SECTION A: COMMON FLEET MANAGEMENT FRAMEWORK

Introduction

This Common Fleet Management Framework is the recommended policy/methodology/procedural environment for a rural council, based largely upon the IPWEA Plant and Vehicle Management Manual. The focus is on those elements that have been assessed as “core” or essential to support collaboration activities between councils that have implemented a fleet management environment based on the framework. The main elements from the IPWEA Plant and Vehicle Management Manual, with an assessment of their value to the collaboration process, and where these sections are referenced in the Toolkit are set out in the following table.

Fleet Management Framework Elements

The main elements from the IPWEA Plant and Vehicle Management Manual, with an assessment of their value to the collaboration process, and where these sections are referenced in the Toolkit are set out in the following table.

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<th>Collaboration Relevance</th>
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<td>Framework and Templates</td>
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<td>Light Vehicles</td>
<td>Core</td>
<td>Framework and Templates</td>
</tr>
<tr>
<td>Heavy Vehicles</td>
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<td>Framework and Templates</td>
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<td>Earthmoving Plant</td>
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<tr>
<td>Grounds-Care Plant and Equipment</td>
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<td>Framework and Templates</td>
</tr>
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<td>Ancillary</td>
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<td>Framework and Templates</td>
</tr>
<tr>
<td>Mechanical Maintenance</td>
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<td>Service-Level Agreements</td>
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</tr>
<tr>
<td>Safer Driving</td>
<td>Optional</td>
<td>IPWEA Manual only</td>
</tr>
<tr>
<td>Tyre Management</td>
<td>Optional</td>
<td>IPWEA Manual only</td>
</tr>
</tbody>
</table>
**Collaboration Relevance** | **Toolkit Reference**
---|---
**Fleet Management Framework Elements** | **Core/Optional***
- Oils and Oil Analysis | Optional | IPWEA Manual only
- Fuels and Environmental Issues | Optional | IPWEA Manual only
- Fleet Management Reporting, Software Systems and GPS Tracking | Core | Framework
- Developing a Plant and Vehicle (Fleet) Asset Plan | Core | Framework and Templates
- Occupational Health & Safety | Core | Framework and Templates
- Templates | Core | Framework and Templates
- Benchmarks and contracts | Core | Framework and Benchmarks

*Core – Essential to achieve collaboration objectives, e.g. commonly KPIs will allow councils to compare fleet management performance. Optional – Not essential to achieve collaboration objectives.

**Assumptions**

In placing content into the policy/methodology/procedural hierarchy, the following assumptions have been made regarding the governance process of a council’s policy development process:

- Policy is endorsed by management team and approved by council.
- Methodology is approved by the Chief Executive Officer.
- Procedures are approved by the senior manager responsible for fleet management operations.

To use the Common Fleet Management Framework, a council requires access to the IPWEA Plant and Vehicle Management Manual. Where the framework makes use of the Manual’s instruction without modification, the Manual is referenced directly without the instruction being reproduced in this document.

**Fleet Management Policy**

**Purpose**

The Fleet Management Policy document should state the council’s objectives for fleet management. The intention of the policy is to set directions for fleet management and serve as the ultimate reference for council staff when making decisions regarding fleet management activity.

It is assumed that the policy format used by councils includes, at a minimum:

- Policy statement
- Responsibilities associated with the policy
- Referenced materials
Policy Statement

Drafting Note: The following content has a heavy plant fleet focus and seeks to set the direction regarding the management of the heavy plant fleet with regard to operational practices, maintenance, procurement and financial management.

The Council’s heavy plant fleet provides specialist capabilities in delivering Council’s programs. The acquisition, operation and disposal of heavy fleet is to be managed so that:

- The diverse business of Council is delivered to the satisfaction of the community using this resource efficiently.
- The plant is operated in a manner to satisfy all legislative and regulatory obligations.
- The plant is operated in a safe manner for both the operator and the community.
- Occupational, Health and Safety obligations are satisfied.
- Environment sustainability obligations are satisfied.
- The Council’s financial commitment is minimised, optimising the purchase options of purchase, lease and hire.
- The long term financial viability of the fleet business is sustainable, optimising the operational efficiency and resale value of all plant.

