

Prepared For:



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FLEET SYNOPSIS | CITY OF SEGUIN

THE SITUATION

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

- 28% of the light and medium duty fleet is currently 10 years or older
- 10 years is the current average age of the fleet
- 13.14 years – time it would take to cycle the entire fleet at current acquisition rates
- Older vehicles have higher fuel/maintenance costs, have increased downtime, loss of productivity, and unreliable

THE OBJECTIVES

Identify an effective vehicle life cycle that maximizes potential equity at time of resale creating a conservative savings of over \$422,038 over 8 years

- Shorten the current vehicle life cycle from 13.14 years to 4 years
- Provide a lower sustainable fleet cost that is predictable year over year
- Automate maintenance and data tracking to give better visibility for operating budgets
- 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:
 - 5 vehicles predate Anti-Lock Brake standardization (2007)
 - 13 vehicles predate Electronic Stability Control standardization (2012)
 - ESC is the most significant safety invention since the seatbelt
 - 40 vehicles predate standardization of back up camera (2018)

Piggyback Current Sourcewell Cooperative Services awarded RFP #060618-EFM that addresses the following:

- City of Seguin is currently a member of Sourcewell, member ID #29306
- 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

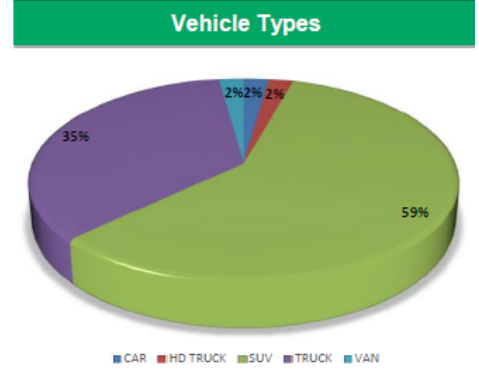
By partnering with Enterprise Fleet Management, it is estimated that the city will increase fuel efficiency by lowering the overall age of the fleet. The city will naturally reduce maintenance cost in the first year on non-emergency vehicles. Leveraging an open-end lease maximizes cash flow and recognizes equity from vehicles sold. Furthermore, the city will leverage Enterprises Fleet Management's ability to sell vehicles at an average of 115% above commercial value Index. By shifting from reactively replacing inoperable vehicles to planning vehicle purchases, the city will be able replace 15 of its oldest vehicles within a year, ultimately turning 28% of their vehicles into newer, safer, more efficient models.

FLEET PLANNING ANALYSIS | CITY OF SEGUIN

Fleet Profile Fleet Replacement Schedule Replacement Criteria

Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage	2021	2022	2023	2024	Under-Utilized
Full-size Sedan	1	10.9	7,400	1	0	0	0	0
1/2 Ton Van Cargo	1	2.8	2,600	0	0	0	1	0
Compact SUV 4x2	5	10.5	6,300	2	2	0	1	0
Mid Size SUV 4x2	4	8.4	5,100	1	0	2	1	0
Full Size SUV 4x2	18	7.1	8,900	0	8	8	2	0
Compact Pickup Ext 4x2	5	13.2	7,700	5	0	0	0	0
1/2 Ton Pickup Reg 4x2	4	9.6	3,400	2	0	0	2	0
1/2 Ton Pickup Ext 4x2	6	4.1	5,900	0	1	1	4	0
1/2 Ton Pickup Quad 4x4	1	4.8	16,900	0	1	0	0	0
3/4 Ton Pickup Reg 4x2	1	18.0	4,700	1	0	0	0	0
Totals/Averages	46	8.2	7,200	12	12	11	11	0

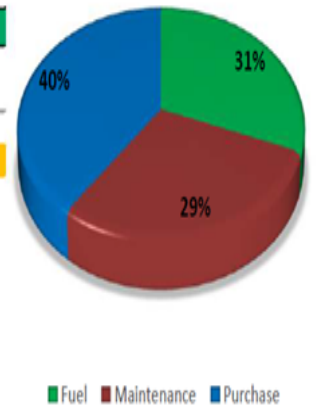
* Fiscal Year 2021 = 10 years old and older, or odometer over 100,000
 * Fiscal Year 2022 = 8 years old and older, or odometer over 75,000
 * Fiscal Year 2023 = 6 years old and older, or odometer over 50,000
 * Fiscal Year 2024 = 0 years old and older, or odometer over 25,000
 * Fiscal Year 2025 = Remaining Vehicles
 * Underutilized = Annual Mileage less than 2,500



