# SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

POLICIES & PROCEDURES MANUAL

POLICY 51.035 - Vehicle and Equipment Replacement Policy

Date: July 2023

Revision No: 2

Supersedes: July 2021

First Adopted: August 14, 2018

## POLICY:

The purpose of this policy is to provide Fleet with a process for determining where vehicles and equipment rank within their lifecycle. This policy identifies a ranking system utilized to produce a final equipment replacement list. The scorecard method described herein allows Fleet to update vehicles and equipment, add new vehicles and equipment, and change point values assigned to these assets as time and conditions change. It allows a precise look at the Department's fleet as data is updated.

Purchase or lease of zero to low emission vehicles is a priority when possible and practicable. Vehicles must meet the operational needs of the Department for which the vehicles are intended. This includes electric, hybrid and other alternative fuel vehicles to maximize energy efficiency, reduce emissions and control costs. Proposed vehicle purchases or leases will be prioritized based upon the degree of emissions reductions as follows:

- Tier 1 Zero Emission Vehicle
- Tier 2 Alternative fuel internal combustion engine
- Tier 3 Hybrid internal combustion engine
- Tier 4 Conventional internal combustion engine gasoline
- Tier 5 Conventional internal combustion engine diesel

Exceptions from the purchase or lease of zero to low emission vehicles are:

- 1. There is no model of vehicle available that will comply with the requirements of this policy while still meeting the specifications for its intended purpose.
- 2. The use of a vehicle that complies with these standards would significantly disrupt operations or reduce service levels.
- 3. The use of a vehicle that complies with these standards would

conflict with any Department contractual agreements or where deviation is required by Department procurement rules or otherwise required by local, state or federal law.

Some assets that have not reached their lifecycle threshold may be recommended for replacement earlier than scheduled due to safety concerns, unusual wear and tear, regulatory restrictions, or recurring mechanical problems at the Fleet Supervisor's recommendation. Conversely, some assets that have exceeded their lifecycle threshold may be retained if they are classified as mission-critical and no replacement unit will be available.

## PROCEDURE:

Fleet staff will use the method detailed below to evaluate the appropriate time vehicles and/or equipment should be replaced.

# EXHIBIT A: VEHICLE/EQUIPMENT SCORECARD - POINT SYSTEM

- 1. Identify all vehicles and equipment within Fleet's operation.
- 2. Each vehicle and equipment will be sorted by class then placed into Exhibit A Vehicle/Equipment scorecard.
- 3. The following criteria shall be placed into each vehicle and equipment's score card: Age; Miles/hours; Type of Service; Reliability; Maintenance and Repair Costs; as well as Condition.

## EXHIBIT B: PARAMETER GUIDELINES FOR CLASS LIFECYCLE

- 1. Once all vehicles and equipment are placed into Exhibit A, the Parameter Guidelines for Class Lifecycle are used to determine all vehicles and equipment that meet parameters set forth for either age or miles/hours. These Guidelines are noted in Exhibit B.
- 2. Any vehicles and equipment that do not meet the parameters noted in Exhibit B should not be scored.

#### EXHIBIT C: POINT DESCRIPTIONS FOR EXHIBIT A SCORECARD

1. Exhibit C describes how a point value is determined under each criterion. For example - Type of Service Category: 1 to 5 points are assigned based on the type of service that vehicle is assigned to. For instance, a combination truck would be given a 5 because it is in severe duty service. In contrast, an administrative sedan would be given a 1.

#### EXHIBIT D: GUIDELINES FOR SCORING CONDITION

1. Since Condition requires first-hand knowledge of each vehicle

and equipment, Fleet Services Staff rates these criteria. Exhibit D further examines how the Fleet Services Staff should rate the condition of a vehicle or equipment.

The points identified under each criterion in Exhibit A are then automatically populated to tally total points for each vehicle and equipment. Once units are identified at 21 points and above, the line on the Excel sheet may be highlighted. Each division may be printed separately.

The expected output of this entire review process is to aid in the decision of which vehicles and equipment should be replaced first. The scoring method shows priority. These priority vehicles and equipment can then be incorporated into the annual operating budget.

The guidelines and recommendations contained in this policy are based on research data from the American Public Works Association (APWA), National Association of Fleet Administrators (NAFA), and Municipal Equipment Maintenance Association (MEMA). This policy shall be updated in a timely fashion as technology advances and best practices evolve.

#### VEHICLE REPLACEMENT GUIDELINES:

All new or replacement vehicles and mobile equipment units shall be directed through Fleet in order to ensure regulation compliance, energy efficiency, proper registration, standardization of make, model, year and fuel type. Therefore, new vehicles and equipment that need to be added to the fleet shall not be purchased directly by other sections. Added fleet units or equipment improvement requested outside of the approved vehicle budget will require the requesting section to provide justification and acquire any needed approvals.

- 1. To verify and maintain compliance with all federal, state, local and special district regulations, all new or retrofit of mounted equipment will be approved by Fleet Services and installed by Fleet Services or the vendor approved by Fleet Services. The Department should strive toward purchasing equipment from a consistent manufacturer in order to provide cost savings, training, installation efficiency, and reduced inventory requirements.
- 2. Vehicles and equipment that do not meet the qualifications for replacement shall be extended each year until the qualifications are met. Vehicles and equipment that continuously incur excessive maintenance cost and downtime, before reaching the end of their economic lifecycle, may be

replaced, ahead of schedule, at the Fleet Supervisor's discretion.

