

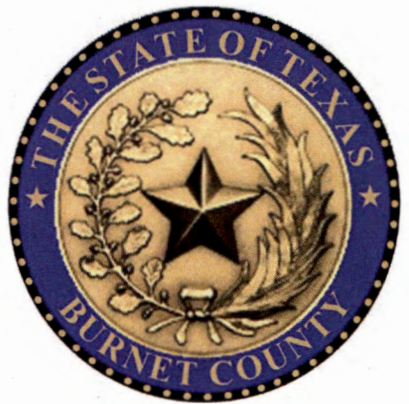


FLEET MANAGEMENT

Fleet Synopsis For
County of Burnet

February 7, 2018

County of Burnet
220 S Pierce St.
Burnet, TX 78611



Enterprise Fleet Management, Inc.
4210 S Congress Ave
Austin, TX 78745
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SITUATION

- **Current fleet age is negatively impacting the overall budget and fleet operations**
 - 22% of the light and medium duty fleet is currently 10 years or older
 - 6.67 years is the current average age of the fleet
 - 11 years - time it would take to cycle the entire fleet at current acquisition rates
 - Older vehicles have higher fuel costs, maintenance costs, are less reliable and less safe

OBJECTIVES

- **Identify an effective vehicle life cycle that creates a conservative savings of \$101,682 in 10 years**
 - Shorten the current vehicle life cycle from 11 years to 5 years
 - Provide a lower sustainable fleet cost that is predictable year over year
 - Free up capital from the salvage of 10+ vehicles in the first year
 - Significantly reduce maintenance costs at an average fixed rate of \$50.46 vs. current \$110.00 based on aged vehicle; equaling up to \$19,200+ in annual savings once implemented, not including the S.O. mx costs.
 - Increase employee morale and productivity with newer vehicles
 - Proactive planning through dedicated local account management team
 - Leverage an open-ended lease to maximize cash flow opportunities and recognize equity
- **Significantly reduce the overall fuel spend through more fuel efficient vehicles**
 - 34% increase in fuel economy in replaced vehicles
- **Increase employee safety with newer vehicles**
 - Currently:
 - 1 vehicles predate Airbag standardization (1998)
 - 20 vehicle predate Anti-Lock Brake standardization (2007)
 - 59 vehicles predate Electronic Stability Control standardization (2012)
 - ESC is the most significant safety invention since the seatbelt
- **Piggyback TIPS Cooperative Contract or publish a fleet management services RFP 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
 - Provide monthly reporting, tracking, and downloads providing real-time information

County of Burnet - Fleet Profile

Fleet Profile

Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage
Mid-size Sedan	2	1.3	8,000
Full-size Sedan	2	11.4	10,700
Full-size Van-Passenger	1	9.4	5,700
Full Size SUV 4x2	1	2.3	28,500
1/2 Ton Pickup Reg 4x2	4	7.9	10,800
1/2 Ton Pickup Ext 4x2	5	5.7	8,800
1/2 Ton Pickup Ext 4x4	1	1.3	11,000
1/2 Ton Pickup Quad 4x2	2	9.4	21,300
3/4 Ton Pickup Reg 4x2	1	16.5	15,000
3/4 Ton Pickup Reg 4x4	1	1.3	17,000
3/4 Ton Pickup Quad 4x2	1	1.3	22,700
3/4 Ton Pickup Quad 4x4	4	6.3	11,100
1 Ton Pickup Quad 4x2	1	9.4	21,300
1 Ton Pickup Quad 4x4	1	6.3	11,500
Totals/Averages	27	6.5	12,400

Fleet Replacement Schedule

2017	2018	2019	2020	2021	Under-Utilized
0	0	0	0	2	0
2	0	0	0	0	0
0	1	0	0	0	0
0	0	1	0	0	0
1	2	1	0	0	0
1	0	2	0	2	0
0	0	0	0	1	0
2	0	0	0	0	0
1	0	0	0	0	0
0	0	0	1	0	0
0	0	0	1	0	0
1	0	0	2	1	0
1	0	0	0	0	0
0	0	1	0	0	0
9	3	5	4	6	0

