

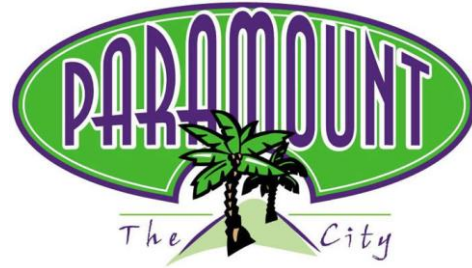


FLEET MANAGEMENT

# City of Carson



# WHO DOES ENTERPRISE FLEET MANAGEMENT WORK WITH?



**SOUTH PASADENA**



# INDUSTRY UPDATE

A look into the total cost of ownership trends year-over-year.



Acquisition

**\$45K**

-3.9% YOY  
new vehicle prices



Fuel

**\$3.53**

GAS

**\$4.54**

DIESEL

YOY GAS -8% DIESEL -11%  
price per gallon



Funding

**4.64%**

+Flat BPS YOY  
3-year Treasury Bond Rate



Remarketing

**-3.3%**

RESALE VALUE



Maintenance

**+20%**

REPAIRS



Insurance

**+10%**

PREMIUM INCREASE

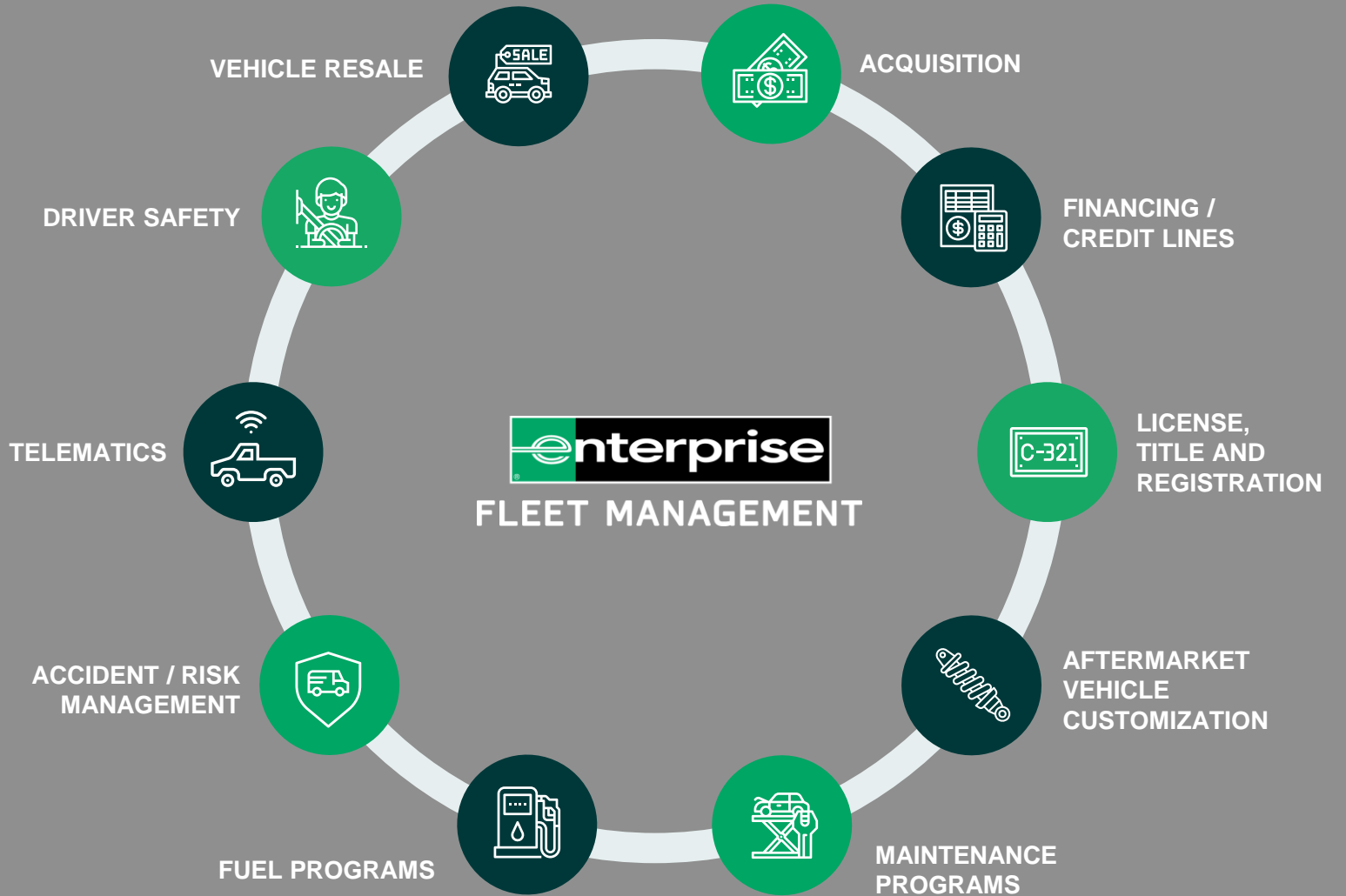
Sources: BankRate, Wards Intelligence, LMC Automotive, Automotive Fleet Magazine, Cox Automotive, Property Casualty 360, WEX

