

**TITLE II
ADMINISTRATIVE REGULATIONS**

CHAPTER 22 VEHICLE/EQUIPMENT REPLACEMENT POLICY

22.01 Purpose

The purpose of the Vehicle/Equipment Replacement Policy is to provide the Town with the requisite parameters for identifying and funding vehicle and equipment replacements by the end of their specified economic lives.

22.02 Organizational Responsibilities

- A. Town Departments
Departments that operate vehicles and/or equipment listed on the Town's Fleet Roster are responsible for:
 - 1. contributing monthly to the Vehicle/Equipment Replacement Fund (VERF) as calculated according to Section 22.05.A. of the Town's Vehicle/Equipment Replacement Policy; and,
 - 2. requesting their respective replacements during the annual budget process.

- B. Executive Director of Finance
Shall be responsible for:
 - 1. annually setting the available budget for vehicle/equipment replacements;
 - 2. annually reviewing, amending, and/or approving the proposed replacement list based upon budgetary constraints; and/or,
 - 3. approving significant changes to replacements approved during the budget process.

- C. Fleet Services & Materials Manager
Shall be responsible for:
 - 1. maintaining and updating the Vehicle/Equipment Replacement Policy and related procedures;
 - 2. reviewing annual replacement requests and preparing a recommendation for the Executive Director of Finance;
 - 3. updating the replacement criteria;
 - 4. addressing other issues pertaining to the vehicle/equipment replacement program of the Town;
 - 5. preparing a proposed annual VERF budget based upon departmental requests;
 - 6. preparing the departmental transfer schedules;
 - 7. working with user departments to prepare procurement requests for approved items;
 - 8. approving all purchases made from the VERF;
 - 9. ensuring complete and accurate receipt and documentation of

- all procurements;
- 10. disposal of vehicles and/or equipment; and
- 11. maintaining all VERN files and records including an up-to-date Fleet Roster.

D. Assistant Town Manager/CFO

Shall be responsible for reviewing and approving or denying departmental requests to purchase used vehicles or pieces of equipment from the VERN that have been retired or replaced.

E. Town Manager

Shall be responsible for approving the Vehicle/Equipment Replacement Policy and any amendments thereto.

22.03 Replacement Request Process

All forms, as required by Fleet Services, must be completed to request vehicle and/or equipment replacements. These requests are submitted annually during the budget process in the manner prescribed and at the time specified by Fleet Services.

Initial request process:

1. Complete a Fleet/Vehicle Equipment Request Explanation form
2. Schedule unit(s) into Fleet for evaluation

If replacement approved through the Budget process, final process:

1. Complete a Fleet Vehicle Requisition form

22.04 Replacement Criteria

The Vehicle/Equipment Replacement Criteria (Exhibit A) identifies the normal economic life expectancy of the listed vehicles and equipment. It should be noted that items meeting and/or exceeding these criteria are not automatically funded for replacement. They are **eligible** for replacement and must pass all levels of review and approval to make the annual replacement list. Additionally, items that do not meet the criteria may, for one reason or another (such as excessive maintenance costs or declared a total loss by the Town's insurer), be eligible for replacement.

The two (2) criteria for replacement of any vehicle/equipment are:

1. Age
2. Meter (mileage or hours)

As a general rule, any item that has reached the end of its economic life is traded in or sold. If approved to retain in the fleet, it is kept on the roster as a "retained" unit. However, an item that has been approved for purchase from the VERF is not eligible to be replaced again under this policy.

22.05 Replacement Funding

The Town maintains a Vehicle/Equipment Replacement Fund (VERF) for the replacement of major rolling stock and equipment. Funds are transferred to the VERF based on a contribution schedule for each item included on the Fleet Roster.

The VERF collects contributions from user departments during the life of rolling stock and major equipment. The contributions are then used to replace the vehicle/equipment, thus mitigating the impact on the annual operating budget. The VERF is developed, reviewed and approved as part of the Town's annual operating budget.

