

*Columbia County  
Board of County Commissioners*



*Equipment Replacement Program*

## **SECTION 1 – HISTORY**

Columbia County Board of County Commissioners equipment inventory consists of approximately 453 units with an acquisition cost of \$20.3 million as of April 2017.

Columbia County has limited prior history pertaining to planned or programmed equipment replacement. Equipment acquisition occurred as a result of the annual budget process requiring Departments to approach the County Manager individually and justify their needs resulting in erratic purchase history and funding.

The mission of this Equipment Replacement Program is to develop a fiscally responsible program that will meet the operating and financial goals of the Columbia County Board of County Commissioners.

## **SECTION 2 – OBJECTIVES**

The objectives of this program are as follows:

- 2.1 Standardize replacement criteria and guidelines.
- 2.2 Provide a mechanism in which funding for equipment replacements is available, in advance of the need, through the establishment of a replacement reserve in each operating fund.
- 2.3 Provide Departments and employees with reliable, safe, and correct vehicles and equipment to assist them in meeting their responsibilities and job functions.
- 2.4 Provide for the timely acquisition and disposal of units, therefore maximizing the dollar resources available for meeting equipment needs.
- 2.5 Right size the equipment and promote standardization. Insure the County has the optimum number and type of vehicles and equipment. The Equipment Replacement Team establishes the baseline for the types of units needed.
- 2.6 Smooth the outflow of capital funding and the rotation of incoming and outgoing units year to year to prevent spikes in cash and asset flow from one year to the next.
- 2.7 Reduce maintenance costs by eliminating old, expensive to maintain equipment.

**SECTION 3 – SCOPE**

The Program provides for the planned replacement of all Columbia County Board of County Commissioners fuel consuming vehicles and equipment, their attachments and implements with an estimated replacement cost of \$5,000 or more.

The Equipment Replacement Team will administer the Program.

Additions and expansions to the existing equipment are not part of the Equipment Replacement Program and will be considered separately.

Program excludes Constitutional Officers, other taxing authorities, not for profit agencies and any other entities not under control of the Columbia County Board of County Commissioners.

**SECTION 4 – FUNDING**

- 4.1 Annual contributions to replacement reserves in operating funds will depend upon the detailed analysis of equipment units and seed funding approved by the Board to initiate the program.
- 4.2 Funding for vehicle and equipment replacement will be provided primarily by the replacement reserve in the department's specific operating fund or other sources as approved by the Board of County Commissioners.
- 4.3 Fully funded replacements shall be ordered no later than the end of the 3rd quarter (by June 30th) of the scheduled replacement year.
- 4.4 Trade-in values and buyback programs are considered funding sources.
- 4.5 Program will not be utilized to fund equipment additions or to fully fund vehicles totaled due to accident damage. If a vehicle/equipment is totaled due to an accident for which external funds (i.e. insurance) are unavailable, the accumulated replacement funding for that unit will be used to help fund the replacement. Any additional funding must be provided from sources beyond the reserve replacement funds.
- 4.6 Proceeds from vehicles and equipment sold at auction will be credited to the reserve replacement fund in the specific operating fund of the associated department.
- 4.7 Adopted Financial Policies will be adhered to at all times with deviations approved by the Board of County Commissioners.

**SECTION 5 – REPLACEMENT PLAN**

**5.1 Equipment Replacement Team:**

The Equipment Replacement Team consists

- (a) Equipment Manager-Public Works Department
- (b) Financial Services Director
- (c) Department Head
- (d) Assistant County Manager
- (e) County Manager

**5.2 LifeCycle:**

The Replacement Program was developed on the premise that an average life span can be established for a group (type/subclass) of equipment based on industry standards and/or analysis of the group's performance within the organization. This average life cycle (age) is used primarily to determine annual replacement funding and to provide a reference point to review the economic feasibility of retention versus replacement. Because the life expectancy is an average, it is anticipated that some vehicles and equipment will operate beyond their estimated useful life and some will be replaced early.

A unit shall be considered to have met its economical replacement point when it has reached the optimum replacement criteria in the Equipment Life Cycle. The replacement criteria to be evaluated are based on age, mileage/hours, utilization, maintenance history, projected maintenance, physical condition, obsolescence and buyback programs. The fact that a particular unit has reached an age and/or usage threshold that makes it a candidate for replacement does not mean it will automatically be replaced. .

Sources of data for life cycles were industry standards, review of other governments programs, and internal discussions. Refer to TABLE 1 for Schedule of Life Cycles.

**5.3 Long-Term Planning:**

A minimum five (5) year replacement plan will be maintained by the Financial Services Director, based on the average life for each unit and its expected replacement cost. Plan is used for long-range budgeting and replacement decisions. Goal is to develop a ten (10) year plan at some time in the future.

