

## GENERAL REPORTS

### **4 SUPPLY OF NEW TRACTOR**

FILE REFERENCE INT1776742

RESPONSIBLE GENERAL MANAGER Michael Ellis

AUTHOR Laurie Smith

#### **RECOMMENDATION**

That the:

1. The proposal submitted by Darmac Ag be accepted for the supply of one Fendt 514 Profi tractor as specified for the contract sum of \$178,849 (excl. GST) plus registration charges.
2. Tenderers are advised accordingly;
3. The Common seal of the Council is affixed to the contract documents.

#### **Attachments**

- 1 Confidential memorandum circulated to councillors only

#### **EXECUTIVE SUMMARY**

This report details the tenders received for Contract No 17/24, relating to the supply of a new tractor.

The purchase total is within the provisions of the 2017/18 capital budget adopted for plant replacement.

This tender and its process are in accordance with councils purchasing policy.

The request for tenders for the supply of this tractor was conducted via the MAV contract Plant and Machinery NPN2.15 using vendorpanel. This is a fully compliant tender system which Cardinia is a participant.

#### **BACKGROUND**

The Shire currently operates four tractors, two of which are dedicated to supporting road maintenance activities and 2 are dedicated to natural resource management.

The tractor (Unit 51) proposed for replacement is dedicated to natural resource management activities in the south of the Shire. It operates up to 6 days per week and 10 hours per day.

Provision was originally made within the 2016/17 budget for the replacement of this tractor, but this has been deferred to the current year.

Replacement of the tractor is in line with council's long term plant replacement program. The replacement is overdue and the current unit has completed over 12,000 hours of operation.

Replacement now is desirable to avoid more significant exposure to unplanned maintenance, downtime for dedicated operational staff and assets, impacts on the appearance of public spaces and community amenity.

As a major growth municipality Cardinia has a growing volume of road traffic. The climate within the Shire supports abundant natural growth. Encroachment of growth on the roadside represents a risk to public safety by obscuring the visibility of signage, wildlife and other road users. Managing natural growth on roadside is important to preserve the safety of road users.

Benchmarked against other councils and the private sector, Cardinia has high utilisation of this tractor. With high utilisation, the comparison of ownership verses leasing has ownership as the most cost effective for Cardinia and its community.

The recognised benefits for the council and community will include:

- A more reliable fleet with minimal down time, thus maximising the opportunities to maintain the safety of the road using public
- Higher efficiency and productivity due to technical upgrades and improvements
- Environmental improvements with newer compliance standards and lower CO2 emissions.
- Improved ergonomics reducing driver risk and fatigue with latest technology.
- Significant safety improvements and upgrades to council assets, staff and community.

## **POLICY IMPLICATIONS**

Nil.

## **RELEVANCE TO COUNCIL PLAN**

An effective plant replace program will assist in meeting the Council Plan goal of providing and maintaining assets on a life-cycle basis.

## **CONSULTATION/COMMUNICATION**

Council's operational staff has been consulted with in regards to the suitability of the recommended equipment.

In addition to this, a knowledge of other public sector agency practice has been availed of to assist with evaluating alternatives and specifying the proposed solution.

## **FINANCIAL AND RESOURCE IMPLICATIONS**

Provision has been made within the 2017/18 budget for the replacement of this tractor (Unit 51).

A proposal was received from Darmac Ag was for the supply of one Fendt 514 Profi tractor as specified for the contract sum of \$178,849 (excl. GST) plus registration which will be charged at cost at the time of delivery. Registration charges are variable because of Councils common expiry date for registrations.

At this stage, the delivery of the tractor is anticipated to occur in April 2017.

---

**CONCLUSION**

It is recommended that the proposal received from Darmac Ag for the supply of one Fendt 514 Profi tractor as specified for the contract sum of \$178,849 (excl. GST) plus registration at cost be accepted.