Responsibilities

The responsibilities associated with the Fleet Management Policy are to be clearly allocated to roles within the council. In addition, this section of the policy can be used to reinforce the behaviour expected from staff who operate plant and vehicles.

Drafting Note: The following example content has a heavy plant fleet focus and is based upon a set organisational hierarchy of Chief Executive Officer => Directors => Department Managers. Referenced functional roles are self-explanatory.
All of Council’s heavy plant, including trucks and minor equipment, form part of Council’s overall fleet and will be made available for use by staff on Council business during prescribed program hours. The responsibilities of each Officer in the governance of the heavy plant fleet are outlined in the Table below.

It is the responsibility of the relevant Director (or delegate) to bring this Policy and its associated procedures to the attention of each staff member under their control that will have, or is likely to have, access to an item of Council’s heavy plant fleet. This Policy and its associated procedures will be part of the employee’s induction program.

Any Council Officer operating a Council item of heavy plant who causes loss through negligence or non-compliance with any Federal or State law, local law or Council Policy is financially and legally responsible for their actions. Any breaches of this Policy will be dealt with in accordance with Council’s disciplinary procedures.

<table>
<thead>
<tr>
<th>Body/Officer</th>
<th>Responsibilities</th>
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</thead>
<tbody>
<tr>
<td>Council</td>
<td>Approval and any amendments to this policy.</td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td>Promulgation of the chain of responsibility tenet of law in relation to heavy vehicles.</td>
</tr>
<tr>
<td></td>
<td>Approval of the size of heavy plant fleet on advice and analysis from the Manager Works.</td>
</tr>
<tr>
<td></td>
<td>Authorisation of the purchase of heavy plant, by delegation to Manager Works.</td>
</tr>
<tr>
<td></td>
<td>Discretion to withdraw the use right of an item of plant/vehicle or equipment for breaches of this policy.</td>
</tr>
<tr>
<td>Directors</td>
<td>Ensuring the usage of heavy plant/vehicle is in accordance with this policy.</td>
</tr>
<tr>
<td></td>
<td>Consultation with the Manager Works regarding any proposed changes to use, allocation or any other requested changes including modifications.</td>
</tr>
<tr>
<td></td>
<td>Resolution of disputes arising from the operation of this policy and procedures (relevant Director in the first instance).</td>
</tr>
<tr>
<td>Director Corporate &amp; Community Services</td>
<td>Calculation of and recommendations regarding the annual recovery rates for all heavy plant/vehicles.</td>
</tr>
<tr>
<td></td>
<td>Determination of the annual plant replacement program within the long-term financial plan.</td>
</tr>
<tr>
<td>Department Managers</td>
<td>Ensuring the operational requirements of this policy document are met in relation to heavy plant assigned to their department and employees under their supervision.</td>
</tr>
<tr>
<td></td>
<td>Ensuring employees operate Council’s heavy plant in accordance with this policy.</td>
</tr>
<tr>
<td>Manager Works with the Plant Maintenance Team Leader</td>
<td>Policy administration, interpretation and application.</td>
</tr>
<tr>
<td></td>
<td>Purchase, replacement and management of the heavy plant fleet.</td>
</tr>
<tr>
<td>Plant Maintenance Team Leader</td>
<td>Management of the acquisition and disposal of heavy plant and equipment in accordance with this policy.</td>
</tr>
<tr>
<td></td>
<td>Management of the heavy plant fleet in accordance with the procedures.</td>
</tr>
</tbody>
</table>
Body/Officer | Responsibilities
--- | ---
Staff allocated an item of heavy plant and /or driving a Council item of heavy plant | ▪ Adhering to the requirements detailed in this policy and procedures whilst driving a Council item of heavy plant/vehicle.
▪ Maintaining roadworthiness by arranging regular inspections in accordance with Council service arrangements, and the repair of any faults.
▪ Ensuring the plant/vehicle is kept clean internally and externally.
▪ Holding an appropriate class of current driver's licence and the relevant plant operator’s accreditation - all drivers of Council plant/vehicles.
▪ Operating the plant/vehicle in accordance with manufacturer’s instructions.
▪ Securing the plant/vehicle when not in use.
▪ Adhering to all legal requirements relating to operating/driving including but not limited to: adherence to speed limits, the proper use of mobile telephones, wearing of seat belts and not driving whilst impaired (when blood alcohol level exceeds the limits prescribed by law, or when impaired by drugs).
▪ Notifying the appropriate Manager/Supervisor if their licence is cancelled or suspended.
▪ Taking responsibility for any road traffic and/or parking fines/infringements - the offending driver.