Current Fleet	46	Fleet Growth	0.00%	Proposed Fleet	46
Current Cycle	13.14	Annual Miles	7,200	Proposed Cycle	4.00
Current Maint.	\$122.36			Proposed Maint.	\$33.12
Maint. Cents Per Mile	\$0.20	Current MPG	12	Price/Gallon	\$2.55

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
Average	46	3.5	46	0	90,999	0	-3,500		67,540	70,380	225,419	0
'21	46	12	34	12	0	64,944	-32,763		54,691	66,708	153,581	71,838
'22	46	12	22	24	0	135,271	-130,294		41,842	63,036	109,854	115,565
'23	46	11	11	35	0	199,418	-116,690		30,063	59,670	172,461	52,958
'24	46	11	0	46	0	260,476	-120,930	-134,727	18,285	56,304	79,408	146,011
'25	46	12	0	46	0	260,476	0	-115,383	18,285	56,304	219,682	5,738
'26	46	12	0	46	0	260,476		-104,720	18,285	56,304	230,345	-4,926
'27	46	11	0	46	0	260,476		-119,418	18,285	56,304	215,647	9,772
'28	46	11	0	46	0	260,476		-134,727	18,285	56,304	200,338	25,081



8 Year Savings

\$422,038

Avg. Sustainable Savings

\$8,916

Current Fleet Equity Analysis

YEAR	2021	2022	2023	2024	Under-Utilized
QTY	12	12	11	11	0
Est \$	\$2,730	\$10,858	\$10,608	\$10,994	\$0
TOTAL	\$32,763	\$130,294	\$116,690	\$120,930	\$0
Estimated Current Fleet Equity**					\$400,677

FLEET PLANNING ANALYSIS CONT. | CITY OF SEGUIN

Annual Cost without Maintenance
Estimated Resale Value of 12 Owned Replacement Vehicles
One Time Upfront After-Market Cost
Net Annual Cash Outlay to Replace 12 Vehicles in year 1

\$63,112.80
\$32,762.50
\$0.00
\$30,350.30

City of Seguin - Year 1 Replacement - Estimated Equity Lease Menu Pricing for 2022 Model Year													
Category	Unit #	Department	Year	Make	Model	Quantity	Term	Estimated Annual Mileage	Monthly Cost (Lease Rate)*	Full Maintenance **	Annual Cost Including Maintenance	Annual Cost Including Maintenance by Quantity	Estimated Equity at Term - \$400
Compact Pickup Ext 4x2	197	Capital Projects	2022	GMC	Sierra 1500	1	48	8000	\$434.99	\$0.00	\$5,219.88	\$5,219.88	\$15,700.00
1/2 Ton Pickup Reg 4x2	255	Facilities	2022	GMC	Sierra 1500	1	48	8000	\$434.99	\$0.00	\$5,219.88	\$5,219.88	\$15,700.00
1/2 Ton Pickup Reg 4x2	259	Facilities	2022	GMC	Sierra 1500	1	48	8000	\$434.99	\$0.00	\$5,219.88	\$5,219.88	\$15,700.00
3/4 Ton Pickup Reg 4x2	264	Facilities	2022	GMC	Sierra 1500	1	48	8000	\$434.99	\$0.00	\$5,219.88	\$5,219.88	\$15,700.00
Compact SUV 4x2	106	Facilities	2022	Chevy	Traverse	1	48	8000	\$444.87	\$0.00	\$5,338.44	\$5,338.44	\$10,800.00
Mid Size SUV 4x2	109	Facilities	2022	Chevy	Traverse	1	48	8000	\$444.87	\$0.00	\$5,338.44	\$5,338.44	\$10,800.00
Compact SUV 4x2	112	IT	2022	Chevy	Traverse	1	48	8000	\$444.87	\$0.00	\$5,338.44	\$5,338.44	\$10,800.00
Full-size Sedan	120	IT	2022	Chevy	Traverse	1	48	8000	\$444.87	\$0.00	\$5,338.44	\$5,338.44	\$10,800.00
Compact Pickup Ext 4x2	190	Planning / Codes	2022	GMC	Sierra 1500	1	48	8000	\$434.99	\$0.00	\$5,219.88	\$5,219.88	\$15,700.00
Compact Pickup Ext 4x2	199	Planning / Codes	2022	GMC	Sierra 1500	1	48	8000	\$434.99	\$0.00	\$5,219.88	\$5,219.88	\$15,700.00
Compact Pickup Ext 4x2	203	Planning / Codes	2022	GMC	Sierra 1500	1	48	8000	\$434.99	\$0.00	\$5,219.88	\$5,219.88	\$15,700.00
Compact Pickup Ext 4x2	204	Planning / Codes	2022	GMC	Sierra 1500	1	48	8000	\$434.99	\$0.00	\$5,219.88	\$5,219.88	\$15,700.00
Annual Cost without Maintenance											\$63,112.80		\$168,800.00
Estimated Resale Value of 12 Owned Replacement Vehicles											\$32,762.50		Total Est Equity at Lease Term
One Time Upfront After-Market Cost											\$0.00		
Net Annual Cash Outflow to Replace 12 Vehicles in Year 1											\$30,350.30		

