

JAN 25 2021

Presented

REQUEST FOR AGENDA PLACEMENT FORM

Submission Deadline - Tuesday, 12:00 PM before Court Dates

SUBMITTED BY:

TODAY'S DATE: 01/12/2021

DEPARTMENT: Auditor

SIGNATURE OF DEPARTMENT HEAD:

REQUESTED AGENDA DATE: 01/25/2021

SPECIFIC AGENDA WORDING

Presentation of Fleet Management Program by Enterprise; Nathan Pickle presenting.

SUPPORT MATERIAL: (Must enclose supporting documentation)

TIME: 15-20 min.

ACTION ITEM:

_____ (Anticipated number of minutes needed to discuss item)	WORKSHOP _____ CONSENT: _____ EXECUTIVE: _____
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STAFF NOTICE:

COUNTY ATTORNEY: <input checked="" type="checkbox"/>	IT DEPARTMENT:
AUDITOR: _____	PURCHASING DEPARTMENT: <input checked="" type="checkbox"/>
PERSONNEL: _____	PUBLIC WORKS: _____
BUDGET COORDINATOR: <input checked="" type="checkbox"/>	OTHER: _____

*******This Section to be Completed by County Judge's Office*******

ASSIGNED AGENDA DATE: _____

REQUEST RECEIVED BY COUNTY JUDGE'S OFFICE _____

COURT MEMBER APPROVAL _____ Date _____

Prepared For:



Nathan E. Pickle
FLEET CONSULTANT

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PHONE

nathan.e.pickle@efleets.com
EMAIL



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FLEET SYNOPSIS | JOHNSON COUNTY

CURRENT FLEET PROGRAM

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

- Decisions to replace vehicles within the County are based on necessity for growth or vehicle failure/inoperability.
 - The County is missing opportunities to maximize equity on resale and reduce overall capital expenditures.
- 29% of the light and medium duty fleet is currently 10 years or older
- 69% of the light and medium duty fleet is currently 5 years or older
- 8 years is the current average vehicle age in the fleet
 - Older vehicles have higher fuel costs, maintenance costs and tend to be unreliable, causing increased downtime and loss of productivity.
- Valuable time is spent by County employees reaching out to dealers, handling vehicle maintenance, and administrative items.

THE OBJECTIVES

Identify an effective vehicle life cycle that maximizes potential equity at time of resale.

- Shorten the current vehicle life cycle from 11 years to 4.5 years
- Provide a lower sustainable fleet cost that is predictable year over year
- Free up more than \$144,700 in capital from the replacement of 57 vehicles in the first year, and provide growth vehicles under budget
- Significantly reduce Maintenance to an average monthly cost of \$60 vs. approximate current \$79, equaling \$25,619 in savings the first year by replacing vehicles more often
- Reduce the overall fuel spend through more fuel-efficient vehicles
- Leverage an open-ended lease to maximize cash flow opportunities and recognize equity upon resale.

Increase employee safety with newer vehicles

- Currently:
 - 12 vehicles predate Anti-Lock Brake standardization (2007)
 - 60 vehicles pre-date Electronic Stability Control standardization (2012)
 - Electronic Stability Control (ESC) is the most significant safety invention since the seatbelt

Piggyback the SOURCEWELL awarded RFP #060618 that addresses the following:

- Access to all fleet management services as applicable to the needs of the County
- Supports the County'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 County will reduce annual fuel costs by 7%. The County will also reduce maintenance cost by approximately 9% annually after 4 years. Leveraging an open-end lease maximizes cash flow and recognizes equity from vehicles sold. Furthermore, the County will leverage Enterprises Fleet Management's ability to sell vehicles at an average of 10% above Commercial Value Index. By shifting from a plan of reactively replacing inoperable vehicles to proactively planning vehicle purchases, Johnson County will be able replace at least 50 of its vehicles within the first year, and operate a safer, newer, more efficient fleet for a lower overall cost.



