

TO: Dr. Koultourides and Members of Council

FROM: Dustin Anderson, Town Manager

SUBJECT: Enterprise Fleet Management

DATE: June 21, 2021

Background

The Town of Munster currently acquires vehicles by two different methods: a lease-purchase process and by the more traditional cash purchase. As a matter of practice, we have utilized lease-purchases for our police squad vehicles and traditional purchases for the balance of our fleet.

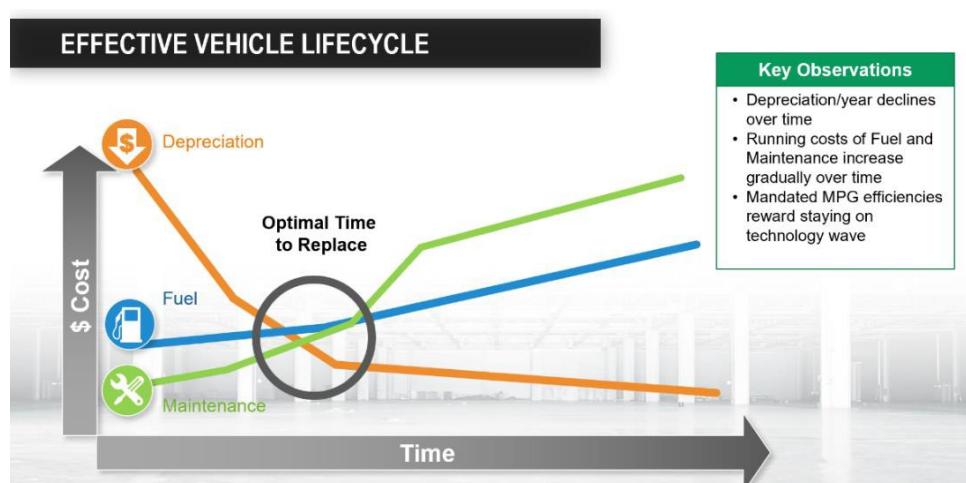
Wendy identified Enterprise Fleet Management as a potential opportunity for cost savings the Town could pursue. Enterprise Fleet Management (EFM) has partnered with entities across the nation and over 60 local units of government between Norwest Indiana and Illinois.

We facilitated multiple conversations with stakeholders throughout the organization about how best to take advantage of this potential opportunity.

Based on those conversations, we are not going to include in this model our larger dump body trucks and heavy equipment at this time. The concern being that these vehicles have too many after-market components that cannot be re-used and will thus need replacement as well.

Methodology

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.



The Town stands to realize over \$1,000,000 in savings over 10 years by utilizing this model. Other benefits will include a lower cost of maintenance, less fuel spend, safer vehicles, and in general a newer fleet of vehicles. Included with this packet is a detailed analysis produced by EFM.



There are four instruments that need to be utilized in order for the Town to take advantage of this opportunity. They are:

1. *Master Equity Lease Agreement* – governs the rights and responsibilities of each party
2. *Consignment Agreement* - allows EFM to purchase vehicles on the Town's behalf
3. *Authorized Signer Form* – allows EFM to be the authorized signer for vehicle-related transaction matters
4. Assignment Agreement – allows EFM to sell Town vehicles

These agreements have been reviewed and approved by our Town Attorney.

Recommendation

By motion and roll call vote authorize the Town Manager to sign the aforementioned agreements to partner with Enterprise Fleet Management