*Lease rates are based upon factory order pricing and miles per year

**Maintenance includes no brakes and no tires

Estimated Pricing does not include any applicable taxes

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



CASE STUDY | CITY OF SEGUIN

CASE STUDY | CITY OF FREDERICKSBURG, TX



City lowers fleet maintenance costs by \$127K with Fleet Program.

BACKGROUND

Location: Fredericksburg, TX
Industry: Government
Total vehicles: 75 vehicles

THE CHALLENGE

Each year, the City of Fredericksburg was faced with high vehicle repair and maintenance costs for an aging fleet. The City's 75 vehicles had an average age of 12 years resulting in unexpected maintenance issues each year. The City was spending \$153,300 per year on fleet maintenance, averaging over \$2,000 per truck. Searching for solutions within their budget, the city needed to make managing their vehicles easier, from purchasing to maintenance and driver fueling options.

THE SOLUTION

Enterprise Fleet Management presented a proactive fleet replacement plan to the City of Fredericksburg that would reduce the average age of their fleet by 60% helping reduce operational and maintenance expenses. With integrating newer vehicles into the City's fleet, employees would drive safer, more reliable vehicles with minimal maintenance needs. Long-term, this plan has helped save an average of \$29,284 per year in fleet related expenses.

"We have truly enjoyed the partnership with Enterprise Fleet Management. Things are much easier to manage now, and we are saving money on vehicle maintenance."

— Brian Peters, Programs Manager

Enterprise Fleet Management also recommended replacing all vehicles owned by the city within a 5-year time frame. This approach will help The City lower maintenance expense from \$153,300 per year to \$26,016 per year.

THE RESULTS

Since their partnership began 4 years ago, Enterprise Fleet Management has helped The City of Fredericksburg transition their fleet vehicles from an average age of 12 years to 4. The City has experienced a significant reduction in costs associated with their fleet program and a decrease in employee downtime. This is due to The City putting their trust in the local Enterprise Fleet Management team's expertise and the fleet planning analytics backing each recommendation. The partnership has given the City visibility into all vehicle costs and budget accordingly.

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



Key Results

MAINTENANCE
LOWERED BY
83%



**SAVED
\$62,052**
OVER THE LAST 2
REPLACEMENT YEARS

5 YEAR
REPLACEMENT PLAN



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PROGRAM RESOURCES | CITY OF SEGUIN

SAFETY

- **28%** 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 and airbag standardization and anti-lock brake control.

