

TO: James L. App, City Manager
 FROM: Doug Monn, Public Works Director
 SUBJECT: Vehicle and Equipment Replacement
 DATE: May 7, 2013

NEEDS: For the City Council to consider the purchase of vehicles and equipment for replacement in Fiscal Year 2013 as established by the City's Equipment Replacement Program/Policy.

FACTS:

1. The FY13 replacement list is comprised of only the most critical Vehicles & Equipment necessary for field tasks.
2. The following vehicles and equipment are budgeted for replacement purchases in the FY13 Vehicle Replacement Fund and/or funds are available in the respective Enterprise Funds:

Existing Vehicle/Equipment	Replacement	Fund	Price
2000 Dodge Caravan – 570	Chevy Traverse SUV	General Fund	\$27,000
2005 Crown Vic sedan - 682	Chevy Caprice	General Fund	\$29,000
2007 Ford expedition - 628	Ford Explorer Police SUV	General Fund	\$30,000
2003 Chevy S10 pickup – 317	Ford F-150 ½ ton truck	Water	\$20,000
Exchange for Backhoe	Mini Excavator	Water	\$60,000
Exchange for Backhoe	Skid steer loader w/ Zipper attachment	Water	\$112,000
New addition to the fleet	Forklift	Wastewater	\$35,000

3. Prices were compiled using the State bid list and Governmental Agency Cooperative bidding to achieve the lowest cost possible.

ANALYSIS &

CONCLUSION: The City has an adopted equipment replacement policy based on the useful life of the equipment. The policy does not speak to replacement of equipment as the result of obsolescence, increasing or changing workloads that grow to exceed their capabilities.

Prior to being considered for replacement, equipment is examined to determine if the useful life can be extended and/or the equipment can still satisfy the needs it was intended. The FY13 requested purchases are limited to equipment or vehicles essential to maintenance operations for which the useful equipment life has been exhausted, ineffectual or obsolete.

The skid steer and mini-excavator were to be added to the fleet and an existing backhoe removed resulting in the fleet growing by a single piece of equipment. During discussion of equipment needs one Ad Hoc member suggested the backhoe be offered to the Airport Enterprise to assist with Airport Maintenance rather than be surplus. The 1999 piece of equipment had accrued enough hours that it was relegated to a backup role being used when newer front line equipment was out of service for repair. Because the backhoe would accumulate fewer hours per year it could provide years of service to the Airport Maintenance assisting with drainage issues, runway conduit repairs, etc. Under the vehicle replacement policy City Council must authorize any increase to the City Fleet. Transfer of the backhoe to the airport rather than selling it as surplus would be an increase in the total fleet. If authorized staff would flag the backhoe as 'surplus to the Airport not to be replaced by new.'

For review is a detailed list of Existing Vehicles and Equipment slated for replacement, suggested replacements and additions to the inventory.

Existing Vehicle or Equipment

Replacement unit & criteria

2000 Dodge Caravan unit #570

Chevy Traverse SUV

- Exceeds the replacement criteria for mileage and years as established in the adopted replacement policy. Limited to in City use because of age and mechanical condition.
- 5 year repair costs - \$5,400 (low usage because of questionable mechanical condition)

2005 Crown Vic sedan unit #682

Chevy Caprice Sedan

- Exceeds the replacement criteria for mileage and years for a police vehicle as established in the adopted replacement policy (111,399 odometer miles -Detective vehicle)
- 5 year repair cost - \$5,700

2007 Ford expedition unit #628

Ford Explorer SUV, Police equipped (State bid)

- Exceeds the replacement criteria for mileage for a police vehicle as established in the adopted replacement policy (106,316).
- 5 year repair cost - \$10,800

2003 Chevy S10 pickup unit #317

Ford ½ Ton small pickup truck

- Exceeds the replacement criteria for mileage and years as established in the adopted replacement policy.
- 5 year repair costs - \$10,400

New addition to fleet

Mini Excavator

- The Water Division has two backhoe units. One of which is due for replacement. The addition of a mini excavator to facilitate construction, repair and maintenance of water infrastructure in areas with limited access would be in lieu of replacing the backhoe. Additionally the City has been renting a mini-excavator on an 'as needed' basis spending \$43,962 over the last two fiscal years. Based on rental costs the excavator would be cost neutral in slightly more than 4 years.

