

Municipal District of Mackenzie No. 23

Title	VEHICLE AND EQUIPMENT REPLACEMENT	Policy No.	ADM003
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Legislation Reference	Municipal Government Act, Section 5 (b)
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Purpose

To develop a process to be followed by all Departments within the Municipality, to allow for the replacement of old equipment and vehicles, and the purchase of new equipment on a regular scheduled annual basis.

Policy Statement and Guidelines

It is recognized that it is economically expedient to replace and discard equipment before breakdowns occur and extensive down time results, and also to replace old worn out equipment and vehicles, before it becomes financially unsound for the continued use due to extensive repairs.

Budget allotments and reserves shall be established on an annual basis for the purchase and replacement of vehicles and equipment, in order to maintain a stable mill rate, and by not requiring large expenditures for bulk purchases in any given budget year.

Policy

1. The Shop Foreman shall determine the average life expectancy of each unit (see attached Schedule "A") by:
 - a) Assessing annual hours of use, or annual mileage.
 - b) Type of use.
 - c) Manufacturer's life expectancy.
 - d) Effectiveness of the equipment or vehicle.
 - e) Present condition.
 - f) History of annual repair costs and down time.
2. Categories of different classes or equipment shall be established indicating life expectancy.
3. Schedules shall be prepared by the Shop Foreman in conjunction with the Department Heads where applicable, indicating which items should be replaced, for consideration during the budgetary process.

4. As approved by Council, an amount equal to the purchase value of items to be replaced shall be included in the annual budget allotment for capital expenditures for the applicable department (subject to budgetary constraints).
5. If approved items scheduled for replacement are not purchased in the current budget year, an amount equal to the replacement value, shall be established as a reserve for future expenditures in the current budget allotment for the applicable department (subject to budgetary constraints).

	Date	Resolution Number
Approved	Oct 14/98	98-314
Amended		
Amended		

"J. Maine" (Signed)
Chief Administrative Officer

"B. Bateman" (Signed)
Chief Elected Official

"SCHEDULE A"

ATTACHMENT TO POLICY NO. - VEHICLE and EQUIPMENT REPLACEMENT

PURPOSE AND INTENT

To establish a reasonable replacement of M.D. units, based on years (time) mileage or hours usage, utilization of same to have some effects.

MOBILE EQUIPMENT

1. All Light Vehicles shall be replaced at 195,000 kilometers or five (5) years, whichever occurs first.
2. One to four ton inclusive (sign trucks, service trucks and spray truck), six (6) years or 225,000 kilometers or whichever occurs first.
3. Five tons – all tractors, tandems, water trucks, sanders, snowplows, etc. Six (6) years or 300,000 Kilometers, whichever occurs first.
4. All heavy equipment shall be assessed by the Shop Foreman after 7,500 hours.
5. Vehicles and equipment shall be assessed by the Shop Foreman after the limits in clauses 1 to 4 are reached and a determination will be made whether to dispose or retain the unit in question.