



FLEET MANAGEMENT

PREPARED FOR:



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FLEET SYNOPSIS | CITY OF COALINGA

THE SITUATION

Current fleet age is negatively impacting the overall budget and fleet operations

- 44% of the light and medium duty fleet is currently 10 years or older
- 35% of the light and medium duty fleet is currently 6 years or older
- 10.3 years is the current average age of the fleet
- 17 years – time it would take to cycle the entire fleet at current acquisition rates
- Older vehicles have higher fuel costs, maintenance costs and tend to be unreliable, causing increased downtime and loss of productivity.

THE OBJECTIVES

Identify an effective vehicle life cycle that maximizes potential equity at time of resale creating a conservative savings of over \$467,568 in 10 years

- Shorten the current vehicle life cycle from 17 years to 5 years
- Provide a lower sustainable fleet cost that is predictable year over year
- Free up more than \$69,700 in capital from the salvage of 15 vehicles in the first year
- Significantly reduce Maintenance to an average monthly cost of \$55.52 vs. current \$135
- Reduce the overall fuel spend through more fuel efficient vehicles
- Leverage an open-ended lease to maximize cash flow opportunities and recognize equity.

Increase employee safety with newer vehicles

- Currently:
 - 7 vehicles predate Anti-Lock Brake standardization (2007)
 - 20 vehicles predate Electronic Stability Control standardization (2012)
 - *ESC is the most significant safety invention since the seatbelt*
 - 20 vehicles predate standardization of back up camera (2018)

Piggyback The Sourcwell awarded RFP #060618-EFM that addresses the following:

- Access to all fleet management services as applicable to the needs of the city
- Supports the city's need for fleet evaluation on a quarterly basis assessing costs and reviewing best practices

THE RESULTS

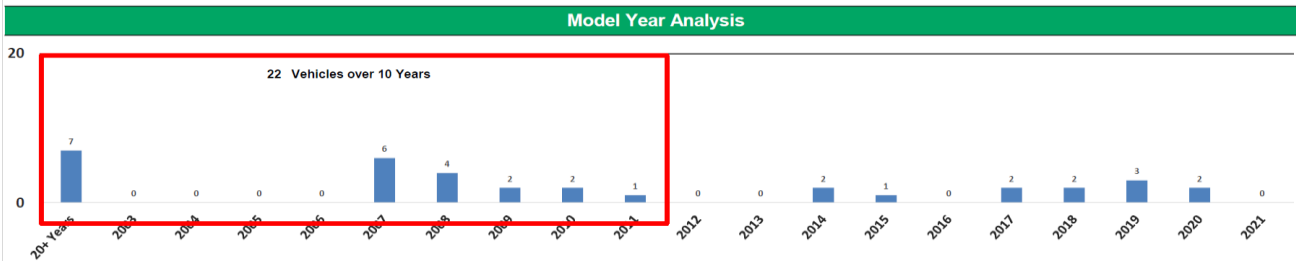
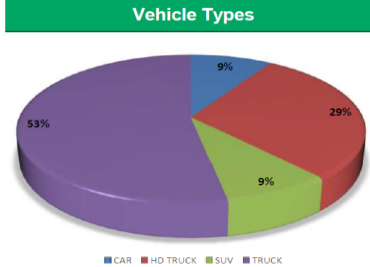
By partnering with Enterprise Fleet Management, City of Coalinga will be better able to leverage its buying power, implement a tighter controlled resale program to lower total cost of ownership and in turn minimize operational spend. City of Coalinga will reduce fuel costs by 28% and reduce maintenance costs from \$135 on average to \$55.42 per unit. Leveraging an open-end lease maximizes cash flow and recognizes equity from vehicles sold creating an internal replacement fund. Furthermore, City of Coalinga will leverage Enterprise Fleet Management's ability to sell vehicles at an average of 109% above Black Book value. By shifting from reactively replacing inoperable vehicles to proactively planning vehicle purchases, City of Coalinga will be able to replace all of its vehicles over the course of 5 years while creating an annual savings of \$39,541.