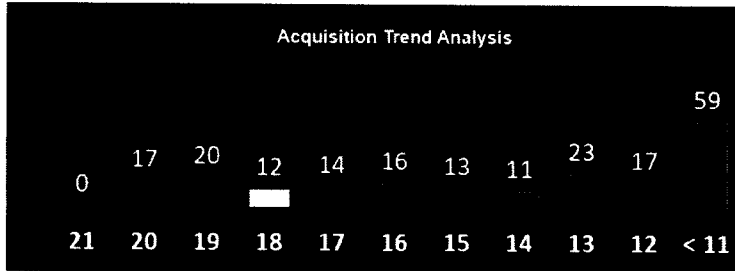
FLEET STATISTICS | JOHNSON COUNTY

Fleet Statistics – Johnson County

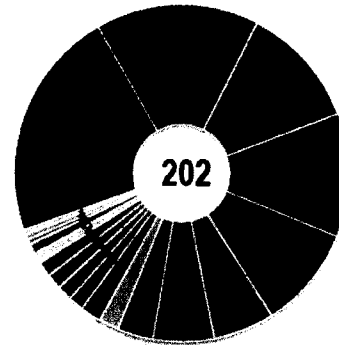
FLEET SIZE	AVG. ANNUAL ACQUISITIONS	HOLDING PERIOD	AVG MODEL YEAR	AVG ANNUAL MILEAGE	DEPARTMENTS
202	18	11 YEARS	2013	14,966	20

Manufacturer

GM	80
Ford	79
FCA	38
Nissan	3
Honda	2



Vehicle Class



- Full Size SUV 4x2
- Mid Size SUV 4x4
- 3/4 Ton Pickup Quad 4x2
- Full-size Sedan
- 1/2 Ton Pickup Quad 4x2
- 1/2 Ton Pickup Quad 4x4
- 3/4 Ton Pickup Reg 4x2
- 3/4 Ton Pickup Quad 4x4
- 1 Ton Cab Chassis
- 1/2 Ton Pickup Reg 4x2
- 1 Ton Pickup Quad 4x2
- 3/4 Ton Pickup Reg 4x4
- Compact SUV 4x2
- Minivan-Passenger
- Full-size Van-Passenger
- Mid-size Sedan
- Compact Pickup Quad 4x2
- Minivan-Cargo
- 3/4 Ton Van Cargo

FINANCIAL ANALYSIS – JOHNSON COUNTY

Current Fleet	202	Fleet Growth	-0.11%	Proposed Fleet	201
Current Cycle	11.22	Annual Miles	13,300	Proposed Cycle	4.50
Current Maint.	\$98.76	Current MPG	12	Proposed Maint.	\$59.60
Maint. Cents Per Mile	\$0.09			Price/Gallon	\$2.25

Fiscal Year	Fleet Mix			Fleet Cost							Annual	
	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Equity (Owned)	Equity (Leased)	Maintenance	Fuel	Fleet Budget	Net Cash
Average	202	18.0	202	0	867,627	0			239,394	498,950	1,606,971	0
'21	201	52	149	52	148,000	365,180	-113,392		213,775	461,909	1,075,472	531,499
'22	201	47	102	99	279,600	758,127	-211,500		191,690	427,525	1,445,442	161,529
'23	201	42	60	141	193,816	1,087,917	-298,200		171,955	396,800	1,552,288	54,683
'24	201	32	28	173	210,214	1,352,100	-264,000	-547,705	156,918	373,390	1,280,918	326,053
'25	201	64	0	201	197,015	1,591,299	-254,800	-470,015	143,761	352,906	1,560,166	46,804
'26	201	37	0	201	88,800	1,591,299		-617,809	143,761	352,906	1,558,957	48,013
'27	201	51	0	201	167,760	1,591,299		-281,699	143,761	352,906	1,974,027	-367,057
'28	201	26	0	201	116,289	1,591,299		-851,049	143,761	352,906	1,353,206	253,764
'29	201	68	0	201	126,128	1,591,299		500,139	143,761	352,906	1,713,955	-106,985
'30	201	40	0	201	118,209	1,591,299		-524,784	143,761	352,906	1,681,391	-74,421
10 Year Savings											\$873,883	



CASE STUDY | JOHNSON COUNTY

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, Program 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

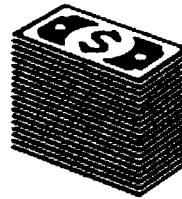
Since their partnership began 4 years ago, Enterprise Fleet Management has helped The City of Fredericksburg transition their fleet vehicles from an average age of 12 years to 4. The City has experienced a significant reduction in costs associated with their fleet program and a decrease in employee downtime. 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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FLEET MANAGEMENT



