

STANDARD PROCEDURE

 COUNTY OF DURHAM, N.C.	MANUAL FINANCE DEPARTMENT/PURCHASING DIVISION PURCHASING MANUAL				
SUBJECT Vehicle/Equipment Replacement Policy	POLICY NUMBER 4130-4	REV 09/01/15	EFFECTIVE DATE 01/01/06	PAGE 1	OF 5
	SUPERSEDES	PREPARED BY: PROCUREMENT MANAGER		APPROVED BY: CHIEF FINANCE DIRECTOR Signature: <i>[Signature]</i>	
		COUNTY MANAGER Signature: <i>[Signature]</i>			

- 1.0 **PURPOSE:** This policy is established in order to develop a fair and equitable methodology for the acquisition, replacement and disposal of County owned vehicles and equipment.

- 2.0 **ORGANIZATIONS AFFECTED:**
 - 2.1 All Departments/Divisions

- 3.0 **POLICY:** The establishment of replacement criteria will serve as guidelines for assessing each vehicle/equipment, taking into consideration regulatory, operational, economic, environmental and risk management considerations, to include, but not limited to, original cost, estimated replacement cost, repair cost, preventive maintenance costs, suitability for intended use, compliance with the environmentally preferred purchasing policy and estimated resale value. It is in the best interest of the County that each vehicle/equipment to be replaced is classified as Surplus, Salvage, Interdepartmental Transfer or Trade-in based on the assessment criteria, and be disposed of in accordance with the County Disposal of Surplus Property and/or Vehicle/Equipment Replacement Policy.

- 4.0 **PROCEDURE:** General Services Fleet Management (hereinafter "Fleet Management"), will take an active role in the vehicle/equipment acquisition, replacement and disposal process.
 - 4.1 All County Departments, in cooperation with Fleet Management, shall incorporate a preventive maintenance program and shall maintain all maintenance records of County owned vehicles/equipment under their care and custody, to include, but not limited to, basic preventive maintenance, such as oil and filter changes, tune ups, tires, air filters and brakes and more severe maintenance problems, such as alternators, starters, electrical/computer operated equipment and structural issues.

 - 4.2 All Departments requesting replacement vehicles/equipment shall provide Fleet Management with the maintenance records, mileage, age and reason why the vehicle needs replacing by December 15th of each year. Fleet Management will work with the requesting Department in completing a Vehicle/Equipment Justification Request by February 15th of each year for Department's submission as supporting documentation to the Budget Department during the annual budget process.

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- 4.3 Prior to requesting a new or used vehicle/equipment purchase, the requesting Department must first consider the availability of other Departmental vehicles/equipment to determine if a vehicle/equipment reassignment would meet the requesting Department needs. Fleet Management will assist in determining if another Department's existing surplus vehicle/equipment will meet the needs of the requesting Department. If there is no existing surplus that meets the needs of the requesting Department, a Vehicle/Equipment Justification Request must also be completed for the new or used vehicle/equipment purchase.
- 4.4 Requesting Departments must attach a copy of the approved Vehicle/Equipment Justification Request to the Purchase Requisition when submitting a purchase request for capital vehicles/equipment to the Purchasing Division.
- 4.5 When replacement vehicles/equipment are placed into service, the **replaced vehicle/equipment** must be turned in to Fleet Management for surplus. Fleet Management will provide the Purchasing Division with detailed written surplus information required for disposal of surplus vehicles/equipment. The Purchasing Division will be responsible for the final disposal of all surplus vehicles/equipment primarily by public auction. Trade-ins or other disposition methods may be implemented in compliance with County Purchasing policies.
- 4.6 When replacements or repairs are done on any County vehicle/equipment that has a debt owed on that vehicle/equipment (under County's vehicle/equipment leasing fund), any reimbursement received from the other driver's insurance company must be returned to the Finance Department by Risk Management.
- 5.0 **REPLACEMENT CRITERIA:** Vehicles/equipment to be eligible for replacement shall meet or exceed one or more of the following criteria. However, a vehicle/equipment replacement that meets only one criteria under Section 5.0 a. or Section 5.0 b., a thorough assessment, taking into consideration all other replacement criteria, shall be made by Fleet Management and the requesting Department to determine replacement eligibility.
- Vehicle/equipment to be replaced was destroyed and/or cost to repair is 75% or greater than the current NADA wholesale value; or**
 - The accumulated repair costs has reached or exceeds 80% of the original purchase price; or
 - Replacement parts or components are no longer available; or
 - The vehicle/equipment age and/or mileage have rendered the vehicle in such condition that it cannot reliably, safely and/or economically serve its intended purpose or be used in a reasonable alternative capacity.

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- 5.1 Suggested disposal criteria for miles and age of fleet vehicles/equipment are listed below. Vehicles/equipment not specifically listed shall be evaluated against miles/age criteria for a similar type vehicle/equipment.

