



FLEET MANAGEMENT

FLEET SYNOPSIS | CITY OF LACROSSE

LA CROSSE WISCONSIN

City of La Crosse
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FLEET MANAGEMENT

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FLEET SYNOPSIS | City of La Crosse

Impact of Partnership

BACKGROUND

Location: La Crosse, Wisconsin

Industry: Government - City

THE SITUATION

The City of La Crosse is looking for a solution to better manage its aging fleet.

- Large portion of the current light and medium duty fleet is over 15 years old.
- Older vehicles have higher fuel costs, maintenance costs, and tend to be unreliable.
- The goal of the program to operate a newer, safer, more reliable fleet operation while reducing the total cost of ownership of the City's fleet.

THE OBJECTIVES

Enterprise Fleet Management's proposal is to save the City resources and budget dollars through a managed vehicle program.

- Utilize an open-end lease* as a funding mechanism, allowing the City to acquire additional vehicles while avoiding a large capital budget outlay.
- Replace aged vehicles with newer models to increase fuel efficiency and reduce maintenance expense.
- Establish a proactive replacement plan that maximizes potential equity at time of resale, reduces operational expenses, and increases safety.

*An open-end lease means there are no early termination, mileage, or abnormal wear and tear penalties. Leases are written to a residual balance to preserve cash flow. The City receives flexibility of ownership, as well as net equity from sale at time of disposal.

THE RESULTS

By partnering with Enterprise Fleet Management, the City of La Crosse will be able to do more with less. 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 for maximum resale return. By shifting from reactively replacing inoperable vehicles to planning vehicle purchases, the City will be able to replace 30+ of its oldest vehicles in year one and remain under budget in comparison to their average annual vehicle purchase of 5-6 vehicles per year.

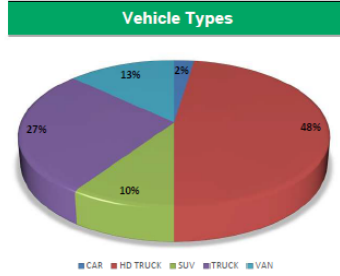


SAVE \$\$\$ 	REDUCE MAINTENANCE COSTS 
INCREASED VISIBILITY & TRACKING 	

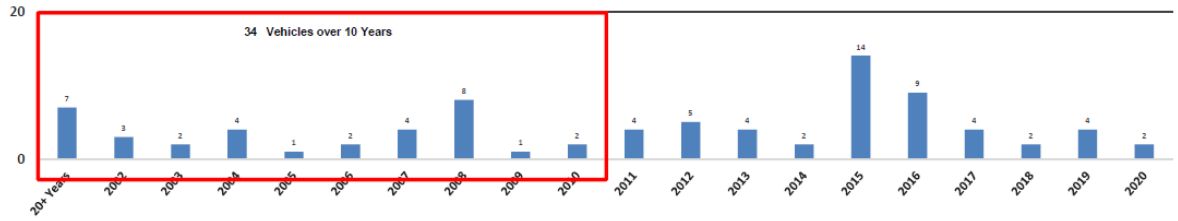
City of La Crosse - Fleet Profile

Fleet Profile				Fleet Replacement Schedule						Replacement Criteria
Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage	2020	2021	2022	2023	2024	Under-Utilized	
Full-size Sedan	2	10.7	6,300	1	1	0	0	0	0	
Minivan-Cargo	3	3.1	7,300	0	0	1	1	1	0	
Minivan-Passenger	3	6.1	9,100	2	0	0	0	1	0	
1/2 Ton Van Cargo	3	11.1	2,600	1	0	1	0	0	1	
3/4 Ton Van Cargo	2	12.2	3,600	1	0	0	1	0	0	
Mid Size SUV 4x4	4	8.6	5,900	0	3	0	1	0	0	
Full Size SUV 4x2	4	11.4	3,800	2	1	0	1	0	0	
Compact Pickup Reg 4x4	4	13.2	5,700	4	0	0	0	0	0	
Compact Pickup Ext 4x2	1	3.0	3,600	0	0	0	0	1	0	
Compact Pickup Quad 4x4	1	7.1	3,800	0	0	1	0	0	0	
1/2 Ton Pickup Reg 4x2	6	9.0	5,900	2	1	1	2	0	0	
1/2 Ton Pickup Reg 4x4	2	12.2	8,000	1	0	1	0	0	0	
1/2 Ton Pickup Ext 4x4	8	7.1	7,300	4	0	0	1	3	0	
1/2 Ton Pickup Quad 4x4	1	5.1	4,900	0	0	0	1	0	0	
3/4 Ton Pickup Reg 4x2	5	18.1	3,700	3	1	0	0	0	1	
3/4 Ton Pickup Reg 4x4	8	11.8	4,500	4	0	0	3	0	1	
1 Ton Pickup Reg 4x2	7	6.5	4,900	1	0	0	5	1	0	
1 Ton Pickup Reg 4x4	8	7.0	5,600	1	1	0	3	2	1	
1 1/2 Ton Cab Chassis	12	8.4	5,000	4	2	1	2	3	0	
Totals/Averages	84	9.2	5,400	31	10	6	21	12	4	