PROGRAM RESOURCES | JOHNSON COUNTY

SAFETY

All vehicles 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

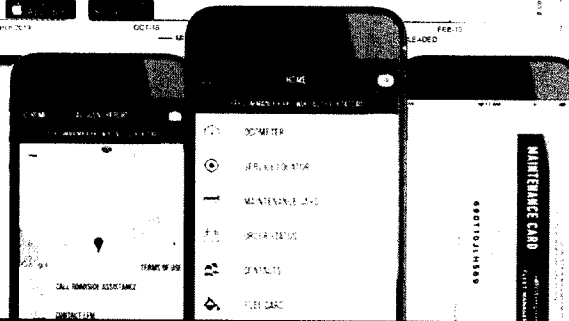
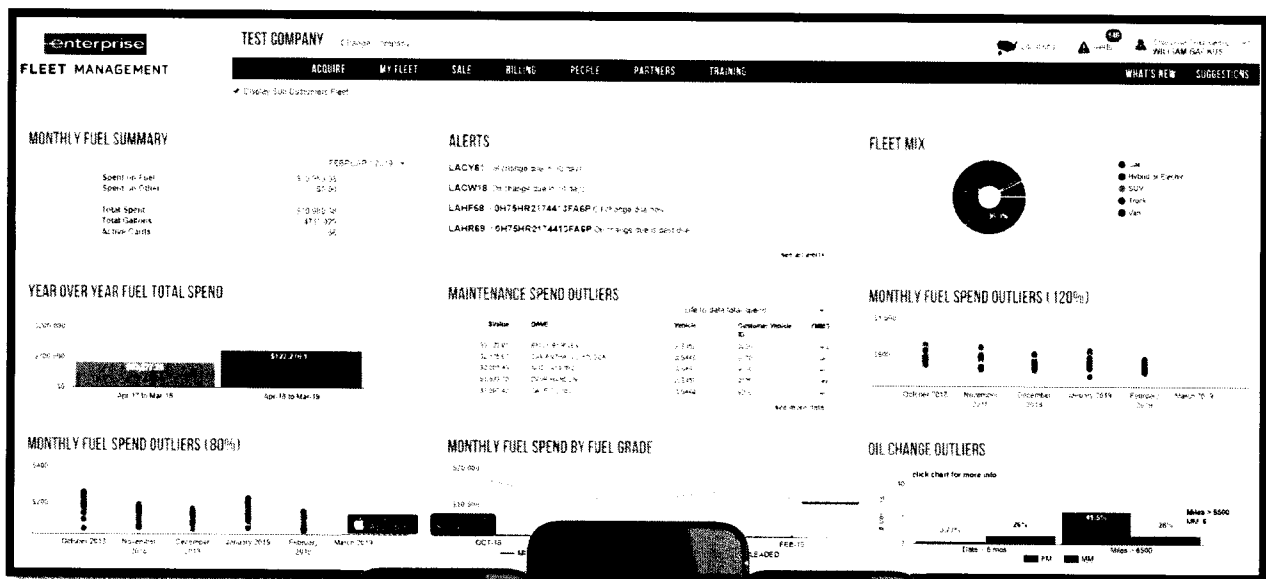
Johnson County will have a dedicated, local Account Team to proactively manage and develop your fleet while delivering the highest level of customer service to facilitate your day-to-day needs.

- Your dedicated Account Manager meets with you 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 | JOHNSON COUNTY

CURRENT PARTNERS

- Webb County
- Harrison County
- Gillespie County
- City of Corinth
- City of Alvarado
- City of Willow Park
- City of Justin
- City of Haltom City
- Kaufman County
- Potter County
- Hunt County
- Washington County
- Erath County
- City of Palestine
- City of Beaumont
- City of Longview

REFERENCE:

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

1. County: **Erath County**

Business Phone #: 254-965-1446

Contact Person: Kent Reeves, County Auditor

2. County: **Harrison County**

Business Phone #: 903-935-8401

Contact Person: Chad Sims, County Judge

COOPERATIVES:

- TIPS/TAPS USA
- SOURCEWELL