



FLEET MANAGEMENT

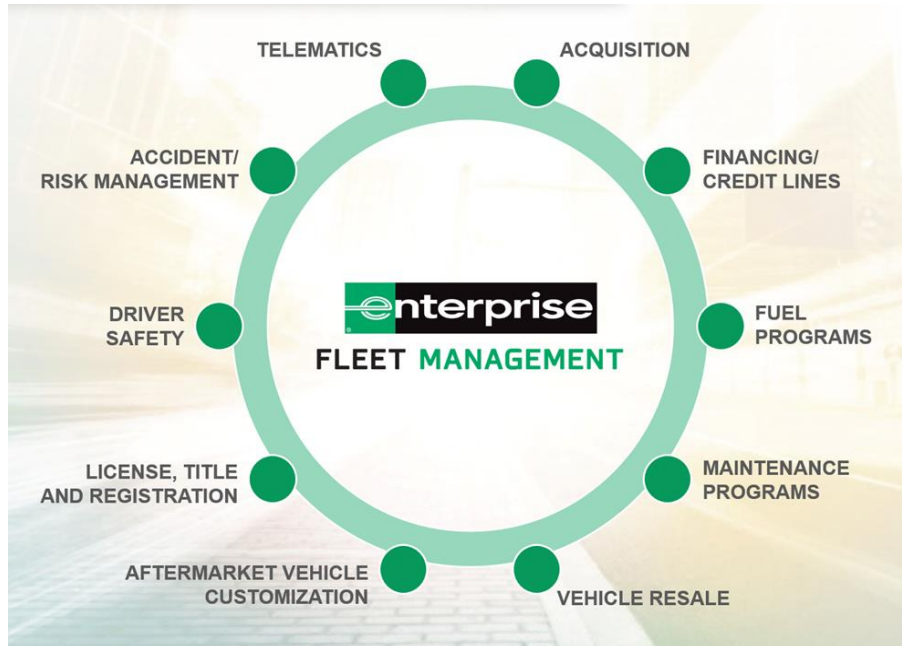
COUNCIL SYNOPSIS
PREPARED FOR:



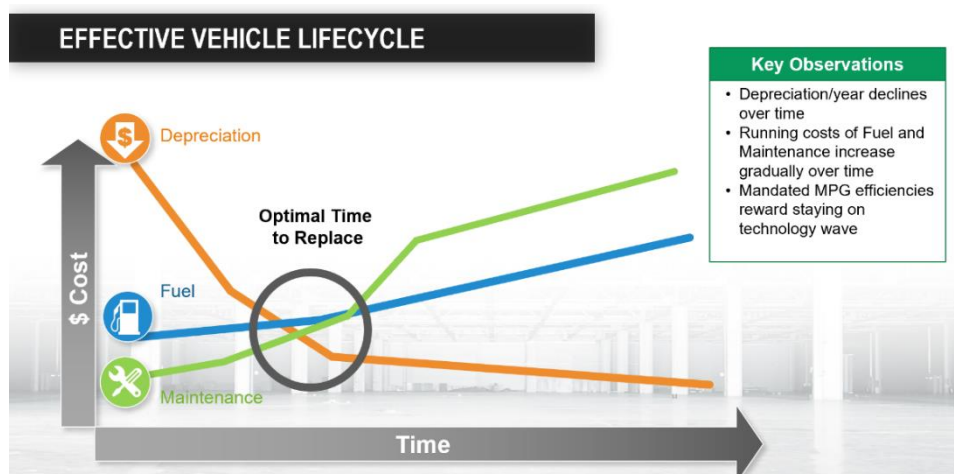
Matt DeLand
Account Executive
Cell - (630) 877-7898
Matt.J.DeLand@efleets.com



COUNCIL SYNOPSIS | TOWN OF MUNSTER



Enterprise Fleet Management is a full-service fleet management company. From determining a cost-effective life cycle, to acquisition, maintenance, fuel, resale, and more, Enterprise works with local units of government to improve cash flow and drive down the total cost to operate a fleet of vehicles. Enterprise partners with hundreds of local units of government across the country, including 60+ in Northwest Indiana and Illinois, to reduce costs and improve efficiency.



