

PLANT REPLACEMENT POLICY

Policy Objectives:

The objective of this policy is to ensure Broads IDB's mobile plant, vehicles and other mechanical equipment are available in good working order so as to achieve the best cost benefit for the Board. The aim of the Plant Replacement Policy is to:

- Follow replacement guidelines and principle of life cycle costs to assess replacement of plant and equipment.
- Maximize inputs from operators & maintenance team to prepare plant replacement requisition.
- Optimize the vehicle maintenance program to have a longer replacement cycle.
- Avoid repeated & time-consuming evaluation for plant and equipment that is in good working order.
- Project a 5-year replacement program for high value plant and equipment & review the Replacement Program to act in accordance with the Board's needs.

Policy Statement:

Replacement Requisition:

Replacement request must include the following:

- a. Reference to standard replacement cycle
- b. Specific reasons (if it doesn't align with standard replacement cycle)
- c. Number of hours/ kilometers/miles & Years of plant being replaced
- d. Annual maintenance cost since procurement (where possible)
- e. Life cycle cost
- f. Safety related concern (if any)
- g. Major maintenance requirements (if any)
- h. New purchase price/quotes
- i. Board approval of all Group A purchases (see summary table below)

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Replacement Periods:

- Replacement periods will be set to provide the best economic turnover result for the Board whilst also taking into account of the Board's operational requirements and financial resources. The following plant replacement cycle has been adopted and is based on discussions with the Catchment Engineer, Operations Manager, Plant Engineer and the Board. This replacement cycle should be reviewed annually, or as when required by the Board.
- All plant (excluding small plant), should be reviewed at least 12 months prior to the Recommended Replacement Cycle or if usage/condition dictates an earlier review.
- Plant and equipment with occasional, limited usage will be individually assessed and recommended for replacement where their one-time maintenance cost reaches 60% of the current value.
- The replacement cycles are to be considered as a guide and plant and vehicles may be replaced earlier or later depending on market value, condition and requirements. The overriding objective is to ensure the maximum return and value for the Board.
- The Catchment Engineer, in consultation with the Operations Manager, will review replacement cycles as outlined below on a case by case basis as part of the Board's 5-year replacement projections, and make appropriate recommendations to the Board for the replacement.
- Consideration may also be given to machines that experience high levels of maintenance and repair costs.
- Consider extended warranties and buy backs.

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Plant Replacement Cycles by Plant Category:

Group A - Very high value, hours-based work, minimal visible wear and tear, high repair cost.

All plant in group A, are deemed as very high value. The work these machines undertake are repetitive and hardworking, cost can be high when maintaining these machines and it is advisable to replace these items of plant as shown below to ensure the Board get the best operational from the items of plant. Where applicable it would be advantageous to the Board to agree a buy back deal with the suppliers of the plant to ensure the Board received the best deal, however this would only be applicable if a replacement item of plant is purchased from the same supplier/manufacturers as that being sold/traded-in.

1. Excavators. The proposed replacement for all excavators is 7 years/7000 hours. It has been noted from previous repair and maintenance costs, that the maintenance costs start to accelerate once 7000hours are reached. The tracks, hydraulic rams & other expensive parts, tend to need replacing.
2. Tractors. Any new tractor should be change every 5 years/5000 hours and new tractors purchased by the Board should try to get a 5 year extended warranty.
3. Teleporters. The proposed replacement for the teleporter is 7 years/7000 hours.

Group B - Medium value, visible wear and tear, moderate repair cost, used as site support.

All plant in group B, are deemed as medium value. These vehicles and items of plant assist with transporting, maintenance, and operational duties.

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1. Trailers that are used for carting silt, soil, stone, all materials etc. are used to transport materials across the drainage district, assisting with various operations. These trailers are more frequently used in the winter months, the general maintenance costs for these trailers are minor, with mainly replacement tyres being the biggest cost. Providing the state of the trailer is in suitable condition, and there is no damage to the trailer, the replacement will be as and when required but a minimum of 10 years as a guide.
2. The 4x4 Trucks are used for site transport for supervision and maintenance purposes. These vehicles will be replaced every 3 years or 100,000 miles depending on condition. We will aim to have one make and model and color of truck, with branding, for all staff to ensure the best deals are negotiable and to form a consistent company image.
3. Polaris transporter/site vehicle. Replacement should be based on 5 years/5000 hours. Extended Warranties should be considered as part of any purchase.
4. Welfare unit. The replacement period for welfare units is 10 years, or as required should Health & Safety Regulations require.
5. Specialist attachments: The proposed replacement period for specialist attachments is 5 years, or as per warranty period.
6. Weed baskets will be replaced when the machinery is replaced, however a condition survey will be undertaken to decide if it is necessary to change the item of plant at that time or not.
7. Flails will be replaced when the machinery is replaced, however a condition survey will be undertaken to decide if it is necessary to change the item of plant at that time or not.

Group C – Hours based work, low use, low repair cost, frequent maintenance required.

All the plant in group C, is more specialist plant that will not necessary be used for long periods of time, but are essential for the operational procedures to be delivered as part of the maintenance programme. This plant will have an annual conditional assessment and it will be

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reassessed as to whether it may require changing in the next financial plant renewal year, or it will be replaced if there are unforeseen circumstances why it is not suitable for operational works. Indicative replacement cycle of at least 10 years for all items in this category.

SUMMARY OF PLANT REPLACEMENT CYCLES

GROUP A	Very High value, hours based work, minimal visible wear and tear, high repair cost.		
ASSET TYPE	YEARS	HOURS	COMMENTS
Excavators	7	7,000	
Tractor	5	5,000	
Teleporter	7	7,000	

GROUP B	Medium value, visible wear and tear, moderate repair cost, used as site support.	
ASSET TYPE	YEARS	MILES
Heavy Trailer	10	Annually inspected and reviewed
Light Trailer	8	Annually inspected and reviewed
4x4 Truck	3*	100,000
Polaris	5	7,000
Welfare unit	10	n/a
Weed Basket	7	n/a
Specialist Attachments	5	n/a
Flail	7	n/a

*as per warranty period

GROUP C	Hours based work, low use, low repair cost, frequent maintenance required. High lump sum value to replace.	
ASSET TYPE	YEARS	
GPS Survey Equipment	10	Annually inspected and reviewed

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Pumps	10	Annually inspected and reviewed
Plant Transport trailer	10	Annually inspected and reviewed
Various Specialist Plant	10	Annually inspected and reviewed
Minor attachments	5	Annually inspected and reviewed

Version Control

Version	Changes made	Date
Original Version 1	n/a	June 2019
Version 2	<ul style="list-style-type: none"> - Page 1: The inclusion of the sentence '<i>Board sign off of proposed group A purchase required at board meeting</i>', which was not included in the previous version. - Page 5: The asterisk related to truck replacement period as 3 years*, being conditioned 'as per warranty period' as our new trucks have a 5-year warranty. - Version control box added to the end of the policy. 	June 2020