

Consider a resolution approving an agreement with Enterprise Fleet Management for vehicle procurement, mechanical maintenance, and disposal services; and authorizing the City Manager to execute all contract documents relating thereto on behalf of the City of Keller, Texas.

Enterprise Fleet Management Services*

- Procurement of New Vehicles
 - Allows Enterprise to procure directly from Manufacturer using The Interlocal Purchasing System (TIPS)
 - Negotiates additional incentives with bulk purchases
 - Works with staff to determine needs & aftermarket
- Full Management for non-public safety – used at local shops in Keller
 - All routine maintenance & any mechanical repair included
 - Fixed cost
 - Does not include wear & tear items and body damage
- Maintenance Management (Public Safety) – used at local shops in Keller
 - Pass through maintenance – billed for any maintenance done at local shops
 - Tracks expense on a per vehicle basis – data available on Enterprise’s dashboard
 - EFM’s ASE Certified Technician oversight & negotiation of cost
- Disposal of Vehicles
 - Determine best time to resale vehicle
 - Handle removal from fleet
 - Maximize resale opportunities

* - Relates to light and medium duty vehicles, no heavy equipment or Fire Apparatus

Procurement

Enterprise

- Recommends replacement using
 - Used car market
 - Mileage
 - Repair costs
 - Best vehicle fit/Right size fleet analysis
 - 5 year average life
- Does not include Fire Apparatus or Heavy Duty
- Procure thru TIPS + additional discounts
- Enterprise coordinates:
 - Aftermarket before delivery*
 - Titles and licenses

City of Keller

- Fleet Committee recommends using
 - Mileage
 - Repairs
 - Current model/make
 - 8 year average life
- Procure thru cooperative or interlocal
- Departments responsible for:
 - Aftermarket needs
 - Titles and licenses

Maintenance

Enterprise

- Maintenance Coverage
 - Engine repairs & maintenance
 - Preapproved vendors & costs
 - Provide repair recommendations & alerts
 - Public Safety not covered at this time
- Brakes & Tires not included
 - Should not be replaced prior to need
 - Can be added for additional cost
- Body work not included

City of Keller

- Departments are responsible
 - All repair activity
 - Should seek best value
 - Vendors vary by department
- Vehicles held long enough to require tires, brakes, etc.
- Body work related to risk claims
 - Very low activity

Disposal

Enterprise

- Determine best method of disposal
 - Enterprise Rent-a-Car's Dealer relationships
 - Auction house
 - Franchise dealers
 - Local wholesalers
 - Nationwide options
- Handle disposal activities
- Proceeds to the City
- "Decommission" Public Safety for extra fee from aftermarket vendor

City of Keller

- Vehicles sent to a "local" auction house
- Departments handle all aspects of disposal including decommissioning
- Proceeds to the City

Enterprise Fleet Management Costs

- Monthly Management Fee
 - Applies to new vehicle purchases
 - 0.08% of vehicle purchase price before discounts
 - Ex. \$28,000 = \$29.85 per month or \$358 annually
 - Current asset value = \$3,730,000 or \$44,765 fee annually
 - Covered in disposal proceeds
- Monthly Maintenance Fee
 - Based upon annual mileage & potential required maintenance
 - Public Safety not included at this time
 - 5 Light duty vehicles = \$348 per vehicle annually
 - 47 Light Duty in Fleet = \$16,356
 - 1 Medium duty vehicle = \$705 annually
 - 7 Medium Duty in Fleet = \$4,935
 - Reduces departmental maintenance line-item

Fleet Replacement Fund

- Funds set aside for replacement of vehicles & some equipment
 - Added Fire Apparatus in FY 2016-17
 - Adding Medium-Duty Trucks & Heavy Equipment as replaced
- Departments provide annual contribution or “lease”
- Provides smooth operating budget activity
- Avoids high maintenance costs or service delays
- Estimated FY 2018-19 Fund Balance =\$1,596,889

FY 2018-19 Proposed Vehicle Purchases

Department	Vehicle Type	Estimated Costs	New/Replacement	Mgmt Fee	Maint Fee
Keller Crime Control and Prevention District Fund					
Police - Operations	Tahoe	\$ 33,768	Replacement	\$ 410.73	
Police - Operations	Tahoe	33,768	Replacement	410.73	
Police - Operations	Tahoe	33,768	Replacement	410.73	
Police - Operations	Tahoe	33,768	Replacement	410.73	
Police - Detective	Malibu	19,636	Replacement	236.67	
Police - Detective	Malibu	19,636	Replacement	236.67	
Police - Detective	Malibu	19,636	Replacement	236.67	
Police - Admin	Explorer	30,233	Replacement	333.59	
TOTAL		\$ 224,213		\$ 2,686.50	
Vehicle and Equipment Replacement Fund					
Fire	Chevy 1500 2X Cab	\$ 47,605	New	\$ 546.45	
Fire	Chevy 1500 2X Cab	45,086	Replacement	541.46	
Fire	Tahoe	58,375	Replacement	646.96	
Fire	Suburban 4X4	70,530	Replacement	747.33	
Community Development	Rogue	20,738	Replacement	241.53	344.04
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Parks and Recreation	Chevy 1500 4x2	28,000	Replacement	358.24	350.04
Water Distribution	Ford F-450	70,562	Replacement	717.78	704.76
Wastewater Collection	Chevy 1500 4x2	25,599	Replacement	354.39	350.04
Drainage Maintenance	Chevy 1500 4x2	25,599	Replacement	354.39	350.04
TOTAL		\$ 412,832		\$ 4,750.06	\$ 2,442.96