EFM helps government partners find the optimal time to replace each vehicle in fleet. With your aggressive buy and our ability to sell, that time is typically 1-5 years, not including the medium/heavy-duty vehicles. By lowering the average age and mileage of your fleet, your operational costs will be lower. This optimal life cycle, or “sweet spot”, looks different for different vehicle types and mileage patterns, but it’s our job to find the optimal time to reduce total cost of ownership.

COUNCIL SYNOPSIS | TOWN OF MUNSTER

THE SITUATION

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

- 22% of the fleet is currently 10 years or older
- 35% of the fleet is currently 5 years or older
- 68 vehicles are in the fleet today
- 8.6 vehicles are acquired on average each year
- 7.9 years is the current fleet life cycle. This is the amount of time it would take to replace all the vehicles in the fleet at current acquisition rates
- Older vehicles with higher odometers have higher fuel costs, maintenance and repair costs, fewer standard safety features, and tend to be unreliable, causing increased downtime and loss of productivity.

THE OBJECTIVES

Identify an effective vehicle life cycle that minimizes total cost of ownership and maximizes value at time of resale creating a savings of \$ \$1,087,817 in 10 years

- Shorten the current vehicle life cycle from 7.9 years to 3.95 years
- Provide a lower, more consistent and sustainable fleet budget that is predictable year over year
- Significantly reduce maintenance and repairs to an average monthly cost of \$65 vs. \$177.83 today
- Reduce the overall fuel spend by increasing average fleet MPG 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:
 - 2 vehicles predate Anti-Lock Brake standardization (2007)
 - 20 vehicles predate Electronic Stability Control standardization (2012)
 - *ESC is the most significant safety advancement since the seatbelt*

Utilize Sourcewell awarded RFP #060618-EFM that addresses the following:

- Access to all fleet management services as applicable to the needs of the Town
- Supports the town's need for fleet evaluation on an annual basis assessing costs and reviewing best practices

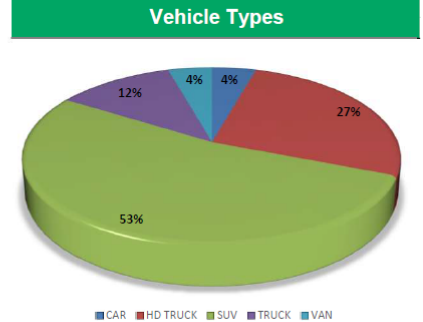
THE RESULTS

By partnering with Enterprise Fleet Management, Town of Munster will be better able to leverage its buying power, implement a tighter controlled resale program to lower total cost of ownership and minimize operational spend. Town of Munster will reduce fuel costs by 20% and reduce maintenance and repair costs from \$177.83 on average to \$65 per unit. Leveraging an open-end lease maximizes cash flow and recognizes equity from vehicles sold creating an internal replacement fund. Furthermore, Town of Munster will leverage Enterprise Fleet Management's ability to sell vehicles at an average of 10-15% above Black Book / CVI (commercial value index) value. By shifting from reactively replacing inoperable vehicles to proactively planning vehicle purchases, Town of Munster will be able to replace all of its vehicles over the course of 5 years while creating an average annual savings of \$47,695.

