

	STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES		POLICY AND PROCEDURE NUMBER 11.04.030	PAGE 1 of
	Policy and Procedure		EFFECTIVE DATE June 16, 2000	
SUBJECT Equipment Maintenance		SUPERSEDES		DATED
TITLE State Equipment Fleet	CHAPTER Equipment Use, Care and Maintenance	APPROVED BY Signature on File		

PURPOSE AND SCOPE

Introduction:

- A. Appropriate equipment maintenance standards and practices must be followed to ensure the reliability and safety of vehicle and equipment operation. A proper maintenance program is also necessary to safeguard the state's investment in equipment resources and to optimize the return on this investment.
- B. The purpose of this procedure is to establish the standards and guidelines to be followed in maintaining the state's equipment and vehicle fleet.

Note: Separate procedures have been developed for Preventive Maintenance (DPDR 11.04.031), and are incorporated by reference.

Responsibility/Performance:

SEF Regional Managers:	Ensure compliance with these procedures in all repair locations.
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Definitions:

Cannibalization: The practice of removing parts or components from a piece of equipment for installation on another unit.

Failure Analysis: Determining the cause of failure of a part or component through analysis of the failure wear pattern or using other relative information.

OEM: An acronym for Original Equipment Manufacturer.

Reference:

DOT&PF Policy: *Maintenance of State Owned Equipment*, DPOL 11.04.004.
SEF Procedure: *Preventive Maintenance*, DPDR 11.04.031.

DISTRIBUTION

All holders of the Department of Transportation & Public Facilities Procedures Manual.

PROCEDURE

A. Equipment Policy Statement.

As stated in DPOL 11.04.004, it is the policy of the department that all state owned equipment is to be maintained in accordance with OEM recommendations and standard industry practices to the extent practicable. Due consideration is to be given to the particular operating circumstances of the equipment, its assigned location, and the job task. This policy extends to Non, Dry, and Wet Rental status.

B. Preventive Maintenance.

In accordance with DPDR 11.01.031 and its procedures, all equipment under SEF control will receive regular scheduled preventive maintenance.

C. Parts Replacement.

To the extent practicable, all parts including fasteners used in the repair or maintenance of SEF equipment will be OEM or equivalent.

D. Major Overhaul.

Major overhauls are defined as significant refurbishment or major component replacement. The Regional SEF Manager will approve all major overhauls that will have a total cost in excess of 50 percent of the unit's current book value.

E. Capitalization.

All qualifying major repairs and refurbishment for Wet and Dry Rental equipment should be considered for capitalization (see SEF DPDR 11.04.019, *Equipment Capitalization*). All requests for capitalization must be approved in advance by the Statewide SEF Manager.

F. Cannibalization.

1. Cannibalization and other salvage actions of SEF controlled equipment require a Property Salvage Destruction Request 02-610, Attachment A, approved through the Statewide SEF Manager to the State Property Officer, Department of Administration. No cannibalization will commence prior to final approval being received from the DOA State Property Officer.
2. SEF Headquarters will issue a replacement credit to the cannibalized vehicle owner. The credit will be equal to the fair market value of the asset as determined by the Statewide SEF Manager. The receiving parts depot

will reimburse the SEF Headquarters replacement account for the credit. The unit then becomes an asset in the depot's parts inventory account. The capitalized value of the unit will be reduced to zero. Parts removed from the cannibalized vehicle will be priced on the work order at 25% of new parts cost and subtracted from the inventory account value of the vehicle. When cannibalization has reduced the parts inventory account value to zero the work order price for additional cannibalized parts will also be zero.

3. All labor to remove and install the cannibalized parts will be charged to the unit on which the part is installed. When a cannibalized part is used as a rebuild and entered in the parts depot inventory as a rebuild, the rebuild cost will include all labor, parts, and 25% of the new parts cost for those parts that are cannibalized. The 25% parts cost will be subject to the zero asset limitation.

G. Modifications.

Alterations and/or modifications of SEF controlled equipment requires the written approval of the Regional SEF Manager.

H. Technical Analysis.

Oil analysis, failure analysis, and other forms of technical analysis will be used where appropriate and in accordance with standard industry practices.

I. Repair of Damages.

Damage caused by accident or misuse is to be repaired only when it is cost effective to do so. The SEF Regional Equipment Manager has the authority to repair or remove excessively damaged vehicles from the user. In those cases when the vehicle is to be excessed, the responsible users will be assessed the cost to make up the difference between what the damaged vehicle sold for and its SEF book salvage value. It is the policy of SEF not to allow excessively damaged vehicles to operate on public highways.

Attachments

ATTACHMENT A - Property Salvage Destruction Request