New addition to fleet

Skid steer loader with grinder (Zipper) attachment

- The Water Division spends the equivalent of \$35,000 per year for cold patching of roads where repairs are made. The suggested equipment will allow the Water Division to facilitate their own hot patch repair of roads as part of the line repairs resulting in a higher quality longer lasting repair. The combined cost of the mini-excavator and skid steer with asphalt grinder is approximately the same cost as a replacement backhoe.

New addition to the fleet

Forklift

- Routine Wastewater Treatment Plant operations include the transporting of Plasticizer used for pressing sludge, Calcium Hypochlorite and sodium bisulfide for disinfection several times per month. This task is currently being accomplished using rental equipment. The purchase of a forklift will result in long term cost savings and a reduction in staff time currently being wasted arranging for and waiting for delivery of rental equipment.

POLICY

REFERENCE: City of Paso Robles Vehicle/Equipment Replacement Policy

FISCAL

IMPACT: The Fiscal Year 2013 Vehicle/Equipment replacement list contains 7 requested vehicles and equipment totaling **\$313,000**:

- Cost of one (1) piece of the needed equipment totaling **\$35,000** is funded in the current FY13 Wastewater Division budget.
- Cost of three (3) needed pieces of equipment totaling **\$192,000** is funded in the current FY13 Water Division budget.
- Cost of three (3) needed pieces of equipment totaling **\$86,000** will be funded by General Fund contributions already made to the Vehicle Replacement Fund.

The cost of the equipment (\$313,000) is not conducive to a lease purchase agreement because of the administrative cost to setup and the debt service incurred. It is staff's suggestion the equipment cost be paid from vehicle equipment replacement funds with the additions to the fleet paid from their respective enterprise funds.

- OPTIONS:**
- a. Adopt Resolution No. **13-xx** allowing the purchase of the new vehicles and equipment.
 - b. Amend, modify, or reject the above option.

Attachment:
1) Resolution

RESOLUTION NO. 13-xxx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING THE PURCHASE OF VEHICLES AND EQUIPMENT BUDGETED FOR
REPLACEMENT IN FISCAL YEAR 2013

WHEREAS, the City has adopted vehicle replacement policies based on the useful life of the vehicles/equipment; and

WHEREAS, prior to being considered for replacement, equipment is examined to determine if the useful life can be extended or has been exhausted; and

WHEREAS, the City's equipment replacement policies and dedication to modernization of the equipment has allowed increase productivity; and

WHEREAS, the FY13 replacement list, ATTACHMENT A, is comprised of only the most critical vehicles/equipment that are essential to maintenance for field tasks; and

WHEREAS, the FY2012-13 budget contains 7 requested vehicles and equipment totaling \$313,000 and

WHEREAS, vehicles and equipment are budgeted for replacement purchases in the FY2012-13 budget and funded in the Vehicle Replacement Fund or the respective Enterprise Funds; and

WHEREAS, prices were compiled using the State bid list and Governmental Agency Cooperative bidding to achieve the lowest cost possible; and

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. That the City Council of the City of Paso Robles does hereby authorize the Vehicle/Equipment purchase in the amount of \$313,000 funded by the following budget account numbers:

- 125-310-5454-175 \$ 27,000
- 125-210-5454-137 \$ 29,000
- 125-210-5454-138 \$ 30,000
- 600-310-5454-165 \$192,000
- 601-310-5454-164 \$ 35,000

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 7th day of May 2013 by the following votes:

AYES:
NOES:
ABSTAIN:
ABSENT:

Duane Picanco, Mayor

ATTEST:

Caryn Jackson, Deputy City Clerk

ATTACHMENT "A"

Replacement and/or new addition to the fleet	Fund	BID AMT
Chevy Traverse SUV	General Fund	\$27,000
Chevy Caprice	General Fund	\$29,000
Ford Explorer Police SUV	General Fund	\$30,000
Ford F-150 ½ ton truck	Water	\$20,000
Mini Excavator	Water	\$60,000
Skid steer loader w/ Zipper attachment	Water	\$112,000
Forklift	Wastewater	\$35,000