COUNCIL SYNOPSIS | TOWN OF MUNSTER

Town of Munster - Fleet Profile

Fleet Profile				Fleet Replacement Schedule						Replacement Criteria
Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage	2021	2022	2023	2024	2025	Under-Utilized	
Compact Sedan	1	2.2	4,300	0	0	0	0	1	0	* Fiscal Year 2021 = 10 years old and older, or odometer over 100,000
Full-size Sedan	2	13.8	7,700	2	0	0	0	0	0	* Fiscal Year 2022 = 8 years old and older, or odometer over 75,000
Minivan-Passenger	1	14.3	11,000	1	0	0	0	0	0	* Fiscal Year 2023 = 6 years old and older, or odometer over 50,000
Full-size Van-Passenger	1	4.3	1,500	0	0	0	0	0	1	* Fiscal Year 2024 = 4 years old and older, or odometer over 25,000
1/2 Ton Van Cargo	1	12.3	6,800	1	0	0	0	0	0	* Fiscal Year 2025 = Remaining Vehicles
Compact SUV 4x2	2	4.7	3,000	0	0	1	0	0	1	* Underutilized = Annual Mileage less than 2,500
Compact SUV 4x4	1	10.3	7,900	1	0	0	0	0	0	
Mid Size SUV 4x4	30	3.8	13,400	1	2	9	11	6	1	
Full Size SUV 4x2	1	10.3	8,700	1	0	0	0	0	0	
Full Size SUV 4x4	2	11.3	5,900	1	1	0	0	0	0	
Compact Pickup Ext 4x4	1	1.0	4,300	0	0	0	0	1	0	
1/2 Ton Pickup Reg 4x4	3	6.3	5,500	0	0	2	1	0	0	
1/2 Ton Pickup Ext 4x2	1	18.4	2,500	1	0	0	0	0	0	
1/2 Ton Pickup Ext 4x4	3	11.0	6,600	3	0	0	0	0	0	
3/4 Ton Pickup Reg 4x4	9	4.2	4,100	0	0	1	2	5	1	
3/4 Ton Pickup Ext 4x2	1	5.3	14,100	0	1	0	0	0	0	
3/4 Ton Pickup Ext 4x4	5	6.9	4,500	2	0	1	0	1	1	
3/4 Ton Pickup Quad 4x4	2	4.8	8,200	0	0	0	2	0	0	
1 Ton Cab Chassis	1	2.2	4,300	0	0	0	0	1	0	
Totals/Averages	68	5.7	9,000	14	4	14	16	15	5	



Town of Munster - Fleet Planning Analysis

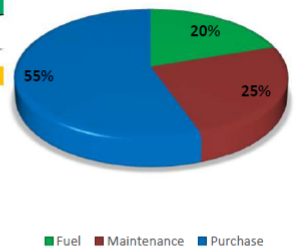
Current Fleet	68	Fleet Growth	-1.69%	Proposed Fleet	63
Current Cycle Trend	8.00	Annual Miles	9,700	Proposed Cycle	3.95
Current Maint.	\$177.83			Proposed Maint.	\$65.00
Maint. Cents Per Mile	\$0.22	Current MPG	13	Price/Gallon	\$2.50

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	68	8.6	68	0	328,124	0			145,112	117,692	590,928	0	
'21	63	14	49	14	14,000	89,747	-133,000		115,486	112,462	198,694	392,234	
'22	63	3	46	17	28,000	126,847	-27,000	-55,469	111,424	111,341	295,143	295,785	
'23	63	20	32	31	126,000	292,960	-77,000		92,468	106,110	540,538	50,390	
'24	63	17	15	48	154,000	479,007	-127,500	-90,842	69,450	99,758	583,873	7,054	
'25	63	25	0	63	84,000	608,283	-180,000	-168,529	49,140	94,154	487,048	103,880	
'26	63	14	0	63	14,000	608,283		-219,718	49,140	94,154	545,858	45,069	
'27	63	19	0	63	28,000	608,283		-292,416	49,140	94,154	487,160	103,767	
'28	63	16	0	63	126,000	608,283		-426,052	49,140	94,154	451,525	139,403	
'29	63	27	0	63	154,000	608,283		-249,315	49,140	94,154	656,262	-65,334	
'30	63	15	0	63	84,000	608,283		-260,219	49,140	94,154	575,358	15,569	
									10 Year Savings		\$1,087,817	Avg. Sustainable Savings	\$47,695

A 3D pie chart illustrating the cost breakdown. The largest slice is blue, representing Fuel at 55%. The next largest is red, representing Maintenance at 25%. The smallest slice is green, representing Purchase at 20%.