- F. Replacement payments shall be based on the unit's actual cost divided by its expected economic life (represented in years). Payments into the fund from the user department shall be made on a monthly basis.
- G. For all units that are retired or sold prior to the expiration of the useful life, all replacement payments to the VERF will be discontinued.
- H. All funds collected from the sale of a VERF item shall be credited to the VERF. These deposits should eliminate the need to attach a multiplier to the unit's actual cost to account for inflation from the time an item is purchased until the time it is replaced.
- I. In the event that approval is received to purchase a used vehicle or piece of equipment from the VERF that has been retired or replaced, the purchase price shall be ten percent (10%) of the original cost of the unit. This amount should compensate for the loss of proceeds normally deposited into the VERF from the sale of the used item. This payment will be made to and retained in the VERF and VERF contributions may not be used for the purchase.
- J. Monies received from an insurance carrier to repair or replace an item listed on the Fleet Roster in excess of the actual cost to effect such repair or replacement will be deposited in the VERF.

- K. In the event that a user department has not contributed enough over the life of an item to cover the cost of a replacement item, the difference in funding may come from:
1. savings on other items being replaced according to this policy that are in the same fund; and/or,
 2. funds available within the department's operating budget or obtained through approval of a decision package.

This section applies to replacement items that are different in nature and more costly than the items to be replaced. It does not apply to increased costs resulting from inflation.

The Town of Flower Mound Vehicle/Equipment Replacement Policy is hereby approved this 15th day of August, 2014.

Signed (original located in HR Master File)

Jimmy Stathatos, Town Manager

Vehicle/Equipment Replacement Criteria

The following schedule is a base guideline for vehicle and equipment replacement and is NOT absolute criteria for replacement. Vehicle depreciation, age, meter (mileage or hours), mechanical condition, maintainability/reliability, maintenance cost, and safety will impact the decision to replace or retain them.

Type of Vehicle	Years	Miles	Hours
Aerial Bucket Trucks	10	100,000	6,000
Aerial Ladder and Snorkel Fire Trucks	15	N/A	N/A
Air Compressors (trailer-mounted)	15	N/A	7,500
Ambulances	7	100,000	N/A
Backhoes	10	N/A	7,500
Backhoes, Tractor (Trackhoes)	10	N/A	7,000
Boats	10	N/A	N/A
Chippers	8	N/A	7,500
Concrete Saw	7	N/A	5,000
Crack Sealer	15	N/A	6,000
Cranes, Ditchers and Trenchers	10	N/A	7,000
Dozers	10	N/A	7,000
Excavators	10	N/A	7,000
Fire Engines, Pumper Tanks and Quints	15	N/A	N/A
Forklift	15	N/A	7,500
Generators	15	N/A	N/A
Hydrohammers	10	N/A	7,000
Infield Groomer	5	N/A	4,000
Loaders with Tires or Tracks	10	N/A	10,000
Motor Graders	15	N/A	7,000
Mower, Attachments	12	N/A	N/A
Mowers, Riding	5	N/A	4,000
Paving Equipment (Asphalt Truck)	15	100,000	6,000
Sand Spreader Inserts	8	N/A	N/A
Sedans (including Police CID) and Staff Vehicles	9	125,000	N/A
Sedans, Full-Size (Pursuit Rated)	3	125,000	N/A
Sedans, Mid-Size (Pursuit Rated)	2	100,000	N/A
Street Rollers	8	N/A	6,000
Stump Cutter	8	N/A	6,000
SUV (Field)	8	125,000	N/A
SUV (Staff)	9	125,000	N/A
SUV (Pursuit Rated)	3	125,000	N/A
Tractors	12	N/A	7,000
Trailers (Bed, Cargo, Livestock, etc.)	15	N/A	N/A
Trucks, Dump, 6 and 12 Yards	10	50,000	7,000
Trucks, Flushing	10	100,000	7,000
Trucks, Pickup (Field 1 ton and under)	8	125,000	N/A
Trucks, Pickup (Staff ¾ ton and under)	9	125,000	N/A
Trucks, Utility (Camera, Crane, Dump & Flat Bed, Pipe Hunter, Tree Spade, Vacuum)	8	100,000	7,500
Turf Vehicles	5	N/A	4,500
Vans (Cargo, Passenger, Field)	8	125,000	N/A