FLEET PLANNING ANALYSIS | CITY OF COALINGA

Non-Emergency Response Vehicle Fleet

City of Coalinga - Fleet Profile

Fleet Profile				Fleet Replacement Schedule						Replacement Criteria	
Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage	2021	2022	2023	2024	2025	Under-Utilized		
Full-size Sedan	3	11.6	6,800	3	0	0	0	0	0	* Fiscal Year 2021 = 10 years old and older, or odometer over 100,000 * Fiscal Year 2022 = 8 years old and older, or odometer over 80,000 * Fiscal Year 2023 = 6 years old and older, or odometer over 60,000 * Fiscal Year 2024 = 4 years old and older, or odometer over 40,000 * Fiscal Year 2025 = Remaining Vehicles * Underutilized = Annual Mileage less than 2,500	
Compact SUV 4x4	1	3.1	6,800	0	0	0	0	1	0		
Full Size SUV 4x2	1	21.4	6,900	1	0	0	0	0	0		
Full Size SUV 4x4	1	7.2	6,800	0	0	1	0	0	0		
Compact Pickup Ext 4x2	3	22.1	6,900	3	0	0	0	0	0		
1/2 Ton Pickup Reg 4x2	14	10.2	7,600	9	0	0	2	3	0		
1/2 Ton Pickup Quad 4x4	1	7.2	20,500	1	0	0	0	0	0		
3/4 Ton Pickup Reg 4x2	4	12.0	9,800	3	0	1	0	0	0		
1 Ton Cab Chassis	1	21.4	6,900	1	0	0	0	0	0		
1 1/2 Ton Cab Chassis	5	11.0	9,100	2	0	0	0	3	0		
Totals/Averages	34	12.0	8,200	23	0	2	2	7	0		



Confidential

3/18/2021

Enterprise
FLEET MANAGEMENT

City of Coalinga - Fleet Planning Analysis

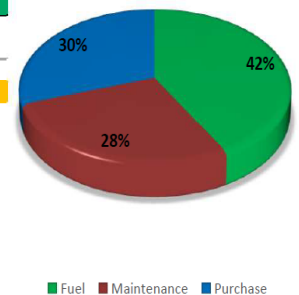
Current Fleet	34	Fleet Growth	0.00%	Proposed Fleet	34
Current Cycle	17.00	Annual Miles	8,200	Proposed Cycle	2.76
Current Maint.	\$135.00			Proposed Maint.	\$55.42
Maint. Cents Per Mile	\$0.20	Current MPG	10	Price/Gallon	\$3.00

Fleet Costs Analysis

Fleet Mix				Fleet Cost							Annual	
Fiscal Year	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Equity (Owned)	Equity (Leased)	Maintenance	Fuel	Fleet Budget	Net Cash
Incl. Tax												
Average	34	2.0	34	0	60,413	0			55,080	83,640	199,133	0
'21	34	23	11	23	0	141,172	-23,000	-75,498	33,115	68,971	144,760	54,372
'22	34	13	11	23	0	172,591	0	-75,498	33,115	68,971	199,179	-47
'23	34	15	9	25	0	181,649	-7,000	-81,238	31,205	67,696	192,312	6,821
'24	34	16	7	27	0	181,649	-13,000	-92,534	29,295	66,420	171,830	27,303
'25	34	23	0	34	0	220,597	-59,500	-227,944	22,610	61,956	17,719	181,413
'26	34	29	0	34	0	220,597		-109,479	22,610	61,956	195,684	3,448
'27	34	19	0	34	0	220,597		-125,273	22,610	61,956	179,890	19,242
'28	34	20	0	34	0	220,597		-109,479	22,610	61,956	195,684	3,448
'29	34	19	0	34	0	220,597		-155,684	22,610	61,956	149,479	49,653
'30	34	23	0	34	0	220,597		-227,944	22,610	61,956	77,219	121,913
									10 Year Savings		\$467,568	
									Avg. Sustainable Savings		\$39,541	

A 3D pie chart illustrating the cost breakdown. The green slice represents Fuel at 42%, the red slice represents Maintenance at 28%, and the blue slice represents Purchase at 30%.

