



Confirmed Minutes
Burke Shire Council Special Meeting
Monday 06 February 2023
9.00am Council Chambers

01. Opening of Meeting	2
02. Record of Attendance	2
02.01 LGR 2012 Section 254K – Participating in meetings by audio link or visual audio link.....	2
03. Declaration of Interests.....	2
04.01 2022-23 Vehicle Replacement	3
05. Closed Session Reports	7
06. Closure of meeting	7

01. Opening of Meeting

The Chair declared the meeting open at 9:02am

02. Record of Attendance

Members	Cr Ernie Camp; Mayor – Chair Cr Tonya Murray; Deputy Mayor Cr John Clarke Cr John Yanner Cr Rosita Wade
Officers	Dan McKinlay; Chief Executive Officer Clinton Murray; Works Manager Kimberly Chan; Economic Development Manager Shannon Moren; Community and Communications Manager Shaun Jorgensen; Finance and Technology Manager Brianna Harrison; Executive Assistant (Minutes) Troy Black; Workshop Manager
Apology	Madison Marshall; Corporate Services and Governance Manager Chelsea Nelson; People, Performance and Culture Manger

02.01 LGR 2012 Section 254K – Participating in meetings by audio link or visual audio link

02.01 LGR 2012 Section 254K – Participating in meetings by audio link or visual audio link

That Council, in accordance with section 254K of the Local Government Regulation 2012, allows the following person/s to participate in the meeting by audio link or visual audio link:

- **Shaun Jorgensen, Finance and Technology Manager**
- **Cr John Clarke**
- **Cr Tonya Murray; Deputy Mayor**

Moved: Cr Camp

Seconded: Cr Wade

Carried 230206.01 5/0

03. Declaration of Interests

No declarations of interests were noted for the meeting.

04. Executive Management Reports

04.01 2022-23 Vehicle Replacement

DEPARTMENT:	Depot & Engineering
RESPONSIBLE OFFICER:	Clinton Murray - Acting Director Engineering
PREPARED BY:	Wendy van der Wolf - Contract and Procurement Coordinator
DATE REPORT PREPARED:	29 March 2023
LINK TO COUNCIL PLAN/S:	Asset sustainability - Council makes appropriate infrastructure investments (operations, maintenance, renewals, upgrades, acquisitions, disposals) to ensure the delivery of appropriate levels of service. These decisions are made with reference to financial, asset and community sustainability

1. PURPOSE

This report provides Council with information for it to endorse the purchase of 9 new utility vehicles as part of the fleet replacement program.

The project budgets' details are provided in Section 4 – Financial and Resource Implications Table 3.

2. BACKGROUND

Nine of Council's existing white fleet vehicles are due for replacement having exceeded the 5-year vehicle replacement policy. These vehicles are essential to Council's operations to provide operational support and transportation.

Following extensive market research, Ford Rangers were decided upon as the ideal and most cost-effective replacement vehicle model.

The key drivers for the decision were based on the following considerations:

- Vehicle availability in a limited market place
- Parts availability
- Residual value

The cost of the new vehicles will be supplemented by the sale of the replaced vehicles and excess plant.

The Tender

Due to the new vehicles being available through Ford dealerships only, and the vehicle price to Council being very similar from each supplier because of Government subsidies and fleet pricing for Local Government, a select tender process approval was sought from the CEO and this was granted on 17/11/2022 to include dealerships within 1000km radius of Burketown.

The tender for the vehicles was released via Vendor Panel to the following dealerships:

Malouf Autos (425.4km)	Hansen Ford (861.49km)	Trinity Auto Group (893.93Km)	Island Coast Ford (904.13Km)
59-65 West Street	279-283 Byrnes St	94 McLeod Street	59432 Bruce Hwy
Mt Isa	Mareeba	Cairns	Tully
QLD	QLD	QLD	QLD
4825	4880	4870	4854

The tender closed on 22/12/2022 with two dealerships each submitting a quotation. Post tender aftermarket parts adjustments were requested to both parties with the end result being:

- Malouf Autos \$492,080 (ex-GST)
- Trinity Auto Group \$475,849 (ex-GST)

A decision was made to remove some parts from the quotations for installation instead to be actioned by Burke Shire Council as this will provide cost savings and auto electrical experience for the workshop apprentices.