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# COMPREHENSIVE OFFERING, SO YOU CAN FOCUS ON YOUR OBJECTIVES

Customized to best fit the needs of your business.



# FLEXIBLE FINANCING OPTIONS

**1**  
Option

## Open-End Lease

- Equity lease
- Flexible term
- No mileage restrictions
- No abnormal wear and tear clauses
- Lessee responsible for book value at term
- Lessee keeps vehicle equity at term

**2**  
Option

## Self-Funded

- Ideal for clients with strong cash position
- Pay down lease upfront to a \$1 book value or to projected residual book value
- No abnormal wear and tear charges or mileage restrictions
- EFM is title holder until term for vehicle management services

**3**  
Option

## Closed-End Lease

- Walk-a-way lease
- Fixed term
- Mileage restrictions
- Abnormal wear and tear clauses
- No responsibility for vehicle resale at term
- Most appropriate for cars and SUV's and mileage predictability

# Flexible Funding Options

## Cash Purchase

**\$25,211**

Vehicle Cost

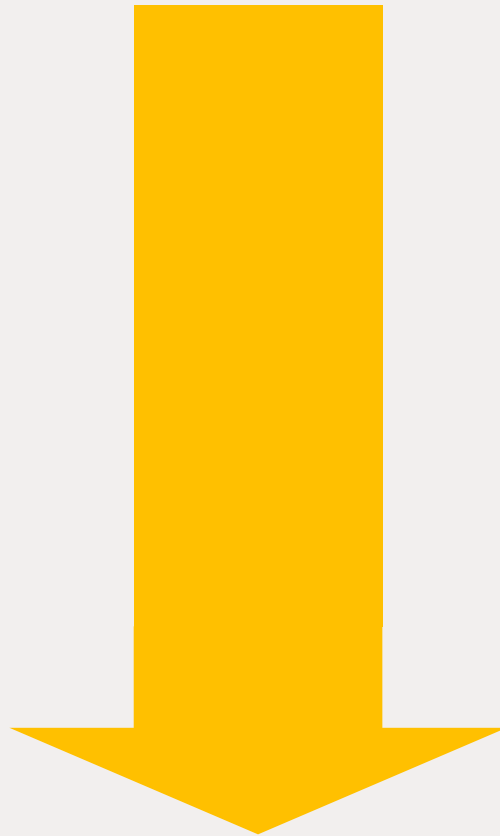


Paid down to \$0

## Finance

**\$25,211**

Vehicle Cost

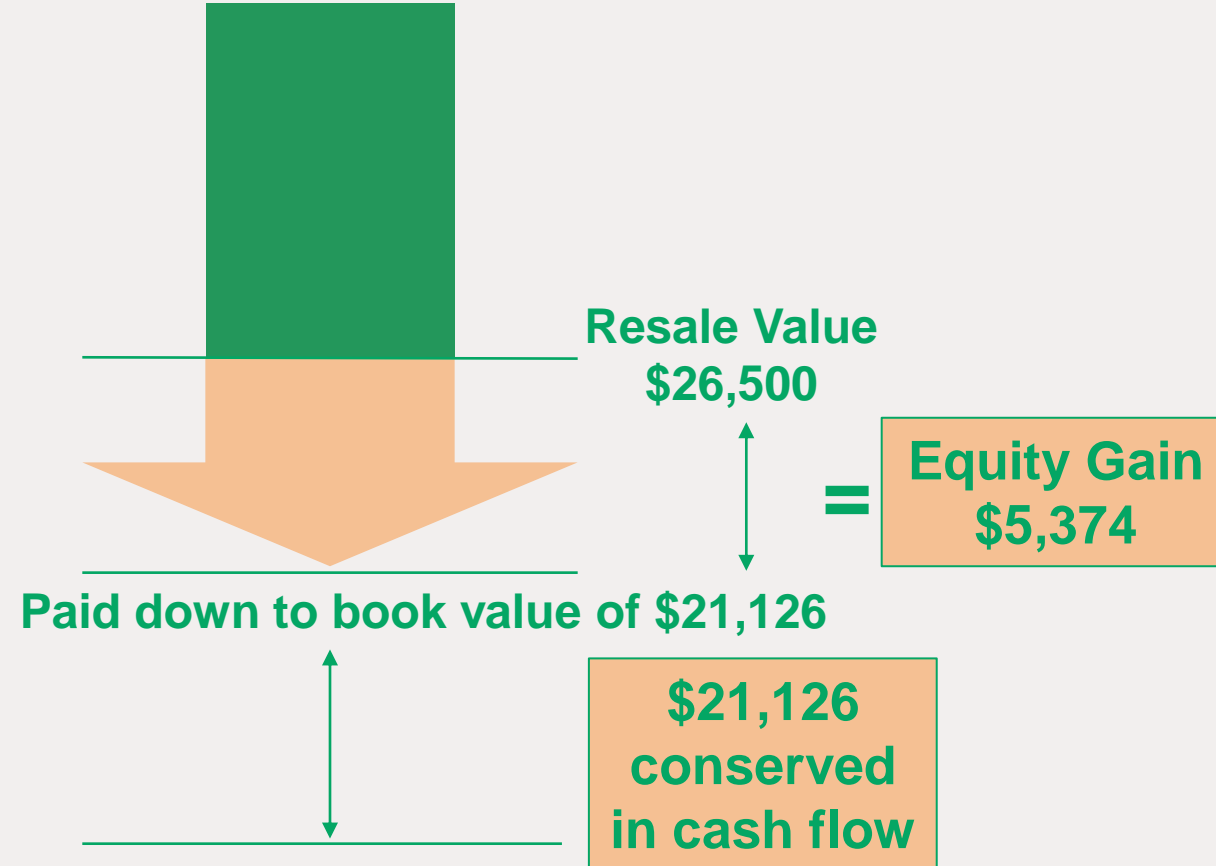


Paid down to \$0

