
**EQUIPMENT RENTAL AND REVOLVING FUND (ER&R)
Policy & Procedure 860**

Table of Contents

.1 Purpose..... 1

.2 Applicability 1

.3 Authorities..... 1

.4 Policies – Equipment Rental..... 3

.5 Policies – ER&R Central Stores..... 4

.6 Policies – Fuel Depot 4

.7 Policies – Mechanic Shop 5

.8 Policies – Pits and Quarries..... 6

.9 Policies – Sign Fabrication Shop 6

.10 Policies – Facility Rental and Construction..... 6

EQUIPMENT RENTAL AND REVOLVING FUND

.1 PURPOSE

- To provide policies and procedures for administration of the ER&R Fund. (R.C.W. 36.33A directs every county to establish, by resolution, an “equipment rental and revolving fund”, but does not provide specific policies for administering this fund.) The Board of Commissioners created the Equipment Rental and Revolving Fund by Resolution 184, 1977.
- To identify procedures for establishing rates, service levels, and replacement equipment and services provided within this fund.
- To establish cost containment procedures that reflect proper fiscal management of these resources and ensure proper equipment maintenance and replacement.
- To provide safe, cost effective, reliable transportation and equipment that meets the County's needs.

.2 APPLICABILITY

This policy applies to all Clallam County offices and departments and to county officials (elected officials and department heads), and their employees, that utilize ER&R resources and services.

.3 AUTHORITIES

3.1 Vehicle or equipment purchase requests

Vehicle or equipment purchase requests will be made on the appropriate replacement or addition request form, provided by ER&R. The request must be signed by the appropriate county official, before it will be processed by ER&R.

3.2 Replacement

The ER&R Division Manager shall make the initial decision as to whether a piece of equipment qualifies for replacement and with what make, model, or type of equipment it is to be replaced with. If the requested vehicle or equipment is an appreciable upgrade, a cost overrun contribution may be required from the requesting department.

3.3 Appeal ER&R Decision

If the decision made by the ER&R Manager is not acceptable to the county official, their reasons for disagreement, along with their specific request shall be given to the Director of Public Works for review. The Director of Public Works will either determine in favor of the ER&R Manager, or provide an alternative decision based on additional information received. The decision of the Public Works Director will be given to the county official for approval. If the department approves the decision, the ER&R Manager will pursue

replacement. If the decision is not approved the county official may appeal the decision to the County Administrator, whose decision will be final.

3.4 ER&R Rates

The rates for all ER&R services will be developed by the ER&R Manager and submitted to the County Engineer for approval. The proposed rates will be presented to the Director of Public Works who, as part of the annual budget process, will consider the rates along with the ER&R Fund budget and submit a recommended rate resolution to the Board of Clallam County Commissioners for approval, along with specific budget documents. The Board of Clallam County Commissioners shall set the ER&R rates by resolution.

4 POLICIES – EQUIPMENT RENTAL

4.1 Rates

Rates shall reflect 100 percent of annual expense, including depreciation, fuel, labor and parts for repairs and service, insurance, indirect costs and overhead.

4.2 Base Vehicle/Equipment

The ER&R Manager shall determine the base vehicle or equipment to be provided and what standard accessories are supplied with the vehicle or equipment. Standard equipment shall include fire extinguisher, first aid kit (users to keep stocked after original installation), and factory/dealership installed accessories ordered with vehicle or equipment.

4.3 Auxiliary Equipment

ER&R shall recover costs for all auxiliary vehicle and equipment accessories at the time of purchase and installation, rather than recovering costs over life of vehicle or equipment.

4.4 Upgrades

ER&R shall recover costs for renting department's requested upgrades to standard vehicle or maintenance parts, not typically stocked or supplied by the central stores portion of ER&R, at the time of purchase and installation.

4.5 Cost Efficiency

In an effort to keep rental rates cost-effective, the ER&R Manager shall place an emphasis on purchase price, fuel efficiency, and appropriate class size, make, and models when purchasing vehicles and equipment.

4.6 User Responsibility

Each Department or its assigned user shall be responsible to keep ER&R vehicles and equipment appropriately clean, both inside and outside. ER&R will not pay for car washing costs.

4.7 Department Responsibility

Each Department will be responsible for paying its own ferry fees, traffic infractions, and parking fees. They will not be charged to or paid through the ER&R Fund.

4.8 Fuel

ER&R will not reimburse renting departments for any fuel purchases made at non-ER&R fuel depots unless ER&R-provided fuel credit cards are used or prior authorization is given. Renting departments may check out ER&R-provided fuel credit cards at the Public Works accounting office for trips outside the County. Upon completion of the trip, the renting department shall promptly return the credit card to the Public Works accounting office.

4.9 Damaged Vehicle/Equipment

If a vehicle or piece of equipment is wrecked or damaged, or for any other reason outside of ER&R's responsibility, its service is lost prior to its depreciated life, it will be the responsibility of the renting department to pay the difference in costs to replace or repair it, as ER&R does not carry collision insurance on vehicles or equipment.

