



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital  
FROM: Gary Lentsch, Fleet Supervisor & Roger Kline, Generation & Fleet Services Manager  
DATE: February 26, 2013  
SUBJECT: 2013 Fleet Services Capital Improvement Plan & Fleet Lifecycles

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## **Issue**

This memo provides information on the 2013 fleet capital improvement plan and an overall shift in fleet lifecycle asset management.

## **Background**

In 2010, fleet services rolled out a vehicle/equipment capital replacement program that allowed for a more predictable budget process with less “peak and valley” expenditures. This plan enables us to prioritize the resources needed to maintain a safe and cost effective fleet, while establishing a more accurate utilization budget.

The estimated replacement value of EWEB’s fleet is approximately twenty-three million dollars and consists of 370 assets consisting of vehicles, equipment and trailers. These units will be driven approximately 1.4 million miles on public roadways annually.

In 2011, fleet services started extending the average expected lifecycles of the entire fleet. In 2012 this lifecycle was further extended to 11.2 years and in 2013 the average lifecycle will be even further extended to 13 years. In addition, Fleet Services has transitioned to a practice of expanded standardization and less customization across the EWEB fleet. This allows the fleet to be more versatile, efficient and cost effective.

## **Discussion**

In aligning with the 2013 capital budget, fleet plans to purchase vehicles that have met the replacement criteria by either exceeding the mileage or age threshold. The assets being replaced will have reached age limits of 14-15 years or the mileage thresholds by the time the replacements arrive. These units include two dump trucks and two bucket trucks. These types of vehicles are considered the “heart of the fleet”, meaning they are on-call at all times, and relied upon in a variety of situations. Also included in the 2013 fleet capital budget is a light duty vehicle package to replace existing assets that have reached or exceeded the replacement criteria. Four contracts totaling \$2,118,000 appear on the March 5, 2013 consent calendar; of this amount \$1,484,000 are 2013 expenditures and \$634,000 are anticipated expenditures for 2014. These contracts account for vehicles included in the 2013 capital budget as described herein. In addition, two of the contracts

include expenditures for vehicles which will meet the replacement criteria in 2014. The 2014 expenditures will be included in the 2014 capital budget.

**Recommendation**

As a normal course of business practice, it is staff recommendation to replace the aforementioned fleet assets in order to maintain a safe and reliable fleet. The 2013 purchases are all within the previously board approved 2013 capital plans and the contracts now appear before you on the March 5, 2013 board agenda as four consent calendar requests.