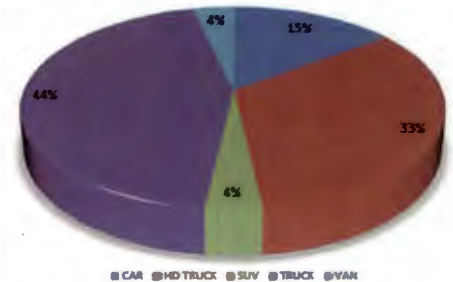
Replacement Criteria

- * Fiscal Year 2017 = 10 years old and older, or odometer over 100,000
- * Fiscal Year 2018 = 8 years old and older, or odometer over 75,000
- * Fiscal Year 2019 = 6 years old and older, or odometer over 60,000
- * Fiscal Year 2020 = 4 years old and older, or odometer over 30,000
- * Fiscal Year 2021 = Remaining Vehicles
- * Underutilized = Annual Mileage less than 2,500

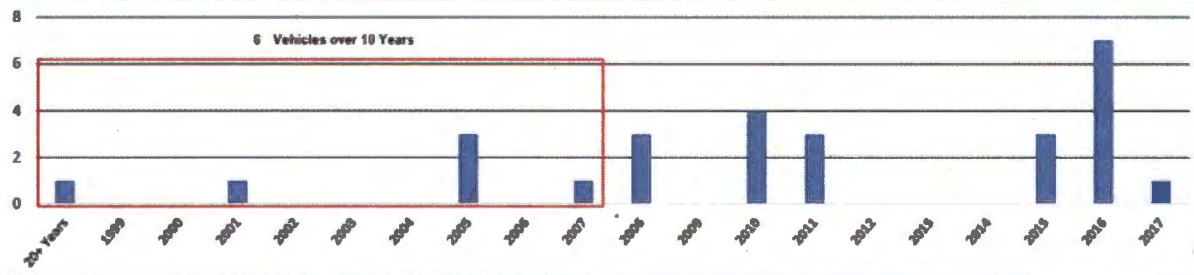
Vehicle Types

CAR
HD TRUCK
SUV
TRUCK
VAN

Vehicle Types



Model Year Analysis



County of Burnet Sheriff's Office - Fleet Profile

Fleet Profile

Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage
Full-size Sedan	22	9.5	16,800
Mid Size SUV 4x4	5	1.0	4,700
Full Size SUV 4x2	26	4.2	20,000
Full Size SUV 4x4	3	4.3	19,300
Compact Pickup Reg 4x2	1	14.4	7,200
1/2 Ton Pickup Reg 4x2	2	7.3	19,900
1/2 Ton Pickup Ext 4x2	3	9.4	16,500
1/2 Ton Pickup Quad 4x2	2	8.3	22,100
1/2 Ton Pickup Quad 4x4	5	5.1	14,100
3/4 Ton Pickup Ext 4x4	1	7.3	17,400
3/4 Ton Pickup Quad 4x2	1	10.4	15,400
3/4 Ton Pickup Quad 4x4	2	7.4	25,000
1 Ton Pickup Quad 4x4	1	9.4	14,100
Compact Wagon	1	8.3	18,000
Totals/Averages	75	6.4	17,300

Fleet Replacement Schedule

2017	2018	2019	2020	2021	Under-Utilized
12	9	1	0	0	0
0	0	0	0	5	0
2	3	5	8	8	0
0	0	1	1	1	0
1	0	0	0	0	0
0	1	1	0	0	0
1	0	2	0	0	0
1	1	0	0	0	0
0	2	0	1	2	0
0	0	1	0	0	0
1	0	0	0	0	0
1	1	0	0	0	0
0	1	0	0	0	0
0	1	0	0	0	0
19	19	11	10	16	0