Relevant Material

The Fleet Management Policy needs to incorporate the council’s obligations to legislative and regulatory requirements as well as being aligned with other council policies. The Legislation, regulation and standards listed in the following table should be reviewed when developing the policy document, and the relevant material listed or referenced in the Policy.

Note: Material referenced by the policy should be easily accessible to those who need to comply with the policy through, for example, a hyperlink in electronic copies and a hard copy version available in the organisation’s library.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Legislation, Regulation or Standard</th>
</tr>
</thead>
</table>
| Safety      | Occupational Health & Safety Act 2004  
              Road Safety Act 1986  
              Road Safety (Road Rules) Regulations 1999  
              Road Transport (Dangerous Goods) Act 1995  
              Guide to Safe Work Related Driving – A Handbook for workplaces (Worksafe Victoria)  
              Occupational Health and Safety (Plant) Regulations 1995 |
<p>| Crashes     | Transport Accident Act 1986 |
| Environment | The Environment Protection Act 1970 |</p>
<table>
<thead>
<tr>
<th>Topic</th>
<th>Legislation, Regulation or Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance Legislation</td>
<td>Victorian Local Government Act 1989</td>
</tr>
<tr>
<td></td>
<td>Heavy Vehicle National Law &amp; Regulations (NTC)</td>
</tr>
<tr>
<td>Standards</td>
<td>All relevant Australian Standards</td>
</tr>
<tr>
<td></td>
<td>Australian Design Rules (ADR’s)</td>
</tr>
<tr>
<td></td>
<td>Performance Based Standards (PBS)</td>
</tr>
<tr>
<td></td>
<td>Heavy Vehicle Mass Limits Authority</td>
</tr>
<tr>
<td></td>
<td>Load Restraint Guide (LRG)</td>
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<tr>
<td></td>
<td>Over Dimensional Load Regulations</td>
</tr>
</tbody>
</table>

References to other council policies will depend on the council’s policy profile. The types of policies that should be considered are:

- Staff Code of Conduct
- Alcohol and Drug Use
- Non Smoking
- Recruitment and Selection
- Learning and Development
- Procurement

**Fleet Management Methodology**

**Purpose**

The Fleet Management Methodology (or Guideline) document sets out the approach or practices to be applied to achieve the council’s policy statement regarding fleet management.

Plant/vehicle fleet costs typically represent the second largest operational cost to council, following employee costs. Therefore, effective management and use of the plant/operator mix is essential for cost management within the council.

Plant and vehicle management is dynamic as it is subject to constant changes from technological advancements, differing markets and management regimes. Flexible plant/vehicle changeover models can be more responsive to market forces achieving positive returns by changing the timing of changeovers and the fleet mix. Therefore, it is essential to undertake a detailed analysis of plant/fleet needs and operations in conjunction with a whole-of-life cycle “value for money” approach to assessing requirements.
Good fleet management is achieved by:

- Understanding the constraints and requirements of the council’s operational businesses.
- Using a systematic analysis to the procurement, management and maintenance of plant/vehicles.
- Acknowledging plant/vehicles are capital assets and treated like any others by investing in them through borrowings, reserves or operating returns.
- Ensuring continued investment to maintain service level standards and improve performance and outputs whilst increasing productivity.
- Optimising utilisation which is essential to procurement and management of the fleets.
- Engaging with the end-user to understand their business so as to leverage improvements in quality and service delivery through innovation.

