

**State Equipment Fleet Replacement**

**FY2012 Request: \$18,322,600**

**Reference No: 30628**

**AP/AL:** Allocation

**Project Type:** Equipment / Commodities

**Category:** Transportation

**Location:** Statewide

**House District:** Statewide (HD 1-40)

**Impact House District:** Statewide (HD 1-40)

**Contact:** Frank Richards, Deputy Commissioner

**Estimated Project Dates:** 07/01/2011 - 06/30/2016 **Contact Phone:** (907)465-3900

**Appropriation:** Highways and Facilities

**Brief Summary and Statement of Need:**

Funds for replacement and/or refurbishment of equipment and vehicles which have reached the end of their useful life cycles and all extension periods, and continued conversion of vehicles to alternate fuel and related alternate fuel program expenses. This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

| <b>Funding:</b> | <u>FY2012</u> | <u>FY2013</u> | <u>FY2014</u> | <u>FY2015</u> | <u>FY2016</u> | <u>FY2017</u> | <u>Total</u>  |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Hwy Capitl      | \$18,322,600  | \$18,322,600  | \$18,322,600  | \$18,322,600  | \$18,322,600  | \$18,322,600  | \$109,935,600 |
| <b>Total:</b>   | \$18,322,600  | \$18,322,600  | \$18,322,600  | \$18,322,600  | \$18,322,600  | \$18,322,600  | \$109,935,600 |

|   |   |                                       |   |  |
|---|---|---------------------------------------|---|--|
| <input type="checkbox"/> State Match Required | <input type="checkbox"/> One-Time Project | <input type="checkbox"/> Phased - new | <input type="checkbox"/> Phased - underway  | <input checked="" type="checkbox"/> On-Going |
| 0% = Minimum State Match % Required           |   | <input type="checkbox"/> Amendment    | <input type="checkbox"/> Mental Health Bill |  |

**Operating & Maintenance Costs:**

|                          | <u>Amount</u> | <u>Staff</u> |
|--------------------------|---------------|--------------|
| Project Development:     | 0             | 0            |
| Ongoing Operating:       | 0             | 0            |
| <u>One-Time Startup:</u> | <u>0</u>      | <u>0</u>     |
| <b>Totals:</b>           | <b>0</b>      | <b>0</b>     |

**Additional Information / Prior Funding History:**

\$15,000,000 - Ch 43 SLA 2010 Sec 7 Pg 37 Ln 30; \$15,000,000 - CH 15 SLA 2009 Sec 1 Pg 22 Ln 12; \$15,000,000 - Ch 29 SLA 2008 Sec 10 Pg 78 Ln 19; \$15,000,000 - Ch 30 SLA 2007 Sec 4 Pg 104 Ln 6; \$22,150,000 - Ch 82 SLA 2006 Sec 1 Pg 87 Ln 9; \$10,000,000 - Ch 3 SLA 2005 Sec 1 Pg 67 Ln 9; \$15,000,000 - Ch 159 SLA 2004 Sec 1 Pg 34 Ln 25; \$15,000,000 - Ch 82 SLA 2003 Sec 1 Pg 35 Ln 23; \$11,800,000 - FY2003; \$11,800,000 - FY2002; \$11,800,000 - FY2001; \$11,800,000 - FY2000; \$10,849,400 - FY1999.

**Project Description/Justification:**

Delay in the established replacement program can result in higher operating costs including increased risk of equipment failure and expensive repairs that are not recoverable in the remaining equipment life. The replacement program also contributes to the safety of the operators in providing the latest technological advances in the industry. The economic life of equipment is constantly monitored by State Equipment Fleet staff to obtain the lowest life-cycle cost possible.

Based on current projections, replacement payments to the Highway Equipment Working Capital Fund (HEWCF) by user agencies will fund this request within 2%. The remaining 2% will be made up from the sale of used equipment, projected to be \$900,000, as well as excess equipment no longer needed. Failure to replace equipment at the appropriate time results in higher operating and life-

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cycle costs. These higher costs are directly reflected in the operating costs of user agencies.