## Open-End Equity Lease

**\$25,211**

Vehicle Cost

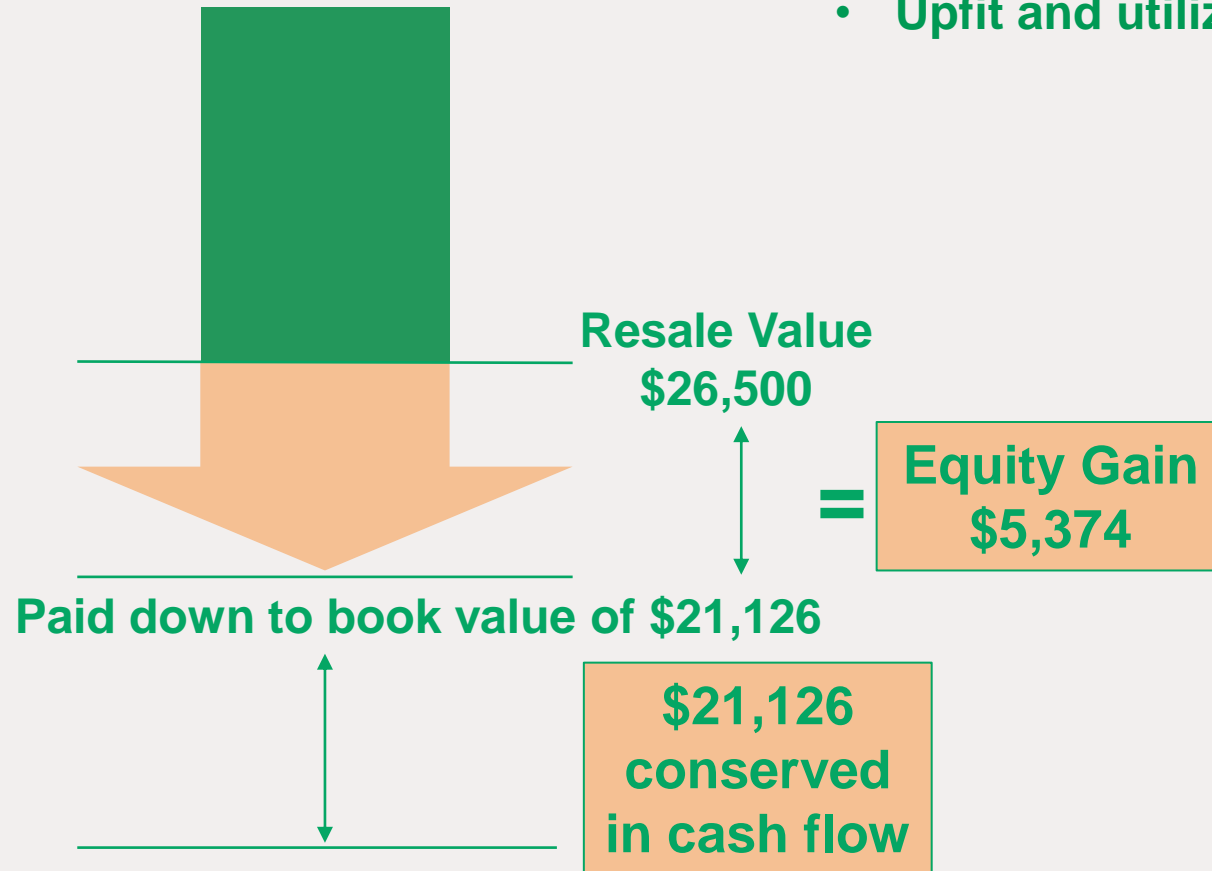


# Open End Equity Leasing

## Open-End Equity Lease

**\$25,211**

Vehicle Cost



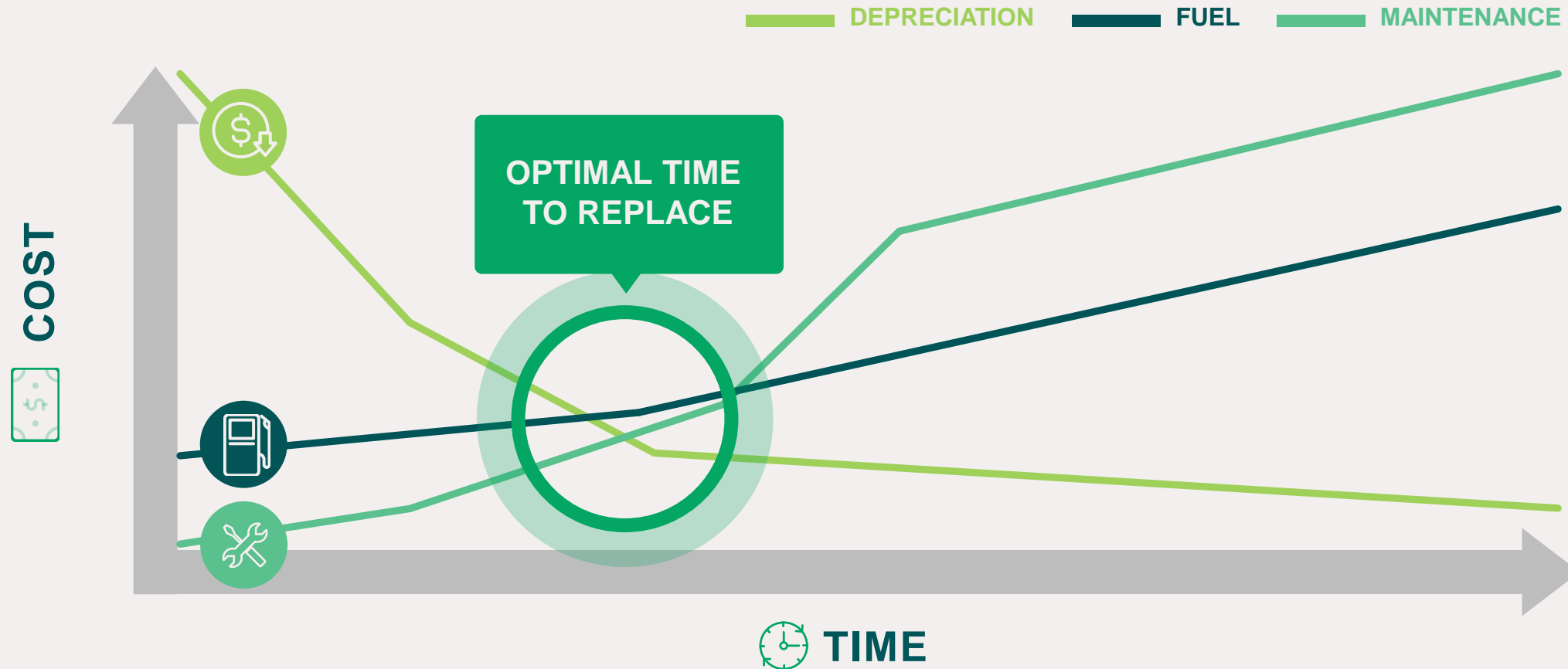
- Improve cash flow
- No mileage restrictions or wear and tear charges
- Lease terms structured based on total cost of ownership
- Upfit and utilize the vehicle just like if you own it

## 2020 Chevy Silverado 1500 Double Cab 4x4

- Payment = \$471 per month, \$5,652 annually
- Cash Purchase = \$25,211
- EFM Option = Lease 5 trucks for the same cost

