



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



CHRISTOPHER D. CLEMENT, SR.
COMMISSIONER

JEFF BRILLHART, P.E.
ASSISTANT COMMISSIONER

September 25, 2013
Bureau of Mechanical Services

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Pursuant to the provisions of Chapter 223, Laws of 2013, Budget footnote 04-96-96-960515-3005-030, the Department requests approval of the Department of Transportation's Equipment Acquisition Plan for Fiscal Year 2014 and 2015. Attachment #1 to the plan outlines the Department's request to purchase equipment estimated to cost just under \$2.5 million in FY 14 and just under \$2.8 million in FY 15 based on the Department's available equipment appropriation.

EXPLANATION

The Department of Transportation, Bureau of Mechanical Services maintains a fleet of vehicles and equipment with an estimated replacement value of \$77.8 million. The fleet includes:

Description	Estimated Replacement Value
Extra Heavy Trucks (10 wheel dump trucks)	\$11,320,000
Heavy Trucks (6 wheel dump trucks)	\$35,690,000
Medium and Light Trucks (1-1/2 to 1/2 ton trucks)	\$8,594,000
Passenger Cars and Vans	\$1,823,000
Mobile Equipment (loaders, graders, tractors, core drills, etc.)	\$16,769,000
Trailers	\$65,000
Associated Equipment (salt spreaders)	\$3,550,000

This equipment is critical to the mission and efficiency of the Department and the Department considers most important the heavy, extra heavy, medium and light trucks. The FY 14 acquisition plan is to purchase 15 heavy trucks and 24 light trucks. The FY 15 acquisition plan includes 15 heavy trucks, 2 extra heavy trucks and 23 light trucks.

The Department will reassess priorities at trade time when all bid prices are known and quantities will be adjusted to remain within funds available. The actual number of units purchased may vary slightly when bid prices are known.

Also, for your information, the Department is providing a "Fleet Summary", attachment 2 titled "Fleet Statistics as of July 1, 2013 and attachment 3 "Fleet Age, Use, and Cost Parameters" to help explain the current condition of the Department's fleet. These documents identify the number and type of units currently in service, along with usage parameters, replacement costs and the number of units that currently exceed typical replacement parameters. Unfortunately, the level of investment required to keep pace with equipment needs has not been sufficient in recent years. This summary illustrates a needed investment level of \$8 million per year to maintain the current fleet condition. At current funding levels of \$2.5 million per year, the replacement cycle for the fleet is approximately 29 years.

I appreciate your support and understanding of these needs.

Sincerely,

A handwritten signature in black ink, appearing to read "C. D. Clement".

Christopher D. Clement, Sr.
Commissioner

Attachments

**State of New Hampshire
Department of Transportation
Bureau of Mechanical Services**

FY 2014 – 2015 Equipment Acquisition Plan

August 23, 2013

Prepared by:
William J. Dusavitch
Administrator

Submitted by:
Christopher D. Clement, Sr.
Commissioner

Department of Transportation

Bureau of Mechanical Services

FY 2014 – 2015 Equipment Acquisition Plan

Chapter 223, Laws of 2013, Budget footnote 04-96-960515-3005-030, requires the Department to Develop an Equipment Acquisition Plan and receive approval from both the Capital Budget Overview Committee and the Governor and Council before purchasing any new or replacement equipment. This Chapter also requires NHDOT, Bureau of Mechanical Services to submit a monthly status report of the plan to the Capital Budget Overview Committee and the Governor and Council. This document serves as the FY2014 – 2015 Acquisition Plan.

Below is a description of the fleet purchasing process that the Department follows in accordance with the above laws. The Department purchases replacement equipment and vehicles in five distinct and separate phases throughout a given fiscal year:

Phase I - Approval Process: The Department reviews the fleet to prioritize replacement needs considering equipment condition, age, and usage. Based on the needs identified and the available budget, the Department identifies the pieces to be replaced and prepares the Equipment Acquisition Plan. The Department then submits the plan to the Capital Budget Overview Committee and the Governor and Council for approval to expend Class 30 – Equipment New/Replacement funding as appropriated.

