

County of Lethbridge Policy Handbook

EFFECTIVE: June 16, 2011

SECTION: 700 NO. 707 Page 1 of 5

APPROVED BY: County Council

SUBJECT: Vehicle Replacement Program

REVISED DATE:

Purpose/Objective

The County of Lethbridge has a huge investment in equipment and vehicles. It is the goal of this policy to ensure an economical replacement program and schedule of these assets. Failure to properly plan the replacement of equipment will add unnecessary expenses to the County of Lethbridge budget. Replacement schedules and replacing guidelines are determined by equipment usage. Should equipment not receive enough hours to justify its need it will be sold and not replaced.

Enforcement

Enforcement of this policy is the responsibility of the County of Lethbridge management team especially Fleet Services. When anomalies arise with usage it should be brought to the attention of the agency that utilizes said equipment.

Procedure

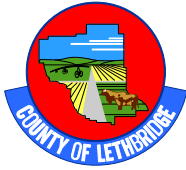
The mission of the Division of Fleet Services is to ensure that the County of Lethbridge receives maximum service and efficiency throughout the life of all equipment purchased and dedicated to serve the county and its residents. This will be achieved through a practical preventive maintenance and routine maintenance program as well as an effective fleet replacement program that is meant to be rigid enough to eliminate fiscal waste, yet flexible enough to identify and cycle out equipment that is not achieving their maximum potential and efficiency. Support Services also recognizes that its mission is to provide safe, efficient and cost effective operations for all county agencies. These goals include the following:

Provide the highest level of quality service to the user agencies requiring motor vehicles, maintenance equipment, and fuel services.

Managing the vehicles and equipment in such a manner as to optimize utilization and to keep the inherent high costs of vehicles as low as possible.

Rent to user agencies vehicles and equipment that are:

- Safe
- Well maintained
- Versatile, yet suitable to meet the needs of the county agencies



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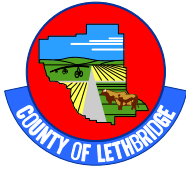
Vehicle Standardization

Fleet Services will strive to maintain vehicle standardization, where possible, in equipment specifications to minimize parts inventory and mechanical training costs, this program is intended to employ the most current technology that is available to achieve maximum productivity. The goal of Fleet Services is to purchase vehicles and equipment with modest and prudent optional equipment, so as to assist in the performance of the task of and not inhibit the county worker.

Replacement Cycles

Fleet Services has established and set forth age, mileage, and hour criteria for replacement of all vehicles and equipment. The goal of Fleet Services replacement program is to achieve maximum mileage or hours, and utilize commonly accepted industry standards, while allowing a conservative return on salvage or resale value. Fleet Services will determine vehicle replacement on a case by case basis. Equipment or vehicles that are replaced will be sold and funds received will return to the equipment replacement reserve. In the event that a vehicle or piece of equipment encounters a premature catastrophic failure and all warranties and manufactures recourse has been taken, Fleet Services will consider the following factors before vehicles are scheduled for replacement:

- Vehicle age, condition and safety, utilization and parts availability.
- Vehicle operating condition and overall general appearance.
- Vehicle operating/repair costs per kilometer/hour, maintenance history and the total regular operations and maintenance costs of the unit.
- Introduction of improved vehicle technology that improves vehicle efficiency, productivity, and maintenance.
- When major vehicle component repair costs exceed the salvage value of the vehicle or equipment.
- The aesthetic appeal of a vehicle is a factor in replacement consideration. It is important that County vehicles maintain a positive visual image throughout the communities they serve. Fleet Services will assess vehicles and equipment



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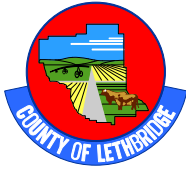
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periodically to determine if it would be preferable to refurbish, overhaul, or to replace.

