



## BOARD OF SUPERVISORS **Agenda Number:** AGENDA LETTER

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Submitted on:**  
**(COB Stamp)**

|                           |                                       |
|---------------------------|---------------------------------------|
| <b>Department Name:</b>   | Sheriff's Office and General Services |
| <b>Department No.:</b>    | 032 and 063                           |
| <b>Agenda Date:</b>       | January 27, 2026                      |
| <b>Placement:</b>         | Departmental Agenda                   |
| <b>Estimated Time:</b>    | 45 Minutes                            |
| <b>Continued Item:</b>    | No                                    |
| <b>If Yes, date from:</b> |                                       |
| <b>Vote Required:</b>     | Majority                              |

**TO:** Board of Supervisors  
**FROM:** Department Directors: Bill Brown, Sheriff-Coroner  
Kirk Lagerquist, Director, General Services  
Contact: Gary Warkentin, Chief Administrative Officer  
Ted Teyber, Assistant Director, General Services  
**SUBJECT:** Conclusion of the Enterprise Pilot Program

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### County Counsel Concurrence

As to form: Yes

### Auditor-Controller Concurrence

As to form: Yes

### Other Concurrence:

As to form: N/A

### Recommended Actions:

That the Board of Supervisors:

- a) Formally conclude the Sheriff's Office 2021 Enterprise Fleet Management pilot program, based on pilot program success in meeting or exceeding established performance measures;
- b) Approve the term extension and total contract amount of the existing Master Lease Agreement for Enterprise Fleet Management for a total contract amount of \$6,984,200, for a term of five years starting February 9, 2026 and ending February 9, 2031;
- c) Delegate to the Sheriff, or designee, the authority to sign individual vehicle lease agreements pursuant to the Master Equity Lease as long as: 1) there is concurrence to the individual vehicle lease agreement by County Counsel, Auditor Controller, and Risk Management, 2) the Sheriff's Office provides a report of all signed leases to General Services, and 3) this delegation is subject to the Board's authority to rescind this delegated authority at any time; and
- d) Determine that the above actions are an organizational or administrative activity of the government that will not result in direct or indirect physical changes in the environment and is therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(5) of the CEQA Guidelines.

### **Summary Text:**

This item is before your Board to provide a report on the Sheriff's Office pilot program with Enterprise Fleet Management (Enterprise) authorized by your Board in 2021, and to recommend executing a new five-year contract with Enterprise. Prior to 2021, the Sheriff's Office met all of its vehicle needs through the County General Services Vehicle Operations' Internal Service Fund. In February 2021, the Board approved a five-year pilot program designed to reduce Sheriff's Office vehicle costs by transferring 118 support-services vehicles from General Services Vehicle Operations to a vehicle contract with Enterprise. This initiative aligned with the Renew '22 categories "Redesign How We Work" and "Redesign Our Resources." A review by the Sheriff's Office and General Service indicates the pilot program was a success. Overall cost per mile met or exceeded established performance metrics with Enterprise providing a weighted average cost per mile 8.24% lower than General Services. Enterprise also demonstrated an average five-year savings of \$7,265 per vehicle compared to General Services' costs, as shown in Figure 2 below. Now, as the pilot program concludes, the Sheriff's Office would like to continue these savings by renewing the Enterprise service contract for leasing support-services vehicles as part of normal fleet operations for another five years, beginning February 9, 2026, until February 9, 2031, subject to existing procurement authorities and budget appropriations.

### **Background:**

During the Renew '22 internal review of the Sheriff's Office, fleet operations were evaluated to look for ways to increase operational efficiency, reduce costs, and lessen the environmental impact of Sheriff's Office vehicles. As part of this evaluation, the Sheriff's Office determined it could realize significant cost savings by transitioning 118 support-service (non-patrol) vehicles from County General Services Vehicle Operations to Enterprise.

Enterprise provides a full-service fleet management program that covers vehicle acquisition, maintenance, and resale. Its services include managing registration and titling, overseeing collision repairs and subrogation, providing roadside assistance, coordinating the vehicle decommission process, and determining the most appropriate time to resell vehicles in order to maximize return. Proceeds from resale are applied to reduce the cost of replacement vehicles.

A more consistent replacement schedule results in a more predictable budgeting as well as a younger fleet, which supports better fuel efficiency, lower emissions, improved safety features, and reduced downtime for maintenance and repairs.

Equity leases do not require up-front capital and do not impose mileage limits or wear-and-tear penalties. A challenge within General Services Fleet Operations is the need to purchase vehicles upfront using funds collected through the capital replacement process. Due to inflation and inconsistent pricing conditions, collected capital replacement funds collected by General Services Fleet Operations can be insufficient, and the Sheriff's Office is required to pay a true-up amount to place a new vehicle into service. This frequently results in unbudgeted overages.

These leases also allow the Sheriff's Office the flexibility to end or extend a vehicle lease without penalty. When a vehicle is no longer needed, the lease may be terminated early, with Enterprise managing the resale on behalf of the County.

