



LITHGOW CITY COUNCIL

1. ACQUISITION AND DISPOSAL OF ASSETS

Policy 1.2

ASSET ACQUISITION

Version 2

1. ACQUISITION AND DISPOSAL OF ASSETS

1.2 ASSET ACQUISITION

OBJECTIVE: To ensure Council considers the full life cost of all asset acquisitions prior to entering into any process to acquire/develop future assets.

POLICY:

1. When considering the acquisition and/or development of assets, Council will take into consideration:
 - The comparative long term ownership costs of the asset;
 - Evidence of community demand for the provision or retention of the asset;
 - Whether the land is suitable for its intended use in accordance with the strategy "ensuring Council land is suitable for its intended use", in the Strategic Plan;
 - Whether the land is suitable for its intended use in terms of levels of contamination;
 - The strategic worth of the asset and its community benefit;
 - Whether the asset provides Council a positive return on the investment;
 - The extent to which the asset is subsidised by the community, through the use of general rate revenue.

2. The long term ownership costs of the asset acquisition and/or development must take into account;
 - Acquisition and/or development costs;
 - The cost of providing finance (i.e. opportunity costs and interest charges);
 - Any warranty period applicable;
 - The length, value and cost of any applicable maintenance agreements;
 - The lifetime maintenance profile and costs;
 - Energy consumption and projected costs;
 - Any residual value (where applicable);
 - An investigation of alternative acquisition arrangements, eg. Purchase, lease, rent, public partnership or resource sharing;
 - An investigation as to alternative financing arrangements, eg. User pay, grants, loan funds or private sector;
 - Taxation issues under competition policy.

3. Reports to Council on the acquisition and/or development of assets must include commentary on the above points as well as including details of;
- Community demand;
 - Strategic worth to the community;
 - Asset return;
 - A comparison of long term ownership costs.

Maintained by Department:	Executive	Approved by:	Council	Exhibition	
Reference:	Dataworks: Policy Register	Council Policy No:	1.2	Effective Date:	16 February 2009
Min No:	06-349 V1 P08-136 O09-67	Version No:	2	Review Date:	February 2009
Attachments:					