

*Prepared For:*

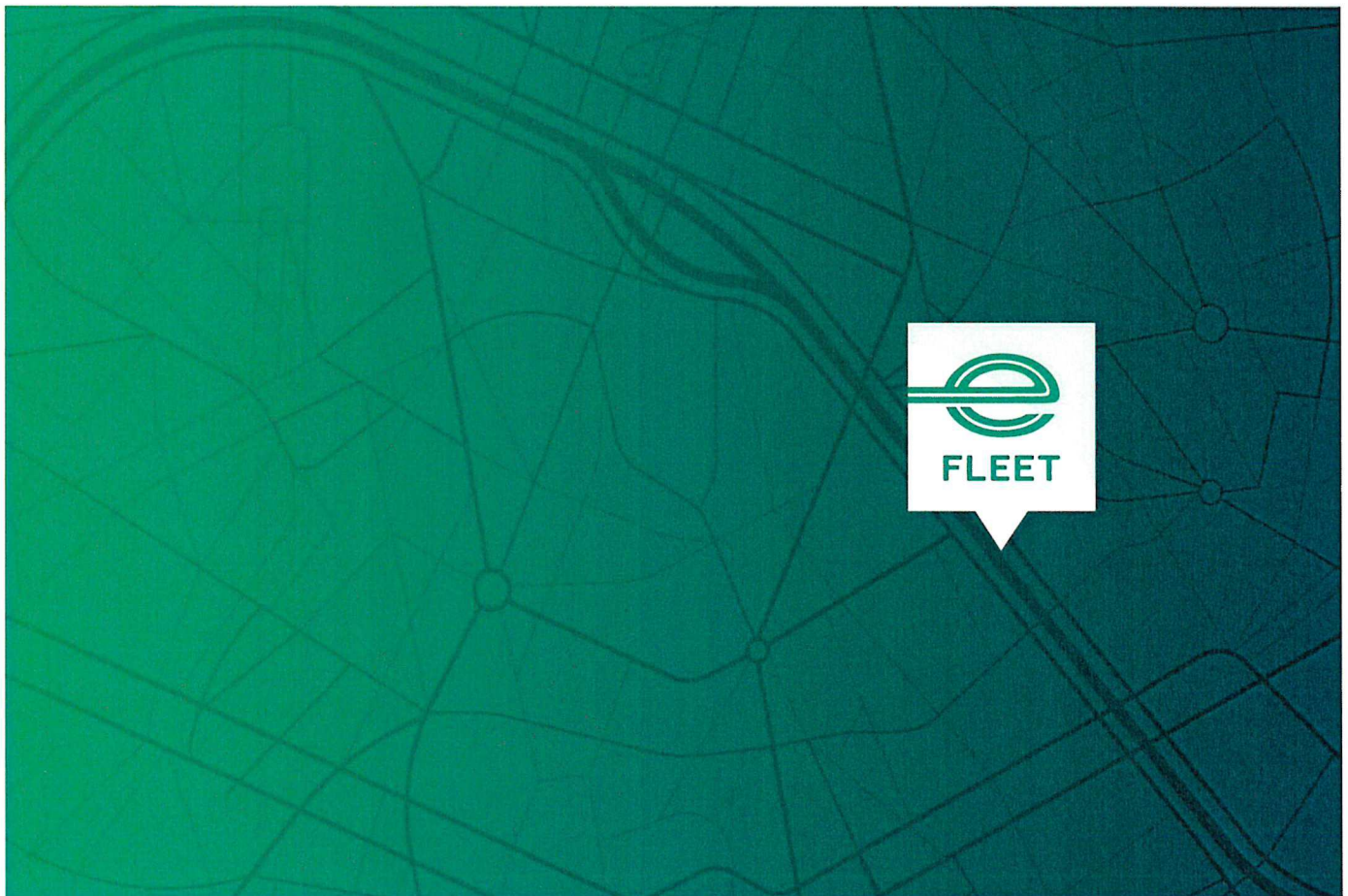


**CITY OF PORT LAVACA**  
TEXAS

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# FLEET SYNOPSIS | CITY OF PORT LAVACA

## THE SITUATION

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

- 31% of the light and medium duty fleet is currently 10 years or older
- 11 vehicles of the light and medium duty fleet is currently 10 years or older
- 8.4 years is the current average age of the fleet
- 17.5 years – time it would take to cycle the entire fleet at current acquisition rates
- Older vehicles have higher fuel costs, maintenance costs and tend to be unreliable, causing increased downtime and loss of productivity.

