

**Village of Richfield**  
**Equipment Replacement Policy**

1.0 PURPOSE:

The purpose of this Equipment Replacement Policy is to propose a vehicle replacement plan for the Village to follow, and the specific vehicle and equipment needs and requirements of the Village. This policy reflects the vision of the Village of Richfield to create a multi-year vehicle and equipment replacement plan that will serve as a guide in providing direction to meet needs. This is a living document that will be modified and updated annually to reflect changes in the Village's organizational climate, the changing needs of citizens and changes in the automotive and equipment industry. The Village of Richfield Department of Public Works and Highway is assigned the overall responsibility for managing the Municipality's fleet of vehicle and construction/maintenance equipment. This Department works to: develop vehicle and equipment specifications; develop vehicle and equipment replacement schedules, acquire vehicles and equipment; and reassign and dispose of vehicles and equipment. The vehicle and equipment maintenance function are assigned solely to the Department of Public Works and Highway. The annual appropriations for operations, maintenance, repair and fueling for Police, Recreation, Inspection, Administration and Public Works vehicles and equipment is budgeted in the Public Works Operating Budget.

2.0 ORGANIZATIONS AFFECTED:

This policy shall apply to all vehicles of the Village of Richfield and all Department of Public Works and Highway equipment.

3.0 POLICY:

IT IS THE POLICY OF THE VILLAGE OF RICHFIELD TO ENFORCE ALL GUIDELINES DICTATED IN THIS POLICY REGARDING MAINTENANCE, REPLACEMENT TIMES, AND SPECIFICATIONS OF ALL VEHICLES AND DEPARTMENT OF PUBLIC WORKS AND HIGHWAY EQUIPMENT.

4.0 OBJECTIVES:

The primary objectives of the Village is to control the overall cost of operating and maintaining the fleet of vehicles and equipment, to main vehicles and equipment in a manner that extends their useful life, to control the growth in size of the fleet, to standardize the composition of the fleet and to accurately budget for maintenance and

replacement costs. All new purchases for vehicles and equipment are part of the budget cycle and are coordinated through the Village Administrator for recommendation.

#### 5.0 ACQUISITION:

The goal of the Village's acquisition practices is to obtain the lowest possible price and the highest possible quality for vehicles and equipment. All purchases of vehicles and equipment will follow the applicable purchasing codes. Annually before the preparation of the Village Budget the Public Works Superintendent will review the vehicle replacement schedule and plan for the acquisition of replacement vehicles and equipment. Any request for new equipment that would increase the size of the fleet must be cost justified to the Village Administrator and Village Board.

#### 6.0 MAINTENANCE:

The goal of the Department of Public Works and Highway vehicle and equipment maintenance practices is to keep vehicles and equipment in sound operating condition. Preventive maintenance routines and intervals followed by our mechanics are based on local driving conditions and manufacturer's recommendations for each type of vehicle or equipment and each type of maintenance service. Maintenance costs represent a significant portion of the total cost to own and operate a vehicle or piece of heavy equipment and tend to increase as a vehicle or equipment ages. Escalating maintenance costs are a key factor in determining when to replace a vehicle. In addition to the added cost of maintenance as a vehicle ages, there is an additional cost to the municipality when a vehicle is in the garage receiving maintenance and not available for use. Preventive maintenance is the key to avoiding the repair or replacement of costly major vehicle components such as engines, transmissions and drive trains. Our mechanics make adjustments to the manufacturer's recommendations based on the specific vehicle's use.

Accurate and complete vehicle maintenance records are a key tool for making equipment management decisions. Vehicle maintenance costs are variable and distinct to each vehicle. Pertinent records maintained for each vehicle are vehicle maintenance logs, fuel usage logs, and cumulative costs of parts, labor, and overhead by a vehicle over its life.

#### 7.0 REPLACEMENT:

As with other aspects of vehicle and equipment management, replacing a vehicle too soon or too late wastes money. The Department of Public Works and Highway have developed and will continue to develop accurate replacement standards based on industry

guidelines and years of experience in operating and maintaining vehicles and equipment. The goal is to analyze the costs associated with a vehicle or piece of equipment and identifying the point when, on average, a vehicle is reasonably depreciated but not yet incurring significant maintenance costs. By replacing the vehicle or piece of equipment at this point, the Village can avoid escalating maintenance costs and optimize resale value. The three criteria that are considered when establishing the replacement schedule were mileage, age and use. Any request for replacement equipment must be cost justified to the Village Administrator and Village Board.