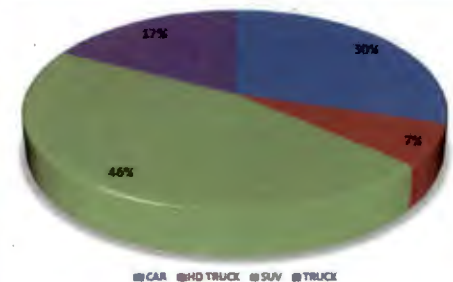
Replacement Criteria

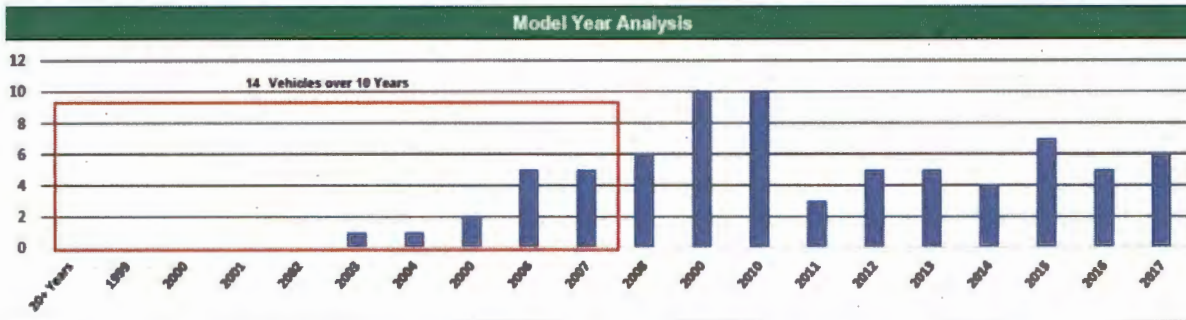
- * Fiscal Year 2017 = 10 years old and older, or odometer over 175,000
- * Fiscal Year 2018 = 8 years old and older, or odometer over 140,000
- * Fiscal Year 2019 = 6 years old and older, or odometer over 100,000
- * Fiscal Year 2020 = 4 years old and older, or odometer over 60,000
- * Fiscal Year 2021 = Remaining Vehicles
- * Underutilized = Annual Mileage less than 2,500

Vehicle Types

CAR
HD TRUCK
SUV
TRUCK

Vehicle Types





County of Burnett - Fleet Planning Analysis

Current Fleet	27	Fleet Growth	0.00%	Proposed Fleet	27
Current Cycle	11.00	Annual Miles	12,400	Proposed Cycle	4.78
Current Maint.	\$110.00	Insurance	\$0.00	Proposed Maint.	\$50.46
Fuel Info		MPG	10	Price/Gallon	\$2.20

Fleet Costs Analysis

Fleet Mix			Fleet Cost							Annual	
Fiscal Year	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Maintenance	Insurance	Fuel	Fleet Budget	Net Cash
Average	27	2.5	27	0	70,826	0	25,640	0	73,636	180,122	0
'17	27	9	18	9	0	47,866	29,210	0	64,449	141,525	38,597
'18	27	3	15	12	0	61,285	27,066	0	61,388	149,731	30,391
'19	27	5	10	17	0	89,880	23,494	0	56,265	169,638	10,484
'20	27	4	6	21	0	112,309	20,636	0	52,173	185,118	-4,995
'21	27	9	0	27	0	106,810	16,349	0	46,035	169,194	10,928
'22	27	7	0	27	0	133,025	16,349	0	46,035	195,409	-15,287
'23	27	3	0	27	0	115,633	16,349	0	46,035	178,016	2,106
'24	27	5	0	27	0	109,236	16,349	0	46,035	171,620	8,502
'25	27	7	0	27	0	106,636	16,349	0	46,035	169,020	11,102
'26	27	6	0	27	0	107,886	16,349	0	46,035	170,269	9,853



10 Year Savings	\$101,682	Avg. Sustainable Savings	\$3,255
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Current Fleet Equity Analysis

YEAR	2017	2018	2019	2020	2021
QTY	9	3	5	4	6
RESALE	\$2,356	\$5,567	\$14,160	\$25,000	\$16,733
TOTAL	\$21,200	\$16,700	\$70,800	\$100,000	\$100,400
Estimated Current Fleet Equity**					\$309,100

Summary

10 Year Savings	\$101,682
Estimated Fleet Equity	\$309,100
Net Cash***	\$410,782

* Lease Rates are conservative estimates

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

***Net Cash is the sum of the 10 year savings from the Fleet Planning Analysis and the Estimated Current Fleet Equity

Key Objectives

- Lower average age of the fleet
 - 22% of the current light and medium duty fleet is over 10 years old
 - Maximizes potential equity at time of resale
- Reduce operating costs
 - Conservative 54% reduction in maintenance cost by outsourcing to the local tax base
 - Anticipated 37% reduction of fuel expense through Federal CAFE Standards
- Long Term Sustainability
 - Quarterly Review and Annual year over year assessments to ensure results are achieved
 - Five year implementation

MANAGING YOUR FLEET. DRIVING YOUR BUSINESS.

