

Enterprise Fleet Management leasing proposal for the Sheriff's Office

Presentation

2-9-2021

Sheriff's Office Fleet History

- ▶ Currently the Sheriff's Office Fleet needs are provided by GS
 - ▶ 189 "Assigned Vehicles"
 - ▶ Leased from General services
 - ▶ Monthly Depreciation
 - ▶ Monthly Administrative charge
 - ▶ Per mile charge (fuel and maintenance)
 - ▶ 89 "At Cost Vehicles"
 - ▶ Not part of project

Enterprise Holdings Inc History & Services

- ▶ Owned by founding family, Taylor family, over 60 years now
 - ▶ WW II veteran whom served on the “Enterprise”
- ▶ Global revenue of nearly 22.5 billion in Fiscal Year 2020
 - ▶ Remained fiscally solvent through COVID-19 impacts on industry
 - ▶ Owns approximately 1.7 million vehicles
 - ▶ Standards and Poor rating A- (long term) A-2 (short term)
- ▶ Rental Market (95% share)
- ▶ Commercial Fleet Leasing
 - ▶ Fleet leasing options
 - ▶ Government leasing
 - ▶ Oxnard Police Dept
 - ▶ Kern County

Santa Barbara Sheriff's Office Pilot Proposal

- ▶ Leasing of Administrative and Detective vehicles
 - ▶ No patrol, specialty, or heavy duty vehicles
 - ▶ Vehicles similar configuration as existing fleet
 - ▶ Code 3 equipment, radios, specialty equipment
 - ▶ Vehicles delivered turn key
- ▶ Total of 118 vehicles
 - ▶ Transition to Enterprise is over a 4 year period
 - ▶ First year being the largest transition 54 vehicles
 - ▶ County leased vehicles returned to County, most after being fully depreciated
- ▶ Fleet manager assigned
 - ▶ Conducts quarterly fleet review/recommendations
- ▶ Lease term
 - ▶ Individual to each vehicle
 - ▶ Pilot proposal similar General Services lease with both 3 and 5 year leases
 - ▶ Master Lease agreement includes non appropriation language by future boards

Santa Barbara Sheriff's Office Pilot Proposal

Non-Appropriation statement

- ▶ 19. NON-APPROPRIATION: Lessee's funding of this Agreement shall be on a Fiscal year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the County or State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriations of funds. ...

Santa Barbara Sheriff's Office Pilot Proposal

Benefits

- ▶ Reducing average age of fleet
 - ▶ Better fuel economy reducing the environmental impact
 - ▶ Increased Safety
- ▶ Reduced replacement costs
 - ▶ Active fleet management
 - ▶ Direct Resale
- ▶ Diversity of brands and models
 - ▶ Enhances undercover operations
- ▶ Cost savings
 - ▶ Estimated to be \$249,500 in the first year
 - ▶ Estimated at \$133,300 per year over a ten term

Santa Barbara Sheriff's Office Pilot Proposal

Impacts to General Services

▶ General Services Fleet Maintenance

- ▶ No loss of employees
- ▶ .43 FTE reduction in work load (full implementation)
 - ▶ GS Fleet Maintenance current need to add large vehicle mechanic
- ▶ Labor agreements require notification to impacted associations
 - ▶ SEIU notified of Pilot Proposal in July (MOU required timeline)
 - ▶ no objections stated

▶ General Services Purchasing

- ▶ Enterprise Holdings Inc is a vendor in Sourcewell
- ▶ Minimal work load reduction vehicle registrations

▶ General Services Fleet Rates

- ▶ The removal of 54 vehicles may increase the overhead rate associated with remaining county vehicles. Estimated at 5.48 per vehicle or \$42,900 system wide.
- ▶ General Services Fleet Rates for 21/22 FY are already being based on the reduction of 54 vehicles to Sheriff's Office

Santa Barbara Sheriff's Office Pilot Proposal Liability

- ▶ There is no impact to Liability insurance costs
- ▶ Same cost exposure to County and Sheriff's Office
 - ▶ Employee at fault collision
 - ▶ Non-employee at fault collision
 - ▶ Damage to vehicle by criminal act or natural causes