## 8.0 DEVELOPMENT OF GUIDELINES AND PROCEDURES:

The Public Works Superintendent has inventoried existing vehicles and equipment and has prepared a replacement schedule for all public works and Village pieces. The schedule will be updated annually and will be used as the basis for planning for the replacement of vehicles and equipment through the Village budget. The vehicle and equipment replacement schedule will include the following information for each vehicle or unit of capital equipment:

- a. Age in years, also known as life
- b. Usage in hours or miles
- c. Useful life (based on commonly used standards for municipal vehicles and equipment)
- d. Cost of maintenance
- e. Overall condition: mechanical, operating, safety, or appearance
- f. Downtime
- g. Availability of replacement parts
- h. Funding

The guidelines for vehicles considered for replacement are based on vehicles meeting predetermined age and/or hour and/or mileage criteria. Additional consideration is given to functionality and overall condition of the vehicle or equipment.

As vehicles reach the threshold miles or age of replacement criteria, a vehicle maintenance evaluation is performed by a Department of Public Works employee. The evaluation form will be provided to the Public Works Superintendent for further review and consideration. If the evaluation proves the vehicle would be economical to retain for an additional year, the vehicle will be targeted for retention. Depending on the availability of funds, vehicles and equipment will be replaced when they are at the end of their economic life, no longer safe to operate, not reliable enough to perform their intended function, or there is a demonstrated cost saving to the Village of Richfield.

## 9.0 VEHICLE CATEGORIES:

For purposes of review the vehicles and equipment of the Village have been listed below. Each type of equipment is described below, and the number of units currently on hand, replacement cost and useful life range for each category is summarized below in Figure 1.

- 9.1 Light trucks – The Village owns two F350 which is used as a daily running flatbed truck for errands, a F550 which is used as the chipper truck and at times for snowplowing, and a F250 which is used solely by the Superintendent in its fleet of light trucks.
- 9.2 Boat – This piece of equipment is used by the Washington County Lake Patrol to patrol the lake.
- 9.3 Car – The Village owns and maintains a 2003 Chevrolet Impala sedan type car. This car is routinely used by Village staff for a variety of reasons including delivering public postings and for staff attending county meetings.
- 9.4 Pickup truck – The Building Inspector uses a GMC 1500 when traveling to the various locations to conduct inspections.
- 9.5 Tractor – The Village makes use of 2 separate tractors for various jobs related to the maintenance of parks.
- 9.6 Gator – The Department of Public Works uses one Gator vehicle to run various errands with maintaining the sport fields and parkland of Heritage Park.
- 9.7 Wheel Loader – The Highway Department uses its wheel loader primarily for loading road salt into the plow trucks in the winter. It is also used in the remaining months to remove large brush piles and trees.
- 9.8 Bobcat – The Village uses one Bobcat vehicle in highway maintenance operations.
- 9.9 Chipper – The Department of Public Works uses the one Chipper to chip brush and trees that either have fallen or cut in the Village.

- 9.10 Plow truck – There are twelve plow trucks in the Public Works and Highway Department. Of these, two are Oshkosh Trucks and the remaining ten are International. These trucks are relied upon to plow snow on the many miles of Village maintained roads as well as hauling dirt and gravel during the summer months.
- 9.11 Rake – The rake is used to groom and maintain the baseball diamonds. The Village owns one rake.
- 9.12 Roller – The Department of Public Works and Highway makes use of one roller to ensure the sports fields are flat and even. Its primary use is on Village roadways to also ensure they are flat and even as part of the road construction and maintenance operations.
- 9.13 Mower – Village park space and sports fields are cut with the use of the one Toro mower and a John Deere mower during the summer and fall seasons.

**Figure 1 Summary of Vehicles and Equipment Currently Owned**

Vehicle Type	Inventory	Replacement Cost	Useful Life Range
Light Truck	4	\$25,000-50,000ea	10yrs or 100,000miles
Boat	1	\$13,000	10yrs or 1000hrs
Car	1	\$26,000	8yrs or 150,000miles
Pickup Truck	1	\$25,000	10yrs or 100,000miles
Tractor	2	\$87,000ea	15yrs or 4,500 hrs
Gator	1	\$11,000	8yrs or 4,000hrs
Wheel Loader	1	\$100,000	15yrs or 6,000hrs
Bobcat	1	\$30,000	12yrs or 2,400hrs
Chipper	1	\$37,000	15yrs or 1,500hrs
Plow Truck	12	\$170,000ea	12yrs or 100,000miles
Rake	1	\$11,000	8yrs or 4,000hrs

Roller	1	\$24,000	15yrs or 1000hrs
Mower	2	\$13,000ea	8yrs or 4,000hrs
<b>TOTAL</b>	28	\$2,617,000-2,717,000	NA

10.0 REPLACEMENT POINT SYSTEM:

The Village will make use of a quantitative point system in order to determine the correct time to replace vehicles and equipment pieces. This point system consists of factors. These factors are age, miles (or hours) used, type of service used for, reliability, maintenance and repair costs, and condition. For each factor a vehicle is given a certain amount of points during the annual review to indicate what type of condition the vehicle or equipment is in. The total points and the corresponding condition indicate what level the item is considered to be depending on the range the point amount falls into. There are four levels which are excellent, good, qualify for replacement, and needs immediate consideration. Figure 2 details the Village of Richfield's Replacement Point System.