- 3. Vehicles and equipment are assumed to be in good condition until they reach their useful lifecycle. Exhibits A, B, C and D provide the method for determining lifecycle parameters for varied vehicle and equipment classes.
- 4. When the end of lifecycle is reached, and prior to vehicle replacement, unit use should be evaluated. If the unit is under-utilized, it may be re-deployed to another section, placed in surplus or held until major repair is required at Fleet Supervisor's discretion.
- 5. Should multiple vehicles that fall within the lifecycle policy need to be replaced, but there is a lack of available funds, Fleet Services staff will make a recommendation to Management for vehicle replacement priority.
  - a. It will be the Fleet Supervisor's discretion to recycle if scored units are identified as "up for replacement," yet units are of sound condition and have maintained odometer values well below listed criteria.
  - b. Recycled units are to be maintained for service at a plant facility (Reclamation or Water Operations), in the Loaner Pool or in reserve for temporary vehicle replacement.
  - c. Once in these recycled positions, these units will not be considered for replacement by new purchase unless used as a temporary replacement for a failed or added front-line position. A new vehicle must be budgeted to replace the temporary, recycled replacement in the next budget cycle.
  - d. The recycled unit will be completely removed from service and disposed of if its annual maintenance and repair cost exceeds 50% of its current value or its reliability becomes a detriment to Department operations.

# Policy Review

Board Approved:	8/24/2018
No changes:	7/2019
No changes:	7/2020
Minor changes GM Approved:	7/2021
Spacing changes only:	7/2022
Revision Board Approved:	8/22/2023
No changes:	7/2024

# 2018 VEHICLE/EQUIPMENT SCORECARD POINT SYSTEM



# **Point Scores Interpretation**

Below 15 points = Unit is in **Excellent Condition**.

16 to 20 points = Unit is in **Good Condition**.

21 to 25 points = Unit Qualifies for Replacement.

26 points and above = Unit **Needs Immediate Consideration**.

					Sedans,													
Unit No.	Dept. No.	Odometer Reading	Class Code	Type of Service Points	Passenger Vans & SUVs	Life Expected Years	Life expected meter	Year	Age Points	Age	Miles/ Hours Points	Miles	Hours	Reliability Points	Maintenance & Repair Costs Points	Maintenance & Repair Costs	Condition Points	TOTAL
9	898	34524	1A1GS	2	SUV	10	150000	2010	4	8	1.2	34,524		1	1.0	1,892	2	11.2

# EXHIBIT B PARAMETER GUIDELINES FOR CLASS LIFECYCLE



1	Sedans, Passenger Vans and SUVs	10 years or 150,000 miles
2	Pickups and Light-Duty Basic Service	10 years or 150,0000 miles. Low
	Trucks	mileage pickups to be evaluated for
		WRP on-site operations.
3	Utility Pickups and Custom Service	12 years or 100,000 miles
	Trucks <14k Gross Vehicle Weight	
	(GVW) with Mounted Equipment	
4	Medium Duty Service Trucks > 14k to 26K	12 years or 100,000 miles
	GVW	
5	Heavy-Duty Trucks (over 26,000 lbs.)	12 years or 200,000 miles
6	Combination Trucks/Sewer Rodders	12 years or 200,000 miles
C	Heavy-Duty Equipment and Construction	12 years or 7,000 hours
	Equipment	·
T	Trailers	20 years
P	Portable Pumps	10 years
G	Portable Generators	20 years
F	Forklifts	20 years or 5,000 hours or as required
		for Large Spark Ignition Rule
		Compliance
O	Small Off-Road and Other Equipment	12 years

# EXHIBIT C POINT DESCRIPTIONS FOR EXHIBIT A SCORECARD



FACTORS	POINTS
Age	One point for each 20% of expected Class Service Life based on in-service date. This score may exceed 5 points.
Miles/Hours	One point for each 20% of expected Life Miles or Hours of use. This score may exceed 5 points.
Type of Service	1 to 5 points are assigned based on the type of service that vehicle receives. For instance, a Sewer Line cleaning truck would be given a 5 due to its severe service duty. In contrast, an administrative sedan would be given a 1.
Reliability	Points are assigned as 1, 3, or 5 depending on comparison to average Maintenance Cost Per Mile (MCPM) of class. Points are assigned as 1 point if MCPM mile is less than 75 % of average MCPM in class, 3 points if > 75% but < 120 % average MCPM in class, and 5 points if > 120% of average MCPM in class.
Maintenance & Repair Costs	One point when maintenance cost = 20 % of Original Purchase cost and a 5 when Maintenance costs are equal to Purchase cost. This score may exceed 5.
Condition	This factor takes into consideration body condition, rust, interior condition, accident history, anticipated repairs, etc. A scale of 1 to 5 points is used with 5 being Poor Condition. See Exhibit D for guidelines to score condition.

# **EXHIBIT D**

# **GUIDELINES FOR SCORING CONDITION**

Based on the overall condition of the vehicle/condition, a score of 1-2 indicates the vehicle is in good condition: without exterior body damage or rust, all components are fully 1-2 functional, the interior has no wear or upholstery tears, the dash is not cracked, door hinges are not worn out, doors and windows are fully functional.  Based on the overall condition of the vehicle/condition, a score of 3 indicates the vehicle is in fair condition: only minor body
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damage, This could include a few dents and
scrapes, rust on certain parts of the vehicle, bent
bumper, faded headlights, faded paint and some
minor mechanical functions that do not operate
properly.
Based on the overall condition of the
vehicle/condition, a score 4 indicates poor
condition: body damage in various areas, broken
light lens, doors not closing properly, interior is 4
badly damaged, components are missing.
Based on the overall condition of the
vehicle/condition, a score of 5 indicates bad
condition: poor body damage, faded paint, major
rust, missing parts, not functioning, vehicle or 5
equipment does not start or function, interior in
poor condition, torn seats or broken. Score
indicates major repair required or major
component failure indications.

# POINT SCORES INTERPRETATION

1-2 = Unit is in Good Condition
3 = Unit is in Fair Condition
5 = Unit is in Bad Condition