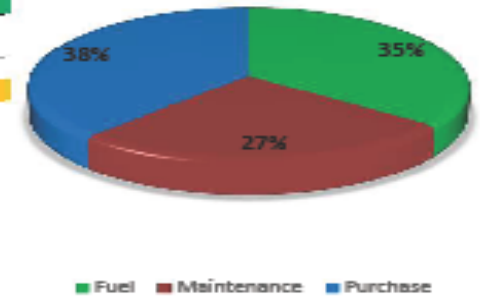
Santa Barbara Sheriff's Office Pilot Proposal Agreement Reviews

- ▶ Agreement review with feedback
 - ▶ Sheriff's Office staff
 - ▶ County Council
 - ▶ Risk Management
- ▶ Agreement review without requested edits
 - ▶ CEO's Office
 - ▶ Auditors Office

County of Santa Barbara Sheriff's office - Fleet Planning Analysis

| | | | | | |
|-----------------------|----------|--------------|--------|-----------------|---------|
| Current Fleet | 118 | Fleet Growth | 0.00% | Proposed Fleet | 118 |
| Current Cycle | 8.43 | Annual Miles | 16,600 | Proposed Cycle | 4.34 |
| Current Maint. | \$213.00 | | | Proposed Maint. | \$54.32 |
| Maint. Cents Per Mile | \$0.15 | Current MPG | 17 | Price/Gallon | \$3.50 |

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 | 118 | 14.0 | 118 | 0 | 434,655 | Incl. Tax 0 | 0 | 0 | 301,608 | 403,282 | 1,139,545 | 0 |
| '21 | 118 | 54 | 64 | 54 | 0 | 324,932 | 0 | 0 | 198,786 | 366,372 | 890,090 | 249,455 |
| '22 | 118 | 18 | 46 | 72 | 0 | 450,988 | 0 | 0 | 164,512 | 354,068 | 969,568 | 169,977 |
| '23 | 118 | 12 | 34 | 84 | 0 | 523,601 | 0 | -68,181 | 141,663 | 345,866 | 942,949 | 196,596 |
| '24 | 118 | 36 | 13 | 105 | 0 | 698,713 | 0 | -40,707 | 101,676 | 331,512 | 1,091,194 | 48,351 |
| '25 | 118 | 22 | 0 | 118 | 0 | 748,845 | 0 | -174,711 | 76,923 | 322,626 | 973,682 | 165,862 |
| '26 | 118 | 44 | 0 | 118 | 0 | 748,845 | 0 | -144,684 | 76,923 | 322,626 | 1,003,709 | 135,835 |
| '27 | 118 | 25 | 0 | 118 | 0 | 748,845 | 0 | -134,603 | 76,923 | 322,626 | 1,013,790 | 125,755 |
| '28 | 118 | 26 | 0 | 118 | 0 | 748,845 | 0 | -114,457 | 76,923 | 322,626 | 1,033,937 | 105,608 |
| '29 | 118 | 21 | 0 | 118 | 0 | 748,845 | 0 | -103,128 | 76,923 | 322,626 | 1,045,266 | 94,279 |
| '30 | 118 | 25 | 0 | 118 | 0 | 748,845 | 0 | -214,024 | 76,923 | 322,626 | 934,369 | 205,175 |

| | | | |
|------------------------|--------------------|---------------------------------|------------------|
| 10 Year Savings | \$1,496,833 | Avg. Sustainable Savings | \$133,330 |
|------------------------|--------------------|---------------------------------|------------------|

Current Fleet Equity Analysis

| YEAR | 2021 | 2022 | 2023 | 2024 | 2025 | Under-Utilized |
|---|-----------|-----------|----------|-----------|------------------|----------------|
| QTY | 54 | 18 | 12 | 21 | 13 | 0 |
| Est \$ | \$6,375 | \$7,000 | \$8,000 | \$8,524 | \$10,000 | \$0 |
| TOTAL | \$344,250 | \$126,000 | \$96,000 | \$179,000 | \$130,000 | \$0 |
| Estimated Current Fleet Equity** | | | | | \$875,250 | |

* 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

8% 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

QUESTIONS ?