

Pinal County

Fleet Leasing and Management Pilot Program

BOS Meeting 7/8/15

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P I N A L • C O U N T Y
wide open opportunity

Agenda

- Objectives Greg Stanley
- Pilot Overview Tom Schryer
- Anticipated Benefits Tom Schryer
- Discussion
- BOS Approval Requests
 - Vehicle disposition
 - Marking policy variance

Objectives

- To procure, manage and maintain fleet vehicles at the lowest total cost.
- To reduce capital expenditures and stabilize budgetary impact of vehicle procurement and maintenance by having these costs predictable and paid on a monthly basis.
- Shift primary accountability and budgeting for vehicle cost/benefit decisions to departments and offices.

Pilot Overview

- Contract with Enterprise Fleet Management (EFM) to manage light duty vehicle lifecycle.
- EFM uses their buying power (800,000 to 1 million cars per year) to purchase vehicles at the lowest price, lease them and provide maintenance for the life of the vehicle.
- EFM sells the vehicles at the end of the lease and any equity is either returned to the department or rolled into the next lease to reduce future payments.
- Maintenance is done through contracted vendors throughout the County and included in the least price.

Pilot Structure

- Pilot period = 6 months
- Pilot Scope = Public Health
- Core Team = T. Schryer, J. Flindt, L. Gibson, R. Riffey, Enterprise
- Assessment Structure:
 - Monthly core team meetings to review success indicators
 - 2 Quarterly meetings with County Manager
 - Annual review with County Manager
- Determine next steps for the program on the basis of Public Health's experience as measured by:
 - Total cost comparison
 - Ease of use
 - Maintenance forecasted vs. actual costs

Pilot Overview

- Public Health will pilot this project and costs will be tracked and compared with the existing fleet management approach
- Public Health will pay the lease and maintenance costs monthly versus having to come up with the full capital at replacement time.
- Vehicle life will shorten from 10 years and 160,000 miles to averaging 5 years or 50,000 miles

Anticipated Benefits

- Reduced costs of:
 - Vehicle procurement
 - Management and maintenance
 - Operating costs – fuel efficiency
- Stable and predictable budgeting of vehicle costs for departments.
- Improved matching of vehicle selection to proper job application. All manufacturers available.
- Improved employee safety and morale.
 - Roadside assistance included

Anticipated Benefits

- Reduced procurement, management, maintenance and operating costs.
- Greater resale values through EFM's system.
- Optional vehicle tracking capability.
- Local Enterprise account management team:
 - On-line reporting capability
 - Best-in-class residual value consulting
 - Re-marketing expertise
- Reduced County carbon footprint.

Anticipated Benefits

- A younger fleet will maximize resale values and will allow us to replace vehicles before they need expensive repairs.
- Newer vehicles are more efficient and will continue to become more efficient.
- Moves primary vehicle cost/benefit accountability from Fleet to departments and offices.
 - Reduces the number of under-utilized and non-cost effective vehicles in the county
 - Increased usage of “pool” vehicles can be made available on campuses for departments where it makes sense.

Questions and Comments?