

LATE DISTRIBUTION FOR COUNCIL - May 5, 2009

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ADMINISTRATIVE REPORT

Report Date: April 14, 2009
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Meeting Date: May 5, 2009

TO: Vancouver City Council

FROM: General Manager of Engineering Services
Chief Constable

SUBJECT: "Not-Like-For-Like" Vehicle Replacements - Vancouver Police Department

RECOMMENDATION

- A. THAT, Council approve an increase in the Truck and Equipment Plant Account allocation from \$107,500 to \$160,000 for the "not-like-for-like" replacement of two (2) units for the Vancouver Police Department fleet.
- B. THAT the capital and operating costs be repaid to the Truck and Plant Account through annual charges of \$69,400, funding to be provided by existing Vancouver Police Department Operating Budget.

COUNCIL POLICY

Council approves expenditures from Reserves, including the Truck and Equipment Plant Account.

Council approves all increases in service levels, including the addition of vehicles and equipment to the fleet.

PURPOSE

The purpose of this report is to seek Council approval for the "not-like-for-like" replacement of two (2) authorized units in the Vancouver Police Department (VPD) fleet to meet the operational needs of the VPD Dog Squad Unit.

BACKGROUND

In 2007 Equipment Services and Corporate Budgets established a Vehicle and Equipment Replacement Process to define the two (2) types of equipment replacements and the approval method for each. This Equipment Services fleet policy can be seen in Appendix A. The first type, a "like-for-like" replacement, is considered when the new unit is similar in class, cost,

or operational usability to the existing unit in the fleet. The financial implications of the "like-for-like" replacement are presented to Corporate Budgets for concurrence and approval.

In cases where the characteristics listed above differ, "not-like-for-like" replacement approval is required. The approval method for the "not-like-for-like" replacement depends on whether the usability and the incremental capital and operating costs are within limits set out in the fleet policy. "Not-like-for-like" replacements that are within the limits can be directed to Corporate Budgets for approval. Council approval is required for "not-like-for-like" replacements that are outside of the limits because the replacement units differ significantly in cost or use (service level) compared to the unit originally approved by Council.

DISCUSSION

Dog Squad Unit - Drug Dog Team Full-Size Sedan

In 2005, the Dog Squad Unit transitioned from the use of full-size sedans to sport utility vehicles (SUVs). The change to SUVs increased payload and volume capacity so that dog handling teams could transport all of their operationally required equipment. Since 2005 the Dog Squad Unit has expanded their response profile so that dog teams are now cross trained to respond to all calls. This has resulted in additional payload requirements so that now each vehicle carries a wide variety of equipment, including ballistic equipment, cold and wet weather gear, dog handling equipment, crowd control equipment, ERT gear, training gear, and an explosives safe. In 2005 when this vehicle change was requested seven (7) out of eight (8) full-size sedans were replaced with SUVs. The eighth sedan, unit C8258, was not up for replacement at that time, so for the last three (3) years it has been used by the drug dog teams. The Dog Squad is now planning to replace the drug dogs with dogs that will be cross-trained to respond to all calls. Therefore, the teams that share this vehicle will now require the additional payload capacity and volume that an SUV provides to handle their expanded equipment requirements.

Dog Squad Unit - Training Van

The VPD Dog Squad unit has a mandatory training requirement to ensure that dog teams meet or exceed minimum training requirements set out in the British Columbia Municipal Police Dog Training Standards. This high level of training is required to ensure that teams have sufficient skills to avoid risks to the public, to dog teams, and to ensure that the VPD and the City do not incur additional legal liability. This training includes but is not limited to:

- 14 week recruit training (14 weeks, 3 vehicles)
- Bi-annual Advanced Officer Safety Course (2 weeks total, 2 vehicles)
- Bi-annual Explosives Course (2 weeks total, 1 vehicle)
- Bi-annual CPCA seminars and trials (2 weeks total, 1 vehicle)
- Tri-monthly in-service training (36 days total, 2 vehicles)
- Annual drug and validation training

A van, unit A8963, was assigned to the Dog Squad Unit to transport trainers to training events, but the trainers require operational vehicles because of the nature of the training and the wide variety of gear they use. This, coupled with the van not being a suitable vehicle for patrol operations, has resulted in the van getting very little use. As a result of the Dog Squad Unit's intensive training requirements (in excess of 25 weeks per year) there can be up to three (3) operational vehicles that are being used by trainers at any one time. Since seven (7) dog handlers are still on duty, three (3) handlers end up without a vehicle and thus are not

able to respond to calls. It is therefore recommended that the underutilized van, A8963, be replaced with an SUV in the Dog Squad fleet.

