



# FLEET MANAGEMENT



# FLORENCE FLEET SITUATION

- **Current fleet age is negatively impacting the overall budget and fleet operations**
  - 81% of the light duty fleet is currently 10 years or older
  - **15 years** is the current average age of the fleet
  - **26 years** is the time it would take to cycle the entire fleet at current acquisition rates
  - Older vehicles have higher fuel costs, maintenance costs, reduce productivity due to increased downtime, and less safety features



# OBJECTIVE

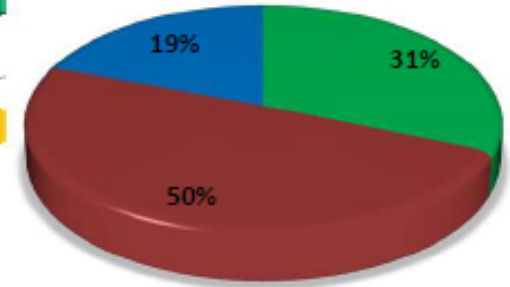
- **Identify an effective vehicle life cycle that maximizes potential equity at time of resale creating a conservative savings of \$434,139 in 10 years**
  - Shorten the current vehicle life cycle from **over 25 years and 195,000 miles to 3 years and 25,000 miles.**
  - Streamlined resale process for future leased vehicles to maximize return of equity (average 12% above auction) and speed of sale (10-20 days)
  - **Over 83% reduction** in maintenance costs by vehicle remaining under factory warranty coverage.
  - Continually reduce the overall fuel spend by finding the most fuel efficient vehicle in the class and right typing the fleet to the use
- **Increase employee safety with newer vehicles**
  - Currently:
    - **14 vehicles** predate Anti-lock Brake Standardization (2007)
    - **23 vehicles** predated Electronic Stability Control (ESC) standardization (2012)
      - “ESC is the most significant safety invention since the seatbelt” (IIHS)

# BUDGET MODEL ANALYSIS

Current Fleet	26	Fleet Growth	-0.88%	Proposed Fleet	25
Current Cycle	26.00	Annual Miles	7,900	Proposed Cycle	3.20
Current Maint.	\$200.00			Proposed Maint.	\$34.04
Maint. Cents Per Mile	\$0.30	Current MPG	10	Price/Gallon	\$2.00

## 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	26	1.0	26	0	24,360	0			62,400	39,520	126,280	0
'20	25	21	4	21	0	107,611	-59,868	-1,489	18,179	30,913	95,346	30,934
'21	25	5	0	25	0	128,727	-35,940	-78,799	10,213	29,274	53,476	72,804
'22	25	12	0	25	0	128,727	0	-21,553	10,213	29,274	146,661	-20,381
'23	25	5	0	25	0	128,727	0	-78,799	10,213	29,274	89,415	36,864
'24	25	12	0	25	0	128,727	0	-153,788	10,213	29,274	14,426	111,854
'25	25	16	0	25	0	128,727		-78,799	10,213	29,274	89,415	36,864
'26	25	12	0	25	0	128,727		-21,553	10,213	29,274	146,661	-20,381
'27	25	5	0	25	0	128,727		-78,799	10,213	29,274	89,415	36,864
'28	25	12	0	25	0	128,727		-21,553	10,213	29,274	146,661	-20,381
'29	25	5	0	25	0	128,727		-211,033	10,213	29,274	-42,819	169,099