## THE OBJECTIVES

### Identify an effective vehicle life cycle that maximizes potential equity at time of resale creating a conservative savings of over \$345,000+ in 10 years

- Shorten the current vehicle life cycle from 17.5 years to 2.29 years
- Provide a lower sustainable fleet cost that is predictable year over year
- Free up more than \$32,000 in capital from the salvage of 16 vehicles in the first year
- Significantly reduce Maintenance to an average monthly cost of \$39.03 vs. current \$162.00
- Reduce the overall fuel spend 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)
  - 7 vehicles predate Electronic Stability Control standardization (2012)
    - *ESC is the most significant safety invention since the seatbelt*
  - 29 vehicles predate standardization of back up camera (2018)

### Piggyback The Sourcewell, TIPS USA or E&I awarded RFP 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

## THE RESULTS

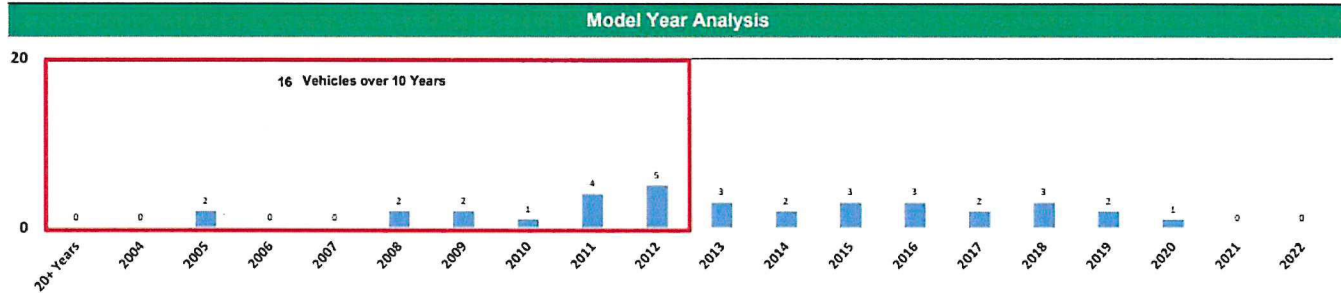
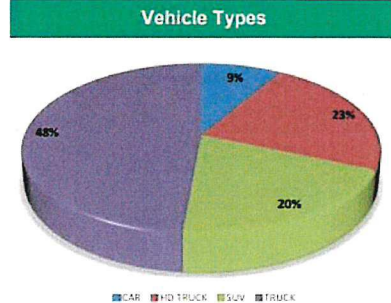
By partnering with Enterprise Fleet Management, it is estimated that the City will reduce their fuel costs by 20%. The City will also reduce maintenance cost by approximately 74% on non-emergency response vehicles. Leveraging an open-end lease maximizes cash flow and recognizes equity from vehicles sold. Furthermore, the City will leverage Enterprises Fleet Management's ability to sell vehicles at an average of 110% above Commercial Value Index. By shifting from reactively replacing inoperable vehicles to planning vehicle purchases, the City of Port Lavaca will be able replace 16 of its oldest vehicles within a year, turning 45% of their vehicles into newer, safer, more efficient models.



