



FLEET MANAGEMENT

FLEET SYNOPSIS | CITY OF SMITHVILLE, MO



107 W Main
Smithville, MO 64089

Piggyback The Sourcewell 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

Enterprise Fleet Management, Inc.

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FLEET SYNOPSIS | CITY OF SMITHVILLE, MO

Impact of Partnership

BACKGROUND

Location: Smithville, MO
Industry: City Government
Total Non-Emergency Vehicles: 32

THE SITUATION

The City of Smithville is looking for a solution to better manage its aging fleet.

- 44% of the current light and medium duty fleet is over 10 years old.
- Older vehicles have higher fuel costs, maintenance costs, and tend to be unreliable.
- It would take 11.25 years to cycle out the entire fleet at current acquisition rates.

THE OBJECTIVES

Enterprise Fleet Management's proposal is to save City resources and budget dollars through a managed vehicle program.

- Utilize an open-end lease* as a funding mechanism, allowing the City to acquire additional vehicles while avoiding a large capital budget outlay.
- Replace aged vehicles with newer models to increase fuel efficiency and reduce maintenance expense. Maintenance and repair expenses will be reduced as the age of vehicles is lowered and the integration of more fuel efficient vehicles will reduce carbon footprint.
- Establish a proactive replacement plan that maximizes potential equity at time of resale, reduces operational expenses, and increases safety.

*An open-end lease means there are no early termination, mileage, or abnormal wear and tear penalties. Leases are written to a residual balance to preserve cash flow. The City receives flexibility of ownership, as well as net equity from sale at time of disposal.

CLIENT TESTIMONIAL

"We were skeptical at first because the numbers looked too good to be true. Once we made the choice to work with Enterprise Fleet Management, it was exciting to have a new fleet of vehicles for our employees. When we saw savings over 22% on fuel costs, just by switching to newer vehicles, that alone was worth the change."

—Nick Arena, Asst. Municipal Services Director, City of Lenexa, KS

THE RESULTS

By partnering with Enterprise Fleet Management, it is estimated that the City will create a long term sustainable cost savings of 35% while replacing the heavily aged fleet with newer, more reliable vehicles on a flexible four year cycle. This is expected to reduce Non-Emergency Response Vehicles fuel costs by 20% and maintenance costs by 68%.

Leveraging an open-end lease maximizes cash flow and recognizes equity from vehicles sold. Furthermore, the City will leverage Enterprise Fleet Management's ability to sell vehicles at an average of 109% of Black Book values.

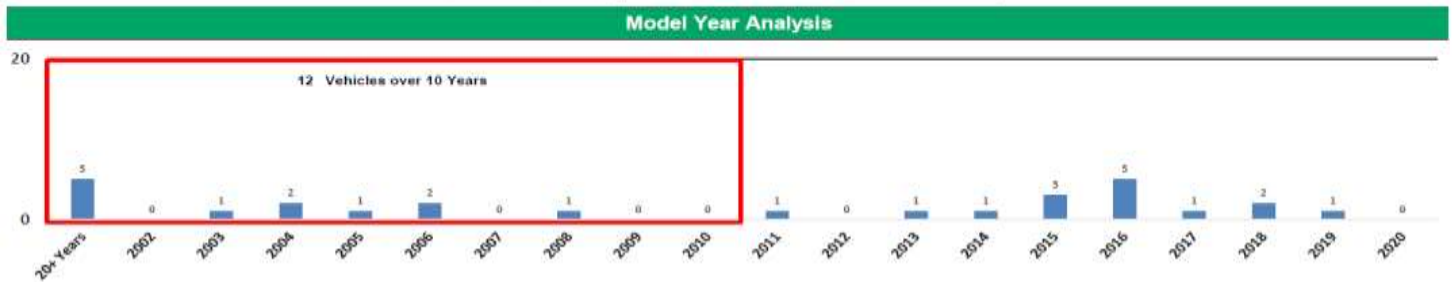
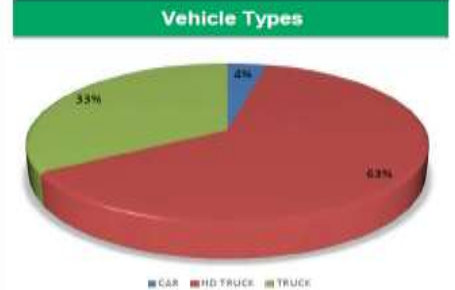
By shifting from reactively replacing inoperable vehicles to planning vehicle purchases, the City of Smithville, MO will be able to field newer, safer, and more efficient vehicles with reduced downtime in a cost-neutral or better manner.

