

Fleet Management Proposal

April 7, 2021



Our Fleet: 1,490 Vehicles

Police Vehicles: **547**



Our Fleet: 1,490 Vehicles

Heavy/Specialized Equipment: **392**



Compactors: **49**

34: Dump Trucks



Fire: **39**

41: Utility Trucks



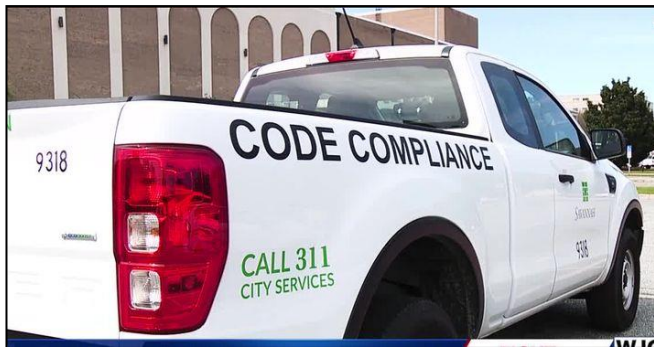
Flatbeds: **73**

156: Miscellaneous



Our Fleet: 1,490 Vehicles

Non-Police Light Duty Vehicles: 551



Pickup Trucks: 344



Cars: 109



SUVs/Vans: 98



Problem 1: Lack of Space



Problem 2: Manpower



Heavy competition with private sector has made it extremely difficult to hire and retain mechanics.

Problem 3: Cost

Industry Standard: 7-year vehicle replacement schedule

City of Savannah: 9-year average vehicle age

- 42% of light-duty vehicles 10+ yrs old
- 79% of vehicles 6 yrs and older
- 234 vehicles have over 100,000 miles
- At current rate, it will take 13.7 years to cycle the entire light-duty fleet

Impact:

- Higher fuel costs
- Higher maintenance costs
- Increased downtime
- Decreased safety
 - 123 vehicles do not have anti-lock brakes
 - 400 vehicles have no Electronic Stability Control



Solution: Equity Lease Agreement

1. Agreement with Enterprise Fleet Management
 - Agreements with 1,500 governmental entities, including Chicago, Detroit, Roswell, South Fulton, Norcross, Tybee Island, Waycross
2. Contract through Sourcewell Cooperative Purchasing
3. City adds 559 light-duty leased vehicles over 5 years
 - Average annual lease cost per vehicle is \$4,927
 - Current average purchase price is \$28,620
4. Enterprise responsible for scheduled and unscheduled maintenance of leased vehicles
5. Enterprise sells leased vehicles after 5 years, with proceeds returning to City. Estimated revenue of \$4,167,273 for first 303 vehicles (\$13,753 per vehicle)



Benefits

Younger Fleet: Move from 13.7-year replacement cycle to 5-year replacement cycle. Newer, more reliable vehicles with enhanced safety features.

Greener Fleet:

- Add 21 electric and 91 hybrid vehicles to start
- Reduce fuel consumption by 20-25%

More Efficient Fleet:

- \$2.9 million in savings over 10 yrs
- Avg. monthly maintenance costs drop from \$115 per vehicle to \$55 per vehicle.
- Allows Fleet to focus efforts on heavy and emergency vehicles



Year One of Agreement

- City has identified 303 vehicles with greatest replacement need based on age, condition, mileage, and reliability.
- City sells 303 vehicles and receives estimated \$454,500 in revenue.
- City leases 303 new vehicles for \$1,492,982 per year, which includes maintenance. By comparison, purchasing these 303 vehicles would cost an estimated \$8,671,959, not including maintenance.



Year One - Details

- Lease includes:
 - 191 gasoline vehicles (Ford, Chevy, Ram)
 - 91 hybrid vehicles (Toyota Camry and RAV4)
 - 21 electric vehicles (Chevy Bolt, Nissan Leaf)
- Year One estimated fleet budget savings of 24% (\$986,299)
- At the end of Year 5, Enterprise sells 303 leased vehicles and City keeps revenue, estimated at \$3,073,938
 - No mileage penalties
 - No wear/tear clause





Expedited Transition to Green Fleet



- Pilot program of 21 electric vehicles stationed at public works center at Interchange Court
- Charging station installation aided by grant from Georgia Power electric vehicle infrastructure program, “Georgia Make Ready”



Year One **Green Benefits** of Lease

\$195,875 in annual fuel savings projected

696 metric ton annual reduction in CO2 projected

Fleet	Number	Avg. MPG	Fuel Cost/ (Savings)	Metric Tons of CO2 Produced and (Reduced)
Current	303	15.67	\$580,212	2,062
New Gas	191	16.48	(\$71,984)	(255.89)
Hybrid	91	50.80	(\$95,379)	(339.06)
Electric	21	N/A	(\$28,512)	(101.36)



Why a phased adoption of Electric Vehicles?

- EV Market is evolving rapidly. Electric trucks, vans, heavy vehicles and pursuit vehicles not currently proven.
- Provides time to strategically increase EV charging infrastructure at City facilities
- City can begin to pilot less-proven EV vehicles
- Need to assess impact of EVs on operations, including charging of take-home vehicles and charging frequency needed for different operations
- Allows time to transition out of leased facilities



In Summary

- Saves the City money in vehicle replacement costs
- Saves the City money in maintenance costs
- Creates a younger fleet with fewer problems and more productivity
- Expedites transition to green fleet
- Supports 100% Savannah clean energy and carbon reduction goals
- City can exit agreement at any time





Thank You!

