

WATER MANAGEMENT ALLIANCE

MOBILE PLANT REPLACEMENT POLICY

OPERATIONS

Review Date: September 2023

To be reviewed every 5 years

Next Review Date: September 2028

Reviewed by: Consortium Management Committee and each relevant WMA Member Board

Adopted by:

Broads (2006) Internal Drainage Board

King's Lynn Internal Drainage Board

Norfolk Rivers Internal Drainage Board

South Holland Internal Drainage Board

MOBILE PLANT REPLACEMENT POLICY

Contents

1. POLICY OBJECTIVES	3
2. POLICY STATEMENT	3
3. REPLACEMENT PERIODS	3
4. MOBILE PLANT REPLACEMENT CYCLES BY CATEGORY	4
5. GUIDE FOR MOBILE PLANT REPLACEMENT CYCLES	6
6. CARBON STRATEGY	6

MOBILE PLANT REPLACEMENT POLICY

1. POLICY OBJECTIVES

- 1.1. The objective of this policy is to ensure that the Board's mobile plant, vehicles and other mechanical equipment are available in good working order so as to achieve the best cost benefits for the Board. The aim of the Mobile Plant Replacement Policy is to:
- Follow replacement guidelines and principle of life cycle costs to assess replacement of the mobile plant and equipment.
 - Maximise inputs from operators & the maintenance team to prepare mobile plant replacement requisition.
 - Optimise the vehicle maintenance programme to have a longer replacement cycle.
 - Avoid repeated and time-consuming evaluation of mobile plant and equipment that is in good working order.
 - Project a 5-year Indicative Replacement Programme for high value mobile plant and equipment and periodically review the Replacement Programme to act in accordance with the Board's needs.

2. POLICY STATEMENT

Replacement Requisition requests must include the following:

- Reference to standard replacement cycle
- Specific reasons (if not in accordance with the standard replacement cycle)
- Number of hours/km/miles and years
- Annual maintenance cost since procurement
- Life cycle cost
- Safety related concerns (if any)
- Major maintenance requirements (if any)
- New purchase price/quotes
- Board approval of all Group A purchases

3. REPLACEMENT PERIODS

- 3.1. The replacement cycles are to be considered as a guide and mobile plant and vehicles may be replaced earlier or later depending on market value, condition and business requirements. The overriding objective is to ensure the maximum return and value for the Board.
- 3.2. Replacement periods will be set to provide the best economic turnover result for the Board whilst also considering the Board's operational requirements and financial resources. The following mobile plant replacement cycle has been adopted and is based on discussions with the Area Manager, Operations Manager, Working Foreman (where applicable) and the Board.
- 3.3. All mobile plant, excluding small mobile plant, should be reviewed at least 12 months prior to the recommended replacement cycle or if usage/condition dictates an earlier review.

MOBILE PLANT REPLACEMENT POLICY

- 3.4. Mobile 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.
- 3.5. The Area Manager, 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.
- 3.6. Consideration may also be given to machines that experience high levels of unplanned maintenance and repair costs.
- 3.7. Consider extended warranties and buy-backs.

4. MOBILE PLANT REPLACEMENT CYCLES BY CATEGORY

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

All mobile plant in Group A is deemed as very high value. The work these machines undertake are repetitive and hard, costs can be high when maintaining these machines and it is advisable to consider replacing these items of mobile plant as shown below, to ensure the Board gets the best out of this mobile plant.

Where applicable it would be advantageous to the Board to agree a buy-back deal with the suppliers of the mobile plant to ensure the Board receives the best deal, however this would only be applicable if a replacement item of mobile plant is purchased from the same supplier/manufacture as that being sold or traded-in.