# EFFECTIVE VEHICLE LIFECYCLE

Determining the right time to replace vehicles





# City of Carson - Fleet Profile

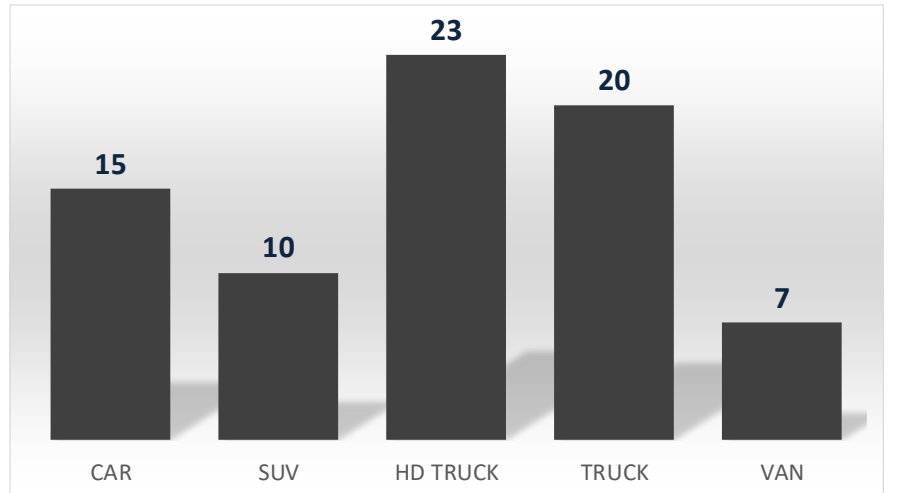
## Fleet Profile      Fleet Replacement Schedule      Replacement Criteria

Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage
Compact Sedan	2	11.3	2,100
Mid-size Sedan	1	10.3	1,600
Full-size Sedan	4	11.3	2,000
1/2 Ton Van Cargo	3	10.9	4,500
3/4 Ton Van Cargo	1	10.3	3,400
1 Ton Van Cargo	3	10.3	2,300
Mid Size SUV 4x2	9	10.9	3,800
Mid Size SUV 4x4	1	11.3	2,400
Compact Pickup Ext 4x2	1	11.3	6,500
1/2 Ton Pickup Reg 4x2	5	10.5	3,000
1/2 Ton Pickup Ext 4x2	12	8.2	2,700
1/2 Ton Pickup Quad 4x4	2	1.1	1,000
3/4 Ton Pickup Reg 4x2	3	9.3	3,800
3/4 Ton Pickup Ext 4x2	18	9.0	3,200
3/4 Ton Pickup Quad 4x2	2	9.3	5,800
Electric Wagon	2	1.1	2,900
Electric Sedan	6	4.8	1,900
Totals/Averages	75	8.9	3,000

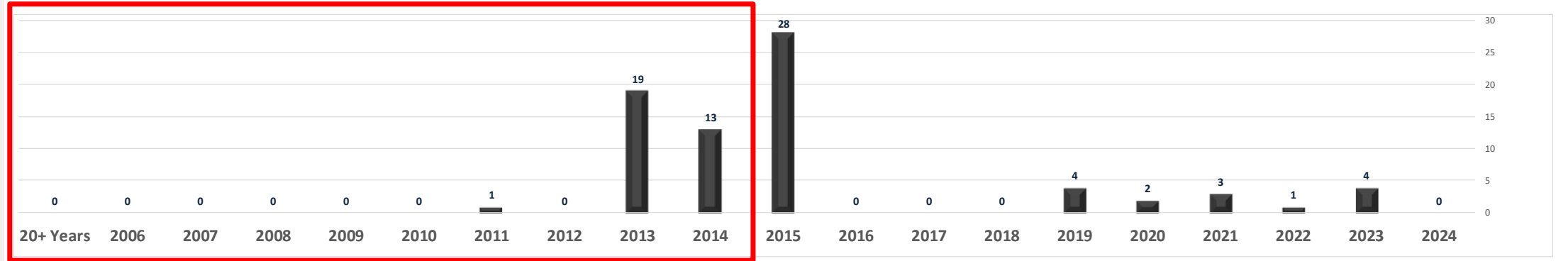
2024	2025	2026	2027	2028	Under-Utilized
2	0	0	0	0	0
1	0	0	0	0	0
4	0	0	0	0	0
3	0	0	0	0	0
1	0	0	0	0	0
3	0	0	0	0	0
8	1	0	0	0	0
1	0	0	0	0	0
1	0	0	0	0	0
5	0	0	0	0	0
2	6	0	0	3	1
0	0	0	0	2	0
0	3	0	0	0	0
1	16	0	0	1	0
0	2	0	0	0	0
0	0	0	0	2	0
0	0	0	6	0	0
32	28	0	6	8	1