Category	Percentage
Fuel	55%
Maintenance	25%
Purchase	20%



Current Fleet Equity Analysis

YEAR	2021	2022	2023	2024	2025	Under-Utilized
QTY	14	3	14	17	15	5
Est \$	\$4,500	\$9,000	\$5,500	\$7,500	\$12,000	\$14,000
TOTAL	\$63,000	\$27,000	\$77,000	\$127,500	\$180,000	\$70,000
Estimated Current Fleet Equity**					\$544,500	

* 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

22% 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

The highlighted yellow line above is what Munster is currently spending on average per year across 68 vehicles in capital and operating costs. You'll notice the fleet budget reflected in each subsequent year with Enterprise with the net cash impact next to it.

The fleet budget is made up of capital, maintenance, and fuel costs less the current equity of the Town-owned vehicles we will be selling and the equity from the leases. The plan over the next 5 years is to replace all 68 vehicles. Once the fleet is fully penetrated, you'll notice the operational expenses, such as maintenance and fuel become flatlined because no vehicle in fleet is over 5 years old.

CASE STUDY | ST. JOSEPH COUNTY, IN



County Highway Department Keeps Fleet Budget Flat for 7 Years and upgrades to new vehicles with Fleet Management Program.

South Bend, IN • County Government • 46 Vehicles

THE CHALLENGE


St Joseph County operated an aging fleet where half of the vehicles were older than 10 years. The county only replaced vehicles when they became inoperable, causing unpredictable capital expenses.

THE SOLUTION

St Joseph County partnered with Enterprise Fleet Management to implement a fleet strategy of replacing vehicles every five years. The approach helped reduce the age of the fleet, offered a consistent replacement strategy, and improved the resale values.

KEY RESULTS

 **40+**
vehicles acquired with
resale gains

 Right-sized the fleet,
eliminated 10 under-used
vehicles

 **15-20%**
increase in Fleet
Fuel Efficiency



Our partnership with Enterprise Fleet Management has given us cost security within our own fleet. We purchase based on the right truck for the job, and we have reduced the fleet by roughly 10 units. We have done all this with the same annual spend, even 7 years after the program started.

— Chip Porter, Highway Engineer, County of St. Joseph



THE RESULTS

The county sold vehicles with less mileage, improving resale gains by an estimated \$200,000. The equity allowed the Highway Department to acquire over 40 vehicles, when previously they only had enough capital to replace 5 vehicles. The new vehicles are more fuel efficient which has decreased fuel expenses, reduced maintenance costs and limited vehicle downtime. The partnership with Enterprise has simplified operations and improved the county's image.