■ Fuel ■ Maintenance ■ Purchase

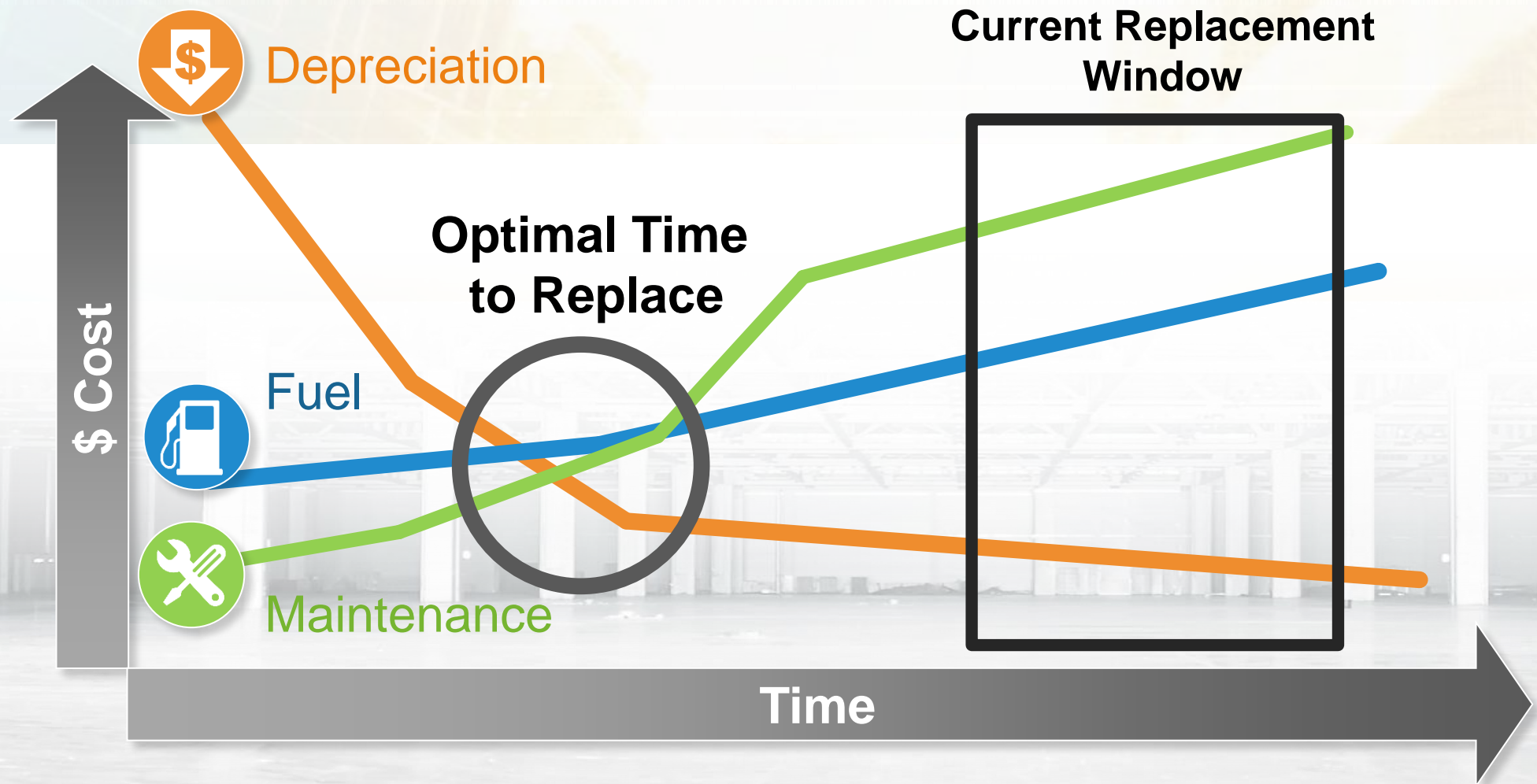
10 Year Savings

\$434,139

Avg. Sustainable Savings

\$40,413

# EFFECTIVE VEHICLE LIFE CYCLE





# SAFETY

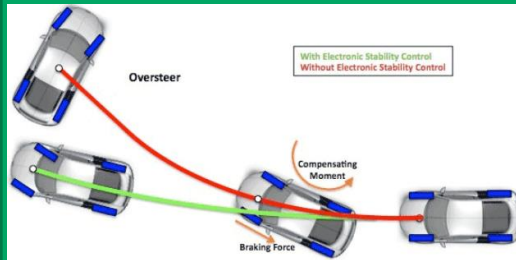
## 2007

- Front/Side crash test
- Anti-lock brakes
- Airbags



## 2012

- Electronic Stability Control
- Lane Departure Warning



## 2017

- Forward Collision Warning
- Blind Spot Warning
- Offset-crash test



## 2018

- Rear Camera Standard as of May 2018



**FLEET MANAGEMENT**

# Benifits

## **The Florence Fleet:**

- 81% of the light duty flees was 10 years or older.
- 15 years was the current average age of the fleet.
- It would take 26 years to cycle the entire fleet at current acquisition rates.
- Older vehicles were incurring costs associated with fuel, maintenance.
- Productivity was reduced due to increased downtime.
- Vehicle safety features were not up to date in older vehicles.

## **With the Lease Option:**

- Maximize the potential equity at time of resale by shortening the time the vehicles were in service.
- Streamline resale process for future leased vehicles.
- Reduction of maintenance costs estimated at 85% by vehicle remaining under factory warranty coverage.
- Reduce the overall fuel spending by finding the most fuel-efficient vehicles in the class and right typing the fleet to the use.
- Increase employee safety with newer vehicles.
- Police vehicles were outfitted by the leasing company and delivered ready to place in service.
- The leasing company would monitor usage and evaluate the need to replace vehicles based on mileage and maintenance needs.