

# CITY OF TALLAHASSEE

## CITY COMMISSION AGENDA ITEM

|                             |   |
|-----------------------------|---|
| <b>ACTION REQUESTED ON:</b> | June 25, 2003                                 |
| <b>SUBJECT/TITLE:</b>       | Approval of Change to Fleet Management Policy |
| <b>TARGET ISSUE:</b>        | N/A   |

### STATEMENT OF ISSUE

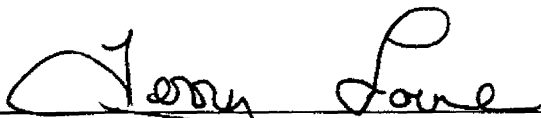
At the June 26, 2002 regular meeting, the City Commission approved the revised Fleet Management Policy. An additional change is being requested to Section 124.06C adding another provision for the re-issuance of surplus vehicles.

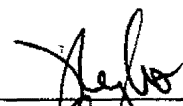
### RECOMMENDED ACTION

Approve Option #1 - Approve the addition of a third option to Section 124.06 C of the Fleet Management Policy regarding re-issuing of surplus vehicles.

### FISCAL IMPACT

There will be no noticeable fiscal impact to departments' allocated accounts.

  
Terry Lowe, Interim Superintendent  
Fleet Management

  
Anita R. Favors  
City Manager

**ITEM TITLE:** Approval of Change to Fleet Management Policy

### **SUPPLEMENTAL MATERIAL/ISSUE ANALYSIS**

#### **HISTORY/FACTS & ISSUES**

Fleet Policy #124 CP has two provisions for re-issuing surplus vehicles in Section 124.06 C 1 & 2. The first provision allows departments to request a vehicle be re-issued and a new life expectancy for the vehicle be developed. The user department will pay an agreed upon amount into the vehicle replacement reserve fund based on the new life expectancy. The vehicle will be replaced once the new life expectancy has matured.

The second provision allows departments to request a vehicle be re-issued while waiting on a requested vehicle in the budget process. A lease rate, agreed upon by Fleet Management and the User Department to capture depreciation, shall be charged in cases where depreciation may be significant. The amount will be paid into the vehicle replacement reserve fund. The User Department is responsible for all O & M costs.

A third provision is requested to facilitate additional department needs while protecting the integrity of the replacement fund. The following are the criteria for this third provision:

- The User Department requests a vehicle to facilitate exceptional or short term needs in a more cost effective manner than purchasing a new vehicle;
- Fleet Management will develop a salvage value of the vehicle. The User department will pay this amount into the vehicle replacement reserve fund. This can be a lump sum or a monthly charge. The monthly charge will include an interest rate to protect the integrity of the vehicle replacement fund; and
- Fleet Management will furnish an annual report to the User Department detailing the maintenance cost of the vehicle. Any unusual maintenance requirements for these vehicles will be discussed with User Departments before work takes place.

When the maintenance costs reach a level where it is no longer cost effective to keep this vehicle or the User Department no longer needs it to facilitate its activities, Fleet Management will dispose of the vehicle utilizing the normal disposal process. The funds received for disposal shall be forwarded to the vehicle replacement reserve fund.

The Operational Managers Advisory Committee (OMAC), the City's Department of Management and Administration and Fleet Management have reviewed this additional provision and agree this is a very cost effective beneficial process to facilitate City departments' needs.

#### **OPTIONS**

1. Approve the addition of a third option to Section 124.06 C of the Fleet Management Policy regarding re-issuing of surplus vehicles.
2. Do not approve the addition of a third option to Section 124.06 C of the Fleet Management Policy regarding re-issuing of surplus vehicles.
3. Provide alternative direction to staff.

#### **ATTACHMENTS/REFERENCES**

Fleet Management Policy with requested changes in Section 124.06 C highlighted.