

PLANT, EQUIPMENT AND VEHICLE REPLACEMENT

1. Applications for a capital budget allocation should only be made for purchases over £10,000. Replacement of plant, equipment and vehicles below this level can be aggregated together to form one application.
2. The assets being considered for replacement must adhere to the Council's definition of capital expenditure.
3. Applications should be made to the Head of Buildings and Facilities who, in consultation with the Head of Finance, will score the applications in accordance with the scoring system outlined at Appendix 3.
4. The requirement for replacement plant, equipment and vehicles should be linked to Council, Service and Community priorities, to the information held on the asset register, with "useful life outstanding" as a key indicator of the need for replacement, and to the condition, usage and suitability of the asset to be replaced.
5. A condition assessment by a qualified mechanic/engineer will confirm the need for the proposed replacement. Vehicle conditions will be assessed through the Fleet Manager, or approved substitute, who currently repair and service the majority of Council vehicles. Plant and equipment replacements will rely on other qualified employees (or external servicing agents – where one is used) to assess their condition.
6. Fleet life, usage, suitability and the impact on revenue budgets will be evaluated through the analysis of financial and performance records and the data correlated to identify a Fleet Score for each asset. Until such time as data recovery and analysis procedures for plant have been fully developed the points allocated to items of plant under Fleet Score should equal those attributed under Condition Survey.
7. An application form is attached at Appendix 1 and will require to be completed by the Service seeking replacement of the asset. A scoring sheet and scoring system are attached at Appendices 2 and 3 respectively.
8. All applications for vehicles should be coordinated through the Fleet Manager for the Council. Separate arrangements exist for the majority of IT equipment replacement, however not all IT replacement is included in the Corporate IT Replacement Programme. Any applications for IT equipment out with the Corporate IT Replacement Programme should be made through the Head of IT and Support Services.
9. The Executive Director of Development and Infrastructure and the Executive Director of Corporate Services will submit a joint report to the Land and Property Sub-committee recommending the allocation of the top sliced capital programme for the replacement of plant, equipment and vehicles.
10. All purchases should be made in accordance with the Contract Standing Orders and the Financial Regulations

| | | |
|---|--|---|
| Application Ref: <i>Financial Year followed by consecutive numbering</i> | | |
| Plant, Equipment or Vehicle Replacement (excluding IT equipment) | | |
| Service: | | |
| Function: | | |
| Asset Ref: | <i>From Asset Register</i> | Asset Narrative: <i>From Asset Register</i> |
| Asset Registration: | | |
| | | |
| 1. | Background / Need for a Replacement | |
| | <i>A brief summary of what the equipment, plant or vehicle is used for together with a brief summary of why a replacement is required. A more detailed explanation would be required if an additional new vehicle is being suggested.</i> | |
| 2. | Options Appraisal | |
| | <i>The main options available should be listed including no replacement and a summary of the decision making process for the option recommended.</i> | |
| 3. | Appraisal of Preferred Option against following criteria:- | |
| | Criteria | Response |
| a. | Protects (or Enhances) Existing Statutory Provision | <i>Explain how the project protects (or enhances) existing statutory provision</i> |
| b. | Meets Corporate Priority / Community Planning Goal | <i>Identify how the project will help the Council in achieving its Community Planning Goals, Corporate Strategic Plan and the Service Improvement Plans already approved by Service Committees.</i> |
| c. | Minimises Capital Cost | <i>Demonstrate Best Value is being achieved, i.e. have economies of scale been achieved; is external funding being received; is replacement like for like replacement or enhanced?</i> |
| 4. | Risk Assessment | |
| | <i>A summary of main risks to the ability to deliver the service should replacement progress or not progress, plus an indication on how these risks will be managed. One off items crucial to service delivery irrespective of minimum usage should be identified.</i> | |
| | Service Executive Director: | Signature: _____ Print: _____ Date: _____ |