Enterprise provides an online fleet management system that issues automatic maintenance and recall notifications to drivers and continues to send reminders until the service is completed. The system also tracks citations, processes payments, and notifies both the driver and the fleet manager.

The Enterprise lease program includes a maintenance package that covers all routine maintenance except tires, brakes, and collision repairs. The program also includes 24-hour roadside assistance, fuel cards, and towing at no additional cost.

The Enterprise Fleet Management pilot program proposal was presented to the County Debt Advisory Committee on December 22, 2020, and the Board approved a five-year pilot program with a contract start date of February 9, 2021. Details for this 2021 administrative agenda item can be found at [County of Santa Barbara - File #: 21-00111](#).

### **Discussion:**

As directed in the February 9, 2021 board letter, to analyze the success of the pilot program, equivalent vehicle classes were compared, and the cost per mile (CPM) to operate each class was calculated for both Enterprise and General Services Fleet Operations. After a thorough joint review by the Sheriff's Office and General Services, the overall weighted average CPM was found to be 8.24% lower through Enterprise. Enterprise provided a lower CPM in eight of nine vehicle classes, with savings ranging from \$0.01 to \$0.18 per mile driven.

The largest category (40%) of the Sheriff's Office support-services fleet is the mid-sized sedan class. During the pilot, this class had a 12.5% lower CPM with Enterprise compared to General Services. General Services was 1.2% less expensive in the mid-sized SUV 4x4 vehicle class, which represents 3% of the Sheriff's Office fleet (Figure 1).

| Vehicle Class                       | GS CPM | EFM CPM | CPM Difference  | EFM Cost Saving (%) | Percent of Vehicle Class in Fleet |
|-------------------------------------|--------|---------|-----------------|---------------------|-----------------------------------|
| <b>Cargo van- full-sized</b>        | \$0.95 | \$0.77  | <b>\$0.18</b>   | <b>18.95%</b>       | 5%                                |
| <b>Minivan</b>                      | \$0.90 | \$0.72  | <b>\$0.18</b>   | <b>20.00%</b>       | 5%                                |
| <b>Pickup truck- full-sized 4x2</b> | \$0.81 | \$0.76  | <b>\$0.05</b>   | <b>6.17%</b>        | 3%                                |
| <b>Pickup truck- full-sized 4x4</b> | \$0.84 | \$0.83  | <b>\$0.01</b>   | <b>1.19%</b>        | 3%                                |
| <b>Pickup truck- mid-sized 4x2</b>  | \$0.81 | \$0.67  | <b>\$0.14</b>   | <b>17.28%</b>       | 3%                                |
| <b>Sedan- mid-sized</b>             | \$0.64 | \$0.56  | <b>\$0.08</b>   | <b>12.50%</b>       | 40%                               |
| <b>SUV- Compact</b>                 | \$0.68 | \$0.66  | <b>\$0.02</b>   | <b>2.94%</b>        | 3%                                |
| <b>SUV- mid-sized 4x2</b>           | \$0.70 | \$0.69  | <b>\$0.01</b>   | <b>1.43%</b>        | 35%                               |
| <b>SUV- mid-sized 4x4</b>           | \$0.85 | \$0.86  | <b>(\$0.01)</b> | <b>-1.18%</b>       | 3%                                |

Figure 1

The average 60-month total operating cost for a single vehicle in each class was similarly lower with Enterprise for all except the mid-sized SUV 4x4 class, with an average five-year per-vehicle savings of \$7,264.85. (Figure 2).

| Vehicle Class                       | GS Average of Total Cost per Vehicle | EFM Average of Total Cost per Vehicle | Difference between GS and EFM | Percent of Vehicle Class in Fleet |
|-------------------------------------|--------------------------------------|---------------------------------------|-------------------------------|-----------------------------------|
| <b>Cargo van- full-sized</b>        | \$94,907.26                          | \$77,206.29                           | <b>\$17,700.97</b>            | 5%                                |
| <b>Minivan</b>                      | \$89,608.40                          | \$71,740.06                           | <b>\$17,868.34</b>            | 5%                                |
| <b>Pickup truck, full-sized 4x2</b> | \$80,681.44                          | \$76,035.10                           | <b>\$4,646.35</b>             | 3%                                |
| <b>Pickup truck, full-sized 4x4</b> | \$83,967.57                          | \$83,149.28                           | <b>\$818.29</b>               | 3%                                |
| <b>Pickup truck, mid-sized 4x2</b>  | \$80,854.55                          | \$67,066.71                           | <b>\$13,787.84</b>            | 3%                                |
| <b>Sedan, mid-sized</b>             | \$64,070.27                          | \$56,002.45                           | <b>\$8,067.83</b>             | 40%                               |
| <b>SUV, Compact</b>                 | \$67,974.34                          | \$65,849.44                           | <b>\$2,124.90</b>             | 3%                                |
| <b>SUV, mid-sized 4x2</b>           | \$69,705.66                          | \$68,562.66                           | <b>\$1,143.00</b>             | 35%                               |
| <b>SUV, mid-sized 4x4</b>           | \$85,185.04                          | \$85,958.93                           | <b>(\$773.89)</b>             | 3%                                |
| <b>Average</b>                      |                                      |                                       | <b>\$7,264.85</b>             |                                   |

