MEMORANDUM

To: Kurt Triplett, City Manager

From: Archie Ferguson, Fleet Manager
       Ray Steiger, P.E., Superintendent
       Julie Underwood, Interim Public Works Director

Date: March 6, 2020

Subject: SURPLUS OF EQUIPMENT RENTAL VEHICLE/EQUIPMENT

RECOMMENDATION:

That City Council approve the surplus of the equipment rental vehicles/equipment identified in this memo and thus remove them from the City’s Equipment Rental Replacement Schedule.

By taking action on this item under the consent calendar, the City Council is authorizing these vehicle surplus actions.

BACKGROUND DISCUSSION:

The surplus of vehicles and equipment which have been replaced with new vehicles or equipment, or which no longer meet the needs of the City, is consistent with the City’s Equipment Rental Replacement Schedule Policy. Under this policy, if approved by City Council, vehicles or equipment are sold or disposed of in accordance with the Kirkland Municipal Code, Chapter 3.86, Sale and Disposal of Surplus Personal Property.

The criteria for replacement are reviewed annually for each vehicle by Fleet Management prior to making a recommendation. The replacement criteria considered are:

- wear and tear on the engine, drive train, and transmission;
- condition of the structural body and major component parts;
- the vehicle’s frequency and nature of past repairs;
- changes in the vehicle’s mission as identified by the Department which it serves;
- changes in technology;
- vehicle right-sizing;
- the impact of future alternative fuels usage; and
- specific vehicle replacement funding accrued.

The decision to replace a vehicle requires the consensus of the Fleet Management staff and the Department which it serves. Vehicles should be replaced close to the point to where major repairs and expenses occur in order to maximize their usefulness without sacrificing resale value with consideration given to the vehicle’s established accounting life.
The accounting life of a vehicle is the number of years of anticipated useful life to City operations. They are determined by historical averages and replacement cycles of actual City vehicles. The accounting life provides a timeline basis for the accrual of vehicle Replacement Reserve charges, and, at the end of which, there should be sufficient funds in the Replacement Reserve Fund to purchase a similar replacement vehicle. The accounting life is a guideline only, and the actual usage of vehicles typically vary from averages.

The City of Kirkland standard accounting life for a vehicle, which is also consistent with the industry standard, is eight years or 80,000 miles, whichever comes first. This life is also supported by FleetAnswers.com which published Municipal Vehicle Replacement Trends. Among cities, the average age of replacement for cars is 6.7 years, for class 1-5 trucks it is 7.7 years, and for police vehicles it is four years. The City’s standard for Fire Engines/Pumpers and for Fire Ladder/Aerial apparatus is 18 years.

The following equipment is recommended for surplus with this memo:

<table>
<thead>
<tr>
<th>Fleet #</th>
<th>Year</th>
<th>Make &amp; Model</th>
<th>License</th>
<th>Hours/Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>BG-10</td>
<td>2011</td>
<td>John Deere Turf Gator</td>
<td>N/A</td>
<td>352hrs</td>
</tr>
<tr>
<td>TR-10</td>
<td>2003</td>
<td>John Deere Tractor 5420</td>
<td>N/A</td>
<td>2502hrs</td>
</tr>
<tr>
<td>T-04</td>
<td>2007</td>
<td>Ford E450 18 Passenger Bus</td>
<td>44150D</td>
<td>123,394</td>
</tr>
</tbody>
</table>

Unit BG-10 was assigned to the Parks Maintenance Division; the unit has exceeded the normal anticipated useful life by four years and needs cost prohibitive repairs.

Unit TR-10 was assigned to the Parks Maintenance Division; the unit has exceeded the normal anticipated useful life by six years and the service needs of the Division has changed.

Unit T-04 was assigned to the Parks Peter Kirk Community Center; the unit has exceeded the normal anticipated useful life by three years and 43,000 miles.