| 5. Condition and Performance | | | | | | |
|------------------------------|---|---|-----------|---------------|----------------|--------------|
| a. | Condition Survey | <p><i>A brief summary from the person who carried out the condition survey detailing the current state of the asset; whether it is possible or economic to repair it; and when, in their opinion, it would require to be replaced: (circle as appropriate)</i></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 5px;">Immediate</td> <td style="padding: 5px;">Within 1 Year</td> </tr> <tr> <td style="padding: 5px;">Within 2 Years</td> <td style="padding: 5px;">Over 2 Years</td> </tr> </table> | Immediate | Within 1 Year | Within 2 Years | Over 2 Years |
| Immediate | Within 1 Year | | | | | |
| Within 2 Years | Over 2 Years | | | | | |
| b. | Fleet Score | <p><i>Fleet score (calculated taking account of fleet life, maintenance, usage and suitability scores) to be entered by Fleet Manager. Assessment reflects action required ranging from no action to replacement due subject to Service needs rated A – D with A being no action required. (circle as appropriate)</i></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 5px;">A</td> <td style="padding: 5px;">B</td> </tr> <tr> <td style="padding: 5px;">C</td> <td style="padding: 5px;">D</td> </tr> </table> | A | B | C | D |
| A | B | | | | | |
| C | D | | | | | |
| | Fleet Manager or approved substitute | Signature: _____ Print: _____ Date: _____ | | | | |
| | Approval to progress | Does purchase meet the definition of capital expenditure? Yes/No Replacement score: _____ Progress application: Yes/No | | | | |
| | Signature: _____ Print: _____ Date: _____ | Signature: _____ Print: _____ Date: _____ | | | | |

Plant, Equipment and Vehicle Replacement Scoring Sheet

Each application should be scored against each criteria, scoring up to the maximum number of marks shown alongside each criteria. Each criteria is detailed in the scoring system and scoring should reflect how well the project scores against these details.

| | Criteria | | Raw | Weight | Total |
|----|---|-----------|-----|--------|-------|
| 1. | Background / Need for a Replacement | Pass/Fail | N/A | N/A | N/A |
| 2. | Options Appraisal | Pass/Fail | N/A | N/A | N/A |
| 3. | Further Appraisal of Preferred Option | | | | |
| a. | Protects (or enhances) Existing Statutory Provision | 10 | | 3 | |
| b. | Meets Corporate Priority / Community Planning Goal | 10 | | 1 | |
| c. | Minimises Capital Cost | 10 | | 2 | |
| 4. | Risk to Service Delivery | 10 | | 1 | |
| 5. | Condition and Performance | | | | |
| a. | Condition Survey | 10 | | 5 | |
| b. | Fleet Score | 10 | | 4 | |
| | Total Score | | | | |

Plant, Equipment and Vehicle Replacement Scoring System

Replacements will be scored against each other. The scoring system is two-fold: Weighting and Score. The Weighting multiplied by the Score provides a total, the sum of the criteria totals will provide a total project score.

- | | |
|--|--------------------------|
| 1. Background / Need for Replacement | Pass/Fail |
| 2. Options Appraisal | |
| Have all options been considered? | Pass/Fail |
| - no replacement | |
| - service review/redesign | |
| - pay officer mileage rather than OIC vehicle | |
| - etc. | |
| 3. Further Appraisal of Preferred Option (Maximum of 10 points for each of a,b,c and d) | |
| a. Replacement protects (or enhances) existing statutory provision | |
| Statutory provision | 10 points |
| Enhanced Statutory provision | 6 points |
| Discretionary provision | 5 points |
| Enhanced Discretionary provision | 3 points |
| b. Replacement meets corporate priority / community planning goal | |
| Community Planning Priority / Goal | 10 points |
| Corporate Planning Priority / Goal | 7 points |
| Service Planning Priority / Goal | 5 points |
| c. Replacement minimises capital cost | |
| Economies of Scale included | 3 points |
| Replacement is not an enhancement | 4 points |
| External grant funding has been sought | 1-3 points on % received |
| 4. Risk to service delivery (scored in two parts – maximum total 10 points) | |
| Replacement crucial to service delivery – only available item | 5 points |
| Replacement crucial to service delivery – part of group of items | 2 points |
| No delivery or alternative service acceptable | 0 points |
| And | |
| Replacement item not readily available for hire | 5 points |
| Replacement item available for hire on special terms | 2 points |
| Replacement item readily available for hire | 0 points |

5. Condition and Performance

a. Condition Survey

| | |
|----------------|-----------|
| Immediate | 10 points |
| Within 1 Year | 7 points |
| Within 2 Years | 4 points |
| Over 2 Years | 1 point |

b.1 Fleet Score for Vehicles

| | |
|-------------------------|-----------|
| Fleet Score rating of A | 1 point |
| Fleet Score rating of B | 4 points |
| Fleet Score rating of C | 7 points |
| Fleet Score rating of D | 10 points |

b.2 Fleet Score for Plant

Until such time as data recovery and analysis procedures for plant have been fully developed the points allocated to items of plant under Fleet Score should equal those attributed under Condition Survey.