Category	Percentage
Fuel	42%
Maintenance	28%
Purchase	30%



* Lease Rates are conservative estimates

**Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

CASE STUDY | CITY OF COALINGA

CASE STUDY | CITY OF SAN MARCOS



The City of San Marcos Reduces Costs by 27% and Replaces Aging Vehicles.

BACKGROUND

Location: San Marcos, CA
Industry: Government
Total vehicles: 90 vehicles

THE CHALLENGE

Half of The City of San Marcos' vehicles were operating past their useful life. The City's fleet was deteriorating rapidly, and many of the vehicles needed to be replaced to mitigate escalating repair and maintenance costs. Budget challenges prevented the City from purchasing new vehicles. Major repairs reduced the number of available vehicles, and the City vehicle downtime was significantly affecting its operations. Maintenance costs continued to erode the budget and interfere with the efficiency of City operations.

THE SOLUTION

Enterprise Fleet Management evaluated the City's entire fleet to identify the most cost-effective way to replace its aging vehicles. Ten vehicles were identified as under-utilized and completely removed from service. By implementing an open-ended lease structure, the City was able to replace the remaining ninety vehicles within a three-year period. The program did not require a large initial outlay of funds. The City of San Marcos was not burdened with extensive capital requirements for vehicle replacement, allowing them to replace highly important, heavy-duty and emergency vehicles first.

"The Enterprise Fleet Management lease program has not only alleviated some of the maintenance burden placed on our lean fleet maintenance staff and budget, it has also provided a level of flexibility that allows my team to promptly address the City's dynamic fleet needs without sacrificing service."

— Lisa Fowler, Public Works Manager- Administration & Fleet

The Full Maintenance Program provides a low fixed monthly cost, which is easily budgeted for every year. The program eliminates the need for City resources to work on the light-duty fleet, so the maintenance staff can solely focus on the heavy-duty equipment.

THE RESULTS

The partnership with Enterprise Fleet Management has significantly reduced the portions of the Public Works-Fleet Operations budget and the Vehicle Replacement fund that was affected by the declining condition of the light-duty fleet. The City realized a 27% decrease in the cost to purchase and maintain the light duty fleet. The program will result in a combined fund savings of \$1.1 million over a five-year period.

To learn more, visit efleets.com or call 877-23-FLEET.

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Key Results

27%
DECREASE
IN FLEET COSTS



**RIGHT-SIZED
FLEET BY 10%**
FOR BETTER
UTILIZATION

**REPLACED
90 VEHICLES**
OVER A 3-YEAR PERIOD



PROGRAM RESOURCES | CITY OF COALINGA

SAFETY

- 44% of all vehicles are older than 10 years of age and do not contain the most up to date safety features, such as electronic stability control, airbag standardization and anti-lock brake control.

