Fleet Savings Assessment

Prepared for:

Your Organization Name Here

Prepared by the fleet experts at:

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AGILE FLEET™
FLEET MANAGEMENT SOLUTIONS

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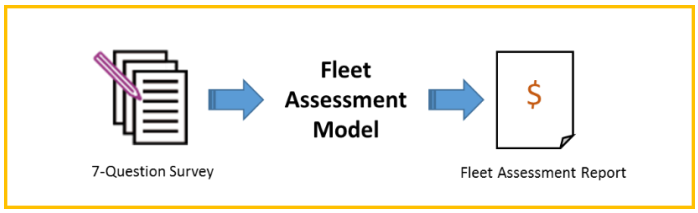
1 Introduction

We hope you find the information generated from our Fleet Savings Assessment model to be valuable and informative. We look forward to discussing your unique fleet needs in more detail as you move forward with your right-sizing initiatives.

Our right-sizing team has more than 75 years of experience in helping fleets reduce costs through vehicle sharing. Our experience spans government, commercial, educational, and other fleet markets. Your input is appreciated as we will use it to update our model and make the results even better for you and those that are looking to reduce fleet costs. Feel free to reach out to our team at (408) 213-9555 x1 or reach me directly at Esmith@AgileFleet.com.

1.1 Methodology Overview

The beauty of fleet right-sizing initiatives is that the savings are real, the savings are significant, and the results of one right-sizing effort are generally very repeatable from one fleet to the next. Our 7-question Fleet Savings Assessment model utilizes calculations derived from years of experience to give you a high-level look at the savings anticipated by implementing a shared vehicle program or by optimizing the methods you use to share vehicles. The process is simple:



The report generated as part of this assessment was created using input from more than 75 years of fleet right-sizing experience.

We realize there are dozens of other inputs that can contribute to cost-savings. The good news is that, as we consider additional variables related to your fleet, the savings are generally even greater! Take the time to read through Section 2 to learn which values we considered and how they impact our findings. Section 3 suggests other inputs that may further impact your right-sizing cost-savings.

1.2 Executive Summary / Findings*

Based on the inputs you provided*, the estimated 5-year cost-savings using FleetCommander total an impressive $192,696 as shown below. *This is a very conservative estimate in our opinion.*

Source of Savings	Year 1	Year 2	Year 3	Year 4	Year 5
Savings from Assigned Vehicles:	$14,580	$16,080	$21,780	$18,720	$17,670
Savings from Shared Vehicles:	$4,860	$5,360	$7,260	$6,240	$5,890
Savings from Labor:	$5,616	$11,856	$18,096	$19,344	$19,344
Total Annual Savings:	$25,056	$33,296	$47,136	$44,304	$42,904
Cumulative Total Savings:	$25,056	$58,352	$105,488	$149,792	$192,696

More than $150,000 in savings is anticipated over five years

**All findings in this report are based on a fictitious fleet's input to our Fleet Savings Assessment Questionnaire (beginning on page 11 of this report.). For an actual report based on your data, please complete our 7-question survey here.*

In addition to the financial savings, you will gain significant efficiencies in how you manage your fleet. This fleet's challenges include:

Fleet Challenge	Challenge Overcome?	Solution
Reservation process is time-consuming and is impacted when key staff are out of the office.	YES	Fully-automated online vehicle reservation process accessible from any browser. Automatic assignment of vehicles and instant feedback to drivers via Email.
Limited hours of access to shared vehicles makes it inconvenient for drivers.	YES	Self-service motor pool system offers around the clock access to vehicles in unstaffed locations or off hours.
Reports take days or weeks to complete.	YES	More than 60 types of fleet metrics reports can be run with the touch of a button. Custom reports can also be created.
Too many underused vehicles or vehicle usage unknown.	YES	Fleet utilization data collection and reports automatically identify vehicles that can potentially be removed for the fleet.
Fleet policies are not communicated or enforced.	YES	Fleet policies reminders are automatically displayed during the vehicle reservation process, and users are prompted to confirm that they have read the policy.
Drivers are not tracked.	YES	Driver profiles are created and maintained in the FleetCommander system.
Vehicles are not tracked.	YES	Vehicle profiles are maintained in the FleetCommander system.
Preventative Maintenance (PM) schedules are not tracked.	YES	PM reminders are automatically sent out via the FleetCommander maintenance module.
Driver satisfaction with vehicle sharing program is not known.	YES	Driver satisfaction surveys are sent automatically and tracked on fleet dashboard.

Read on to find out how these savings and efficiencies are realized.