Phase II - Bid & Award: Once the Acquisition Plan is approved the Department works with Administrative Services to prepare a bid package that includes vehicle specifications and options. When the documents are complete Administrative Services puts the equipment out to bid, determines the low bidder and executes a notice of contract.

Phase III - Financial Evaluation: The Department compares the contract costs to the estimated costs. Minor quantity adjustments may be made to adjust for actual vs. estimated costs or because of equipment failure or other factors.

Phase IV – Purchasing: Purchasing is initiated based on the financial evaluation. Priority is given to purchasing the major units and equipment first. Remaining funds may be used to purchase necessary miscellaneous shop equipment.

Phase V - Reporting: The Department submits a monthly status report to both the Capital Budget Overview Committee and the Governor and Council.

Based on the approved appropriations for FY2014 & 2015, the Fleet Units the Department has identified to be replaced are shown on ATTACHMENT #1, "BUREAU OF MECHANICAL SERVICES EQUIPMENT ACQUISITION PLAN FY14 & 15". This attachment identifies the estimated number and type of units to be replaced, supporting equipment required to build the unit, projected unit costs, class 030 appropriations and balances.

Once bids have been received, the actual number of units purchased may be slightly adjusted to maximize the use of the class 030 appropriated amounts authorized. Just prior to purchasing, specific units will be identified and associated configurations will be ordered (single wing versus double wing plow trucks).

Given the limited funding available in this biennium's budget, purchases are planned to focus on trucks needed to support maintenance and operations functions. For FY 14 this includes 15 heavy trucks and 24 light trucks, In FY 15 this includes 15 heavy trucks, 2 extra heavy trucks and 23 light trucks.

The Department respectfully requests your approval of the proposed FY 2014-2015 Equipment Acquisition Plan.

* Wing configuration TBD just prior to purchasing
** Spreaders may be purchased based on available class
030 balance- post bids

Attachment 2

Fleet Statistics as of July 1, 2013

As of July 1, 2013, the Department owns and operates 1,171 Fleet Units having an initial acquisition cost totaling \$54.9 million and estimated replacement cost totaling \$77.8 million. Of the 1,171 units currently in operation, 553 units (47%) currently exceed replacement parameters based on age and usage, and the estimated cost to replace said units is \$28.5 million. Usage, existing and future work needs such as winter maintenance operations, and cost to maintain/repair the units are taken into consideration prior to the replacement of any unit.

6-wheeled cab and chassis (primarily plow trucks): 36% (91 of the 251) exceed replacement parameters - replacement value of \$12.8 million. 100% of the 91 trucks exceed 10 yrs. of age, 13% (12 trucks exceeds 15 yrs. of age.

¾ ton pick-ups: 58% (91 of 158) exceed replacement parameters - replacement value of \$2.0 million. Based on 91 units- (26 pick-ups) exceed 200K miles, (35) between 150K-200K miles, (26) between 100K-150K miles, (90) exceed 5 yrs. of age, (50) exceed 7 yrs. of age, (14) exceed 10 yrs. of age.

½ ton pick-ups (white fleet): 59% (58 of 98) exceed replacement parameters - replacement value of \$1.05 million. Based on 58 units- 1 pick-up exceeds 200K miles, (15) between 150K-200K, (34) between 100K-150K, All 58 pick-ups exceed 5 yrs of age, 52% (51) exceed 7 yrs. of age.

Passenger cars (white fleet): 71% (80 of 113) exceed replacement parameters - replacement value of \$1.3 million. Based on 80 units- 1 car exceeds 200K miles, (22) between 150K-200K miles, 64% (51) between 100K-150K miles, All 80 units exceed 5 yrs. of age, (75) exceed 7 yrs. of age, (9) exceed 10 yrs. of age.

Mobile Equipment:

Graders: 60% (12 of 20) exceed replacement parameters - replacement value of \$2.9 million.