- \* Fiscal Year 2024 = 10 years old and older, or odometer over 100,000
- \* Fiscal Year 2025 = 8 years old and older, or odometer over 80,000
- \* Fiscal Year 2026 = 6 years old and older, or odometer over 60,000
- \* Fiscal Year 2027 = 4 years old and older, or odometer over 40,000
- \* Fiscal Year 2028 = Remaining Vehicles
- \* Underutilized = Annual Mileage less than 500

### Vehicle Types



## 33 Vehicles 10 years & older      Model Year Analysis



# City of Carson - Fleet Planning Analysis

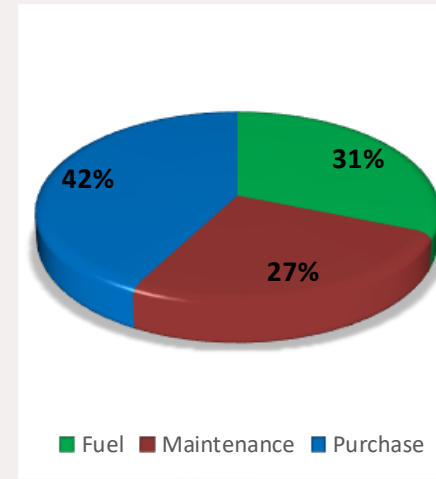
Send Analysis

Send FRS

## Fleet Assumptions & Proposals

<b>Fleet Analyzed</b>	<b>75</b>	<b>Fleet Growth</b>	<b>-0.30%</b>	<b>Proposed Fleet</b>	<b>74</b>
<b>Current Cycle</b>	<b>26.79</b>	<b>Annual Miles</b>	<b>3,000</b>	<b>Proposed Cycle</b>	<b>4.11</b>
<b>Current Maint.</b>	<b>\$82.50</b>			<b>Proposed Maint.</b>	<b>\$24.32</b>
<b>Maint. Cents Per Mile</b>	<b>\$0.33</b>	<b>Current MPG</b>	<b>13</b>	<b>Price/Gallon</b>	<b>\$5.00</b>

## Fleet Costs Analysis



Fiscal Year	Fleet Size	Fleet Mix				Fleet Cost					Annual	
		Annual Needs	Owned	Leased	Purchase	Lease*	Equity (Owned)	Equity (Leased)	Maintenance	Fuel	Fleet Budget	Net Cash
<b>Average</b>	<b>75</b>	<b>2.8</b>	<b>75</b>	<b>0</b>	<b>117,114</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>74,250</b>	<b>86,538</b>	<b>277,903</b>	<b>0</b>
'24	74	32	42	32	0	245,124	-226,200	-6,802	50,917	79,054	142,094	135,809
'25	74	30	14	60	0	524,930	-283,050	-24,523	31,368	72,505	321,230	-43,327
'26	74	5	14	60	0	524,930	0	-36,232	31,368	72,505	592,571	-314,668
'27	74	12	8	66	0	566,680	-49,130	-235,325	27,179	71,102	380,505	-102,603
'28	74	31	0	74	0	641,532	-132,590	-331,791	21,593	69,231	267,975	9,927
'29	74	34	0	74	0	641,532		-126,957	21,593	69,231	605,398	-327,496
'30	74	13	0	74	0	641,532		-253,495	21,593	69,231	478,860	-200,958
'31	74	30	0	74	0	641,532		-24,523	21,593	69,231	707,832	-429,930
'32	74	5	0	74	0	641,532		-156,871	21,593	69,231	575,484	-297,582
'33	74	13	0	74	0	641,532		-554,301	21,593	69,231	178,055	99,847

<b>10 Year Impact*</b>	<b>-\$1,365,524</b>	<b>Net Sustainable Impact*</b>	<b>-\$195,554</b>
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\*includes total unrealized gains of \$105,457

## Current Fleet Equity Analysis

YEAR	2024	2025	2026	2027	2028	Under-Utilized
<b>QTY</b>	<b>32</b>	<b>28</b>	<b>0</b>	<b>6</b>	<b>8</b>	<b>1</b>
<b>Est \$</b>	<b>\$6,866</b>	<b>\$10,109</b>	<b>\$0</b>	<b>\$8,188</b>	<b>\$16,574</b>	<b>\$6,500</b>
<b>TOTAL</b>	<b>\$219,700</b>	<b>\$283,050</b>	<b>\$0</b>	<b>\$49,130</b>	<b>\$132,590</b>	<b>\$6,500</b>
<b>Estimated Current Fleet Equity**</b>					<b>\$690,970</b>	

