

	<p>POLICY MANUAL</p> <p>Title: Determining Annual Need for and Procuring General Fund Vehicles</p>
Effective Date:	Approved by:
Number:	Signature:

FINAL VERSION
October 23, 2019

Acronyms

BOF	Board of Finance (City Council committee)
CAO	Chief Administrative Officer of the City
CC	City Council
CIP Manager	Capital Improvement Plan Manager of the Dept. of Public Works
CT Office	Clerk-Treasurer's Office
DPW	Department of Public Works
GF	General Fund of the City of Burlington
GPS	Global Positioning System
IFB	Invitation for Bids
PO	Purchase Order
RFP	Request for Proposals

Compliance with the provisions of this policy, especially timely information to the Fleet Manager, are required for a department-requested or alternative vehicle to be purchased. Unless otherwise specified, this Policy shall conform to all requirements, responsibilities, and procedures contained within the City's overall Purchasing Policy.

A. PURPOSE

Overview: This policy has been developed to serve two purposes:

1. To determine annual general fund fleet need and purchase schedule

A committee will be created, titled Fleet Advisory Committee, which will work to develop an annual plan for vehicle purchases, and will maintain longer-term projections of upcoming vehicles needs to help with decision-making, prioritization, and financial planning.

2. To outline the process for the procurement of those vehicles

A timeline for planning and procurement is outlined, as well as the steps for obtaining pricing and necessary approvals.

Goal: To create and maintain a replacement schedule for all City General Fund vehicles that takes into account department needs, respects each vehicle's useful life, balances the cost of maintaining/repairing vehicles with the cost of procuring new vehicles, considers the cost of maintaining older vehicles and the impacts a high volume of repairs has on the ability to perform preventative maintenance on newer vehicles, analyzes available funding sources and the ability to pay for vehicles, and includes the city's sustainability goals and commitment to reduce carbon emissions.

Upon full implementation of this plan the Fleet Advisory Committee shall evaluate its success and make necessary and appropriate adjustments. Additionally the Committee may assess a further centralized

management of the fleet to determine the benefits and disadvantages to the City, staff and taxpayers. The developed fleet strategy will feed into the City's multi-year Capital Plan to ensure it is included as part of the City's overall infrastructure.

Non-General Fund Departments (e.g. Water Resources, Electric Department, Airport, Traffic, and Church Street Marketplace) are encouraged to work with the Fleet Manager to coordinate the procurement, and the CAO office for the financing, of vehicles with the GF schedule to allow for the best economies of scale in pricing and financing costs. In addition, all departments are encouraged to work together and with the Fleet Advisory Committee to find ways of sharing vehicles to drive cost savings and support sustainability goals.

DETERMINING ANNUAL GENERAL FUND FLEET NEED AND PURCHASE SCHEDULE

B. STRUCTURE

The City shall create a Fleet Advisory Committee (FAC) initially composed of the Fleet Manager, DPW Assistant Director -- Maintenance Division, CIP Manager and CAO. In the future the Director of Property Services Burlington School District and representatives from Enterprise Funds may be added when those entities are participating in the fleet replacement plan. The Committee shall review the fleet replacement schedule prepared by the Fleet Manager and give any guidance in finalizing the schedule. Prior to the meeting of the Fleet Advisory Committee the Fleet Manager shall review the draft schedule of replacement vehicles with the CAO and CIP Manager so that they can evaluate and estimate the yearly total replacement costs and assess the best method by which to pay for the replacement vehicles.

- 1) After discussions with appropriate department heads, and utilizing replacement criteria identified in this Policy, the Fleet Manager shall create a schedule of the non-commercial and commercial vehicles that the General Fund should procure in any one Fiscal Year. Included in the schedule will be the estimated total cost for each vehicle, including fit-up, along with an estimated trade-in value. This schedule will be considered as a part of the Fiscal Year Budget development. In the future this schedule may be expanded to include Enterprise, Special Revenue Fund vehicles as well as School District Vehicles.
- 2) In preparing this schedule the Fleet Manager shall determine whether a replacement is needed, or if there is another option for a vehicle to be made available, such as vehicle sharing. If the Fleet Manager believes there is another methodology other than replacing vehicle then they shall discuss this with the department seeking the replacement before the Fleet Manager brings the schedule to the Fleet Advisory Committee for guidance. Fleet Manager may bring other members of FAC to discussions with departments.
- 3) The Fleet Manager will provide their overall recommendations to the Chief Administrative Officer, or designee, and CIP Manager to analyze from what funding sources revenue may be available to purchase vehicles.
- 4) If the analysis shows insufficient revenues then the Fleet Manager with the Fleet Committee will prioritize the requested new vehicle purchases based on needs criteria.
- 5) The final schedule will be developed by the Fleet Manager, and communicated to departments.