3. PROPOSAL

That Council, endorses the tender evaluation to purchase 9 Ford Ranger utility vehicles supplied by Trinity Auto Group, for the amount stated (ex. GST).

Table No. 2 – Recommended Contractors and Prices

Item	Awarded to	Contract Amount ex GST
9x Utility vehicles	Trinity Auto Group	\$475,849

4. FINANCIAL & RESOURCE IMPLICATIONS

Council approved the 2022/2023 budget which included the Replacement Plant budget of \$350,000. There was a carry-over amount of \$532,390 from 2021/22 (including a carry-over budget of \$60,000 from 2020/21). This is explained in the table below.

The vehicle and plant trade in income to council based on Pickles Auctioneers evaluation has been estimated at \$511,000; this includes the following plant items:

- 2 CAT Graders
- 9 Hilux Utes
- 1 Multi Tyred Roller

There is an estimated remaining budget of \$349,931 after the purchase of the Ford Ranger fleet and Trade in of old plant and fleet. It is proposed a further \$245,452 is used from this remaining budget to fund further plant replacements by 30 June 2023 with a final remaining budget surplus \$104,479 being expected.

Table No 4 – Financial Implications (all amounts are ex-GST)

Budget breakdown	Carry Over	New budget	Total Ex GST
Fleet Replacement 21/22 (Includes 20/21 Carry Over of \$60k)	\$532,390		\$532,390
Fleet Replacement 22/23		\$350,000	\$350,000
Total Approved Fleet Budget			\$882,390
Fleet and Plant Purchases Already Finalised			
<u>Less:</u> New Grader Purchases as part of the 21/22 carry over and receipted in 22/23			-\$540,000
<u>Less:</u> Kubota Tractor 21/22			-\$27,610
Remaining Approved Fleet budget			\$314,780
Trade-in of vehicles and plant (Pickles estimated income) and purchase of new Ford Ranger Fleet (not yet finalised):			
<u>Add:</u> Total Reserve Price (minimum revenue to receive as per Pickles valuation)			\$511,000
<u>Less:</u> New Vehicle Purchase (Ford Rangers)			-\$475,849
Remaining Approved Fleet Budget			\$349,931
Other Purchases to be made as part of 2022/23 Fleet budget and Fleet Operations (not yet finalised)			
<u>Less:</u> Total Other Plant & Workshop Purchases			-\$245,452
FINAL Remaining Approved Fleet Budget (Surplus) – 30 June 2023			\$104,479

5. RISK

Table No 4 – Risk Mitigation Strategy

Risk	Possible consequence	Mitigation
Delay in delivery of vehicles	Delays with vehicle delivery by 30 June 2023	Budget to be carried over
Risk in retaining vehicles which are well beyond recommended trade in date.	Excess maintenance costs. Vehicle Safety Issues	Trade in vehicles which are currently beyond recommended trade in time.

6. POLICY & LEGAL IMPLICATIONS

Council is also required to meet all relevant local government procurement requirements outlined in the *Local Government Act 2009*, Local Government Regulation 2012 and in Council's Procurement Policy. These requirements have been met through the tender process involved with these projects.

7. CONSULTATION

Consultation has taken place with:

- Works Manager, Burke Shire Council
- Workshop Manager
- Chief Executive Officer
- Finance and Technology Manager

8. CRITICAL DATES & IMPLICATIONS

As vehicles are overdue for replacement it is essential that replacement occurs before the end of this financial year.

9. RECOMMENDATION

1. That Council note the contents of the report and relevant attachments; and
2. That Council endorses the purchase of the 9x Ford Ranger Utility Vehicles from Trinity Auto Group at a total cost of **\$475,849** ex GST.

04.01 2022-23 Vehicle Replacement

- 1) That Council note the contents of the report and relevant attachments; and
- 2) That Council endorses the purchase of the 9x Ford Ranger Utility Vehicles from Trinity Auto Group at a total cost of \$475,849 ex GST.

Moved: Cr

Seconded: Cr

Carried 230206.02 5/0

05. Closed Session Reports

That Council notes no closed session reports were received for the meeting.

06. Closure of meeting

The Chair declared the meeting close at 9:20am

I hereby certify that these pages numbered 1 to 7 – constitute
the Confirmed minutes of the Special Council Meeting of Burke
Shire Council held on Monday 06 February 2023.

Mayor Cr Ernie Camp