



Vehicle Replacement Policy

Resolution 90-22-46; adopted October 4, 2022

Purpose

The purpose of this policy is to establish guidance related to how vehicles are scheduled to be replaced, criteria for purchasing vs. leasing, criteria for purchasing used vehicles, and criteria for purchasing hybrid and electric vehicles. The guidelines included in this policy are intended to maximize operational efficiency and long-term cost savings to GRF. Vehicle purchases will also follow guidelines established in the Purchasing Policy for capital purchases.

1. Definitions

- a. "Vehicle Maintenance" refers to the practice of maintaining a vehicle or piece of equipment, and includes preventative maintenance, repairs and inspections.
- b. "Vehicle Lease" shall refer to the agreed use of a motor vehicle or piece of equipment for a fixed period of time at an agreed amount of money for the lease. At the end of the lease, the vehicle has to either be returned to the leasing company or purchased for the residual value.
- c. "Electric Vehicle" shall refer to a vehicle that runs fully or partially on electricity. Unlike conventional vehicles that just use fossil fuels, e-vehicles use an electric motor that is powered by a fuel cell or batteries
- d. "Hybrid Vehicle" shall refer to a vehicle that combines two power sources: a gas engine and an electric motor.
- e. "Life Expectancy" shall refer to the period of time, determined by the Vehicle Maintenance Division, that we can reasonably expect the vehicle to run reliably with minimal repair costs. (see Attachment A)

2. Identifying Vehicles to be Replaced/Added

- a. The Vehicle Maintenance Division will work with VMS departments to identify vehicles to be replaced or added during the development of the annual Capital Improvement Plan (CIP).
- b. Vehicle Maintenance will provide recommended vehicle options for department review/consideration. The vehicles recommended by Vehicle Maintenance shall be proposed based on its ability to service and maintain the make/model and the long-term operational efficiency and costs savings provided by the recommended make/model.
- c. Vehicle Maintenance will identify vehicles to be replaced based on the following criteria:

- i. Overall condition of the vehicle as it relates to safety
 - ii. Decreased availability of parts and increased cost of parts
 - iii. Decreased availability of dealer support, diagnostic tools, etc.
 - iv. Overall cost of maintenance
 - v. Dependability
 - vi. Compliance Issues (for example: smog requirements)
 - vii. Mileage
- d. Vehicles will be considered for replacement when they are projected to reach the end of their life expectancy, as defined in the General Services' Vehicle Replacement Strategy document (Exhibit A). The vehicles that most satisfy the criteria included in Section 2.c. will be scheduled for replacement. Not all vehicles that reach replacement age will be submitted for replacement consideration.

3. Lease vs. Purchase

- a. The Vehicle Maintenance Division is responsible for maintaining GRF vehicles, and has been successful in maintaining vehicles for well over the anticipated life expectancy of selected makes/models. This can result in significant cost savings when a purchased vehicle is in service for an extended length of time.
- b. The General Services Department will consider cost savings and operational efficiency when recommending whether to purchase or lease GRF vehicles. When evaluating whether to purchase or lease, General Services will consider the overall cost of ownership over the life of the vehicles including:
 - i. Original purchase price, or cost of monthly lease payments
 - ii. Cost of preventative (routine) maintenance over the projected life expectancy of the vehicle
 - iii. The cost of unscheduled repairs over the projected life expectancy of the vehicle
 - iv. Any vehicle mileage overage fees/vehicle damage fees (e.g. equipment mounting damage on Security vehicles)
 - v. Proceeds from the sale of the vehicle when surplussed and sold.

4. Air Quality Considerations

In recognition of the region's air quality challenges and in an effort to reduce greenhouse emissions, hybrid and electric vehicles will be considered and used to the extent possible, while considering the vehicles life-cycle costs and the ability to efficiently support department operations.

5. Electric and Hybrid Vehicles

- a. The Vehicle Maintenance Division shall consider the following factors when providing recommendations for electric or hybrid vehicles:
 - i. Functionality and dependability of the vehicle as determined by the using department
 - ii. Reliable availability of charging stations

- iii. Cost of the vehicle over its life-cycle (including initial purchase price, maintenance, and fuel)
- iv. The Vehicle Maintenance Division's ability to support the equipment technology

6. Purchase of Used Vehicles

- a. The purchase of used vehicles is allowable and shall be considered when the purchase of a used vehicle will provide increased cost savings over the life-cycle of the vehicle and operational efficiency is not impacted. The following factors shall be considered when considering the purchase of a used vehicle:
 - i. The availability of used vehicles that match the desired specifications
 - ii. Availability of pre-certified vehicles with 3 year/36,000 mile or similar warranty
 - iii. The availability of white vehicles to maintain consistent VMS professional image and fleet appearance

7. Fleet Right-Sizing Assessments

In and effort to ensure that the number and type of vehicles included in the GRF fleet are appropriate for supporting VMS operations, the General Services Department shall complete a fleet right-sizing assessment every two years between January and March. The assessment shall include a joint meeting with each department director to evaluate each work center to determine the following:

- a. Ascertain if the number of vehicles is appropriate for the number of employees working in the work center
- b. Identify opportunities to share vehicles across work centers
- c. Identify opportunities to downgrade vehicles where it makes sense (e.g. from an F-250 to a Ranger)
- d. Identify opportunities to reduce the number of vehicles in the fleet

The results of the fleet right-sizing assessment shall be presented to the GRF Mobility and Vehicles Committee in April/May for its review and input. Outcomes will be incorporated into the ensuing CIP and budget.

Vehicle Replacement Strategy

Vehicle Type	Vehicle Life Expectancy (Years)*
One-Ton Truck	13
Transportation Bus	7
Passenger Car	10
Electric Passenger Car	5
Security Vehicles	5
Large Dump	15
Passenger Van	13
F150/F250 Vehicle	13
Small Pick-Up	13
Work Van	10
Utility Vehicle	10
Trailer	15

*Note: Not all vehicles that reach replacement age will be submitted for CIP replacement consideration. When a vehicle reaches its life expectancy, the Vehicle Maintenance Division will complete an assessment based on the criteria listed in 2.c to determine if the vehicle should be replaced.