Loaders: 30% (13 of 44) exceed replacement parameters - replacement value of \$2.0 million

Tractor/Loaders: 78% (21 of 27) exceed replacement parameters - replacement value of \$1.6 million

- The majority of the vehicles being sent to surplus are due to failure relating to corrosion whereas the majority of the Mobile Equipment (Loaders/Graders) are taken out of service due to wearing out
- Replacement parameter indices include: exceeding 10 years of age

**Attachment 3
Fleet Age, Use and Cost Parameters**

7/1/2013 Internal use-8/22/2013

Category	Category Description	A Expected Age	B Expected Usage Primary	C Expected Usage Secondary	D # Units	E Approx. Replacement Costs (Total Fleet) (D x G)	F # Exceeds Life Age or Usage	G Approx. Replacement Costs	H Current Replacement Sub Totals (F x G)	I Current Replacement Class Totals (Sum of H)
EHD	Trucks_ExtraHeavy Duty >45000#				68	\$11,320,000	11			\$2,120,000
19009	HD CRANE-H400	13	250,000 H	0 M	1	\$250,000	1	\$250,000.00	\$250,000.00	
19010	BRIDGE INSPECTOR	15	0 H	0 M	1	\$500,000	1	\$500,000.00	\$500,000.00	
55012	OVER 5 TON TRUCKS	12	12,000 H	250,000 M	57	\$9,120,000	2	\$180,000.00	\$320,000.00	
55013	STRIPER TRUCKS	10	180,000 M	0 N	5	\$750,000	5	\$150,000.00	\$750,000.00	
55014	TRACTOR TRUCKS	12	15,000 H	180,000 M	3	\$450,000	2	\$150,000.00	\$300,000.00	
61018	EDUCTORS	15	10,000 H	0 M	1	\$250,000	0	\$250,000.00	\$0.00	
HDT	Trucks_Heavy Duty > 20001#				254	\$35,690,000	92			\$12,690,000
55011	3 TO 5 TON TRUCKS	10	12,000 H	180,000 M	251	\$35,140,000	91	\$140,000.00	\$12,740,000.00	
55021	CAR CARRIERS/WRECKERS	12	15,000 H	180,000 M	1	\$150,000	0	\$150,000.00	\$0.00	
61022	PAINT VANS	10	18,000 H	150,000 M	1	\$150,000	1	\$150,000.00	\$150,000.00	
61033	MOBIL CORE DRILL	15	12,000 H	150,000 M	1	\$250,000	0	\$250,000.00	\$0.00	
MDT	Trucks_Medium Duty > 10001#				63	\$2,650,000	33			\$1,650,000
55009	1 TO 1-1/2 TON TRUCKS	6	150,000 M	0 H	47	\$2,350,000	28	\$50,000.00	\$1,400,000.00	
55010	PATROL TRUCKS	10	12,000 H	150,000 M	6	\$300,000	5	\$50,000.00	\$250,000.00	
LDT1	Trucks_Light Duty < 8501#				104	\$1,895,000	58			\$1,044,000
55008	1/2 TON PICKUPS	5	110,000 M	0 N	98	\$1,764,000	58	\$18,000.00	\$1,044,000.00	
55016	CARGO/BOX TRUCKS - UP TO 8500 LBS	10	130,000 M	0 N	1	\$26,000	0	\$26,000.00	\$0.00	
55022	SUVS - UP TO 8500 LBS	10	130,000 M	0 N	1	\$26,000	0	\$26,000.00	\$0.00	
56001	VANS/BUSES - UP TO 8 PASSENGERS	10	130,000 M	0 N	4	\$80,000	0	\$20,000.00	\$0.00	
LDT2	Trucks_Light Duty > 8501#				182	\$4,045,000	105			\$2,314,000
55015	3/4 TON PICKUPS	5	120,000 M	0 N	158	\$3,476,000	91	\$22,000.00	\$2,002,000.00	
55017	CARGO/BOX TRUCKS - 8501 LBS TO 10000 LBS	10	130,000 M	0 N	5	\$130,000	2	\$26,000.00	\$52,000.00	
