



# Vehicle Replacement Policy



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# Outline

- Policy Question
- Fleet Services Division
- Budgeting for Replacement
- Current Policy
- Proposed Policy
- Summary of Proposed Changes



# Policy Question

Adopt proposed modifications to the current policy to include:

- Non-pool items
- Incorporate American Public Works Associations (APWA) point system as the basis in evaluation for determining replacement
- Remove the current policy A and B replacement criteria



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# Fleet Services Division

Public Works Department

# About Fleet Services

- Fleet Services Division is responsible for the maintenance and administration of all City owned vehicles and equipment.
- Fleet's primary focus is to provide dependable vehicles and equipment in a consistent manner, to enable the City's divisions to provide services for residents and businesses.
- Fleet's priority service objective is maintaining the overall condition of units for all emergency response situations.
- Fleet currently has an inventory of all units that it may service. Approximately 43% of the current fleet is 2016 or newer.



# Budgeting for Replacement

Vehicles and equipment can be budgeted for in two different ways:

- Motor pool or “On Account”

Vehicles can be procured in two different ways:

- Purchased or Leased

As of July 2021:

- 110 vehicles are leased through Enterprise Fleet Management, which includes 21 units currently on order



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# Current Vehicle Replacement Policy

Administrative Policy 09100.508

# Procedure

The Public Works Department is responsible for determining whether a vehicle or piece of equipment should be replaced. The following categories and criteria are currently utilized as a **guideline** for unit replacement.

Currently there are two pool categories for replacement within the existing policy:





# Current Policy

Vehicle replacement criteria currently used

# Category A – Age and Mileage

Vehicle Type	Replacement Life Cycle	No. of Vehicles/Avg. Age
Police Non-Patrol Vehicles	4 years/80,000 miles	12
Police Motorcycles	3 years/75,000 miles	10/4yrs.
Police Patrol Sedans	3 years/75,000 miles	26/7 yrs.
Police Patrol SUVs	5 years/80,000 miles	72/5 yrs.
Light Duty Truck/Mini Vans	10 year/100,000 miles	84
Heavy Duty Trucks (>3 Tons)	15 years/150,000 miles	49
Trailers	20 years	74
Mobile Command/Communication	20 years	5
Misc. Equipment	As Needed	64
<b>Subtotal of Vehicles on Current Vehicle Replacement Policy</b>		<b>396</b>
<b>**Leased Vehicles (110) and Fire Apparatus (17)</b>		<b><u>127</u></b>
<b>Total Number of Vehicles</b>		<b>523</b>

*\*\*Vehicles that are currently leased (110 vehicles) and Fire Apparatus are not listed on the current vehicle replacement policy.*

- Replacement Life Cycle based upon Age and Mileage are within range of historic APWA ranges for fleet replacement.
- Not all categories and types of vehicles were included to reflect today's fleet inventory.

# Category B - Dependability, Safety, Excessive costs

Upon inspection and evaluation of any vehicle by the Fleet Division, a vehicle, regardless of age or mileage, may be recommended for replacement based on the following criteria:

- Past 12 month's maintenance costs
- Life-to-date costs
- Replacement costs
- Engine Condition
- Drive Train Condition
- Body Condition
- Brake Condition
- Suspension Condition



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# Proposed Policy

Developing vehicle replacement criteria establishes the foundation for a planned approach to fleet replacement.

# Purpose

- The purpose of this policy is to provide Fleet with a standard process for determining where vehicles and equipment rank within their lifecycle.
- This policy identifies a standard ranking system to supply a unit replacement list. The scorecard method outlined herein allows Fleet to update units and change point values assigned to these assets during their lifecycle.
- It allows an “real-time” look at the City’s departments fleet data as it is updated.



# Proposed Replacement Policy

For standardization, the Fleet Division recommends inclusion of the American Public Works Association's (APWA) point system. The APWA point system would include an annual service review of the following:

- ✓ **Age**
- ✓ **Mileage**
- ✓ **Type of Service**
- ✓ **Reliability**
- ✓ **Maintenance and Repair Costs**
- ✓ **Condition**

# Point System and Scores per APWA

- **AGE** – 1 Point for Each Year of Chronological Age.
- **MILEAGE** – 1 Point for each 10,000 Miles of Use
- **TYPE OF SERVICE** – 1, 3, or 5 point(s) are assigned based on type of service that vehicle receives.
- **RELIABILITY** – Points are assigned as 1, 3, or 5 depending on the frequency that a vehicle is in the shop for Repair.
- **MAINTENANCE AND REPAIR (M&R) COSTS** - 1 to 5 points are assigned based on total Life M&R compared to original purchase price.
- **CONDITION** – 1 to 5 points assigned with 1 for Excellent condition and 5 being Poor Condition.