Vehicle/Equipment Description	Age in Years	Maximum Mileage
Motorcycles*	4	45,000
Sheriff Pursuit Sedans	4	100,000
Sheriff Admin Sedans	5	125,000
Ambulances	8-10	150,000
Sedans and Station Wagons	7	125,000
Trucks/Vans/Utility Vehicles	7	125,000
Trucks, Heavy Duty GVW > 10,000	8	135,000
Utility Carts	10	2,500 Hrs
Air Compressors	10	10,000 Hrs
Zero Turn Mowers	7	1,500 Hrs
Specialty Equipment	As Needed	

*Note: Motorcycles purchased for the Sheriff Office currently operates under a one (1) year trade-in replacement program. The schedule above is for purchase of motorcycles that do not operate under this program.

- 5.2 Requesting Departments shall provide to Fleet Management additional information regarding intended use, design specifications, safety factors and substitutions.

5.2.1 Consideration shall be given to how and where the vehicle/equipment will be driven/utilized, (i.e., driving short distances with frequent stops, used in conjunction with public safety and occupational use).

5.2.2 Vehicle/equipment design specifications shall meet, not exceed, the intended use. Requesting Departments shall not be bias toward one vehicle/equipment manufacturer over another. The Department shall let the use and specification criteria determine what purchase is in the best interest of the County.

5.2.3 The requesting Department shall consider safety and reliability factors, application of the Environmentally Preferred Purchasing Policy, specifically Section 5-D (better fuel economy and environmental

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performance), anticipated maintenance costs and the total purchase cost in their vehicle/equipment replacement request. To further assist the requesting Department on the benefits of fuel efficient vehicles, such as hybrid vehicles, contact the Sustainability Manager at the City-County of Durham Office of Sustainability at 919-560-7999.

5.2.4 After the Board has approved the Budget, a Department requesting a substitute vehicle/equipment other than what was proposed shall submit a written vehicle/equipment substitution justification request to Fleet Management. Fleet Management shall review the request and if approved, return a subsequent vehicle/equipment substitution purchase justification to the requesting Department. The requesting Department must attach a copy of the approved substitution purchase justification to the Purchase Requisition when submitting to the Purchasing Division.

6.0 DURHAM COUNTY FIRE/RESCUE (DCFR), EMERGENCY MEDICAL SERVICES (EMS) AND DURHAM COUNTY SHERIFF'S DEPARTMENT (DCSD): The replacement of vehicles/equipment associated with DCFR, EMS, and DCSD requires a long-term strategy. This strategy must recognize and incorporate the following:

6.1 Vehicles/equipment associated with DCFR and EMS, and some specialized vehicles/equipment for DCSD have higher initial purchase costs and on-going maintenance costs. For example, vehicles for DCFR and EMS have costs associated with purchase of the cab and chassis plus the cost of up-fitting for specific use. Therefore, it is vital that the design specifications be carefully tailored to the intended use in order to be fiscally responsible. EMS should consider the general requirements for ambulance design and performance standards under Federal Specifications KKK-A-1822 and the National Fire Protection Association (NFPA) Section 1917, as well as other applicable standards. DCFR should consider the guidelines for vehicle and apparatus design and specification under NFPA Section 1901, as well as other applicable standards.

6.2 DCFR, EMS and DCSD vehicles/equipment to be replaced shall provide detailed specification for operation, use and regulatory requirements. It is recognized that emergency vehicles are subject to Federal and State regulatory requirements that include vehicle inspections and certifications by the Department of Transportation, North Carolina Department of Insurance, National Fire Protection Association and the Federal Motor Carrier Safety Administration on an annual basis. As a result of these regulations and/or any new statutory requirements, justification for replacing an existing vehicle may include different criteria than that used when the current vehicle/equipment to be replaced was purchased.

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- 6.3 Any replacement vehicle/equipment request from DCFR, EMS and DCSD must identify each current vehicle/equipment being replaced. The Department will provide a completed Vehicle Surplus and Request Form or Notice of Trade-in Value to Fleet Management, along with all maintenance records, odometer reading, estimated vehicle/equipment resale value and any other supporting documentation that justifies the need for replacement.
 - 6.4 The replacement vehicle/equipment shall include all design specifications and that the requested vehicle/equipment meets all current federal and state regulatory guidelines for the intended use.
 - 6.5 The vehicle/equipment to be purchased must comply with Durham County's Environmentally Preferred Purchasing Policy and the purchase justification shall include the performance data related to fuel usage and greenhouse gas emissions from the City-County of Durham Office of Sustainability.
 - 6.6 All DCFR, EMS and DCSD replacement vehicle requests should be reviewed by Risk Management and the County's Safety Officer for any additional regulatory, insurance or liability issues because of the capital cost of the vehicles.
- 7.0 VEHICLE CANNIBALIZATION AND SALVAGING: The only vehicles/equipment that can be cannibalized are those that have been declared a total loss by the Risk Management Division and have been written off due to an accident or deemed mechanically inoperable. The Department in conjunction with Fleet Management will determine if the vehicle/equipment would better serve the purpose of the County to be cannibalized or sold as surplus. This decision will be based on condition, budgetary restrictions, and availability of parts. Cannibalized vehicles/equipment shall be sold to the highest bidder as salvage.