Countywide Administrative Procedures Manual

Regulation Number: Ap-20 Effective Date: 09/11/03

Review Date: 09/11/06 Revised Date: 03/06/07

Fleet Replacement Policy

Purpose:

To provide guidelines and assign responsibility for the Alachua County Vehicle Replacement Fund Program and to ensure the availability of resources for the future replacement of vehicles and fleet equipment with a value in excess of $10,000.00

Policy:

It is the policy of Alachua County to adhere to these procedures in order to ensure the availability of funds for the future replacement of fleet vehicles and equipment. It is the intent of this policy to provide County Departments with the vehicles and or equipment that will enable them to provide effective and efficient services to the residents of Alachua County. This policy establishes a sound business approach associated with the cost and benefits of equipment and its capabilities, and funding purchases through a "pay-as-you-go" methodology, and making decisions on replacements considering the level of usage and demonstrated needs.

Procedure:

1. Vehicle Replacement Master list
    a. A master list /five (5) year Annual Replacement Plan for all Alachua County fleet vehicles and equipment with a value in excess of $1,000.00 will be maintained by the County Fleet Manager.
    b. The master list will contain information categorized by:
        - Vehicle description
        - County unit number
        - Year
        - Projected life expectancy
        - Projected replacement cost

Vehicles projected to be replaced using Vehicle Replacement Fund revenues.

2. Funding
    c. A repository of funds to assure adequate resources for the purchasing of fleet vehicles and equipment shall be maintained.

All fleet vehicles and equipment being purchased with a value in excess ($10,000.00), and a life expectancy in excess of one (1) year, upon acquisition shall be included in the Vehicle Replacement Fund for future replacement.

Fleet vehicles and equipment being purchased may be excluded from the vehicle replacement fund as recommended by the Office of Management & Budget Director.

Vehicles and equipment purchased using grants funds must follow the requirements specified in the grant. These vehicles and equipment will not be included in the Vehicle Replacement Fund unless specifically addressed in the grant. Other county resources cannot be used to make Vehicle Replacement Fund contributions for vehicles and equipment purchased using grant funds. Request for Vehicle Replacement Fund contributions will be addressed through the budget process.

The appropriate replacement charges will be collected according to the funding source of the department deriving the benefit of the vehicle and/or fleet equipment use.

3. Revenues
    d. The revenues for the Vehicle Replacement Fund will be generated from the replacement charges applied against the operating funds that support the departments that utilize the subject vehicles.

Surplus sale proceeds, insurance claims, investment income and Total Cost "Buy Backs" will be maintained within the Vehicle Replacement Fund to help offset future vehicle and equipment costs.

4. Replacement Charges
    e. The replacement charges of a Replacement Fund Vehicle will be determined through the use of the following formula:

        (Gross purchase price, plus (+) any after-market expenses that have the same life expectancy as the purchased vehicle, plus (+) a Board of County Commissioners approved inflation rate, divided (÷) by anticipated life cycle (number of months), equals = Monthly Replacement Charge.

    b. The replacement charge will be applied monthly starting the month after the receipt of the vehicle.
    c. The replacement charge will end after the obligation to fund the future vehicle purchase has been satisfied.

5. Equivalent Replacement
    b. The Vehicle Replacement Fund is structured to replace each vehicle or piece of equipment by an equivalent unit.
    c. Cost increases due to upgrades, addition of options, or other upgrades associated with vehicles scheduled for replacement, shall be highlighted as an element of the budget by the Department requesting the upgrade or addition in options.

6. Responsibility
    b. Department Directors shall be responsible for.

- Ensure that all vehicles or equipment being requested for replacement are of the appropriate size and have only those items/options that are operationally required.

Ensure that appropriate funds have been budgeted in order to reimburse the Vehicle Replacement Fund.

b. The Fleet Manager shall be responsible for:
    - Maintaining the Vehicle Replacement Fund Master List / Five (5) year Annual Replacement Plan.
    - Establishing the projected life expectancy and projected replacement costs.
    - Maintaining an account on each replacement fund vehicle that will include the purchase price, amount of revenues paid and the amount outstanding.
    - Will invoice each department monthly in accordance with this policy.

The Fleet Manager will minimize fleet life cycle costs by identifying the actual historical cost and variations in cost performance based on lifetime accumulated age and usage of the various vehicle and equipment types.

- Review replacement schedule annually with departments during budget process to ensure all vehicles and equipment are replaced as appropriate.

c. The Office of Management & Budget shall be responsible for.

- Completing an analysis and reconciliation of the vehicle replacement fund quarterly.

Purchasing Procedures - Vehicle acquisition procedures will be in accordance with the Fleet Management Operating Procedures and the Alachua County Purchasing Policy.

8. Equipment Disposal - Disposal of equipment will be in accordance with the Alachua County Surplus Property Policy as stated within the Alachua County Purchasing Manual.

9. Budget - Details for budgeting will be provided by the Office of Management and Budget when providing the overall budget guidelines.

Approved by Randall H. Reid, County Manager April 04, 2007