\* 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

44% 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

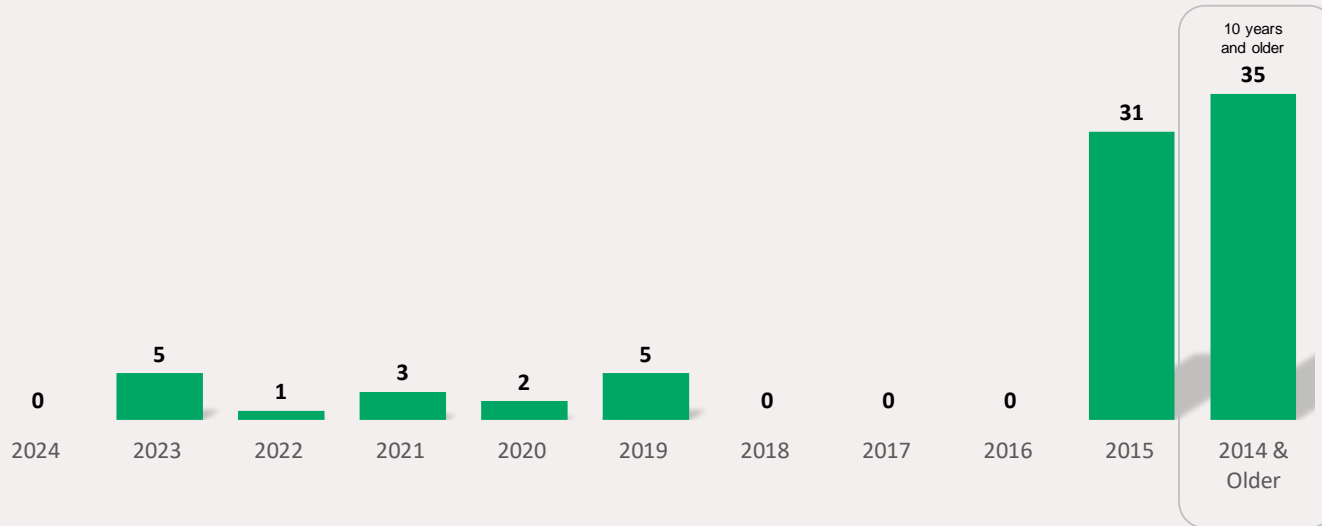
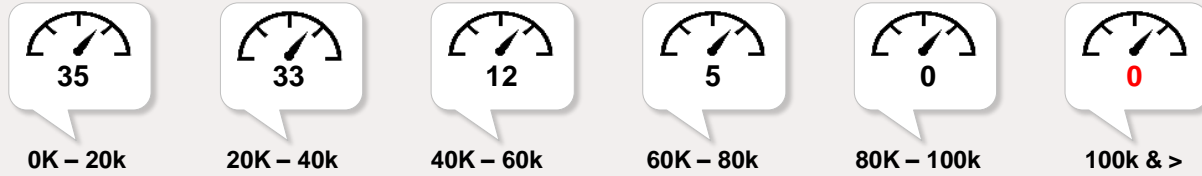
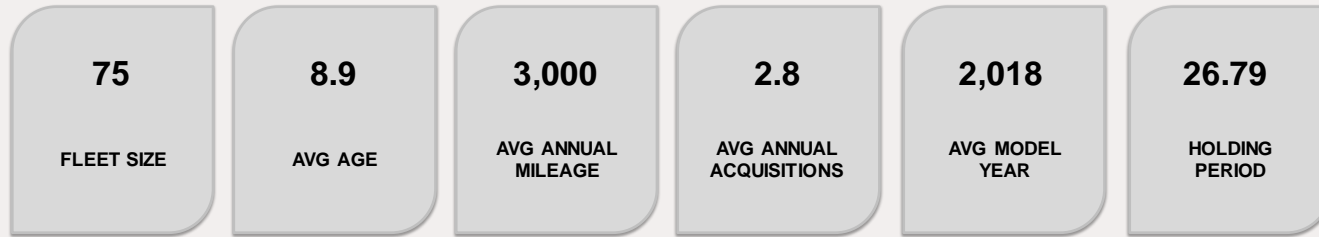
### Maintain a manageable vehicle budget