55023	SUVS - 8501 LBS TO 10000 LBS	10	130,000 M	0 N	14	\$364,000	7	\$26,000.00	\$182,000.00	
61027	UTILITY VEHICLES	10	130,000 M	0 N	3	\$78,000	3	\$26,000.00	\$78,000.00	
61028	ROAD ANALYSIS VEHICLES	10	0 M	0 N	2	\$0	2	\$20,000.00	\$0.00	
PASSAUTO	Passenger Autos				113	\$1,797,000	80			\$1,281,000
61024	COMPACT SEDANS	5	100,000 M	0 N	15	\$225,000	3	\$15,000.00	\$45,000.00	
61025	MID SIZE SEDANS	5	100,000 M	0 N	97	\$1,552,000	76	\$16,000.00	\$1,216,000.00	
61026	FULL SIZE SEDANS	5	100,000 M	0 N	1	\$20,000	1	\$20,000.00	\$20,000.00	
VB1	Vans & Buses_1 seats 9-20				1	\$26,000	1			\$26,000
56002	VANS/BUSES - 9 TO 20 PASSENGERS	10	130,000 M	0 N	1	\$26,000	1	\$26,000.00	\$26,000.00	
MEC	Mobile Equipment_Construction				149	\$16,769,000	79			\$7,952,000
11001	COMPRESSORS	10	7,500 H	0 N	24	\$360,000	18	\$15,000.00	\$270,000.00	
19008	YARD CRANES	15	6,500 H	0 N	5	\$95,000	2	\$19,000.00	\$38,000.00	
25001	MOTOR GRADERS	13	12,000 H	0 N	20	\$4,800,000	12	\$240,000.00	\$2,880,000.00	
25003	MAINTAINERS	12	10,000 H	0 N	1	\$240,000	1	\$240,000.00	\$240,000.00	
33002	WHEELED LOADERS	12	12,000 H	0 N	44	\$6,600,000	13	\$150,000.00	\$1,950,000.00	
43001	SELF PROPELLED SWEEPERS	10	9,000 M	100,000 H	2	\$320,000	2	\$160,000.00	\$320,000.00	
49001	TRACTOR/MOWERS	12	3,000 H	0 N	2	\$100,000	2	\$50,000.00	\$100,000.00	
49002	TRACTOR/LOADERS	12	6,000 H	0 N	27	\$2,025,000	21	\$75,000.00	\$1,575,000.00	
49003	TRACTOR/LOADER/BACKHOES	12	10,000 H	0 N	5	\$375,000	3	\$75,000.00	\$225,000.00	
49007	FORK LIFTS	12	6,000 H	0 N	3	\$150,000	2	\$50,000.00	\$100,000.00	
49013	SKID STEER LOADERS	12	5,000 H	0 N	9	\$450,000	0	\$50,000.00	\$0.00	
59001	TRAILER WELDERS	15	5,000 H	0 N	1	\$0	1	\$0.00	\$0.00	
61003	CORE DRILLS	15	12,000 H	0 N	5	\$1,250,000	1	\$250,000.00	\$250,000.00	
61020	BOILER AND STEAM CLEANER	20	10,000 H	0 M	1	\$4,000	1	\$4,000.00	\$4,000.00	
TRE	Trailers_Equipment_Flatbed				9	\$45,000	7			\$35,000
53002	TRAILERS	10	10,000 H	180,000 M	9	\$45,000	7	\$5,000.00	\$35,000.00	
TRENC	Trailers_Enclosed				2	\$20,000	2			\$20,000
53007	BOX TRAILERS	10	0 H	0 M	2	\$20,000	2	\$10,000.00	\$20,000.00	
AE	Associated Equipment				236	\$3,550,000	85			\$1,275,000
61002	SLIDE-IN SPREADERS	15	12,000 H	0 N	234	\$3,510,000	85	\$15,000.00	\$1,275,000.00	
61076	SELF PROPELLED SCISSORS LIFT	10	H	N	2	\$40,000	0	\$20,000.00	\$0.00	
						\$77,611,000			Total =	\$30,607,000

Notes: Approx. acquisition costs paid to purchase the current fleet \$54.9 million
 Approx. depreciated value of the current fleet \$20.9 million
 Column J: 'Target Funding Level / Yr.' represents a per year requirement for equipment replacement based on expected life.

To catch up over time:

1 yr	\$30,607,000
5 yrs	\$6,121,400
	\$3,060,700
	\$2,040,467