- Long and Short-Reach Excavators – the proposed point at which replacement for long-reach excavators should be considered is 5 years/7000 hours and every 7 years/7000 hours for short-reach excavators. It has been noted from previous repair and maintenance costs that the maintenance costs start to accelerate once 7000 hours are reached. The tracks, hydraulic rams and other expensive parts tend to need replacing.
- Wheeled Excavators – the proposed point at which replacement should be considered is every 5 years/5000 hours to ensure efficient running in line with the tractors.
- Tractors – Any new tractor should be considered for replacement every 5 years/5000 hours. Any new tractors purchased by the Board should try to include a 5-year extended warranty.
- Teleporters – The proposed point at which replacement should be considered is for a teleporter is 7 years/7000 hours.

MOBILE PLANT REPLACEMENT POLICY

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

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

- Heavy trailers that are used for carting silt, soil, stone, all materials etc, and 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.
- Light trailers are used for carting all materials and small mobile plant. These trailers are more susceptible to damage and may require more repairs and maintenance works carried out to them than the heavy trailers. 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 8 years as a guide.
- 4x4 Trucks are used for site transport, for supervision and maintenance purposes. These vehicles will generally be considered for replacement every 3/5 years (after expiration of the warranty period) or 100,000 miles depending on condition. However, old vehicles may be passed on for use as pool vehicles or by workshop staff, with the oldest vehicle in the Board fleet to get sold, which means in some circumstances it could be over 10 years old. Boards should aim to have one make and model and colour of truck, with branding for all staff to ensure the best deals are negotiable and to form a consistent company image.
- Site vans are for the operatives on the tracked excavators during the cutting season. Outside of cutting season, these will be used for general duties and maintenance for the pumping stations, hand roding, spraying etc. These vans will have a minimum usage of 10 years/200,000 miles and will be considered for replacement as and when required, with only a scrappage allowance value at disposal. Boards should aim to have one make and model and colour of truck, with branding for all staff to ensure the best deals are negotiable and to form a consistent company image.
- Polaris transporter/site vehicle. Replacement consideration should be based on 5 years/5000 hours. Extended Warranties should be considered as part of any purchase.
- Welfare unit. The point at which replacement should be considered for welfare units is 10 years or as required should Health and Safety Regulations require.
- Weed baskets and Flails: Will be considered for replacement when the machinery is replaced, however a condition survey will be undertaken to decide if it is necessary to change the item of mobile plant at that time or not.

MOBILE PLANT REPLACEMENT POLICY

4.3. Group C: Hours-based work, low use, low repair cost, frequent maintenance required

All of the mobile plant in Group C is more specialist mobile plant that will not necessarily be used for long periods of time but is essential for the operational procedures to be delivered as part of the maintenance programme. This mobile plant will have an annual conditional assessment and it will be reassessed as to whether it may require changing in the next financial mobile 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.

5. GUIDE FOR MOBILE PLANT REPLACEMENT CYCLES

GROUP A: Very high value, hours-based work, minimal visible wear and tear, high repair cost		
Asset type	Years	Hours
Long reach excavator	5	7000
Short reach excavator	7	7000
Wheeled excavator	5	5000
Tractor	5	5000
Tractor mounted/Self-propelled cutter	7	5000

GROUP B: Medium value, visible wear and tear, moderate repair cost, used as site support		
Asset type	Years	Miles
Heavy Trailer	10	Annual review/inspection
Light Trailer	8	Annual review/inspection
4x4 Truck	3	100,000
Site Van	10	200,000
Polaris	5	7,000
Welfare Unit	10	n/a
Weed Basket	7	n/a
Flail	7	n/a
Specialist Attachments	5	n/a

GROUP C: Hours-based work, low use, low repair cost, frequent maintenance required. High lump sum value to replace		
Asset type	Years	Miles
GPS Survey Equipment	10	Annual review/inspection
Pumps	10	Annual review/inspection
Plant Transporter Trailer	10	Annual review/inspection
Various Specialist Plant	10	Annual review/inspection
Minor attachments	5	Annual review/inspection

6. CARBON STRATEGY

- 6.1. The Group's Carbon Reduction Strategy will always be considered at the time of replacing mobile plant, and consideration will be given to alternative fuel/power options available on the market at the time.