

TRUCKEE TAHOE AIRPORT DISTRICT POLICY INSTRUCTION

PI NUMBER ~~701403~~

Formerly PI 701

Effective: May 25, 2006

Approved: September 22, 2011

Formatted: Tab stops: 5.13", Left + 5.81", Left + Not at 5.25" + 5.88"

SUBJECT: VEHICLE AND EQUIPMENT REPLACEMENT

PURPOSE: To establish replacement policy for District rolling stock and support equipment.

REFERENCE: Policy Instruction 213.0, Designating Restricted and Unrestricted Net Assets. This policy designates reserves for major maintenance and equipment replacement, among other reserves.

CONDITIONS:

1. The fleet is relatively small and there is a high level of both management focus and maintenance.
2. No single vehicle or piece of equipment is critical to task success; back up and work-arounds are available, however, performance standards may be lowered.
3. Catastrophic failures and major accidents cannot be predicted. Despite that, the Districts record of preventative maintenance and safety indicate these are "unlikely" (Occurs very rarely: almost never or improbable. Incidents may occur over service life).

POLICY:

1. The purpose of this plan is to provide guidelines for the replacement of the fleet with the following goals:
 - a. Identify fleet replacement needs to perform tasks as directed.
 - b. Identify fleet replacement needs in order to take advantage of AIP funding.
 - c. Identify fleet replacement needs in order to properly budget District funds.
 - d. Establish benchmarks to maintain the desired level of service by avoiding fleet failures, and multiple replacements occurring at the same time.
2. Useful Life is defined as:
 - a. Vehicles should be replaced when 5 to 8 years old, and/or when 125,000 miles has been reached, or when special conditions dictate.
 - b. Replacement of fuelers, heavy equipment, and support equipment should be condition dependent.
 - c. Useful life criteria also include:
 - (1) Is the vehicle/equipment capable of performing its intended mission with acceptable reliability and economy?

(2) Has the warranty period expired?

(3) Is there adequate manufacturer support, adequate and economical parts availability?

(4) Are the consequences of a fleet component failure manageable and acceptable?

(5) Can the vehicle/equipment be re-assigned? For example, when a new front line snowblower was purchased, the older blower became a second line backup.

3. Methodology. Staff will consider these replacement parameters:

- a. Maintain visibility on the condition of the current fleet and on the condition of each component;
- b. Assess the continuing need for each piece of the current fleet;
- c. Predict the remaining useful life of each component. This prediction considers: historical availability when the item was needed; calculating the costs of ownership against the benefit/task performance and replacement costs; and timing of replacements to coincide with seasonal needs and funding cycles;
- d. Assess future needs;
- e. Consider alternatives.

4. Staff shall report to the Board annually as part of the budgeting process, vehicle and equipment replacement needs for the budget year and two subsequent years.

Steve Swigard, President