**Fleet Management Methodology**

The methodology of the Common Fleet Management Framework is based upon the IPWEA Plant and Vehicle Management Manual, with some additional process steps targeting collaboration. An overview of this process is set out below with the text in blue denoting the collaboration steps. The steps are identical for both light and heavy fleet, but with variations with respect to technical and operational requirements. The IPWEA Manual provides comments relevant to the following fleet types:

- Light Vehicles (Section 6)
- Heavy Vehicles (Section 7)
- Earth Moving Equipment (Section 8)
- Grounds-Care Plant and Equipment (Section 9)
- Ancillary Equipment (Section 10).

Note: The Framework also includes Fleet Management Reporting, Software Systems and GPS Tracking as methodology elements required to support the process specific topics listed in the following diagram.
Whilst this diagram represents a set of sequential process steps for a single piece of plant, in reality a council will continuously collect data on fleet performance as an input to the planning and acquisition of new or replacement fleet items.
PLAN
Planning consists of the following steps:

1. Standardise and integrate planning
2. Upload data to collaboration platform

Standardise and Integrate Planning
The introduction of the standard practices contained in this Toolkit will enable councils to achieve a minimal level of collaboration, e.g. the comparison of performance data, some shared procurement activities. To enable collaboration on the use of heavy plant fleet and/or crew, participating councils will need to identify and consider these options during the planning associated with the work that makes use of the fleet. There are many ways councils could align their planning practices. A selection of planning integration options is examined in Section C: Integrated Planning and Scheduling Practices for consideration.

Implement the appropriate planning integration option (refer Section C).

Upload Data to Collaboration Platform
If two or more councils are collaborating in fleet management, planning data and fleet management data is to be exchanged on a regular basis. When the collaboration effort starts, the mechanism for this data exchange, the Collaboration Platform, is to be established.

The Collaboration Platform for each group of collaborating councils may be different as they will be developed to satisfy the needs of the collaboration and the current capabilities of each council. Ideally the Collaboration Platform established should:

- Reside in single data repository.
- Manage access to the data, e.g. password controlled access to the data.
- Alert nominated users if there is a change or update.

A Collaboration Platform with the above characteristics will reduce the risk of data error or lost data. Current leading practice utilises cloud based solutions for this type of information collaboration.

REVIEW UTILISATION
The Utilisation Review consists of the following steps:

1. Review utilisation of existing plants/vehicles
2. Compare with industry benchmarks
3. Assess optimum replacement timing
4. Compile specifications and requirements with input from end-users
Review Utilisation of Existing Plants/Vehicles

Utilisation is defined as the extent of use of a particular item or plant, vehicle or equipment. It is measured by hours worked or distance travelled in a calendar year. It is essential that councils have good utilisation diaries and records for the fleet assets.

- For cars and trucks, use the kilometres travelled.
- For plant such as earthmoving equipment, refuse collection trucks and tractors, use the engine hour meter readings.
- For plant items without engine hour meters, use hours recorded in equipment diaries.

**Calculate the annual utilisation using the following formula:**

\[
\text{(Total hour meter or kilometre reading over a period)} \div \text{(Number of days in the period)} \times 365.
\]

Operating hours of the plant and equipment are the hours recorded for carrying out program tasks, including transition/waiting times and transportation times.

The Equipment Diary should include the following fields:

- Worked hours;
- Transition/waiting hours;
- Downtime: repairs, maintenance and hours related to industrial relations matters; and
- Transportation hours.

**Compare with Industry Benchmarks**

Compare the plant’s utilisation with the industry utilisation benchmark in the IPWEA Manual (Section 1, Table 1.1) to determine whether the plant is under or over utilised. For convenience, the benchmark information is included in Section D of this Toolkit. The utilisation calculation tool for calculating annual utilisation is in the Plant Planning Tool.xlsx (refer Section D).