* Fiscal Year 2020 = 12 years old and older, or odometer over 90,000
 * Fiscal Year 2021 = 8 years old and older, or odometer over 60,000
 * Fiscal Year 2022 = 6 years old and older, or odometer over 50,000
 * Fiscal Year 2023 = 4 years old and older, or odometer over 30,000
 * Fiscal Year 2024 = Remaining Vehicles
 * Underutilized = Annual Mileage less than 2,000



Model Year Analysis



Confidential

2/11/2020

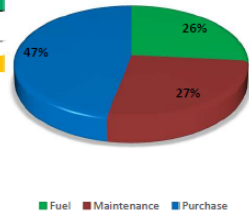


City of La Crosse - Fleet Planning Analysis

Current Fleet	84	Fleet Growth	-1.09%	Proposed Fleet	80
Current Cycle	14.00	Annual Miles	5,700	Proposed Cycle	3.75
Maint. Cents Per Mile	\$0.21			Proposed Maint.	\$22.47
Current Maint.	\$100.00	Current MPG	9	Price/Gallon	\$2.00

Fleet Costs Analysis

Fiscal Year	Fleet Mix				Fleet Cost				Annual			
	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Equity (Owned)	Equity (Leased)	Maintenance	Fuel	Fleet Budget	Net Cash
Average	84	6.0	84	0	178,401	0			100,800	100,800	380,001	0
'20	80	31	49	31	0	183,134	-97,000		67,159	92,988	246,281	133,720
'21	80	10	39	41	0	245,350	-76,000		57,855	90,468	317,673	62,328
'22	80	6	33	47	0	278,264	-72,500	-152,055	52,273	88,956	194,938	185,062
'23	80	41	12	68	0	429,745	-360,000	-37,820	32,735	83,664	148,323	231,677
'24	80	17	0	80	0	477,066	-255,500	-104,864	21,571	80,640	218,914	161,087
'25	80	12	0	80	0	477,066		-366,519	21,571	80,640	212,758	167,243
'26	80	43	0	80	0	477,066		-102,889	21,571	80,640	476,388	-96,388
'27	80	13	0	80	0	477,066		-73,531	21,571	80,640	505,747	-125,746
'28	80	10	0	80	0	477,066		-335,302	21,571	80,640	243,975	136,026
'29	80	40	0	80	0	477,066		-179,676	21,571	80,640	399,601	-19,600



10 Year Savings	\$835,409	Avg. Sustainable Savings	\$12,307
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Current Fleet Equity Analysis

YEAR	2020	2021	2022	2023	2024	Under-Utilized
QTY	31	10	6	21	12	4
Est \$	\$2,355	\$7,600	\$12,083	\$17,143	\$21,292	\$6,000
TOTAL	\$73,000	\$76,000	\$72,500	\$360,000	\$255,500	\$24,000
	Estimated Current Fleet Equity**					\$861,000

* 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**
 40% 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

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2/11/2020



REFERENCES

CURRENT PARTNERS

- Lacrosse County Sheriff
- City of Wausau
- City of Manitowoc
- City of Oak Creek
- Kenosha Unified School District
- Dunn County
- Buffalo County
- Green Lake County

REFERENCES

Below is a list of at least three (3) client/customer references including company name, contact person, and telephone number.

Company Name: [City of Manitowoc](#)

Business Phone #: 920 686 6961

Contact Person: Steve Corbeille - Director of Finance

Company Name: [Kenosha Unified School District](#)

Business Phone #: 262.945.0042

Contact Person: Kevin Christoun – Maintenance Supervisor

Company Name: [City of Wausau](#)

Business Phone #: 715.261.6968

Contact Person: Mark Hanson – Fleet & Facilities Manager

Company Name: [Wisconsin County Association](#)

Business Phone #: 608 663 7188

Contact Person(s): Mark O'Connell – Executive Director

Keith Langenhahn – Field Services Representative