The Dog Squad van, unit A8963, is not currently up for replacement; however there is a need for a passenger van in the VPD Operations Division for transporting personnel to callouts and special events. Currently transport is done using multiple marked vehicles, renting vans, and borrowing unit A8963 when it is available. The Operations Division has borrowed unit A8963 from the Dog Squad Unit 42 times in the last 6 months, and have rented vans any remaining times at an additional cost of \$5,800. It is therefore recommended that unit A8963 be moved from the Dog Squad fleet to the Operations Division fleet to minimize unbudgeted expenditures, and maximize the van usage. A marked patrol vehicle, unit A8204, would then be moved from the Operations Division fleet to the Dog Squad fleet. Once in the Dog Squad fleet, unit A8204 would be replaced with an SUV, as A8204 is on the Corporate Budgets approved 2009 Replacement Program.

An additional SUV will give the Dog Squad a suitable vehicle for trainers to use, thus minimizing the number of vehicles that are removed from operations and maximizing the number of handlers that are available to respond to calls. As stated in the discussion above, an SUV is required as all the dog teams are cross-trained to respond to all calls, so the vehicles are required to carry a wide variety of equipment.

To summarize, it is recommended that:

1. Unit C8258, a marked patrol vehicle, is replaced with an unmarked SUV.
2. Unit A8963, a van, is moved from the Dog Squad Fleet into the Operations Division.
3. Unit A8204, a marked patrol vehicle, is moved from the Operations Division fleet into the Dog Squad fleet, and replaced with an unmarked SUV.

These replacements will not affect the overall number of approved vehicles in the VPD fleet.

FINANCIAL IMPLICATIONS

Table 1 compares the annual VPD Operating Budget requirements of the two (2) "like-for-like" replacements to the "not-like-for-like" replacements. The incremental funding of \$20,400 for the two (2) "not-like-for-like" replacements will be provided by the existing VPD Operating Budget.

Table 1 - Comparison of Annual Costs for "Like-for-Like" vs. "Not-Like-For-Like" Replacements

Unit	"Like-For-Like" Replacement			"Not-Like-For-Like" Replacement			Incremental Funding Requirement	
	"Like-For-Like" Replacement Class Description	Expected Life	Annual Operating Budget	"Not-Like-For-Like" Replacemen Class Description	Expected Life	Annual Operating Budget		
C8258	Auto, Police, Canine	5	\$29,750	Truck, Police, SUV, 1/2 ton, Canine, Unmarked	6	\$34,700	\$4,950	
A8204	Auto, Police Marked	5	\$19,250	Truck, Police, SUV, 1/2 ton, Canine, Unmarked	6	\$34,700	\$15,450	
Total			\$49,000				\$69,400	\$20,400

Currently the Truck and Equipment Plant Account has provisions for \$107,500 in capital costs for the two (2) existing units. The "not-like-for-like" replacements will require the capital provision in the Truck and Equipment Plant Account to be increased to \$160,000. It is normal that a revolving fund like the Truck and Equipment Plant Account has annual balance fluctuations. The Truck and Equipment Plant Account balance and future projections have

been reviewed by Equipment Services and Corporate Budgets, and sufficient funding is available to accommodate the increased capital costs. Table 2 lists the cost breakdown of the current capital provisions, the proposed capital costs for the "not-like-for-like" replacements, and the annual operating budget requirements.

Table 2: Anticipated Capital and Operating Costs for "Not-Like-for-Like" Replacement Vehicles

Unit	Class Description	Expected Life	One-Time Capital Costs			Annual VPD Operating Budget Requirements		
			Current Approved	Proposed	Capital Cost Increase	Annual Capital Costs	Annual Operating Costs*	Total Annual Costs
D8258	Truck, Police, SUV, 1/2 ton, Canine, Unmarked	6	\$58,000	\$80,000	38%	\$14,650	\$20,050	\$34,700
B8204	Truck, Police, SUV, 1/2 ton, Canine, Unmarked	6	\$49,500	\$80,000	62%	\$14,650	\$20,050	\$34,700
			\$107,500	\$160,000	49%	\$29,300	\$40,100	\$69,400

*Includes maintenance, fuel, and insurance.