Where utilisation is less than the utilisation benchmark by a margin of 20%, review the level of underutilisation by taking into consideration the working/climatic environment, delays and downtime associated with repairs or industrial relations during the period.
Calculate the utilisation capacity using the following formula:

\[
\text{Utilisation capacity} = \frac{(\text{Total annual work hours at the worksite} + \text{transportation hours})}{\text{Annual working hours, i.e. 1900 hours}}
\]

* Utilisation hours must include the total annual work hours of the days when the plant is required at the program worksites plus any transportation hours to and from the worksites.

† Annual working hours = (52 weeks x 5 working days per week – 10 public holidays) x 7.6 hours per day.

Flag any spare capacity and availability of plants for possible collaboration and resource-sharing with other work units or adjoining councils.

Assess Optimum Replacement Timing

The optimum replacement timing for a vehicle or equipment is calculated to achieve the lowest average annual cost during the life of the plant item.

The optimum replacement point in the life of the plant item is when the depreciating line of depreciation intersects with the increasing cost of repairs and maintenance costs. An illustration of the optimum replacement point is depicted in the IPWEA Manual (Figure 1.1, page 1.5).

Use the whole-of-life spreadsheet (Whole of Life Cost Calculator.xlsx) (refer Section D) to produce optimum replacement timing for your plant item by populating the assumptions with the relevant data.

Where delaying a replacement beyond the optimum point is deemed necessary, conduct an operating risk analysis by referring to the IPWEA Manual (Section 5.4 Operating Risk Analysis) to determine whether the replacement delay is acceptable.

Compile Specifications and Requirements with Input from End-Users

Consult with and seek feedback from end-users to ensure that the functional, operational, financial and safe work environmental considerations are addressed in the asset replacement program.

ESTABLISH THE MODEL

Establishing the model for asset requisition consists of the following steps:

1. Research potential plant items matching specification requirements
2. Search industry databases
3. Compile/update a 10 year replacement program
4. Upload replacement program to Collaboration Platform

Research Potential Plant Items Matching Specification Requirements

Compile an initial specification based on the feedback and consultation with the end-users.
Search Industry Databases

Conduct a search to identify potential plant, equipment or vehicle models that meet the specification. Useful web sites include:

- The Earthmover and Civil Contractor Annual Plant Specs (www.earthmover.com.au)
- Free sites such as www.ritchies specs.com

Compile/update a 10 Year Replacement Program

Prepare a 10 year replacement and funding program for the fleet, plant and equipment (using the Plant Planning Tool.xlsx) (refer Section D) based on the utilisation results and the optimum timing determined earlier. (Refer to IPWEA Manual, Figure 1.2, for an example of a 10 year replacement program.) The replacement program should be prepared on a financial year basis and include the following data:

- Ownership - the name of the council to assist identification of collaboration opportunities.
- The normal location of the asset - to enable coordination of equipment for emergency use.
- The asset information such as make and model and flagging for emergency uses.
- The type and classification of the asset - linked with the IPWEA replacement benchmarks.
- The acquisition details - purchase date, age of fleet and purchase price.
- The disposal details - replacement date, benchmark against the IPWEA replacement program, capital cost, trade-in cost and other external funding sources.
- Computed net funding cost of the asset - placed in the corresponding financial year.
- Utilisation statistic of the asset and its comparison with IPWEA benchmarks.

Upload Replacement Program to Collaboration Platform

Upload the approved 10 year replacement program to the Collaboration Platform for consolidation and identification of collaboration opportunities.

DEVELOP THE PROCUREMENT BUSINESS CASE

Developing the procurement business case consists of the following steps:

1. Determine optimum acquisition option
2. Use IPWEA Manual and check Collaboration Platform for sharing opportunities
3. Determine optimum funding option

Determine Optimum Acquisition Option

Identify replacement items from the 10 year replacement plan and consider the end-users’ requirements.
Use IPWEA Manual and Check Collaboration Platform for Sharing Opportunities

Conduct a business case analysis to determine whether to buy or hire the plant item. (Refer to the IPWEA Manual, Section 3. A version of the Buy/Hire Decision Template is included in Section D and the appendices of this Toolkit.

