

TOWN COUNCIL

STAFF REPORT FINANCE Department



MEETING DATE:	7/13/2021
PROJECT:	Enterprise Fleet Management Agreement
PROJECT MANAGER:	Chris Forster, Director of Finance & Administration, MPA, CPFO, CGFM

RECOMMENDATION: Staff recommends execution of the Enterprise Fleet Management Agreement for a pilot program of up to sixteen (16) vehicles. The one-year cost would be up to \$142,000 to replace and retire the most aged police vehicles.

BACKGROUND/DISCUSSION: Enterprise FM Trust is the fleet management branch of well-known Enterprise Rent-a-Car. Through the economies of scale of their buying power, they can acquire vehicles at or below State contract pricing. Enterprise would lease the vehicles to the Town for a duration of 48 months or another agreed-upon duration. Enterprise can also sell Town-owned vehicles at wholesale auction on our behalf.

The current condition of the Police Department fleet is best described as “aged” with the current vehicle cycle turnover between 12-13 years. Of the 75 Bluffton police vehicles on the road today, 55% of the fleet is older than five years and 23% is older than ten years. Currently 31% of the police fleet has more than 100,000 miles on their odometers. Although the Town has a financially advantageous maintenance program in place with the Bluffton Township Fire District, such an aged fleet has additional repair costs over and above routine maintenance. The FY21 maintenance cost estimate is \$84,528 and the FY21 fuel estimate is \$169,240.

The goal of the Enterprise fleet management program would be a five-year replacement cycle to modernize our fleet. It is estimated that the annual maintenance cost savings would be \$28,232 and would save four miles per gallon on fuel per vehicle. In addition, such modernization would improve vehicle safety for our officers.

Neighboring municipalities have implemented this fleet program with Enterprise with success. Colleton County has 92 police vehicles and have phased in the lease program to 71 of those vehicles. Similarly, Port Royal PD has 30 police vehicles, 15 of which are leased through Enterprise; the City of Beaufort has 66 police vehicles, 22 of which are leased through Enterprise. Each of those jurisdictions intends to lease 100% of their vehicles in the Enterprise program.

SUMMARY: There is a demonstrable cost savings and decrease in risk by modernizing the Police Department fleet of vehicles. If the pilot program of the first 16 vehicles is successful, the program could be expanded to all 75 Police Department vehicles and the additional 27 other Town vehicles. The

Town can retain its excellent relationship with Bluffton Township Fire District for routine maintenance if we desire, and can continue our insurance coverage through the State Fund.

NEXT STEPS: Approve the Town Manager or his delegate to execute the Master Equity Lease Agreement and accompanying documentation.

ATTACHMENTS:

1. Master Equity Lease Agreement - Government