ACCOUNT MANAGEMENT

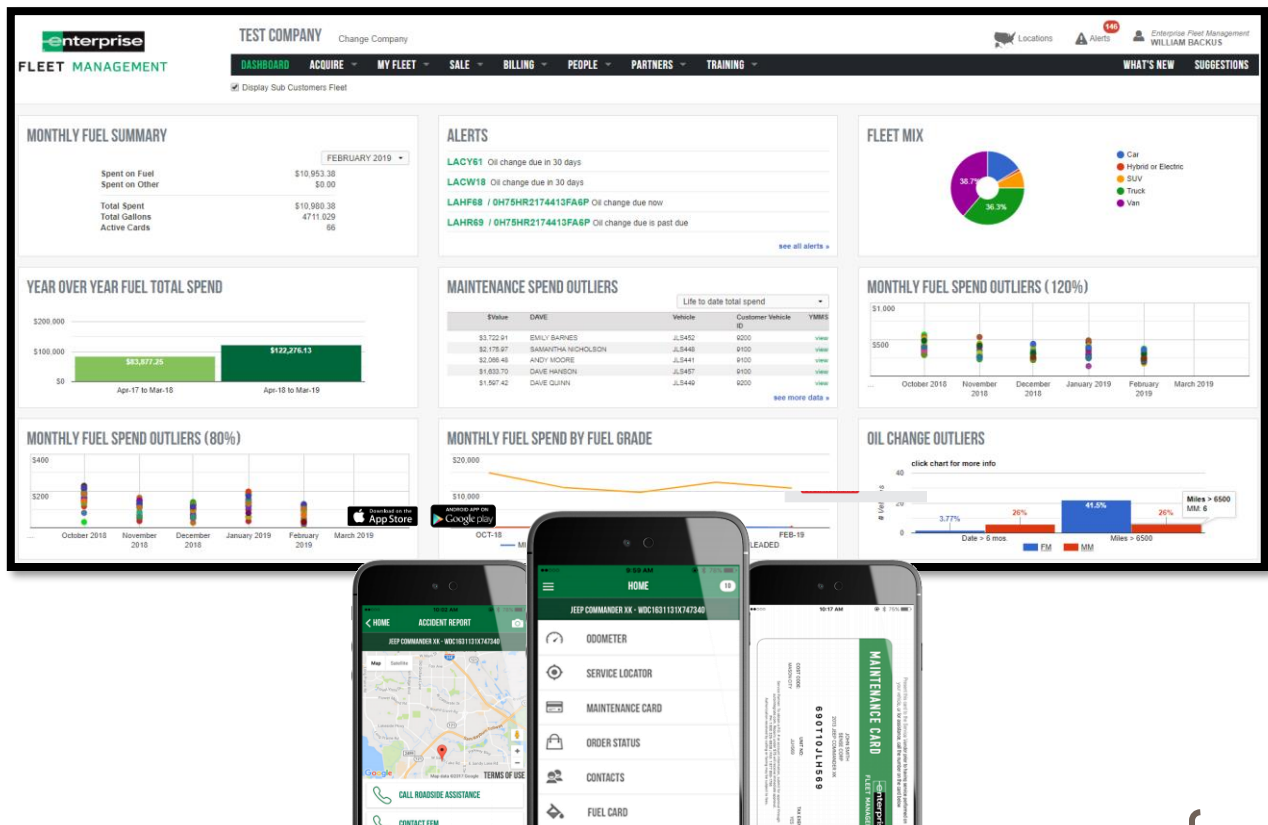
The City of Coalinga will have a dedicated, local account team to proactively manage and develop your fleet while delivering the highest level of customer service to facilitate your day-to-day needs.

- Your dedicated Client Strategy Manager meets with you 3-4 times a year for both financial and strategic planning.
- Your Account Manager will provide on-going analysis – this will include most cost-effective vehicle makes/models, cents per mile, total cost of ownership, and replacement analysis.

TECHNOLOGY

Enterprise Fleet Management's website provides vehicle tracking, reporting, and metrics. Our website can be customized to view a wide range of data so that you may have a comprehensive and detailed look at all aspects of your fleet and the services provided. Our Mobile App gives drivers all of the convenience and functionality they need.

- **Consolidated Invoices** - Includes lease, maintenance, and any additional ancillaries
- **Maintenance Utilization** - Review the life-to-date maintenance per vehicle
- **Recall Information** - See which units have open recalls
- **License & Registration** - See which plate renewals are being processed by Enterprise and view status
- **Alerts** - Set customizable alerts for oil changes, lease renewals, license renewals, and billing data
- **Lifecycle Analysis** - See data regarding all transactions for the lifecycle of the entire fleet, with drill-down capability to any specific lease or transaction



REFERENCES | CITY OF COALINGA

CURRENT PARTNERS

- City of San Marcos
- City of Fredericksburg
- City of Alice
- City of Alpine
- City of Pampa
- City of Navasota
- City of Anna
- City of Corinth
- City of Alvin
- City of Beaumont
- City of Waxahachie
- Gillespie County
- Hidalgo County
- City of Commerce

REFERENCE:

Below is a list of at least two (2) client references including company name, contact person, and telephone number.

1. City: **City of Gatesville**
Business Phone #: (254) 865-9999
Contact Person: Bill Perry, City Manager
2. City: **City of San Marcos**
Business Phone #: (512) 393-9999
Contact Person: Heather Hurlbert, Director of Finance

COOPERATIVES:

- TIPS/TAPS USA
- SOURCEWELL