- Fleet Services operations also recognize that budget limitations may not allow all vehicles to be replaced according to their predetermined replacement cycles. Fleet Services will prioritize vehicle and equipment replacements to determine which units should be replaced first.
- Light trucks/SUVs/automobiles gasoline. Any motor vehicle under 4,500kg GVWR.
 - Unit to be used full time or more economical to own than a rental unit.
 - 5 years old if rotated though fleet, if use by one operator will allow 7 years.
 - 160,000 km maximum.
- Light trucks diesel. Any motor vehicle under 4,500 kg. GVWR.
 - Unit to be used full time or more economical to own than a rental unit.
 - 5 years maximum.
 - 200,000 km to 300,000 km maximum.
- Medium duty trucks. Any single axle truck over 4,500 kg. GVWR. to 23,000 kg. GVWR.
 - Unit to be used full time or more economical to own than a rental unit.
 - 600 hours for seasonal unit 1200 hours for year round usage.
 - 10 years maximum as gravel truck, or 15 years as spray unit.
 - 250,000 km to 350,000 km maximum.
- Heavy duty trucks. All tandem axle trucks.
 - Unit to be used full time or more economical to own than a rental unit.
 - 600 hours for seasonal unit 1200 hours for year round usage.
 - 10 years maximum as gravel truck or tractor, or 15 years as water tanker unit.
 - 500,000 km maximum.
- Lemon, if unit has abnormal maintenance requirements, replace as soon as off warranty, or transfer to water tanker application providing this will reduce maintenance costs.
- Gravel trailers and pups
 - 12 to 15 years.



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- Graders
 - 5 years depending on total ownership costs.
 - 1,400 hours per year average usage.
 - 7,500 hours maximum.
 - Up to 5 years longer as mowing unit dependent on resale value and maintenance record.
- Construction and Oiling Graders
 - 10 years depending on total ownership costs.
 - County owned unit, or when it is more economical to rent a unit rather than own.
 - 600 hours per year average usage.
 - 10,000 hours maximum.
- Wheel Loaders
 - 10 to 15 years depending on total ownership costs.
 - County owned unit, or when it is more economical rent a unit rather than own
 - 600 hours per year average usage.
 - 10,000 hours maximum.
- Farm Tractors
 - 8 to 10 years depending on total ownership costs.
 - County owned unit, or when it is more economical to rent a unit rather than own.
 - 600 hours per year average usage.
 - 6,000 hours maximum.
- All-Terrain Vehicles/ Quads
 - 5 years depending on total ownership costs.
 - County owned unit, not feasible to rent as equipped with specialized equipment.
 - 200 to 600 hours per year average usage.
 - 3,000 hours maximum.
- Misc. Equipment (mowers, light trailers, grounds equipment, tillage equipment, etc.)
 - 5 to 10 years depending on total ownership costs and usage.
 - County owned unit, or when it is more economical rent a unit rather than own
 - 200 to 600 hours per year average usage.
 - Maximum hours will depend on revenue generated during rental.



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Vehicle Replacement Fund

As directed by County Council, Fleet Services has initiated and set up a comprehensive fleet replacement fund. This fund is designed to replace existing vehicles and equipment, not to add additional units to the fleet.

Any additional vehicle or equipment purchases in addition to scheduled fleet replacements must be capital purchases by the department that can justify the need for the vehicle or equipment. Once purchased, Fleet Services will assume responsibility for maintenance and replacement for the vehicle or equipment and rent to the agency that purchased the unit. The purpose of this policy will be for the Division of Fleet Services to effectively maintain, manage, and operate the equipment replacement reserve.

Equipment Acquisition

Schedulable capital purchases must be approved by County Council during budget deliberations.

All capital equipment purchases over \$50,000 must be tendered electronically to comply with the Agreement on Internal Trade and Procedures for Procurement regulations. The County of Lethbridge uses APC as well as the County of Lethbridge web site.

Capital equipment purchases under \$50,000, but over \$20,000 will be posted on the County of Lethbridge web site.

Capital equipment purchases under \$20,000 may be purchased using phone quotes or fax quotes. It is recommended that there be at least three quotes if possible.

There may be times when the item to be purchased is a sole source item, during these purchases document all attempts of finding another supplier before purchasing.

Emergency capital purchases under \$10,000 may be purchased by the department supervisor. Emergency capital purchases under \$100,000 and above \$10,000 may be purchased by the department supervisor with consultation with the County Manager. All emergency purchases over \$100,000 have to be approved by Council, Policy 143.