# Point Ranges and Interpretation/Benefit

## Points Ranges and Interpretation

- **Below 18 Points** = Excellent Condition
- **19-22 Points** = Good Condition
- **23-27 Points** = Vehicle/Unit Qualifies for Replacement
- **28 Points and Above** = Needs Immediate Consideration for Replacement

## Benefits

- Establish consistent practice for determining vehicle/unit Replacement
- Routine Evaluation of Vehicles
- Process is more Proactive than Reactive

VEHICLE DISPOSITION POINT CHART				VEHICLE CONCERNS :	
UNIT #	XXXX			<b>EXAMPLE</b>	
DEPARTMENT	Police Dept				
DIVISION	Patrol				
ORIGINAL PURCHASE COSTS	\$	26,294.13		BLUE BOOK VALUE OF VEHICLE	\$ 5,000.00 <u>Surplus Value</u>
			POINTS		
AGE OF VEHICLE (Months)	60	Months	5	ONE POINT FOR EACH YEAR OF CHRONOLOGICAL AGE, BASED ON INSERVICE DATE	
CURRENT MILEAGE	92,390	Miles/Hours	9	ONE POINT FOR EACH 10,000 MILES OF USE	
VEHICLE USE: (Type Yes in the field that applies)					
	Administrative		0	1, 3, OR 5 POINTS ARE ASSIGNED BASED ON TYPE OF SERVICE THAT VEHICLE	
	Police Unit	YES	5	RECEIVES.FOR EXAMPLE A POLICE PATROL CAR WOULD BE GIVEN A 5	
	Fire Vehicle (Battalion Chief Truck, Etc.)		0	BECAUSE IT IS A SEVERE DUTY SERVICE. IN CONTRAST AN ADMINISTRATIVE	
	P/W Field Vehicle (Trucks)		0	SEDAN WOULD BE GIVEN A 1.	
	Equipment		0		
	Pool		0		
SHOP FREQUENCY PER MONTH (Type Yes in the field that applies)					
	Two or More per Month		0	POINTS ARE ASSIGNED AS 1, 3, OR 5 DEPENDING ON THE FREQUENCY THAT A	
	1 Every other to 1 per Month	YES	4	VEHICLE IS IN THE SHOP FOR REPAIR.A FIVE WOULD BE ASSIGNED TO A	
	1 Every Three Months or Less		0	VEHICLE THAT IS IN THE SHOP TWO OR MORE TIMES PER MONTH ON AVERAGE,	
	Major Damage/Total Loss		0	WHILE A 1 BE ASSIGNED TO A VEHICLE IN THE SHOP AN AVERAGE OF ONCE	
				EVERY THREE MONTHS OR LESS	
TOTAL REPAIR HOURS	240.9			1 TO 5 POINTS ARE ASSIGNED BASED ON TOTAL LIFE M&R COST(NOT INCLUDING	
MAINTENANCE & REPAIR COST				REPAIR OF ACCIDENT DAMAGE) A 5 IS ASSIGNED TO A VEHICLE WITH THE LIFE	
FOR VEHICLE LIFE (RTA DATABASE)	\$ 32,943.95	TOTAL LOSS	6.00	M&R COSTS EQUAL OR GREATER TO THE VEHICLE'S ORIGINAL PURCHASE	
				PRICE, WHILE 1 IS GIVEN TO A VEHICLE WITH LIFE M&R COSTS EQUAL TO 20%	
				OR LESS OF ORIGINAL PURCHASE COST.	
CURRENT CONDITION OF VEHICLE (Type Yes in the field that applies)					
	Excellent		0	THIS CATEGORY TAKES INTO CONSIDERATION BODY CONDITION, RUST, INTERIOR	
	Good		0	CONDITION, ACCIDENT HISTORY, ANTICIPATED REPAIRS, ETC. A SCALE OF 1 TO 5	
	Minor		0	POINTS IS USED WITH 5 BEING POOR CONDITION.	
	Poor	YES	4		
	Major Damage		0		
			Total Points	33	
POINT RANGES					
Under 18 Points	CONDITION I	EXCELLENT		RECOMMENDATION	NEEDS IMMEDIATE CONSIDERATION
18 TO 22 POINTS	CONDITION II	GOOD			
23 TO 27 POINTS	CONDITION III	QUALIFIES FOR REPLACEMENT			
27 AND ABOVE	CONDITION IV	NEEDS IMMEDIATE CONSIDERATION			
EVALUATION COMPLETED BY _____			TITLE _____	ON BEHALF OF THE FLEET MAINTENANCE DEPARTMENT	

# Pros & Cons

## Pros

- Provides documentation and consistency on methodology of evaluation vehicle and equipment performed.
- Evaluating vehicles on a continual basis during routine maintenance; a proactive approach.
- The point system and categories are easily modified and can be adaptable to the City's needs and fleet inventory.
- Includes equipment not previously listed or considered and would identify leased vehicles as exempted from this policy.

## Cons

- Additional Administrative Work.
- How points are determined may be subjective.

# Recommendations

- ✓ Adopt proposed modifications to the current policy
- ✓ Include Non-Pool items.
- ✓ Incorporate American Public Works Association's (APWA) point system as the standard basis for unit evaluation for determining replacement.
- ✓ Remove the current policy category A and B replacement criteria

# QUESTIONS?



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