# FLEET STATISTICS | CITY OF PORT LAVACA

## City of Port Lavaca - Fleet Profile

Fleet Profile				Fleet Replacement Schedule						Replacement Criteria
Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage	2022	2023	2024	2025	2026	Under-Utilized	
Mid-size Sedan	1	3.6	300	0	0	0	1	0	0	* Fiscal Year 2022 = 10 years old and older, or odometer over 100,000
Full-size Sedan	2	9.1	8,700	1	1	0	0	0	0	* Fiscal Year 2023 = 8 years old and older, or odometer over 93,300
Mid Size SUV 4x2	1	12.7	5,900	1	0	0	0	0	0	* Fiscal Year 2024 = 6 years old and older, or odometer over 86,600
Mid Size SUV 4x4	3	3.5	9,600	0	0	1	0	2	0	* Fiscal Year 2025 = 4 years old and older, or odometer over 79,900
Full Size SUV 4x2	3	6.6	8,200	0	1	2	0	0	0	* Fiscal Year 2026 = Remaining Vehicles
1/2 Ton Pickup Reg 4x2	4	11.7	8,700	3	0	1	0	0	0	* Underutilized = Annual Mileage less than
1/2 Ton Pickup Ext 4x2	6	10.8	7,400	4	1	1	0	0	0	
1/2 Ton Pickup Quad 4x2	7	6.2	7,400	2	1	0	3	1	0	
3/4 Ton Pickup Reg 4x2	1	12.7	4,200	1	0	0	0	0	0	
3/4 Ton Pickup Ext 4x2	4	9.4	5,400	3	0	1	0	0	0	
1 Ton Pickup Ext 4x2	1	8.6	8,700	0	1	0	0	0	0	
1 Ton Pickup Quad 4x2	1	3.6	5,200	0	0	0	1	0	0	
1 Ton Pickup Quad 4x4	1	10.7	7,000	1	0	0	0	0	0	
<b>Totals/Averages</b>	<b>35</b>	<b>8.4</b>	<b>7,300</b>	<b>16</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>3</b>	<b>0</b>	



Confidential

7/15/2021

enterprise  
FLEET MANAGEMENT

## City of Port Lavaca - Fleet Planning Analysis

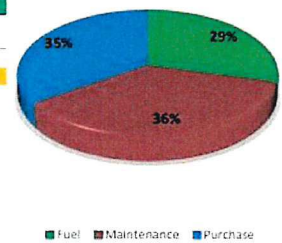
Current Fleet	35	Fleet Growth	0.00%	Proposed Fleet	35
Current Cycle	17.50	Annual Miles	8,100	Proposed Cycle	2.29
Current Maint.	\$152.00			Proposed Maint.	\$39.03
Maint. Cents Per Mile	\$0.23	Current MPG	10	Price/Gallon	\$2.00

## 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	35	2.0	35	0	60,937	0			63,840	51,100	175,877	0
'22	35	16	19	16	88,000	136,411	-32,000	-52,821	42,149	46,428	228,167	-52,290
'23	35	14	14	21	0	156,421	-10,000	-64,458	35,370	44,968	162,302	13,575
'24	35	17	8	27	0	204,517	-21,000	-155,825	27,236	43,216	98,143	77,733
'25	35	25	3	32	0	215,692	-32,500	-123,143	20,458	41,756	122,263	53,614
'26	35	22	0	35	0	239,053	-25,500	-130,354	16,391	40,880	140,470	35,407
'27	35	20	0	35	0	239,053		-209,179	16,391	40,880	87,144	88,733
'28	35	27	0	35	0	239,053		-127,644	16,391	40,880	168,680	7,197
'29	35	20	0	35	0	239,053		-137,532	16,391	40,880	158,791	17,085
'30	35	21	0	35	0	239,053		-207,111	16,391	40,880	89,212	86,664
'31	35	27	0	35	0	239,053		-137,740	16,391	40,880	158,583	17,294
10 Year Savings											\$345,014	
Avg. Sustainable Savings												\$43,395

A pie chart illustrating the cost breakdown. The largest portion is Maintenance at 36%, followed by Fuel at 35%, and Purchase at 29%.

