

State Equipment Fleet Replacement

FY2017 Request: \$20,000,000

Reference No: 30628

AP/AL: Appropriation

Project Type: Equipment / Commodities

Category: Transportation

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Mike Vigue

Estimated Project Dates: 07/01/2016 - 06/30/2021

Contact Phone: (907)465-4070

Brief Summary and Statement of Need:

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.

Funding:	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>Total</u>
1026 Hwy Capitl	\$20,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$95,000,000
Total:	\$20,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$95,000,000

- | | | | | |
|---|---|---------------------------------------|---|--|
| <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
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

- Sec1 Ch38 SLA2015 P7 L10 SB26 \$15,000,000
- Sec1 Ch18 SLA2014 P64 L3 SB119 \$15,000,000
- Sec1 Ch16 SLA2013 P79 L15 SB18 \$15,000,000
- Sec1 Ch17 SLA2012 P136 L28 SB160 \$15,000,000
- Sec1 Ch5 SLA2011 P102 L8 SB46 \$18,322,600
- Sec7 Ch43 SLA2010 P37 L30 SB230 \$15,000,000
- Sec1 Ch15 SLA2009 P22 L12 SB75 \$15,000,000
- Sec10 Ch29 SLA2008 P78 L19 SB221 \$15,000,000
- Sec4 Ch30 SLA2007 P104 L6 SB53 \$15,000,000

Project Description/Justification:

The economic life of equipment is constantly monitored to obtain the lowest life-cycle cost possible. 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.

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

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needed. Failure to replace equipment at the appropriate time results in higher operating and life-cycle costs. These higher costs are directly reflected in the operating rates of user agencies in future fiscal years.