

TOWN OF LAKE LURE

Fleet Replacement Policy

Section 1. Purpose

The purpose of this policy is to provide a procedure for regularly replacing Town vehicles and other rolling stock. This policy applies to all vehicles/equipment owned by the Town.

It is the policy of the Town to provide staff with the tools needed to do the job in a professional, competent and safe manner. Among the biggest “tools” in accomplishing the task are motor vehicles and motorized equipment. In addition, these items are a very substantial financial investment and need to be handled in the most economic manner to the Town, both in their operation and in maximizing their disposal value.

This policy is for guidance only. The final decision to acquire new vehicles and equipment is a budgetary decision recommended by the Town Manager and approved by the Board of Commissioners. The overall needs of the Town, emergency conditions, funding sources and other non-standard conditions may result in the waiver of part or all of this policy.

Section 2. General

Each vehicle/equipment has a number of “lives.” It has a service life, which is the amount of time a vehicle is capable of rendering service. It has a technological life which represents the relative productivity decline of the unit as compared to newer models. Most important, a unit has an economic life, which is the length of time the average total vehicle cost is a minimum.

The basic premises of this policy are:

1. The fleet should be sized for optimal use.
2. The fleet should be standardized as much as practicable.

3. As equipment ages, the maintenance, downtime, and operational costs increase.
4. When vehicles are down for maintenance, productivity decreases.
5. Vehicles/equipment that exceed their economic lifespan increase operational costs and decrease resale value.

Section 3. Replacement Criteria

Replacement criteria form the cornerstone of a planned approach to fleet management. These criteria serve as a guide for budget analysis and prediction of future resource needs. The criteria listed in the tables below are based on the experience of staff, life cycle cost analysis, and data from other municipalities.

Recognizing there may be occasional need for replacement prior to reaching the thresholds; a department must submit a Vehicle Evaluation Form of the vehicle or equipment, along with any additional information with an early replacement request to the Town Manager.

Additionally, just because a vehicle or piece of equipment is replaced in one department does not mean it is automatically surplus – there may be an appropriate use in another department. Such decisions are made by the Town Manager, in consultation with the Department Head.

Section 4. Vehicle Replacement

Vehicles will be evaluated by three criteria:

1. Age
2. Mileage
3. Operation and maintenance cost

When a vehicle reaches the age or mileage threshold listed below, it will automatically be assessed for replacement during the annual budget process, based on the current and anticipated operation and maintenance costs.

Replacement may also be triggered sooner due to higher than anticipated maintenance costs, or there may be cases where new fuel or other technologies might be available which would provide other benefits to the Town.

Vehicle replacement Criteria – age or mileage threshold reached		
Vehicle Type	Age Criteria	Mileage Criteria
Vehicle-Administrative Usage -Emergency response and call back	10 years	120,000 miles
Police – Patrol Vehicle – pool	5 years	100,000 miles
Police – Patrol Vehicle – assigned	7 years	100,000 miles
Light Vehicles – Less than 15,000 GVW, excluding cars	10 years	100,000 miles
Medium Vehicles – between 15,000 and 32,000 GVW	12 years	100,000 miles
Heavy/Sanitation Vehicles	8 years	120,000 miles
Heavy/Fire Apparatus – over 32,000 GVW	15+ years	120,000 miles
Other Heavy Vehicles – over 32,000 GVW dump trucks, street sweepers, bucket trucks	15 years	100,000 miles
Trailers for equipment	15 years	
Off-Road Tractors, Bulldozers, Backhoes, Trackhoes, skid-steer and related equipment	7-15 years	5,000-10,000 miles

Section 5. Equipment Replacement

Equipment will be evaluated by four criteria:

1. Age
2. Mileage
3. Operation & maintenance cost
4. General overall condition

When a piece of equipment reaches the “Condition III” points threshold, outlined below, it will automatically be assessed for replacement during the annual budget process.

Replacement may be triggered sooner due to higher than anticipated maintenance costs, or there may be cases where newer technologies might be available which would provide other benefits to the Town.

Equipment Replacement Criteria – <i>points reach Condition III</i>	
Factor	Points
Age	One (1) point for each year of chronological age, based on in-service date.
Hours/mileage	One (1) point for each 10,000 hours of use. Equipment without hour meters will be assigned points based on standard usage for specific equipment types.
Maintenance & Repair Costs	1 – 5 points assigned based on total M & R costs (not including repair of accident damage and abuse). A 5 assigned to a piece of equipment with life M & R costs equal to or greater than the equipment's original purchase price.
General Overall Condition	This category takes into consideration the condition of the body, rust, interior condition, vehicular accident history, anticipated repairs, etc. A scale of from 1 to 5 is used with 5 being extremely poor condition.

Point Ranges for Equipment Replacement		
Total Points	Rating	Equipment Condition
7 points or less	Condition I	Excellent
8-12 points	Condition II	Good
13-17 points	Condition III	Qualifies for replacement
Over 18 points	Condition IV	Requires immediate consideration

VEHICLE EVALUATION FORM

Recognizing there may be occasional need for replacement prior to reaching the Fleet Replacement Policy thresholds, a department may submit a Vehicle Evaluation Form along with any additional information to the Town Manager.

Item # _____ Mileage _____

Year _____ Make _____ Model _____

Using Dept/Division _____

Date of Evaluation _____ Performed by _____

SYSTEM	DIAGNOSIS (see below)	ESTIMATED REPAIR COST
Engine		
Transmission		
Drive Line		
Differential		
Exhaust System		
Exhaust Regeneration System		
Pumping System		
Hydraulic System		
Electrical System		
Brakes		
Tires		
Body		
Interior/Exterior		
Front End		
Suspension System		
Air Conditioning		
General Overall Condition		
Total estimated repair cost		

DIAGNOSIS CODE	CODE DESCRIPTION
Good	System is functioning well; no major repair expected
Fair	Major overhaul is needed but system can function for a while longer
Poor	Major repair is required as soon as possible to ensure vehicle dependability

Evaluator's Comments _____