Category	Percentage
Fuel	35%
Maintenance	36%
Purchase	29%



# CASE STUDY | CITY OF PORT LAVACA

## CASE STUDY | CITY OF FREDERICKSBURG, TX



### City lowers fleet maintenance costs by \$127K with Fleet Program.

#### BACKGROUND

Location: Fredericksburg, TX  
Industry: Government  
Total vehicles: 75 vehicles

#### THE CHALLENGE

Each year, the City of Fredericksburg was faced with high vehicle repair and maintenance costs for an aging fleet. The City's 75 vehicles had an average age of 12 years resulting in unexpected maintenance issues each year. The City was spending \$153,300 per year on fleet maintenance, averaging over \$2,000 per truck. Searching for solutions within their budget, the city needed to make managing their vehicles easier, from purchasing to maintenance and driver fueling options.

#### THE SOLUTION

Enterprise Fleet Management presented a proactive fleet replacement plan to the City of Fredericksburg that would reduce the average age of their fleet by 60% helping reduce operational and maintenance expenses. With integrating newer vehicles into the City's fleet, employees would drive safer, more reliable vehicles with minimal maintenance needs. Long-term, this plan has helped save an average of \$29,284 per year in fleet related expenses.

**"We have truly enjoyed the partnership with Enterprise Fleet Management. Things are much easier to manage now, and we are saving money on vehicle maintenance."**

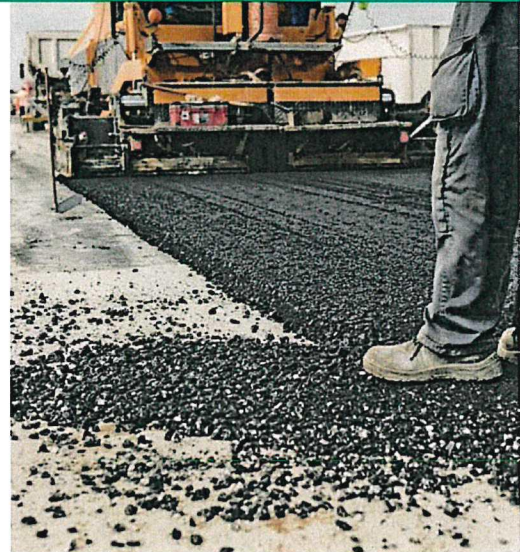
- Brian Peters, Programs Manager

Enterprise Fleet Management also recommended replacing all vehicles owned by the city within a 5-year time frame. This approach will help The City lower maintenance expense from \$153,300 per year to \$26,016 per year.

#### THE RESULTS

Since their partnership began 4 years ago, Enterprise Fleet Management has helped The City of Fredericksburg transition their fleet vehicles from an average age of 12 years to 4. The City has experienced a significant reduction in costs associated with their fleet program and a decrease in employee downtime. This is due to The City putting their trust in the local Enterprise Fleet Management team's expertise and the fleet planning analytics backing each recommendation. The partnership has given the City visibility into all vehicle costs and budget accordingly.

To learn more, visit [eefleets.com](http://eefleets.com) or call 877-23-FLEET.



#### Key Results

MAINTENANCE  
LOWERED BY  
**83%**



**SAVED  
\$62,052**  
OVER THE LAST 2  
REPLACEMENT YEARS

**5 YEAR**  
REPLACEMENT PLAN



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# PROGRAM RESOURCES | CITY OF PORT LAVACA

## SAFETY

- 30% of all vehicles are older than 10 years of age and do not contain the most up to date safety features, such as electronic stability control and airbag standardization and anti-lock brake control.