4.10 Pool Vehicles

The ER&R Manager will provide pool vehicles for those departments that don't have need for permanently assigned vehicles or for vehicles such as travel vans used periodically for group travel. Short-term rental rates shall be established for these vehicles and invoiced to the department.

4.11 Minimum Rental

For vehicles or equipment that are not used enough to cover their depreciation or do not meet fiscal yearly requirements established by ER&R, renting department shall pay the annual minimum set for such equipment.

4.12 Inventory

If a vehicle or piece of equipment is turned back to ER&R and no longer needed by the department, it shall become part of the ER&R inventory. The department shall not receive any reimbursement from ER&R for past use or surplus value.

.5 POLICIES – ER&R CENTRAL STORES

5.1 Staff Time Reporting

All time reporting by staff will be posted to the appropriate accounting codes, division, and department.

5.2 Inventory Charges

Inventory shall be charged out, including cost plus overhead associated with managing the inventory, to the appropriate vehicle, equipment, division, or department.

5.3 Bidding

ER&R will strive to consolidate ordering, properly bid out purchases, and keep the vendor list to a minimum.

5.4 Accounting

ER&R will strive to keep monthly voucher counts and accounting workload as low as possible.

5.5 Consolidated Ordering

When there is a cost or labor savings, centralized shop ordering for all three shops to ER&R in District #2 shop will be considered.

.6 POLICIES – FUEL DEPOT

6.1 Fuel Charges

Fuel will be charged against vehicle or equipment at cost plus proper overhead. Adjustments will be made off of the previous month's average price.

6.2 Competitive Prices

ER&R will pursue bid procedures or piggyback onto already bid contracts for fuel, fuel delivery, and service contracts to secure competitive price and service.

6.3 Fuel Card Limitations

Renting departments shall use fuel cards for ER&R vehicles only and not for personal use. ER&R shall maintain an accurate fuel card inventory.

6.4 County Fuel Credit Cards

Fuel purchases for ER&R vehicles other than at County fuel depots will be made with County fuel credit cards. Cash or personal credit card purchases are strongly discouraged, as federal fuel taxes are assessed and not reclaimable. County fuel credit cards are available for use for extended trips.

.7 POLICIES – MECHANIC SHOP

7.1 Shop Rates

Shop rates will be set based on wages, benefits, shop supplies, environmental surcharges, training, utility fees, indirect costs, and overhead. Shop rates will be reviewed and adjusted annually as necessary.

7.2 Outsourcing

Outsourcing will be used when necessary and cost-effective.

7.3 Vehicle/Equipment Maintenance

The user department and the equipment or vehicle user shall be responsible to deliver vehicle or equipment to the shop for regular scheduled maintenance and/or repair service.

7.4 Broken Down Vehicle/Equipment

When vehicle or equipment is broken down or cannot be safely brought in for service by user, the user shall contact ER&R or the shop, and they will arrange for pickup or service in the field.

7.5 Misuse/abuse

Any service or repair outside of routine service or regular repairs, determined to be the result of misuse and/or abuse of the vehicle or equipment by the renting department, will be reviewed by the ER&R Manager and the renting department to determine if additional charges for the work will be assessed to the renting department or if the life span will be extended to cover repair costs.

7.6 Renter Responsibility

The renting department is responsible to protect the finishes of the vehicle or equipment, other than normal wear and tear, and to use the vehicle or equipment in the most appropriate manner to protect its useful life. Cosmetic repairs will be charged directly to the renting department outside of the regular rental rate. ER&R will review repairs and cost estimate(s) with renting department.

.8 POLICIES – PITS AND QUARRIES

8.1 Unit Prices

Unit prices for pit run and reject will be established to recover the annual costs of permits, stormwater controls, pit reclamation, required testing, and pit management operations and will be adjusted annually if/as necessary to meet these costs.

8.2 Rates for Manufactured Products

Rates for manufactured products will be established based on unit contract prices, stockpile costs, and appropriate indirect costs and overhead. The ER&R Division Manager will review this, along with product needs, with the County Engineer before establishing the rates each year.

8.3 Future Pit Operations

Rates for products are not set to collect additional funds for future pit operations, only management of the pits and existing products.

8.4 Storage

Storage of road equipment and supplies will be allowed as long as they meet the pit permit and management requirements. Road crews will coordinate their use of pits with the ER&R Division Manager. The Road and ER&R Divisions shall jointly be responsible for security and ongoing cleanup and organization of the pit and quarry sites.

.9 POLICIES – SIGN FABRICATION SHOP

Rates will be established and charged out according to costs plus overhead and rates established by ER&R.

.10 POLICIES – FACILITY RENTAL AND CONSTRUCTION

10.1 Facility Space Rental Rate

Facility space rental rate will be established to recover the costs of supplies, utilities, and general maintenance of existing structures.

10.2 Shop Rental Rate

Shop rental rate does not include collection of funds to replace structures or make improvements or alterations to them.

10.3 Cost Distribution

ER&R and Roads will determine appropriate cost distribution for facility rental, crew laundry costs, medical supply costs, operating supplies, and cleaning of the spaces, so that items are charged against the appropriate fund.