



## CITY OF KIRKLAND

Department of Public Works

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### MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** Archie Ferguson, Fleet Manager  
Ray Steiger, PE, Superintendent  
Julie Underwood, Director of Public Works

**Date:** January 7, 2021

**Subject:** DECLARATION OF SURPLUS VEHICLES AND EQUIPMENT AND RATIFICATION OF PRIOR ACTIONS

#### **RECOMMENDATION:**

It is recommended that the City Council approve the declaration of surplus vehicles and equipment identified in this staff report, removing them from the City's Equipment Rental Fund replacement schedule, and also ratify the actions that were taken to dispose of these items prior to Council authorization.

Approval of this item on the Consent Calendar will authorize the disposal of surplus vehicles and equipment and ratify the prior disposal actions.

#### **BACKGROUND DISCUSSION:**

The surplus of vehicles and equipment that 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 Fund replacement schedule policy. Under that policy, if a declaration of surplus is approved by City Council then vehicles and/or equipment are sold or disposed of in accordance with the *Kirkland Municipal Code*, Chapter 3.86, "Sale and Disposal of Surplus Personal Property."

Once a vehicle or piece of equipment is scheduled for replacement through the budget process, Fleet Management staff utilizes specific criteria to evaluate the vehicle or equipment prior to making a final recommendation for disposing of it. Among 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 that it serves;
- Changes in technology;
- Vehicle right-sizing;
- The impact of future alternative fuels usage; and/or
- Specific vehicle replacement funding accrued.

The decision to recommend replacement of a vehicle requires the consensus of the Fleet Management staff and the department that it serves. Vehicles should be replaced close to the point where major repairs and expenses are anticipated to occur in order to maximize their usefulness without sacrificing resale value. Consideration of the vehicle's established accounting life (replacement cycle) is a key factor in that evaluation.

The replacement cycle of a given vehicle or piece of equipment is its years of anticipated useful life for the City. The replacement cycle enables staff to calculate a schedule and a fee to charge the home department so that the Equipment Rental Fund has sufficient resources to purchase a similar replacement if and when a replacement is needed. The replacement cycle is a guideline; the actual longevity of specific vehicles and equipment often varies somewhat from the established cycle based on the criteria listed above.

An outcome of the 2020 Fleet Rate Study was that most of our replacement cycles have been increased slightly to better reflect the actual life experienced by Kirkland's fleet. The City's updated replacement cycles are as follows:

<u>Vehicle description</u>	<u>Prior replacement cycle</u>	<u>Current replacement cycle</u>
Mowers/Field rakes	4 years	6 years
Patrol police cars	4 years	5 years
Small equip/motorcycles	6 years	8 years
Vehicle/pickups	8 years	10 years
Large equipment	10 years	12 years
Dump trucks/vans	12 years	14 years
Trailers	15 years	17 years
Fire apparatus	18 years	18 years

Based on the considerations and criteria reviewed in this staff report, the following vehicle and equipment are recommended for surplus, and in this case the surplus actions have occurred.

<u>Fleet #</u>	<u>Year</u>	<u>Make &amp; Model</u>	<u>License</u>	<u>Hours/ Miles</u>
F-14x	2004	Ford F450 4WD Flat-Bed	39847D	47036
PU-69	2007	Ford F150 2WD	44147D	64780
PU-101	2011	Ford Escape AWD	53009D	25099
PU-110	2012	Ford F250 4WD	55017D	165797
TL-03	1996	Trail King Trailer	22140D	N/A

Unit F-14X was assigned to the Public Works Department; the Unit, which was classified as a Vehicle/Pickup in the replacement cycle schedule, exceeded the replacement cycle of 8 years by six years (Prior Cycle).

Unit PU-69 was assigned to the Parks Department; the Unit, which was classified as a Vehicle/Pickup in the replacement cycle schedule, exceeded the replacement cycle of 8 years by five years (Prior Cycle).

Unit PU-101 was assigned to the Public Works Department; the Unit, which was classified as a Vehicle/Pickup in the replacement cycle schedule, completed the assigned replacement cycle of 8 years (Prior Cycle).

Unit PU-110 was assigned to the Public Works Department; the Unit, which was classified as a Vehicle/Pickup in the replacement cycle schedule, completed the replacement cycle of 8 years (Prior Cycle).

Unit TL-03 was assigned to the Public Works Department; the Unit, which was classified as a Trailer in the replacement cycle schedule, exceeded its replacement cycle of 15 years by four years (Prior Cycle).

The *Kirkland Municipal Code* requires the Council to authorize the disposal of surplus vehicles and equipment prior to their sale or disposal [KMC 3.86.030(a)(4)]. Though the quantity varies from year to year, Kirkland usually surpluses two to three dozen vehicles or pieces of equipment each year.

In preparation for the City's annual audit, Finance staff worked with Fleet staff to review the vehicles and equipment that had been surplused in calendar year 2020 and gather related documentation. While doing so, it was discovered that five items—the ones listed in this staff report—had been disposed of without first obtaining the Council's authorization. The five items had been disposed of at different times during 2020, though except for not obtaining the Council's authorization prior to disposal, the items met all the appropriate criteria to be surplused, and every other regular step and procedure were followed. Staff regrets this oversight, and the failure to seek Council approval is an anomaly.

To prevent this from re-occurring, Fleet staff will be adding a checkbox to the Lucity database (City's asset management and work order system) that will identify whether City Council authorization has been obtained to surplus an item. If that checkbox is not checked, then Lucity will not allow the vehicle or equipment to be placed in sold/inactive status. In the past, staff has relied on Council action on staff reports such as this one to confirm authorization has been given prior to disposal. The additional checkbox in Lucity will provide a double check.

The items were disposed of as follows:

- Unit PU-69 went to auction in January of this year;
- TL-03 went to auction in February; and
- PU-101, PU-110, and F-14X went to auction in May.

By this action, staff asks the Council to declare the vehicles and equipment identified above to be surplused and seeks further the Council's ratification of prior actions that led to their disposal.