The City of Gardena expected to benefit from a professional vehicle management program.

Client's Situational Analysis

- Fleet of 42 Non-Patrol, Undercover, Detective, and Administrative vehicles
- Budgetary constraints has severely declined the Department's vehicle fleet
- Capital rolling stock funding was decreased significantly, which prevented the Department from replacing aging vehicles
- The Department has been unable to plan for future replacement vehicles, causing a significant amount of money to be spent on maintenance costs
- Almost half of the Administrative fleet have more than 75,000 miles of wear and tear, and are at least 6 to 10 years old

Key Strategic Client Objectives

- Utilize smart cash flow management to replace more vehicles with less capital
- Move current 10-year vehicle replacement plan to a matched funding period of 5 years
- Increase employee productivity and improve image
- Lower maintenance expenses and increase fuel economy

Plan Delivered To Achieve Desired Strategy

- Replace traditional cash purchase method with Municipal Lease Program
- Replace undercover vehicles in a 3-year rotation to ensure confidentiality of investigators
- Administrative vehicles will be replaced every 4–5 years
- Fixed and budgeted Maintenance Programs should eliminate unexpected maintenance costs
- Accident and Risk Management Program will minimize losses to the City and facilitate faster turnaround repair time
- Using Enterprise's large network, the City vehicles will be sold more quickly and at the best possible price



Client Background

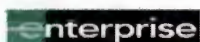
Location: Gardena, CA
 Industry: Municipality
 Founded: 1930
 Fleet Size: 42 vehicles

Key Results

- The first year of the lease for each vehicle would be partially or entirely covered by the trade-in value of the existing vehicle, which would create an initial low or no cost to the City
- Leasing allows the City to have fixed budget costs for the entire lifecycle of the vehicle and for accurate budgeting for future leased vehicles
- A newer fleet improves the condition and reliability of the vehicles, as well as safety concerns
- Along with using Enterprise to purchase and sell vehicles at the best price, Enterprise will also handle the vehicle registration, which is additional savings to City staff time
- Sold of select vehicles and proceeds were available to lower monthly payment



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FLEET MANAGEMENT

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MANAGING YOUR FLEET. DRIVING YOUR BUSINESS.

City of Tulare uses alternative funding approach to meet fiscal and environmental goals during tough economic period.

Client's Situational Analysis

- Fleet of 92 vehicles potentially viable for leasing
- Looking to extend average vehicle replacement policy of 10 years for economic reasons
- Vehicle purchasing does not match funding goals
- Replacement fund was being used to fund other projects

Key Strategic Client Objectives

- Solving the deficiencies with their replacement fund
- Move current 10 year cycle time down to a matched funding period of 5 years
- Increase employee satisfaction and improve image
- Increase fuel economy
- Access to alternative fuel technology during tight fiscal times
- Spend fleet related dollars with in Tulare (support local tax base)

Plan Delivered To Achieve Desired Strategy

- Municipal lease program
- Year one replacement of 25 vehicles
- 5 year implementation program to phase in leased vehicles
- Outsource of maintenance to local facilities
- Funding change from purchase to "municipal lease" mechanism
- Focus on alternative fuel technology to support local economic initiative



Client Background

Location: Tulare, CA
 Industry: City/Municipality
 Fleet Size: 92 vehicles

Key Results

- Freed up \$386,000 of replacement funds already accumulated
- Increase in cash flow due to new funding mechanism
- Disposed of select vehicles and proceeds were available for other uses
- Fuel savings of 35-40% for 25 initial vehicles
- Support local tax base with flex fuel vehicles and E85 gas station
- Delayed and scaled back capital allocation required for shop expansion
- Provided support for local business through Enterprise maintenance program



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- City of San Marcos
- City of Fredericksburg
- City of Pampa
- City of Elgin
- City of Alpine
- City of Waxahachie
- City of Hutto
- City of Beaumont
- City of Navasota
- Hays County
- Gillespie County
- Webb County
- Harris County
- West Texas A&M University
- Texas Tech University
- Texas A&M Engineering Extension Service
- Texas State Technical College
- Pampa Independent School District
- Lubbock-Cooper Independent School District

REFERENCES

Below is a list of four client/customer references including entity's name, contact person, and telephone number.