Use the Whole of Life Cost Chart on the whole of life spreadsheet (Whole of Life Cost Calculator.xlsx) (refer Section D) to determine whether hiring or buying is the best option.

- For high utilisation items, the lowest cost option indicates a ‘buy’ decision.
- For low utilisation items, the lowest cost option indicates a ‘hire’ decision.

Review the collaboration database to determine if there are collaboration opportunities with adjoining councils to:

- Hire equipment from adjoining councils; or
- Use group hiring of equipment to obtain more competitive rates from suppliers; or
- Jointly purchase equipment.

Determine Optimum Funding Option

Determine which of the following presents the best funding option:

- Council’s own funds
- Financial lease
- Operating lease.

(Indicative business loan rates excluding margins etc. can be viewed at most banks’ websites, e.g. http://www.westpac.com.au/business-banking/business-loans/tools-calculators-rates/business-loans-interest-rate/)

Use the whole of life spreadsheet (Whole of Life Cost Calculator.xlsx) (refer Section D) together with all assumptions to compute the whole-of-life costs of all three funding options to identify the most cost-effective option.

PURCHASE THE ITEM

Purchasing activities consist of the following major steps:

1. Prepare Request for Tender (RFT) document
2. Prepare Tender Procurement and Evaluation Plan and Procurement Conduct Plan
3. Choose procurement method
4. Consider the use of third party standing offer contracts
5. Conduct tendering and tender evaluation process
6. Accept tender
Council purchasing and disposal actions are governed by Section 186 of the Victorian Local Government Act, which establishes high expectations for accountability and probity and transparent processes. Councils are encouraged to follow the Best Practice Procurement Guidelines 2013 issued by Local Government Victoria.

**Prepare Request for Tender (RFT) Document**

Gather all functional and non-functional requirements for the fleet or equipment including those required by the end-users to prepare the specification.

**Insert the required information into the RFT Template:**

- PART 1 – Introduction, including overview and aims of the tender
- PART 2 - Conditions of Tendering, including the rules for tendering, and evaluation criteria
- PART 3 - General Conditions of Contract
- PART 4 - Instrument of Agreement
- PART 5 - Specification (for the goods, services or work sought)
- PART 6 - Tenderer response, including tender form and schedules

**Prepare Tender Procurement and Evaluation Plan and Procurement Conduct Plan**

Prepare a tender procurement and evaluation plan using the tender and evaluation spreadsheet (Tender Procurement Plan and Evaluation Score Sheet.xlsx) (refer Section D) inserting the following information:

- Project Description – Background, Project Timeline and Tender Evaluation Team;
- Key Responsibilities – Roles and responsibilities of the Tender Evaluation Team;
- Key Conduct – Procurement type (RFT, RFQ), advertisement for tender, evaluation and weightings, tender lodgement, tender evaluation, interviews and tender recommendation reports;
- Probity Tasks and Steps – Probity activities in the process of tender evaluation and interviews, tender recommendation and endorsement, notification of tender results and debriefing where appropriate; and
- Tender Procurement Plan Approval.

The Best Practice Procurement Guidelines encourage councils to have a Procurement Conduct Plan.

Choose Procurement Method

Choose the procurement method using the following guide:

<table>
<thead>
<tr>
<th>Financial thresholds and project-specific requirements</th>
<th>Procurement option</th>
</tr>
</thead>
</table>
| Initial item cost exceeds $150,000 (GST inclusive) or sensitive project | • Open tender with public advertisement (Buy, Financial Lease or Operating Lease)  
• Council’s current standing offer contract established by council’s procurement team  
• Council’s current standing offer contract established by council via tendering agent e.g. via MAV or PA (Refer Section E)  
• State Purchase Contract exempted by the Minister for Local Government (Refer Section E) |
| Initial item cost equal to or less than $150,000 (GST inclusive) | • Three written quotes based on council’s specification  
• Council’s current standing offer contract established by council’s procurement team  
• Council’s current standing offer contract established by council via tendering agent, e.g. via MAV or PA.  
• Standing offer contract offered by procurement organisations such as MAV or PA (Refer Section E)  
• State Purchase Contract exempted by the Minister for Local Government (Refer Section E) |
| Other cost threshold and delegations established by council: (Nominate details) | Council to provide specific requirements based on their own tendering protocols. |

Consider Use of Third Party Standing Offer Contracts

The procurement options listed above include third party standing offer contracts. The use of a third party purchasing scheme in the right circumstances can save time and tendering costs. Section E provides a profile of the plant/equipment covered by the third party standing offer contracts including the conditions of use.