ACCOUNT MANAGEMENT

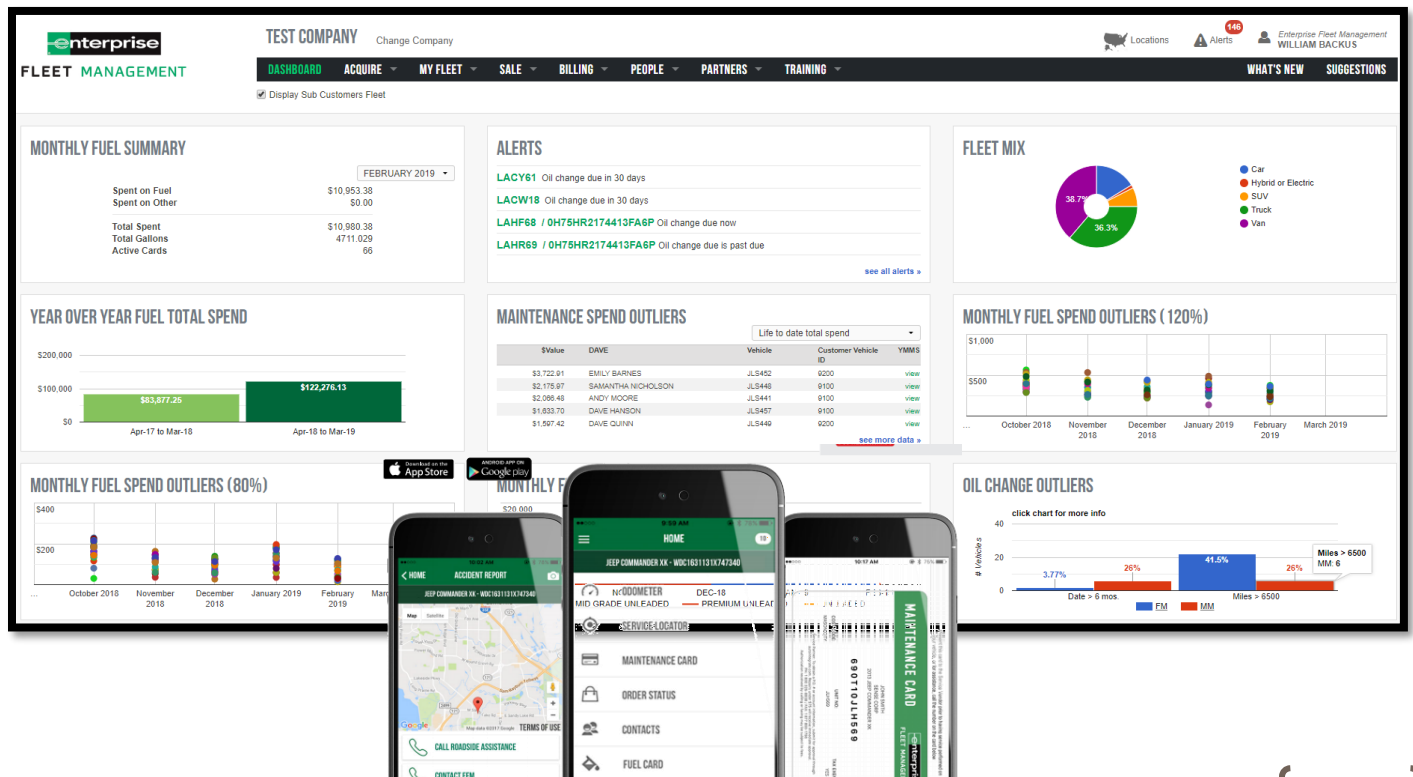
The city will have a dedicated, local account team to proactively manage and develop your fleet while delivering the highest level of customer service to facilitate your day-to-day needs.

- Your dedicated Account Manager meets with you 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 SEGUIN

CURRENT PARTNERS

- City of Houston
- City of Alice
- City of Victoria
- City of Fredericksburg
- City of Boerne
- City of Rowlett
- City of Waxahachie
- City of Hutto
- City of Beaumont
- City of El Campo
- City of Alpine
- Hidalgo County
- Nueces County
- Burnet County
- Webb County
- Kaufman County
- Caldwell County
- Harris County
- Austin County
- Harrison County
- Waller County
- City of San Marcos
- City of Selma
- City of Kerrville
- City of Cibolo
- City of Pleasanton
- City of Longview
- City of Victoria
- City of Brownsville
- City of Uvalde
- City of Brownwood
- City of Ennis
- Gillespie County
- Potter County
- Erath County
- Washington County
- Lampasas County
- Val Verde County
- Leon County
- Jasper County
- Trinity County
- Hunt County

COOPERATIVES:

- E&I
- TIPS/TAPS USA
- SOURCEWELL