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SUPPORTING EVIDENCE | CITY OF SMITHVILLE, MO

City of Smithville - Fleet Profile

Fleet Profile				Fleet Replacement Schedule					Replacement Criteria
Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage	2020	2021	2022	2023	Under-Utilized	
Full-size Sedan	1	4.3	5,800	0	0	0	1	0	* Fiscal Year 2020 = 10 years old and older, or odometer over 100,000
Compact Pickup Reg 4x2	2	20.0	4,100	2	0	0	0	0	* Fiscal Year 2021 = 8 years old and older, or odometer over 80,000
1/2 Ton Pickup Reg 4x4	5	8.5	6,800	1	1	0	3	0	* Fiscal Year 2022 = 6 years old and older, or odometer over 60,000
1/2 Ton Pickup Quad 4x4	2	3.2	7,000	0	0	0	2	0	* Fiscal Year 2023 = Remaining Vehicles
3/4 Ton Pickup Reg 4x4	1	29.8	3,400	1	0	0	0	0	* Underutilized = Annual Mileage less than 2,000
3/4 Ton Pickup Quad 4x4	2	2.7	5,300	0	0	0	2	0	
1 Ton Pickup Reg 4x4	7	15.5	5,800	6	1	0	0	0	
1 Ton Pickup Ext 4x4	1	12.3	4,800	1	0	0	0	0	
1 Ton Pickup Quad 4x4	1	5.3	7,200	0	0	0	1	0	
1 Ton Cab Chassis	4	8.5	3,200	1	0	0	3	0	
1 1/2 Ton Cab Chassis	1	6.3	2,600	0	0	1	0	0	
Totals/Averages	27	10.9	5,300	12	2	1	12	0	

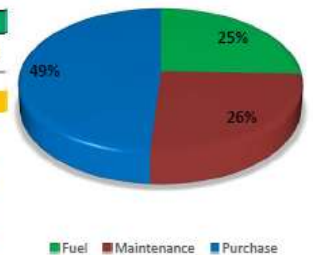


City of Smithville - Fleet Planning Analysis

Current Fleet	27	Fleet Growth	0.00%	Proposed Fleet	27
Current Cycle	11.25	Annual Miles	5,300	Proposed Cycle	2.26
Current Maint.	\$110.50			Proposed Maint.	\$35.71
Maint. Cents Per Mile	\$0.25	Current MPG	10	Price/Gallon	\$2.50

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	27	2.4	27	0	68,566	0			35,802	35,775	140,143	0
'20	27	12	15	12	0	78,430	-12,000	-15,232	25,033	32,595	108,826	31,317
'21	27	5	13	14	0	96,834	-7,000	-96,651	23,238	32,065	48,486	91,657
'22	27	12	12	15	0	117,047	-4,500	-31,090	22,340	31,800	135,597	4,546
'23	27	17	0	27	0	178,184	-72,000	-151,608	11,571	28,620	-5,233	145,376
'24	27	18	0	27	0	178,184	0	-77,732	11,571	28,620	140,643	-500
'25	27	12	0	27	0	178,184		-134,034	11,571	28,620	84,341	55,802
'26	27	17	0	27	0	178,184		-145,510	11,571	28,620	72,865	67,278
'27	27	17	0	27	0	178,184		-151,608	11,571	28,620	66,767	73,376



8 Year Savings

\$468,854

Avg. Sustainable Savings

\$48,989

Current Fleet Equity Analysis

YEAR	2020	2021	2022	2023	2024	Under-Utilized
QTY	12	2	1	12	0	0
Est \$	\$1,000	\$3,500	\$4,500	\$6,000	\$0	\$0
TOTAL	\$12,000	\$7,000	\$4,500	\$72,000	\$0	\$0
Estimated Current Fleet Equity**					\$95,500	

* Lease Rates are conservative estimates

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

Lease Maintenance costs are exclusive of tires unless noted on the lease rate quote.

KEY OBJECTIVES

Lower average age of the fleet

44% of the current light and medium duty fleet is over 10 years old

Resale of the aging fleet is significantly reduced

Reduce operating costs

Newer vehicles have a significantly lower maintenance expense

Newer vehicles have increased fuel efficiency with new technology implementations

Maintain a manageable vehicle budget

Challenged by inconsistent yearly budgets

Currently vehicle budget is underfunded

CASE STUDY | CITY OF LENEXA



The City of Lenexa see big savings with new fleet vehicles.