The incremental capital costs of these replacements surpass the maximum 35% allowable increase to be directed to Budgets for approval. These "not-like-for-like" replacements are therefore directed to Council for approval.

ENVIRONMENTAL IMPLICATIONS

All new and replacement vehicles in the City fleet go through an environmental/right-sizing review process. This is to ensure that the vehicle will not only meet the user's operational needs but has the best combination of fuel efficiency and cost effectiveness. The default patrol vehicle for the VPD is a Ford Crown Victoria Police Interceptor due to its performance characteristics in regards to handling, power, and acceleration, its high safety rating, its payload capacity, and its heavy duty construction. Only if there is a demonstrated operational need is a larger or different vehicle chosen.

In the case of the Dog Squad Unit a site visit and interview was done to determine the cargo and passenger requirements of their new vehicles. Due to their need to carry trained dogs, multiple staff, and a wide variety of equipment it was determined that a sport utility vehicle would be the most efficient vehicle to meet these operational needs. The vehicles chosen will likely be Ford Expeditions, having 8 cylinder engines and a combined fuel economy of 14.7 L/100 km (16 mpg). The combined fuel economy of the Ford Crown Victoria is 12.4 L/100 km (19 mpg).

One of the Dog Squad's roles is to support the VPD's Emergency Response Team and as such teams carry a substantial amount of additional equipment and require high performance breaking and acceleration. Other units were considered for this application including midsize station wagons and the Ford Escape Hybrid. Unfortunately neither met the safety, size, and performance requirements of the Dog Squad and neither was available with Police Performance Packages.

The City of Vancouver has a number of environmental vehicle programs in place, such as the use of micro cars, hybrids, and bio-diesel that help to offset these occasional circumstances where a full size SUV is required.

The increase in the City's green house gas emissions due to the "not-like-for-like" replacement of these two vehicles is approximately 14 tonnes per year.

CONCLUSION

To meet the ongoing operational requirements of the VPD Dog Squad Unit, two (2) "not-like-for-like" replacement units are required. Accordingly, we recommend that the Truck and Equipment Plant Account capital provision for these two (2) vehicles be increased from \$107,500 to \$160,000 to fund the purchase of two (2) SUVs. The incremental funding of \$20,400 for the two (2) "not-like-for-like" replacements will be provided by the existing VPD Operating Budget.

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**POLICIES AND PROCEDURES
Equipment Services**

Category: Operations

Subject: Procurement

Policy Number: 4.1.3

Vehicle/Equipment Replacement Process

Purpose

The Equipment Services Branch is responsible for administering the Truck and Equipment Plant Account. As part of the 2007/2008 Replacement Program process, the Equipment Service Branch was tasked by Corporate Budget Services to document the processes used for replacing vehicles and equipment funded from this funding source.

Scope

This Policy deals with all units funded from the Truck and Equipment Plant Account.

Process

There are two methods of replacing units funded from the Plant Account. Regardless of the method, the capital costs of the unit (minus estimated resale) must be paid back to the Plant Account in full before the unit can be replaced. Additionally, economic modeling techniques are to be used to determine optimal life of the unit based on maintenance and operating cost history for the class of unit being replaced.

Like for Like Replacement (LFLR)

The Equipment Services Branch is to ensure that there are sufficient funds available in the Plant Account for a LFLR. A LFLR means that the new unit being procured is similar in class, size, operational usability, and is of similar financial value of the unit being replaced.

Financial implications of the LFLR are to be presented to COV Budgets for concurrence before the unit can be replaced.

Not Like for Like Replacement (NLFLR)

A NLFLR is used in place of LFLR for vehicles and equipment that are need of replacement and differ in class, size, cost or operational use from the unit being replaced. The NLFLR can be performed when:

- Net annual ownership cost (capital and operating) of the replacement unit are similar or less than the unit being replaced and,
- Incremental cost of the replacement unit does not surpass 35% of a LFLR (net outfitting), up to a maximum of \$300,000, unless there is proven improvement in operational productivity that decreases operational costs or increase City revenues in excess of the annual increase in fleet costs and,
- The replacement is not a component of a larger change in fleet standard for a particular class of replacement.

If any of the above criteria for NLFLR's are not met, the replacement is to be directed to Council.

Issued by: Mani Deo	Approved by: 	Date: January 15, 2007
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