5.4 Short-Term Planning:

The replacement plan will be updated annually by reviewing the historical performance of individual units against the established replacement standards. Annual replacement amounts for each operating fund will be calculated by the Financial Services Director based upon the Replacement Plan.

5.5 Replacement Criteria:

Various factors determine the estimated replacement time for units with each unit reviewed annually to determine status. Selection criteria shall be based on the following factors:

- (a) Age - the age of unit meets projected life for the asset's class type, the historical point where the cost of ownership for this class of goods would exceed its market value.
- (b) Usage - miles driven/hours of operation meets projected miles/hours of operation for the asset's class type, the historical point where maintenance costs begin to escalate significantly.
- (c) Condition of unit - evaluate body condition, rust, interior condition, anticipated repairs, accident history.
- (d) Reliability - frequency and type of repairs to date and needed repairs other than preventive maintenance.
- (e) Maximum Cost to Repair - if cost to repair exceeds 40% of replacement cost.
- (f) Maximum Total Repairs - if total of cumulative repair costs plus cost to repair exceeds 75% of replacement value.
- (g) User Department evaluation - team meets with user department to determine if the unit continues to meet their operational needs.
- (h) Funding availability.

5.6 Annual Process:

- (a) Replacement spreadsheets will be distributed to departments annually for review and update. Departments will complete the replacement spreadsheet and submit to their Assistant County Manager along with their annual budget requests.

- (b) The Equipment Replacement Team will review, propose update, and recommend replacements for the upcoming budget, and up to 10 years, each year.
- (c) A detailed Equipment Replacement Plan will be provided to the Board when the Budget Officer presents the proposed annual budget each year.
- (d) The Board of County Commissioners has the ultimate approval for the Equipment Replacement Plan with the adoption of the annual County budget.

**5.7 Acquisition Process:**

- (a) The Equipment Replacement Plan will be followed and only scheduled replacements purchased.
- (b) Requisitions must be reviewed by the Purchasing Director to verify consistency with approved Plan prior to other required approvals.
- (c) The adopted Purchasing Policy will be followed.
- (d) A special replacement request may be initiated by a department during the year to the Equipment Replacement team. All requests will clearly identify why an equipment unit should be replaced earlier than the plan scheduled date.

**5.8 User Department Responsibilities:**

- (a) Maintain vehicles and equipment in good working condition.
- (b) Follow recommended preventive maintenance schedules.
- (c) Maintain repair and maintenance summary records for each unit for the life of the unit.
- (d) Review and update annual replacement spreadsheets distributed by Financial Services Director providing replacement data documentation.

**SECTION 6 – ADDITIONS AND EXPANSION TO EXISTING EQUIPMENT**

As stated under section 3. SCOPE, additions and expansions to the existing equipment are not part of the Equipment Replacement Program. These requests will be considered separately in a format similar to Capital Improvement Plan potential projects requests.

**TABLE 1 – SCHEDULE OF LIFE CYCLES**

Columbia County, Florida Board of County Commissioners				
EQUIPMENT REPLACEMENT PROGRAM				
TABLE 1 – SCHEDULE OF LIFE CYCLES				
Subclass	Description	ESTIMATED LIFE CYCLE		
		MILES	HOURS	YEARS
<b>VEHICLES</b>				
	AUTOMOBILE	200,000		12
	VAN-PASSENGER	200,000		10
	VAN-WORK	200,000		8
<b>TRUCKS</b>				
	CREW TRUCK	200,000		10
	SPORT UTILITY VEHICLE	200,000		12
	TRUCK-ADMINISTRATIVE	200,000		12
	TRUCK-WORK	200,000		10
<b>SPECIALIZED TRUCKS</b>				
	BUCKET TRUCK	200,000		15
	ROLL-OFF TRUCK	300,000		10
	SERVICE VEHICLE	250,000		15
	TRUCK-DUMP	400,000		12
<b>HEAVY EQUIPMENT</b>				
	BACKHOE		7,500	15
	BULLDOZER		7,500	15
	EXCAVATOR		7,500	15
	FRONT END LOADER		7,500	15
	GRADER		7,500	12
	MOWING TRACTOR/COMBO		5,000	7
	ROLLER		4,000	15
	STREET SWEEPER		5,000	15
	TRACTOR-FARM		5,000	10
	TRUCK TRACTOR	300,000		10
	MISC. HEAVY EQUIP	VARIES	VARIES	VARIES
<b>TRAILERS</b>				
	FLATBEDS	200,000		10
	TRAILER			15
<b>FIRE RESCUE</b>				
	FIRE TRUCK			
	Aerial (ladder) Fire Apparatus	100,000		11
	Pumper Fire Apparatus	100,000		9
	Quint Fire Apparatus	100,000		11
	Brush Fire Apparatus	125,000		9
<b>COMPUTER EQUIPMENT</b>				
<b>MISCELLANEOUS EQUIPMENT</b>				
		VARIES	VARIES	VARIES