**Figure 2 Replacement Point System**

<b>Factor</b>	<b>Points</b>
Age	1 point for each year of chronological age, based on in-service date
Miles/Hours	1 point for each 10,000 miles or 750 hours of use
Type of Service	1, 3, or 5 points are assigned based on the type of service that the vehicle or equipment had during most of its life. The more severe the type of service performed the higher the number assigned.
Reliability	1, 3, or 5 points are assigned depending on the frequency that a vehicle or equipment piece is in the shop for repair. The more the frequency of shop visits the higher the number.
Maintenance Costs	1 to 5 points are assigned based on total life maintenance and repair costs (not including repair of accident damage). A 5 is assigned to a vehicle with life repair costs equal or greater to the vehicle's original purchase price and a 1 is given to a vehicle with life repair costs equal to 20% or less of its original purchase cost.
Condition	This category takes into consideration body condition, rust, interior condition, accident history, anticipated repairs, etc. a scale of 1 to 5 points is used with the higher the number the worse the condition.
<b>Point ranges</b>	
Under 20 points	Condition I: Excellent
20 to 23 points	Condition II: Good
24 to 30 points	Condition III: Qualifies for replacement
31 or more points	Condition IV: Needs immediate consideration



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**Village of Richfield**

**Vehicle/Equipment Evaluation Form**

Vehicle or Equipment VIN or Serial # \_\_\_\_\_

Vehicle or Equipment # \_\_\_\_\_

Make: \_\_\_\_\_ Model: \_\_\_\_\_ Year: \_\_\_\_\_

Mileage: \_\_\_\_\_ Hours of Operation: \_\_\_\_\_

Date of Evaluation: \_\_\_\_\_ Evaluator: \_\_\_\_\_

System	Diagnosis	Estimated Repair Cost
Engine		
Transmission		
Drive Line		
Differential		
Exhaust		
Pumping System		
Hydraulic System		
Electrical System		
Brakes		
Tires		
Body		
Interior/Exterior		
Front End/Suspension		

<b>Air Conditioning</b>		
<b>Other</b>		
<b>Total Estimated Repair Cost</b>		

<b>Diagnosis Code</b>	<b>Code Description</b>
<b>5</b>	Excellent condition; like new; no repair needed in the near future
<b>4</b>	Good condition; minor wear and tear; system functions perfectly; no repair needed in the near future
<b>3</b>	Fair condition; significant signs of wear; system functions moderately well; repairs expected soon
<b>2</b>	Poor condition; substantial signs of degradation; system barely functions; repairs needed very soon
<b>1</b>	Bad condition; system inoperable; repair needed immediately

Evaluator's Comments:

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## Appendix A

### Village of Richfield Vehicle and Equipment Status Report

Vehicle #	Year	Model	Years of Use	Miles	Hours	Maintenance Costs	Labor Hours
1	2007	F-350	4	32341	2131	\$1,530	22
2	1962	OSHKOSH	49	8565		\$980	22
3	1996	2554 IH	15	40837	3537	\$16,809	302
4	2007	GMC 1500 4X4	4	62268	2540	\$1,123	28
5	2009	7400 IH	2	12479	924	\$1,134	19
6	2006	7400 IH	5	17521	1419	\$3,340	78
7	2003	7400 IH	8	21741	1805	\$13,977	227
8	1999	F-550 4X4	12	33963	2919	\$7,333	75
9	1971	OSHKOSH	40	2241	922	\$878	28
10	2000	2554 IH	11	24906	2023	\$10,758	184
11	1998	2554 IH	13	23694	2027	\$7,433	257
12	1999	2554 IH	12	64157	5791	\$22,167	403
13	2003	F-350	8	50887	4117	\$3,038	25
14	2004	BOAT	7	-----		\$437	40
15	2003	IMPALA	8	123035		\$1,366	25
16	1992	2554 IH	19	64003	5816	\$27,894	456
17	2001	6310 TRACTOR	10		3580	\$10,865	120
18	2009	JD GATOR	2		308	\$53	10
19	1994	2554 IH	17	61717	5355	\$19,760	515
20	1992	621 CASE LOADER	19		7825	\$11,741	153
21	2008	S-250 BOBCAT	3		597	\$1,455	21
22	1999	JD MOWER	12		918	\$1,609	69
23	2006	VEMEER CHIPPER	5		483	\$610	16
24	2006	4720 TRACTOR	5		1385	\$450	30
25	2010	F-250 4X4	1	10578		\$837	20
26	2010	7400 IH	1	4059	217	\$0	26
27	2009	JD BUNKER RAKE	2		1373	\$386	45
36	2003	BOMAG ROLLER	8		243	\$1,019	14
37	2006	TORO MOWER	5		1464	\$905	33