Conduct Tendering and Tender Evaluation Process

Conduct the tendering and tender evaluation process, adhering to council’s established tendering protocol and the tender procurement plan for the management of tender activities and tender evaluation.

Prepare the tender evaluation report and obtain the delegate’s endorsement.

Accept Tender

Obtain council’s endorsement of the tender recommendation in accordance with council’s protocol.
Notify the tender results including publishing results in accordance with the council’s tendering protocol.

Issue the acceptance letter and arrange the execution of the contract with the successful tenderer.

MANAGE THE FLEET

Managing the fleet after acquisition includes the following activities:

1. Monitor utilisation and internal hire rate and adjust optimum replacement point
2. Establish Service Level Agreement with service provider
3. Consider shared use with adjoining councils
4. Monitor maintenance and feedback
5. Ensure operators are fully briefed on OH&S issues on the new item
6. Fleet Management Reporting, Software Systems and GPS Tracking

Monitor Utilisation and Internal Hire Rate, and Adjust Optimum Replacement Point

Compute the utilisation rate of each fleet asset at six-monthly intervals using the Equipment Diary data on the Asset Planning spreadsheet (Plant Planning Tool.xlsx) (refer Section D).

Review and record the utilisation rate of each fleet asset and compare its utilisation rate with the benchmarks in the IPWEA Manual (Section 1, Table 1.1). (Refer to the earlier section headed ‘Utilisation Review’.)

Produce an optimum replacement graph of each fleet asset to review its future replacement dates using the whole of life spreadsheet (Whole of Life Cost Calculator.xlsx) (refer Section D). As the asset’s actual utilisation rate is determined, adjustments may be required to its optimal replacement point.

Establish the cost recovery charge rate of each fleet asset and its internal hire rate using the whole of life spreadsheet (Whole of Life Cost Calculator.xlsx) (refer Section D).

Establish Service Level Agreement with Service Provider

A Service Level Agreement (SLA) is a formal written agreement entered into between a council and a service provider which may be an internal group of the council. It describes the services to be provided at predetermined standards and costs within agreed timeframes. It is designed to ensure that the process is transparent and to identify accountabilities. (Refer also to the IPWEA Manual, Section 12 – Service Level Agreements.)

Establish the Service Level Agreement with the service provider.
Consider Shared Use with Adjoining Councils
Cost benefits or improved service levels may be possible if the use of plant and equipment is shared between adjoining councils.

When sharing resources, plant and equipment with other councils, establish a Collaboration Agreement (Refer to Section B).

Establish integrated planning process to identify and assess shared-use collaboration opportunities. (Refer to Section C).

Monitor Maintenance and Feedback
Vehicle maintenance management and warranty administration affect all aspects of fleet management. The aim is to maximise preventive maintenance activities and minimise unscheduled maintenance activities. (Refer also to IPWEA Manual, Section 11 – Mechanical Maintenance.)

Schedule servicing:
- Review utilisation of the fleet and develop a service schedule for all plant/vehicles.