PROGRAM RESOURCES | TOWN OF MUNSTER

ACCOUNT MANAGEMENT

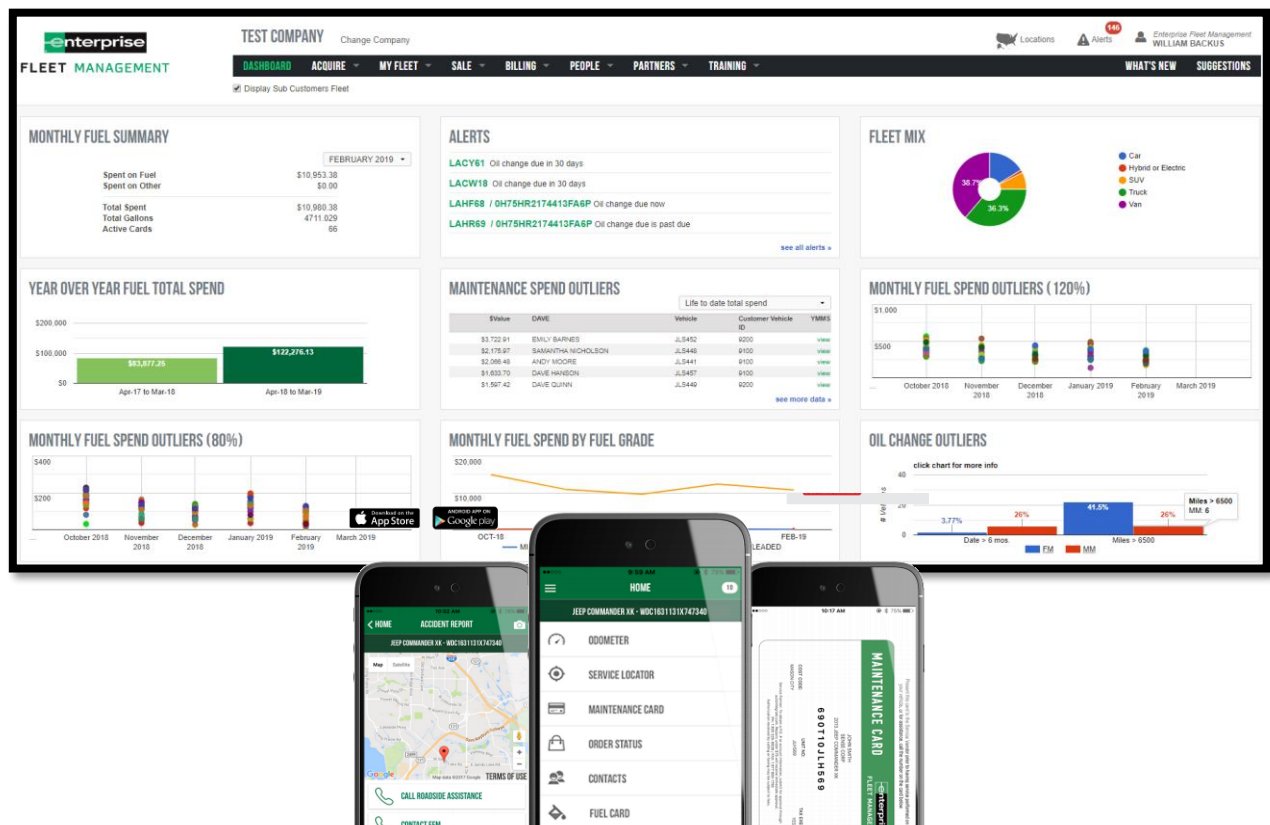
Town of Munster will have a dedicated, local account team to proactively manage and develop your fleet while delivering the highest level of customer service to facilitate your day-to-day needs.

- Your dedicated Client Strategy Manager meets with you 3-4 times a year for financial and strategic fleet planning.
- Your Client Strategy Manager will provide on-going analysis – this will include most cost-effective vehicle makes/models, cents per mile, total cost of ownership, and replacement analyses.

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 the convenience and functionality they need.

- **Consolidated Invoices** - Includes lease costs, 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 vehicle or transaction



REFERENCES

CURRENT PARTNERS IN INDIANA

- Lake County
- Lake County Parks and Recreation
- Purdue University
- Tippecanoe County
- Porter County
- City of Crown Point
- Marshall County
- St. Joseph County
- City of Kokomo
- City of Noblesville
- Howard County
- City of Madison
- City of Carmel
- Hendricks County

REFERENCES:

Below are two client references including company name, contact person, and telephone number.

1. **Lake County, Indiana**

Business Phone: (219) 755-3205

Contact Person: Mike Repay, County Commissioner

2. **Lake County Parks and Recreation**

Business Phone: (219) 945-0543

Contact Person: Chris Landgrave, COO

COOPERATIVES:

- TIPS/TAPS USA
- SOURCEWELL
- E&I