1. **City of Fredericksburg**
Business Phone #: (830) 990-2029
Contact Person: Lea Fugee - City Engineering Dept.
2. **City of San Marcos**
Business Phone #: (512) 393-8170
Contact Person: Heather Hurlbert, CPA - Director of Finance
3. **City of Pampa**
Business Phone #: (806) 669-5810
Contact Person: Shane Stokes – City Manager
4. **Gillespie County**
Business Phone #: (830) 997-6777
Contact Person: Larry Crump – County Auditor



County of Burnet - Jail Menu Pricing

Total Annual Cost Including Maintenance	\$24,382.68
Estimated One Time Aftermarket Cost	\$0.00
Estimated Resale of __qty__ units	??

First Year Cash Outlay Including resale of __qty__ units, After Market Expense and Full Maintenance	\$24,382.68
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Department	Vehicle Type	Year	Make	Model	Trim Level
Charger - Option 1	Full-Size Sedan	2018	Dodge	Charger	Police 4dr Rear Wheel Drive Sedan
Charger - Option 2	Full-Size Sedan	2018	Dodge	Charger	Police 4dr Rear Wheel Drive Sedan
Pickup - Option 1	1/2 Ton Pickup Quad 4x2	2018	Chevrolet	Silverado 1500 Special Services Vehicle	LS - 4x2 Crew Cab 5.75 ft box
Pickup - Option 2	1/2 Ton Pickup Quad 4x2	2018	Chevrolet	Silverado 1500 Special Services Vehicle	LS - 4x2 Crew Cab 5.75 ft box
SUV - Option 1	Mid-Size SUV	2018	Ford	Police Interceptor Utility	Base All-Wheel Drive
SUV - Option 2	Mid-Size SUV	2018	Ford	Police Interceptor Utility	Base All-Wheel Drive

Equity Lease Menu Pricing						
Quantity	Term	Estimated Annual Mileage	Monthly Cost (Lease Rate)*	Full Maintenance**	Annual Cost Including Maintenance (By Quantity)	Cost of Aftermarket
1	60	15000	\$498.77	\$86.26	\$7,020.36	\$3,322.00 Upfit included in monthly lease cost
0	60	15000	\$562.00	\$86.26	\$0.00	\$6,557.00 Upfit included in monthly lease cost
1	60	15000	\$645.19	\$50.52	\$8,348.52	\$2,873.00 Upfit included in monthly lease cost
0	60	15000	\$708.42	\$50.52	\$0.00	\$6,108.00 Upfit included in monthly lease cost
1	60	15000	\$664.89	\$86.26	\$9,013.80	\$3,815.00 Upfit included in monthly lease cost
0	52	15000	\$728.10	\$86.26	\$0.00	\$7,049.00 Upfit included in monthly lease cost

*Lease rates are based upon factory order pricing and miles per year
 **Maintenance includes one set of brakes and no tires
 Pricing does not include any applicable taxes
 Pricing does not include expected return on equity at end of lease



County of Burnet - Patrol Menu Pricing

Total Annual Cost Including Maintenance	\$22,948.68
Estimated One Time Aftermarket Cost	\$0.00
Estimated Resale of __qty__ units	??

First Year Cash Outlay Including resale of __qty__ units, After Market Expense and Full Maintenance	\$22,948.68
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Department	Vehicle Type	Year	Make	Model	Trim Level
Charger - Option 1	Full-Size Sedan	2018	Dodge	Charger	Police 4dr Rear Wheel Drive Sedan
SUV - Option 1	Mid-Size SUV	2018	Ford	Police Interceptor Utility	Base All-Wheel Drive

Equity Lease Menu Pricing						
Quantity	Term	Estimated Annual Mileage	Monthly Cost (Lease Rate)*	Full Maintenance**	Annual Cost Including Maintenance (By Quantity)	Cost of Aftermarket
1	52	15000	\$850.73	\$0.00	\$10,208.76	\$15,314.00 Upfit included in monthly lease cost
1	52	15000	\$1,061.66	\$0.00	\$12,739.92	\$17,368.00 Upfit included in monthly lease cost

*Lease rates are based upon factory order pricing and miles per year
 **Maintenance includes one set of brakes and no tires
 Pricing does not include any applicable taxes
 Pricing does not include expected return on equity at end of lease