Develop Suitable Flat-rates:
- Research industry labour flat-rates and establish industry standards
- Develop suitable labour flat-rates for scheduled maintenance in conjunction with mechanical repair staff
- Compile a schedule for recording and comparing rates

Compile and manage processes:
- Develop suitable service times in cooperation with the end-users
- Compile and publish a daily operator checklist
- Establish procedures to record equipment failures and defects
- Establish and publish an equipment breakdown process

Manage the fleet:
- Establish maintenance failure records and commence recording failures
- Develop improved maintenance strategies to minimise premature failures and minimise downtime
- Outsource specialised services to reduce downtime
- Monitor performance against established flat-rates
- Analyse failure records and establish continuous improvement systems
Compare scheduled to unscheduled maintenance

Manage the workshop:

- Review staffing levels
- Program scheduled maintenance in liaison with operational staff
- Document all maintenance and repairs in detail and record reasons for failures
- Consider outsourcing specialist tasks
- Develop a workshop safety plan
- Minimise the environmental impact of waste products

Ensure Operators are Fully Briefed on OH&S Issues on the New Item

Operating plant and fleet attract inherent liabilities for councils. The council and the fleet manager are responsible for not only ensuring they are aware of any regulatory requirements but also ensuring that they are proactive in ensuring compliance with these requirements. The following step-by-step approach provides an overview of some of the important occupational health and safety obligations. Councils need to ensure that the requirements of all applicable Acts and regulations, Codes of Practice and council’s own OH&S systems and plant safety plan are known and adhered to.

Under the Occupational Health and Safety Regulations 2007, a Safe Work Method Statements (SWMS) must be prepared before the commencement of high-risk construction work, which includes work in on or near roads in use by traffic. SWMS can also be used for any other work activities.

The key processes for the management of OH&S are outlined below. Councils should review this section to ensure consistency with their own OH&S procedures.

Regularly review the National Model Laws covering the applicable Acts, regulations and relevant codes of practice

Consider council’s duty of care obligations regarding:

a) Primary duty of care
b) Officers
c) Workers
d) Others in the workplace
e) Customers and the general public

Consult extensively:

a) Share relevant information about workplace health or safety matters with workers
b) Provide a reasonable opportunity for workers to express views and raise issues
c) Consider workers' views in relation to workplace health and safety matters
d) Advise workers of relevant outcomes in a timely matter
e) Ensure involvement of relevant health and safety representatives in this process

Conduct risk assessments incorporating:

a) Hazard identification
b) Risk assessment
c) Risk control

Prepare Safe Work Method Statements (SWMS), provide training, and review and update SWMS.

Fleet Management Reporting, Software Systems and GPS Tracking

Accurate management reports significantly increase the ability of the manager to manage the fleet effectively.

Establish reporting needs:

- Consider which data should be captured
- Determine which reports are required to effectively manage the fleet
- Decide on the best method of delivering the reports
- Determine whether existing financial or asset management systems can deliver the required reports

Choose a suitable software package:

- Identify software that can deliver the required reports and meet all other requirements/functionality
- Determine the impact of and challenges for using the software in the council's current IT environment
- Identify issues involving migrating existing asset data to the software
- Identify the need to ensure data integrity and security and the anticipated error rate
- Review the need to brief all departmental managers on report outputs

Determine the need for GPS tracking:

- Identify end-user and State Emergency Services requirements
- Review the need for reports generated from GPS data
- Review the data to be captured to create the reports
DISPOSE OF THE FLEET

The final stage of an asset’s life is its disposal towards the end of its optimum operational life. It is important to maximise the financial returns at the disposal stage.

Seek realistic valuations from qualified sources – e.g. seek at least two valuations from:

  a) Dealer sales guides for cars such as Glass’s Dealer Guide (www.glassguide.com.au) or Red Book (www.redbook.com.au)
  b) Auction companies
  c) Local dealer networks

Refurbish and prepare the vehicle for resale by proper maintenance, keeping the maintenance and insurance records up-to-date, and maintaining the vehicle in a clean and tidy condition.

Include in the RFT for the replacement asset the requirement for the tenderer to submit a trade-in offer for the council to accept at its discretion.

Optional Fleet Management Elements

The IPWEA Plant and Vehicle Management Manual contains a number of management elements which councils may also wish to adopt as part of their overall fleet management methodology, including:

- Safer Driving (IPWEA Manual, Section 13);
- Tyre Management (IPWEA Manual, Section 14);
- Oils and Oil Analysis (IPWEA Manual, Section 15); and