SUPPORT SERVICES

Replacement of Equipment

I. PURPOSE

This regulation provides instructions and guidelines to serve as a basis for replacement of equipment.

II. SCOPE

This regulation is applicable to all personnel who have responsibility for managing and accounting for equipment in the School Division.

III. DEFINITIONS

A. Regulation 422-1 defines property classifications and inventory procedures. The terms, statements, and definitions included in that regulation will assist managers in implementation actions associated with replacement of equipment.

B. Equipment is defined as any instrument, machine, apparatus, or set of articles which is non-expendable. This includes all furniture regardless of cost but does not include equipment valued at less than $500 (initial cost), such as electric pencil sharpeners or inexpensive hand tools.

C. Equipment may be further defined as fixed assets for inventory purposes. Fixed assets include items that are identified by manufacturer serial number and maintained on the building inventory by the placement of a bar-coded PWCPS tag number on each item. Fixed assets also include furniture that is maintained on building inventories by item total count. Tags will not be placed on furniture.

D. Equipment which has been leased for a period of time exceeding six months and has a purchase option will be included in the inventory and considered in a replacement equipment plan.
IV. REPLACEMENT CRITERIA

An item of equipment may qualify for replacement provided it meets one of the following criteria:

A. Unserviceable, non-repairable, or uneconomical to repair as determined by the Director of Facilities Management Services.

B. Unsuitable for instructional or other programs as recommended by a supervisor or director and approved for replacement by the appropriate associate superintendent; or

C. Items that have been lost through vandalism or theft and have been properly reported to the Office of Risk Management and Security Services.

V. REPLACEMENT STANDARDS

A. Furniture has a life expectancy of twelve years and is not to be replaced unless:

1. Furniture including office, classroom, and household, shall be replaced when the estimated cost of repair including transportation expense, exceeds at least fifty percent of the cost of a new item of the same type and quality. Cost will be based on latest available market price. In situations when repair would not extend the useful life for a period compatible with the cost of rehabilitation, the Director of Facilities Management Services may authorize the condemnation for disposal of the item.

2. The item has become functionally obsolete.

B. Electrically operated or electronic equipment under seven years of age shall not be replaced unless:

1. The estimated one-time repair or overhaul cost of an item of equipment, less than five years of age, exceeds fifty percent of the replacement cost for a comparable new model, without regard to trade-in or sale value,
2. The estimated one-time repair or overhaul cost of a piece of equipment five years of age and over exceeds twenty percent of the replacement cost for comparable new model, without regard to trade-in value or sale value, or

3. The item, though operational, is functionally obsolete.

C. Non-electric or non-electronic equipment may be replaced under the following conditions when the Director of Facilities Management Services approves such replacement and a written justification is established:

1. In those instances where there is a continuing history of breakdowns with corresponding loss of productivity through downtime;

2. When equipment lacks essential features required for the performance of a particular task which is continuing in nature and other suitable equipment is not readily available;

3. When a piece of equipment is obsolete or when repair parts are not available, causing a machine to be out of service for an excessive period of time; or

4. When cumulative repair costs on an item of equipment is excessive. However, the fact that a machine accrues repair cost equal to the acquisition cost is not necessarily indicative of the current condition of a machine. For example, a substantial repair may have resulted in restoring the item of equipment to as-good-as-new condition.

VI. REPLACEMENT PROCEDURES

A. Unserviceable Items: An inspection or evaluation is required to determine if an item of equipment meets replacement criteria. Managers shall submit a maintenance work order request on the maintenance work order system for inspection of an item believed to be unserviceable.
If the item is found to be unserviceable, non-repairable, or uneconomical to repair, an Equipment Status/Evaluation Report (Form No. 7530-0380), shall be prepared, approved by the Director of Facilities Management Services or his designee, and forwarded to the budget holder that owns the item. If the item is found to be unserviceable, it is to be turned in to Supply Services for disposal action and removed from the budget holder's inventory.

B. Excess/Obsolete Items: Budget holders shall identify excess or obsolete items on an Equipment Status/Evaluation Report Form and submit to Supply Services for disposal action. Items that have the potential for reuse in the system will be identified as such to the budget holders by the Supervisor of Supply Services based on information provided on the form.

C. Items Lost Through Vandalism or Theft: The budget holder that has the loss will submit an Incident Report in accordance with Regulation 390-1 to the Director of Risk Management and Security.

1. The Director of Risk Management and Security will forward results of the report to Supply Services Inventory Control for proper status notation on items in the appropriate inventory. Items are to be replaced by the budget holder from operational budget and insurance funds from Risk Management if applicable.

   Items unaccounted for due to inventory shortage, or unexplained loss will not be considered missing as a result of theft or vandalism, unless there is evidence to do so.

VII. ANNUAL PLAN/FUNDING ALLOCATIONS

A. Items scheduled for replacement are to be included in the budget holder's Annual Plan.

B. Funds for equipment replacement are automatically allocated to buildings based on instructional needs and age of building. Requirements beyond the allocation are to be presented and justified in the budget proceedings.

The Associate Superintendent for Finance and Support Services is responsible for implementing and monitoring this regulation.

The Associate Superintendent for Finance and Support Services, or designee, is responsible for reviewing this regulation in 2010.

Prince William County Public Schools