BACKGROUND

Location: Lenexa, KS
Industry: Government
Total vehicles: 72 vehicles

THE CHALLENGE

The City of Lenexa was holding onto vehicles for 10 years and would only replace the vehicles if maintenance costs became too high or they were inoperable. As issues would arise, city managers would rush to get the vehicle fixed, find funds to cover the repair and make sure the employee was able to do his or her job. The process of maintaining an aged fleet with high and unpredictable maintenance costs became a grueling task for The City to manage.

THE SOLUTION

Enterprise Fleet Management presented the City of Lenexa with a proactive fleet management program. The solution would replace most of the light-duty vehicles within the first year of partnering with Enterprise, which would provide the city with a newer, more reliable fleet.

"We were skeptical at first because the numbers looked too good to be true. Once we made the choice to work with Enterprise Fleet Management, it was exciting to have a new fleet of vehicles for our employees. When we saw savings over 22% on fuel costs, just by switching to newer vehicles, that alone was worth the change."

— Nick Arena, Asst. Municipal Services Director

By replacing 45 light-duty vehicles in the first year, The City realized immediate operational savings. Enterprise Fleet Management helped acquire vehicles with volume incentives to lower the initial order and reduce the total cost of ownership for the City of Lenexa.

THE RESULTS

The City now offers its employees vehicles that have up-to-date safety features and with overall improved reliability. This has helped improve the satisfaction of the workforce. The partnership has also helped The City standardize its fleet and utilize the best vehicles based on the equipment needed for the job. The program offers flexibility to replace units more frequently, in shorter cycles so it will continue to experience overall savings. With a newer fleet of vehicles, The City of Lenexa experienced a 22% decrease in fuel costs and a 70% decrease in unplanned maintenance expenses. Additionally, the new fleet strategy allows city employees to focus solely on their core responsibilities instead of vehicle maintenance issues.

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



Key Results

22%
SAVINGS
IN FUEL COSTS



REDUCED MAINTENANCE
SPEND BY
70%

6%
TOTAL SAVINGS
WITH FLEET AGE
LESS THAN 5 YEARS



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PROGRAM RESOURCES | CITY OF SMITHVILLE, MO

SAFETY

-12 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.

-13 vehicles predate Electronic Stability Control (mandatory for all 2012 model year vehicles). According to the Highway Traffic Safety Administration, this is the most important safety feature since the seatbelt.

ACCOUNT MANAGEMENT

The City of Smithville 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.

- Meeting with you at minimum 3 times per year: 2 of those are financial planning meetings. These are an Annual Client Review and a Fleet Analysis Meeting.
- Your Account Manager will provide ongoing analysis, which can include best makes/models, cents per mile, total cost of ownership, and replacement analysis.
- Monthly management reports consisting of a single invoice with all charges.

ANCILLARIES

Enterprise Fleet Management has the ability to offer a total fleet solution should the City need further evaluation of the fleet. These can include:

- Fuel Card
- Telematics Device
- Physical Damage Coverage

TECHNOLOGY

Enterprise Fleet Management's website provides vehicle tracking, reporting, and metrics. Our website can be customized to view a wide range of data to have a comprehensive and detailed look at all aspects of your fleet and the services provided. Our *Mobile App* also allows drivers a wide range of functions.

- **Invoices** - To include lease, maintenance, and ancillaries - all in one invoice
- **Maintenance Utilization** - Review the life-to-date maintenance per vehicle
- **Recall Information** - See which units are approaching the lease term and still have open recalls
- **License & Registration** - See which plate renewals are being processed by Enterprise; 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 SMITHVILLE, MO

CURRENT PARTNERS

- City of Raymore, MO
- City of Branson, MO
- City of Camdenton, MO
- City of Lake Ozark, MO
- City of Lenexa, KS
- City of Prairie Village, KS
- Saline County, MO
- Leavenworth County, KS
- Shawnee County, KS
- Geary County USD 475
- Haysville USD 261
- Olathe USD 233

REFERENCES

Below is a list of three (3) client/customer references including name, contact person, and telephone number.

Name: **Saline County, MO**

Business Phone #: (660) 886-7777

Contact Person(s): Kile Guthrie, Stephanie Gooden, Monte Fenner – County Commissioners

Name: **City of Lenexa, KS**

Business Phone #: (913) 477-7810

Contact Person: Nick Arena – Assistant Municipal Services Director

Name: **City of Raymore, MO**

Business Phone #: (816) 892-3109

Contact Person: Mike Ekey – Assistant City Manager