights. It is at the Manager Asset Delivery's discretion to include additional specifications based on vehicle purpose and suitability.

5. REVIEW

This Policy shall be reviewed every 48 months, or more frequently if required by legislation or Council. No revision or amendment of this policy will affect any process that has already commenced.

Document history:

Version	Adopted	Description of Change
1.0	May 1998 – Min 261	New Policy.
2.0	Nov 2002 – Min 153	Delete sales tax reference.
3.0	Mar 2010 – Min 211	Wording changed to reflect actual management practice.
4.0	Mar 2013 – Min 217	Allow ISM decision on when individual vehicles replaced.
5.0	November 2014	Policy numbering system changed and the inclusion of this document history table.
6.0	May 2015 – Min 246	Addition of 'Policy Objective' statement; addition of preferred four cylinder option; addition of negotiation for six cylinder included in salary packaging.
7.0	Nov 2017 – Min 2017/11-018	Review implemented following workshop.
8.0	Sept 2020 – 2020/09-014	Major review.
9.0	March 2024	Inclusion of clause 5.1.3 "Classification of Motor Vehicles" and 5.1.4 "Vehicle Replacement".