The Fleet Manager will convene two group meetings prior to presentation to the Fleet Advisory Committee, each meeting to be held once a year to:

- 1) Present the initial draft fleet replacement schedule to a meeting of impacted department heads prior to presentation to FAC.
- 2) To present to a stakeholder meeting (FAC, Director of DPW, and Heads of appropriate departments) the short-term and long-term strategy and funding challenges to the City's ability to maintain a sustainable fleet. The attendees will also discuss consolidated management and sharing of fleet, as well as a draft final replacement schedule prior to going to Fleet Advisory Committee.

Criteria to be considered when developing the annual schedule

- Amount of time a vehicle has been out of service previous/current year due to repairs
- Expected on-going maintenance/repair cost
- Reduction in trade-in value if kept one more year;
- Known significant increase in cost of new vehicle if purchase delayed for additional year
- “Book” life expectancy due to age and/or mileage
- No vehicle to “share” if vehicle goes out of service
- Reasonable departmental equity in vehicle purchases
- Vehicle versatility that may allow it to supplant need for other vehicles

The Committee, in addition to the above responsibilities may utilize a subset of the committee to review IFB and RFP submissions to help determine the best vendors from which to purchase replacement vehicles.

Additional responsibilities of the Committee may include assessing if/how to expand the City’s usage of alternative fuel vehicles (electric) and assessing this Policy in order to modify and expand its goals.

C. TIMELINES

These timelines are offered as a guide only. These times may vary, depending on the complexity of the project and the capacity of staff. Timelines in this Policy shall match up with annual budget preparation to ensure that vehicles replacement requests can be appropriately budgeted.

- 1) Timeline for determination of Fiscal Year vehicle priorities:
 - a. The Fleet Manager will schedule and try to meet with each Department with vehicles starting in September for the coming Fiscal Year Budget to discuss what each Department considers a need for the coming Fiscal Year
 - b. The Fleet Manager will review the requested vehicles(s) and create an initial recommended vehicle replacement schedule by October 15th
 - i. Each vehicle will be assessed for its ability to utilize an alternative fueling method
 - ii. Fleet Manager will meet with appropriate member of Burlington Electric Department to help assess cost comparison of hybrid/electrical vehicles vs. traditional. The comparison will include all costs including fuel, trade-in and ongoing maintenance. The comparison will also include consideration of a carbon tax on vehicles where a more efficient vehicle (e.g. electric, plug-in electric, or hybrid) are available.
 - iii. Bluetooth will be specified in each new vehicle for safety purposes
 - iv. After approval of a City-wide GPS policy, the Fleet Manager will evaluate adding GPS units to appropriate vehicles (i.e., snowplow trucks). Appropriate departments and the City Attorney’s office will participate in evaluation.
 - v. The Fleet Manager will create and distribute a form for each department to fill out quarterly to show the mileage/hours of each vehicle used. **These forms, when completed, will be used by the FM to determine the initial recommended vehicle replacement schedule.**
 - c. If the Fleet Manager determines not to replace a vehicle requested by a Department, the Fleet Manager will meet with that Department to ensure they understand the reasoning behind such a decision and give the Department the opportunity to request vehicle(s) to be added to schedule.
 - d. By November 1st the Fleet Manager shall review their initial recommended replacement schedule with the CAO and CIP Manager for them to estimate the best method and cost to pay for the replacement vehicles.
 - e. As one of the meetings identified in the “Structure” section of this policy, between November 1st and December 1st the FM shall present initial recommended fleet replacement schedule to a meeting of impacted department heads prior to the presentation to FAC. Meeting is opportunity for impacted departments to request changes to the initial recommended vehicle replacement schedule

- f. By December 1st the Fleet Manager will meet with the Fleet Advisory Committee to review the initial recommended fleet replacement schedule. FAC shall review the schedule utilizing the criteria identified within this policy and make recommendations on schedule to be presented as part of the budget process. Departments whose vehicle request has been denied by Fleet Manager will be offered to attend this meeting to make their case for vehicle(s) inclusion. If FAC adds vehicle(s) to schedule, and there is not sufficient revenue for all vehicles in revised schedule, the FAC shall call a meeting of all departments requesting vehicles and upon discussion with departments FAC will make its final determination as to schedule.
- g. Once the schedule is finalized, and prior to the initial budget presentation to Council, the CAO and CIP Manager will work with the CT office to finalize payment options available for the coming Fiscal Year.
- h. If through this process a departmentally-requested vehicle is not included in the final recommended schedule the Department can request a meeting with FM, CAO and Mayor for final resolution prior to budget presentation.