## ACCOUNT MANAGEMENT

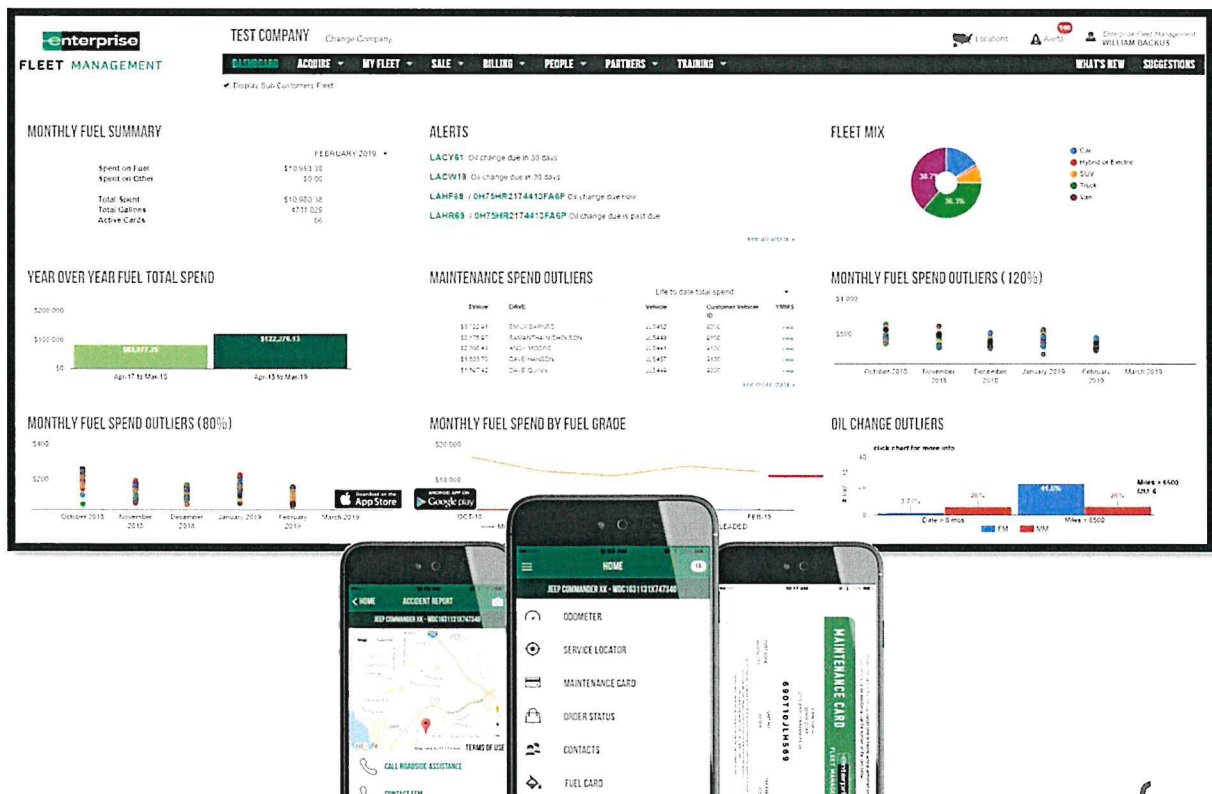
The City of Port Lavaca will have a dedicated, local account team to proactively manage and develop your fleet while delivering the highest level of customer service to facilitate your day-to-day needs.

- Your dedicated Client Strategy Manager meets with you 3-4 times a year for both financial and strategic 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 analysis.

## 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 of the convenience and functionality they need.

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



# REFERENCES | CITY OF PORT LAVACA

## CURRENT PARTNERS

- City of Cibolo
- City of Kyle
- City of Kerrville
- City of Brownsville
- City of Commerce
- City of Pleasanton
- City of Mount Pleasant
- City of Edna
- City of Victoria
- City of Alice
- City of San Marcos
- City of Beaumont
- City of Fredericksburg
- City of Sealy
- City of Uvalde
- City of El Campo

## REFERENCES:

- City of Edna
  - Gary Broz, City Manager
  - [gbroz@cityofedna.com](mailto:gbroz@cityofedna.com) or 361-782-3122
- City of El Campo
  - Courtney Sladek, City Manager
  - [csladek@cityofelcampo.org](mailto:csladek@cityofelcampo.org) or 979-541-5009
- City of Sealy
  - Jay Reeves, Chief of Police
  - [jreeves@ci.sealy.tx.us](mailto:jreeves@ci.sealy.tx.us) or 281-830-5177
- City of Navasota
  - Lance Hall, Finance Director
  - [lhall@navasotatx.gov](mailto:lhall@navasotatx.gov) or 936-870-6582

## COOPERATIVES:

- TIPS/TAPS USA
- SOURCEWELL
- E&I