Figure 2

It must be noted that CPM, the primary metric used to compare costs between General Services and Enterprise, does not capture the impact of each organization's vehicle resale approach on the net cost of ownership. Enterprise achieves greater resale values by leveraging national markets, using "big data" analytics to determine the optimal resale point for each vehicle, and cycling vehicles out before costly late-life repairs, which translates into significant savings that lower subsequent replacement costs. In contrast, General Services uses an auction-based approach, where vehicles are typically older, higher mileage, and sold in a limited local market, generally yielding lower returns. For example, thus far Enterprise has sold nine vehicles on 36-month lease terms and provided a 25.7% return on the original purchase price, whereas General Services typically sells 60-month term vehicles with a return of 5-10%.

### **Performance Measures:**

The ongoing success of the Enterprise Fleet Management program will be measured by operational and efficiency outcomes, including cost per mile, vehicle availability, maintenance timeliness, fuel efficiency, and overall fleet reliability. Net resale proceeds will continue to be monitored to ensure effective vehicle replacement and minimize long-term costs. These measures will ensure the program provides cost-effective, predictable, and safe fleet operations for Sheriff's Office support-services vehicles, while requiring no additional staffing.

### **Contract Renewals:**

The Sheriff's Office began contracting with Enterprise in 2021, and the recommended actions request authorization from your Board to continue leasing vehicles under the existing Master Equity Lease (Attachment A) for an additional five years, up to the specified dollar amount. Enterprise does not require a new contract as the terms of the Master Equity Lease are not changing. A new competitive

bid is not required, as we are continuing under the existing Master Lease Agreement rather than initiating a new procurement or selecting a new vendor. The original pilot period served as the evaluation of Enterprise Fleet Management's pricing and performance. The requested Board action is to authorize continued use of the existing Master Lease Agreement, not to enter into a new contract with Enterprise.

Enterprise successfully delivered all services during the pilot, including vehicle acquisition, maintenance management, roadside assistance, and resale coordination, and met the performance outcomes established for the program, including improved fleet reliability, reduced operating costs, and predictable budgeting. No contract amendments are necessary, and Risk Management has reviewed the contract, including insurance and liability coverage, with no concerns identified.

#### **Fiscal and Facilities Impacts:**

Budgeted: Yes

#### **Fiscal Analysis:**

The Enterprise contract is budgeted across various programs in the Sheriff's Office under the spend categories of equipment maintenance and equipment rents/leases. Annual adjustments will be incorporated to account for contractual increases, consistent with the approach the department uses for General Services fleet increases. Authorization of this renewal with Enterprise will not increase the General Fund contribution to the Sheriff's Office.

| Funding Source | FY 26/27    | FY 27/28    | FY 28/29    | FY 29/30    | FY 30/31    | Total              |
|----------------|-------------|-------------|-------------|-------------|-------------|--------------------|
| General Fund   | \$1,222,200 | \$1,398,300 | \$1,517,800 | \$1,551,200 | \$1,294,700 | \$6,984,200        |
| State          |             |             |             |             |             |                    |
| Federal        |             |             |             |             |             |                    |
| Fees           |             |             |             |             |             |                    |
| <b>Total</b>   |             |             |             |             |             | <b>\$6,984,200</b> |

Monthly payments to Enterprise change over time, depending on new leases being added and others ending. Each of the vehicles is priced individually, and all associated costs are tied to the individual lease. There is no set schedule of fees outside the leases. The above expenditures include lease costs as well as incidental vehicle operating costs such as fuel, tires and brakes, and collision repairs, which are billed by the vendor at the time of service or purchase.

#### **Staffing Impacts:**

There were no staffing impacts to the Sheriff's Office because of the Enterprise pilot. General Services Fleet Operations estimates a 0.7 FTE shift in resources as a result of the pilot, with these resources now re-allocated to other needed areas within the Fleet division. The Sheriff's Office employee who previously served as the Sheriff's Office fleet management liaison with General Services Fleet Operations continued in that fleet management role and now splits their liaison efforts, estimated between Enterprise (40%) and General Services Fleet Operations (30%), with other Sheriff's Office activities accounting for the remaining 30% of their time. Note that the salary for the Sheriff's Office employee managing Enterprise is *not* included in the comparison calculations because the Sheriff's Office did not add a new position to manage this program, but realigned fleet management responsibilities within an existing role. It should also be noted that the initial pilot program stand-up required significant additional time and effort to get the program up and running.

**Special Instructions:**

N/A

**Attachments:**

**Attachment A** – Master Equity Lease

**Attachment B** – Board Contract Summary Form

**Attachment C** – EFM Pilot Presentation

**Attachment D** – EFM-GS Board Presentation Data

**Attachment E** – Insurance Coverage- Property- Enterprise

**Attachment F** – Insurance Declaration Page

**Contact Information:**

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