Challenged by inconsistent yearly budgets

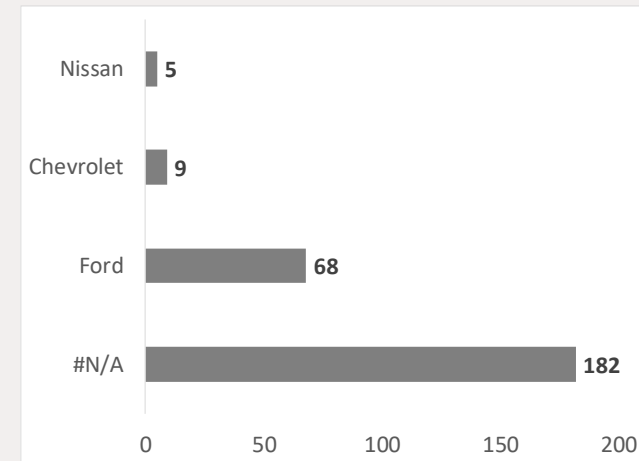
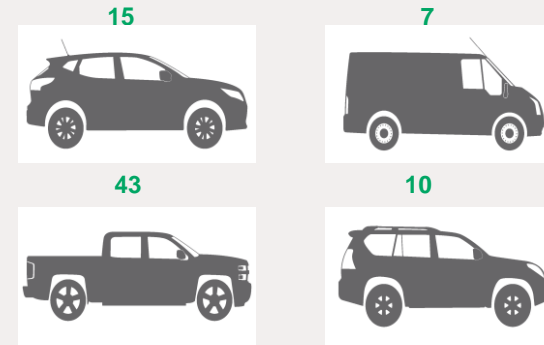
Currently vehicle budget is underfunded



# Fleet Profile Overview



## Vehicle Class





# Advanced Clean Fleets (ACF) – State & Local Gov't

## Reporting and Important Dates:

- Report the California fleet of vehicles with a GVWR greater than 8,500 lbs. by **April 1, 2024**
- Report in the Trucks Regulations Upload, and Compliance Reporting System (TRUCRS)
- Report within 30 calendar days of vehicle addition or removal
- Reporting Questions?
  - [TRUCRS@arb.ca.gov](mailto:TRUCRS@arb.ca.gov)

## Compliance Pathways:

- ZEV Purchase Schedule – *this is the default compliance pathway*
  - State and local government fleets, including city, county, special district, and State agency fleets, are required to ensure 50 percent of vehicle purchases (>8,500 GVWR) are zero-emission beginning in 2024 and 100 percent of vehicle purchases are zero-emission by 2027.
- ZEV Milestone Option –

Vehicle Group Turnover Requirements	10%	25%	50%	75%	100%
Vans, box trucks, two-axle buses, yard tractors	2025	2028	2031	2033	2035
Work trucks, day cab tractors, three-axle buses	2027	2030	2033	2036	2039
Sleeper Cab tractors and specialty vehicles	2030	2033	2036	2039	2042

### General Questions?

- Advanced Clean Fleets
- Email – [zevfleet@arb.ca.gov](mailto:zevfleet@arb.ca.gov)
- Phone – (866) 634-3735



Any private entity with \$50 million or more in annual revenue as reported to the IRS



Any private entity that owns or controls\* 50 or more vehicles over 8,500 lbs. GVWR with at least one vehicle in California



Any federal, state, or local agency

Vehicle Group Turnover Requirements	10%	25%	50%	75%	100%
Vans, box trucks, two-axle buses, yard tractors	2025	2028	2031	2033	2035
Work trucks, day cab tractors, three-axle buses	2027	2030	2033	2036	2039
Sleeper cabs tractors and specialty vehicles	2030	2033	2036	2039	2042

403 FLEET SIZE  
0 Zero Emission Vehicles  
281 Total ACF Regulated  
0 Exempt Vehicles

Regulated Categories

250 31 0

	2024	2025	2027	2028	2030	2035	2039
ACF Percent of ZEVs in Group 1	0%	10%		25%		100%	
Current ZEV in Fleet	0						
Minimum ZEV's in Fleet Required	0	25	25	63	63	250	
Group 1 in Fleet	250						
Proposed ZEV Replacements	0	0	0	0	0	0	0
ZEV %'s after proposal for Group 1	0%	0%	0%	0%	0%	0%	0%
ACF Percent of ZEVs in Group 2	0%	0%	10%		25%	50%	100%
Current ZEV in Fleet	0						
Minimum ZEV's in Fleet Required	0	0	3	0	8	16	31
Proposed ZEV Replacements	0	0	0	0	0	0	0
ZEV %'s after proposal for Group 2	0%	0%	0%	0%	0%	0%	0%
Group 2 in Fleet	31						

# EMPOWERING CLIENTS THROUGH ACTIONABLE DATA

Fleet Management Platform and Mobile App

- ✓ **COMPREHENSIVE FLEET LIST**
- ✓ **ORDER STATUS UPDATES**
- ✓ **MAINTENANCE INSIGHTS**
- ✓ **OPERATOR INSIGHTS**
- ✓ **FUEL SPEND**



# COMPETITIVE BID AWARDS



# QUESTIONS



FLEET MANAGEMENT