D. PROCUREMENT OF VEHICLES

Process for procuring vehicles

- 1) Once it is determined in any fiscal year the vehicles to be purchased, and that fiscal year's General Fund budget, including the cost for said vehicle purchases, has been approved by the City Council, in coordination with the CT Office, the Fleet Manager shall prepare and post an RFP or IFB for pricing of said vehicles. It shall be the responsibility of the CAO to prepare and post RFPs or IFBs for the financing for vehicle purchase.
- 2) Upon response to the RFP's/IFB's, the Fleet Manager will create a matrix of the vehicles with fit-up and the preferred vendor.
- 3) If not purchasing with cash, the CT Office will put out requests for financing following the City's General Purchasing Policy and taking into account the anticipated life of the vehicles. Some vehicles may have a life expectancy of no more than 5 to 7 years where a master lease may be the best financing tool. Others may be 12 or more years where bonding may be the best financing tool.
- 4) Upon receipt of the best possible financing through the FAC will go to the BoF and CC for approval of the financing and purchase of vehicles for the General Fund for that Fiscal Year.
- 5) Upon approval and closing of finance documents, the Fleet Manager shall provide all necessary documents so that the CT Office will create PO's to purchase the approved vehicles for that Fiscal Year.
- 6) The Fleet Manager shall provide to the CT Office all documents related to the purchase of vehicles so that the CT office can then file said documents.
- 7) Before receipt of vehicles, the Fleet Manager will ensure that all vehicles have the correct titling dependent on whether financed or purchased with cash.
- 8) The Fleet Manager will complete the process of insurance through the City of Burlington Insurance agent – currently Hickok and Boardman, Amy Merritt or Paul Plunkett.
- 9) Fleet Manager to inform RFP/IFB if submission rejected or not accepted.

No other vehicles will be purchased for the General Fund over the Fiscal Year unless a vehicle is destroyed, or a special need arises and only after approval by the Fleet Manager and CAO as a needed vehicle. The financing for such a vehicle will first be determined with the insurance company and second through the Fleet Reserve Fund.

Estimated Timeline for the Purchasing Process - These timelines include the following, and some items may happen concurrently:

- 1) Draft the IFB (1 – 3 weeks)
- 2) Posting / publishing (2 – 6 weeks depending on complexity)
 - a. Allow 2 days to 2 weeks for questions from the date of issue
 - b. Allow 2 – 6 weeks for proposals to be submitted from the date of issue
- 3) Evaluation and ranking of proposals and rank vendors (1 week)

- 4) City Attorney review and approval of proposal (approximately 1 week)
- 5) Vendor selection and approval (1 day to 2 months depending on required approvals)
- 6) Financing requests (1 week – 3 weeks)
- 7) BoF/CC approvals (2 – 4 weeks)
- 8) PO execution (1 week)
- 9) Order vehicles
- 10) Receipt of vehicles (30 – 180 days)

E. POSTING / ADVERTISING DOCUMENTS

The City Attorney's office shall work with the fleet manager to develop boiler-plate language for all RFPs regarding the City purchase of General Fund vehicles.

Once finalized, the fleet manager shall be responsible that the only additions to RFPs for General Fund vehicle purchases shall be the details and specifications concerning the vehicle(s) to be purchased.

If there are no changes to the boiler-plate language then the City Attorney's office does not need to review individual RFPs prior to being posted.

The City Attorney's office shall work with the Chief Administrative Officer to develop boiler-plate language for all RFPs regarding the financing for City purchase of General Fund vehicles.

Once finalized, the CAO shall be responsible that the only additions to RFPs for General Fund vehicle purchases shall be the details and specifications concerning the financing for the vehicle(s) to be purchased.

If there are no changes to the boiler-plate language then the City Attorney's office does not need to review individual RFPs prior to being posted

The Fleet manager and Chief Administrative Officer shall give a sample of the standard documentation that may accompany a RFP and once reviewed and approved by the Attorney that material as well does not need to be reviewed for each RFP. If additional document other than the standard that has been approved by the City Attorney is to accompany an RFP, then that documentation shall be reviewed and approved by the City Attorney prior to the RFP being posted.

Every May the City Attorney's office shall review the boiler-plate language, initiate any needed changes, and inform the fleet manager and CAO. If no changes have been communicated by June then the previous year's boiler plate language will be used. At any time of the year, when necessary, the City Attorney can inform the fleet manager and CAO of needed changes to the boiler-plate

Once approved, the documents must be posted on the City's website (Bids, RFPs), notice of this posting may be sent to potential vendors, and the documents may also be posted on Vermont Business Registry, Works in Progress. If the contract will exceed \$15,000, the RFP must be posted or advertised in three places. If the contract includes services that will exceed \$15,000, the contract must also include livable wage, outsourcing, and union deterrence compliance language and certifications.