
Procedure to Conduct Fleet and Equipment Evaluation

Date Approved: **DRAFT**

Section: Capital Asset Management

Date of Last Updated:

Lead: Director, Operations

Keywords: Capital Asset Management, Asset Evaluation

Supports: **Policy CAM-002 – City of Selkirk Asset Evaluation Policy**

OBJECTIVES

Procedure to follow when evaluating the condition of any fleet, machinery or equipment assets from the City of Selkirk Asset Registry.

SUPPORTING POLICY, PROCEDURES, AND TOOLS

Policy

CAM-002-002 Capital Asset Evaluation Policy

Procedures

CAM-001-006 Procedure to Update the Condition of an Asset in the Registry

Tools

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1 EVALUATE CURRENT REPLACEMENT COST

Who: Manager of Buildings and Fleet

- 1.1 The asset registry displays the current replacement value under the “Current Year Replacement Cost Field”.

2 DETERMINE TOTAL DEFERRED REPAIRS

Who: City of Selkirk Mechanic

- 2.1 “Deferred Repairs” is defined as work on the maintenance of physical asset (fleet, machinery or equipment) that has been postponed. This value is to be calculated on a two-year cycle by a City of Selkirk Mechanic.

3 DETERMINE TOTAL ANNUAL COST OF MAINTENANCE

Who: Manager of Buildings and Fleet

- 3.1 Determine the total annual maintenance costs for the fleet, machinery or equipment asset being evaluated. This value should be acquired from the City's financial reporting software.

4 CALCULATE FECI SCORE

Who: Manager of Buildings and Fleet

- 4.1 Once all of the variables have been determined, calculate the Fleet and Equipment Condition Index score by completing the following equation:

$$\text{Fleet and Equipment Conditional Index} = \frac{\text{Total Annual Maintenance} + \text{Total Deferred Repairs}}{\text{Current Year Replacement Value}}$$

5 TRANSLATE FECI SCORE TO CONDITIONAL RATING

Who: Manager of Buildings and Fleet

- 5.1 Once the FECI score has been calculated, it must be translated into a City of Selkirk conditional rating score. The following tables are used to translate a FECI score into a Fleet Asset condition score, or Machinery & Equipment asset condition score.

Fleet			
FECI	Rating	Condition	Description
0% - 2%	1	Very Good	Asset is in like new condition. Maintenance activities are focused on inspection and routine maintenance to preserve the asset.
3% - 10%	2	Good	No remedial work is required. Preventative maintenance procedures are in place.
11% - 20%	3	Fair	Asset systems are aging. Minor remedial work will be needed. Maintenance budget increasing.
21% - 30%	4	Poor	Replacement of major components required. Major remedial work is required.
> 30%	5	Very Poor	Asset requires replacing or major upgrades required.

Machinery & Equipment			
FECI	Rating	Condition	Description
0% - 2%	1	Very Good	Asset is in like new condition. Maintenance activities are focused on inspection and routine maintenance to preserve the asset.
3% - 10%	2	Good	No remedial work is required. Preventative maintenance procedures are in place.
11% - 20%	3	Fair	Asset systems are aging. Minor remedial work will be needed. Maintenance budget increasing.
21% - 30%	4	Poor	Replacement of major components required. Major remedial work is required.
> 30%	5	Very Poor	Asset requires replacing or major upgrades required.

6 UPDATE ASSET REGISTRY

See Section 1 of *Procedure to Update the Condition of an Asset in the Registry*.