



KEMPSEY  
Shire Council

## DIRECTOR CORPORATE SERVICES REPORT

13<sup>th</sup> June 2006

DCS11	FLEET – SALE OF LOW LOADER
	FILE: 577      GBS      {Folio No. * }

### SUMMARY:

Reporting on the sale of Fleet item V1984 (Low Loader).



### DESCRIPTION:

At Council's 9<sup>th</sup> May 2006 meeting it was resolved –

*“That this matter be deferred to the next meeting of Council and the report provide further information in relation to the sale of the low loader”.*

The 2005/06 Fleet Business Plan included within the Plant Replacement Program the provision for –

Sale of Lusty Low Loader	-	\$ 35,000
Purchase of new Low Loader	-	<u>\$100,000</u>
Net changeover	-	<u>\$ 65,000</u>

The reason for the old low loader being listed for replacement was its age, condition, high usage and recent maintenance history.

The new Low Loader was purchased for \$101,818 and the old one disposed of for \$45,500. The net changeover was \$56,318 – a SAVING of \$8,682 against the Budget provision.

The old low loader was disposed of in accordance with Council's "Disposal of Assets Policy (M11.25)", and in particular by way of "invited quotes (specialist assets with very limited market)".

Three (3) quotations were received ranging from \$31,800 to \$45,500.

The highest quote was accepted on 31<sup>st</sup> January 2006.

Council continued to use the old low loader whilst awaiting delivery of the new one, and unfortunately it suffered a collapsed wheel bearing. This was repaired in mid February 2006 at a cost of approximately \$7,000 (mostly parts).

The decision to undertake the repairs was taken rather than jeopardise the sale, or have the sale price significantly reduced.

## **REPORT IMPLICATIONS:**

- *Environmental*

*Nil*

- *Social*

*Nil*

- *Economic (Financial)*

*As indicated above the net changeover cost for the low loader provided a saving of \$8,682 against the Budget.*

- *Policy or Statutory*

*Nil*

- *Director's Review*

*As per report.*

## **RECOMMENDATION:**

**That the information be noted.**

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**G B Snape**  
**DIRECTOR CORPORATE SERVICES**