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FLEET MANAGEMENT

PREPARED FOR:

County of Alpena MICHIGAN

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SUPPORT FLEET SYNOPSIS | Alpena County

THE SITUATION

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

- **50%** of the light duty fleet is currently 10 years or older
- **50%** of the fleet has over 90,000 miles on the odometer
- **11 years** is the current average age of the fleet
- **22 years** – time it would take to cycle this entire segment of the organization's 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 $854,031 over 10 years

- Shorten vehicle life cycle from **12.8 years** to **3.63 years**
- Provide a lower sustainable fleet cost that is predictable year over year
- **70% reduction** in repair and maintenance costs
- **14% reduction** in fuel spend due to increased fuel efficiency of newer vehicles.
- Leverage an open-ended lease to maximize cash flow opportunities and recognize equity
- Review program on an annual basis to improve plans based on market factors with resale, fuel price, etc.
- Vehicles not subject to mileage or wear penalties.

Additional Benefits

- Improved safety and risk with newer vehicles and up to date safety technology
- Less downtime and more employee productivity

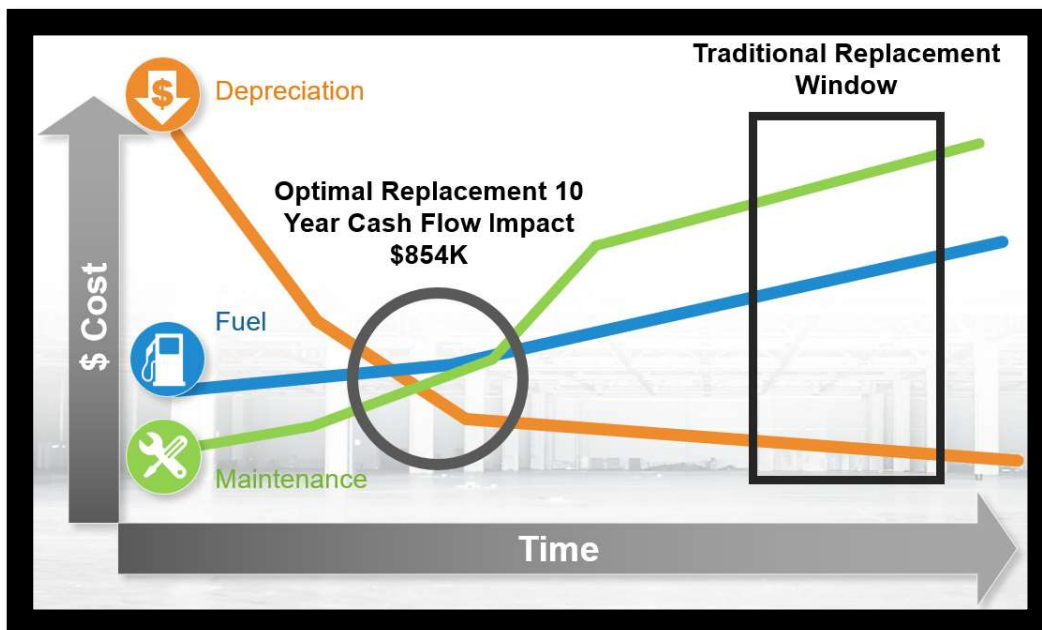**Enterprise is currently working with the Counties of Grant Traverse, Charlevoix, Emmet, Oceana, and Osceola:**

- In 2019 the City of Lansing began their program with 9 ½ Ton GMC trucks with a capitalized price of $27,500 each. In September 2020 after 16 months in the Enterprise program they were able to cycle the units following our recommendation for an average resale amount of $34,500.
- A 20% net gain on investment
- In lieu of a monthly operating cost the city recognized an average monthly gain of $240

THE RESULTS

By partnering with Enterprise Fleet Management, the Alpena County 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. Leveraging an open-ended lease maximizes cash flow and recognizes equity from vehicles sold creating an internal replacement fund. Furthermore, the Alpena County will leverage Enterprise Fleet Management's ability to sell vehicles at an average of 111+% above Black Book value. By shifting from reactively replacing inoperable vehicles to proactively planning vehicle purchases, the organization will have a more sustainable and predictable budget moving forward.

SUPPORT FLEET PROFILE | Alpena County

Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage
Mid-size Sedan	1	12.0	6,300
Full-size Van-Passenger	1	10.0	10,500
3/4 Ton Van Cargo	1	15.1	6,600
Mid Size SUV 4x2	2	11.0	5,700
Mid Size SUV 4x4	10	6.6	12,900
Full Size SUV 4x4	3	6.6	15,100
1/2 Ton Pickup Reg 4x2	2	19.1	5,100
1/2 Ton Pickup Ext 4x4	2	11.0	9,800
3/4 Ton Pickup Reg 4x2	2	22.7	5,400
3/4 Ton Pickup Reg 4x4	3	7.3	9,300
3/4 Ton Pickup Quad 4x4	1	2.8	5,100
1 Ton Pickup Reg 4x2	1	25.2	3,200
1 Ton Pickup Reg 4x4	1	10.9	12,800
1 Ton Cab Chassis	1	21.2	4,200
1 1/2 Ton Cab Chassis	1	18.1	1,900
Totals/Averages	**32**	**11.0**	**9,500**

Depreciation

Traditional Replacement Window

Optimal Replacement 10 Year Cash Flow Impact $854K

Fuel

$ Cost

Maintenance

Time

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FLEET MANAGEMENT

Pennsylvania county replaces vehicles and reduces fleet spend by over $95,000.

BACKGROUND

Location:	Scranton, PA
Industry:	Government
Total vehicles:	71 vehicles

THE PROBLEM

Prior to partnering with Enterprise Fleet Management, the majority of Lackawanna County's vehicles were approaching ten to thirteen years in service. The aged fleet was causing significant operational inefficiencies and the county's annual fleet budget was being spent on maintenance, repairs and high fuel expenses, leaving little to no money for newer vehicles. County employees were experiencing a lot of downtime which ultimately effected productivity.

THE SOLUTION

Lackawanna County partnered with Enterprise Fleet Management to update its vehicles and handle its ongoing fleet needs. The county now benefits from proactive fleet planning with the best vehicle recommendations. Lackawanna County has acquired new vehicles and has reduced overall fleet costs by eliminating unplanned repairs and by lowering fuel costs by running a more fuel efficient fleet.

Lackawanna County enrolled in Enterprise's maintenance program and uses the budget-friendly, fixed maintenance program to plan ahead for its fleet service expenses. Additionally, the county has been able to capitalize on higher vehicle resale values to apply to its new vehicles, offering the department a lower, sustainable fleet that is predictable year-over-year. This makes it easy for the county to proactively plan and report on its total annual fleet spend.

"The Enterprise program has allowed us to update our aged fleet of vehicles in a strategic manner that reduces our overall fleet costs."

– Kevin Mitchell, Deputy Director of Purchasing

THE RESULTS

With Enterprise Fleet Management, the County of Lackawanna upgraded its aged fleet while staying under budget. According to county employees, selling its old vehicles with minimal staff involvement has been an unforeseen benefit of the Enterprise program. By increasing the fleet's fuel efficiency and decreasing annual maintenance costs, the county has reduced its annual fleet spend by over $95,000. Lackawanna County has also seen an increase in productivity since the vehicles are rarely out of service, and always on the road.

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

Key Results

OVER **$95,000** IN ANNUAL SAVINGS

INCREASED **FUEL** EFFICIENCY

INCREASED PRODUCTIVITY

DECREASED DOWNTIME

ACCOUNT MANAGEMENT

Alpena County 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 Account Manager meets with you 2-3 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