



Vehicle Replacement Policy

DATE APPROVED: December 6, 2016

COUNCIL RESOLUTION: 385-2016

1. POLICY STATEMENT

It is the Town's policy to replace Vehicles after they have reached the end of their useful life but before they have become a financial liability.

2. PURPOSE

The purpose of this policy is to set parameters for the replacement of existing Vehicles that address age, use, repair and maintenance costs, and mechanical condition. Vehicles will be replaced before they:

- a) are a financial liability; or
- b) are no longer reliable.

3. DEFINITIONS

3.1. In this policy,

- a) Maintenance and Repair Costs means total expenses associated with the repair of a Vehicle including internal labour, supplies, delivery of supplies, overhead and any contracted repairs.
- b) Vehicle means light fleet vehicles, heavy fleet equipment (for example graders and backhoes), and attachments (for example, sweeper attachments and buckets.). It does not include fire trucks.

4. VEHICLE REPLACEMENT PARAMETERS

4.1. To be eligible for replacement, unless otherwise authorized, a Vehicle must meet the parameters set out for:

- a) Age or Use;
- b) Expense Exceeds a Threshold Amount; and
- c) Mechanical Condition.

Policy approved by: CF JB

4.2. Age or Use

a) Vehicles are eligible for replacement when any one of the following three thresholds are met:

Classification	Gross Vehicle Weight (GVW)	Vehicle Type	Years	Total Kilometers	Total Hours
Light Duty Vehicles	6,000 – 9,000 lbs	Sedan, passenger van	8	150,000	n/a
Medium Duty Vehicles	9,200 – 27,000 lbs	½ Ton and ¾ Ton truck	8	150,000	6,000
Heavy Duty Vehicles:	Above 28,000 lbs	1 Ton	8	200,000	4,500
Dump Trucks		Roll off truck	8	200,000	6,000
Waste Collection		3 Ton collection Vehicle	8	200,000	20,000
Backhoes		n/a	12	n/a	6,000
Graders		n/a	12	n/a	4,000
Street Sweepers		n/a	8	70,000	6,000
Pathway / Sidewalk Maintenance		Skid steer or Utility Vehicle	8	n/a	4,000
Ice Resurfacer		n/a	15	n/a	10,000
Tractor		n/a	15	n/a	10,000

4.3. Expense Exceeds a Threshold Amount

- a) Vehicles are eligible for replacement once the annual cost to repair exceeds the residual value by 30%.
- b) For illustrative purposes, the following table is included as a sample based on a \$60,000 Vehicle:

Year	Repair & Maintenance	Residual Value	Percent R&M is of Residual Value
0	\$0	\$60,000	0.0%
1	\$1,500	\$42,000	3.57%
2	\$2,500	\$33,600	7.44%
3	\$2,200	\$26,880	8.18%
4	\$3,200	\$21,504	14.88%
5	\$3,000	\$17,155	17.49%
6	\$3,100	\$12,048	25.73%
7	\$2,900	\$11,010	26.34%
8	\$3,100	\$8,808	35.20%
9	\$6,100	\$7,047	86.56%
10	\$8,200	\$5,620	145.91%

4.4. Mechanical Condition

- a) A Vehicle meeting the criteria set out in sections 4.2 or 4.3 will be inspected by the Town’s mechanic to assess its mechanical condition. The mechanic may:
 - i) recommend the Vehicle for replacement, or
 - ii) defer the decision for one year.

4.5. Early Replacement

- a) Notwithstanding section 4.1, a Vehicle may be eligible for replacement based on mechanical condition alone if approved by the Manager of Public Works.

Policy approved by: CTT JB

4.6. Vehicle Surplus

- a) Once a replacement Vehicle is in service the replaced Vehicle must be discarded within three months in accordance with the Municipal Surplus Guidelines.

5. RESPONSIBILITIES

5.1. The Manager of Public Works must:

- a) Ensure this policy is followed, and
- b) Review the policy at least once every four years and, if necessary, make recommendations for amendments.

6. VISION ALIGNMENT

6.1. This policy meets Council's 2016-2018 vision to deliver services in an effective, innovative, and fiscally responsible manner.

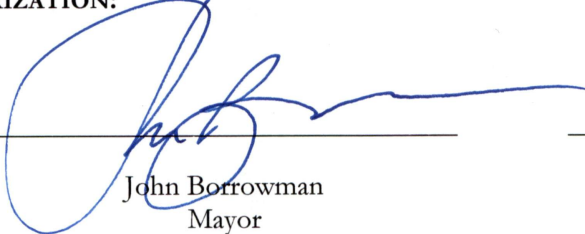
7. RELATED DOCUMENTS

- 7.1. Purchasing Policy
- 7.2. Municipal Surplus Guidelines


8. ATTACHMENTS

None

AUTHORIZATION:



John Borrowman
Mayor



Cheryl Hyde
Municipal Clerk

REVISION HISTORY

Action	Date	Motion
Approved:	December 6, 2016	385-2016

Policy approved by: 