2 Fleet Savings Analysis Details

Savings totaling $192,696 are anticipated over five years. As reflected in the table below, savings come from three main aspects of fleet:

Source of Savings	Year 1	Year 2	Year 3	Year 4	Year 5
Savings from Assigned Vehicles:	$14,580	$16,080	$21,780	$18,720	$17,670
Savings from Shared Vehicles:	$4,860	$5,360	$7,260	$6,240	$5,890
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Cumulative Total Savings:	$25,056	$58,352	$105,488	$149,792	$192,696

More than $150,000 in savings is anticipated over five years

The subsections below delineate the savings related to assigned vehicles, optimization of shared vehicles, disposal income and reduced labor.

2.1 Eliminating Assigned Vehicles

The inputs provided to the Fleet Assessment Questionnaire suggest that there are 30 assigned vehicles that are eligible to be eliminated or shared.

QUESTIONNAIRE INPUTS:

Total Vehicles in Fleet:	50
Minus Vehicles that Cannot be Shared:	-10
Minus Vehicles Already Pooled:	-10
Total Assigned Vehicles to Potentially Share:	**30**

When vehicles are shared efficiently, vehicles no longer need to be dedicated to individuals or departments. A conservative benchmark of an anticipated reduction is 20% based on Agile's experience. This is the starting point for calculating the anticipated reduction for your fleet.

ASSESSMENT OUTPUTS:

Based on inputs provided via the questionnaire, it is anticipated that a minimum of 6 assigned vehicles could be eliminated from the fleet over a 5-year period. The following factors were considered to arrive at this estimate:

1. We estimate a utilization rate for assigned vehicle fleets of 60%. Based on the 60% utilization benchmark, a realistic fleet reduction of 20% can be achieved through optimized sharing.
   REDUCTION: 6 Vehicles
2. We change this reduction further based on the questionnaire response (Q2.2) indicating your organization is prepared to be "Moderately Aggressive (4)" in addressing further right-sizing initiatives.
   ADJUSTED REDUCTION: 6 Vehicles
3. The total reduction due to sharing of assigned vehicles is approximately 6 vehicles.

Of the vehicles to be eliminated, not all vehicles will be eliminated starting at the onset of the project. It is assumed that vehicles will be eliminated over the 5-year period. A profile of reduction in the number of assigned

vehicles is reflected in the table below. Again, we feel this timing for reducing vehicles if very low-risk and conservative. Actually results are most likely greater than those reflected in the table.

Source	Year 1	Year 2	Year 3	Year 4	Year 5	Total
% of Vehicles Reduced Annually:	45.00%	25.00%	25.00%	5.00%	0.00%	100.00%
# of Vehicles Reduced Annually:	2.70	1.50	1.50	0.30	0.00	6
Cumulative Assigned Vehicles Eliminated:	2.70	4.20	5.70	6.00	6.00	6

The cost savings identified in the table below are based on the elimination of maintenance, depreciation and other costs totaling $3800 per vehicle annually. First year savings, from depreciation & maintenance, are discounted by 50% as it is assumed that the initial vehicles will be eliminated after 6 months. Disposal revenue is a one-time event when the vehicle is eliminated.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Savings from Reduced Maintence & Depreciation:	$5,130	$10,830	$16,530	$17,670	$17,670	$67,830
Annualized Disposal Income:	$9,450	$5,250	$5,250	$1,050	$0	$21,000
Total Savings Per Year:	$14,580	$16,080	$21,780	$18,720	$17,670	$88,830
Total Cumulative Savings:	$14,580	$30,660	$52,440	$71,160	$88,830	$88,830

2.2 Optimizing Pooled / Shared Vehicles

Even existing pools can be optimized to realize further savings. The following input were used to calculate savings:

QUESTIONNAIRE INPUTS:

Total Vehicles in Fleet:	50
Vehicles Already Pooled:	**10**

We estimate an anticipated reduction of shared vehicles by 15% based on Agile's experience. This is the starting point for calculating the anticipated reduction for your fleet.

ASSESSMENT OUTPUTS:

Based on inputs provided via the questionnaire, it is anticipated that a minimum of 2 shared vehicles could be eliminated from the fleet over a 5-year period. The following factors were considered to arrive at this estimate:

1. We assume a utilization rate of 60% for shared vehicles. Based on the 60% utilization benchmark, a realistic fleet reduction of 15% can be achieved through optimized sharing.
   REDUCTION: 2 Vehicles
2. A further adjustment over the benchmark is predicted based on the questionnaire response (Q2.2) indicating your organization is prepared to be "Moderately Aggressive (4)" in addressing further right-sizing initiatives. REDUCTION: 2 Vehicles
3. A further adjustment over the benchmark is predicted based on the questionnaire response (Q2.3) indicating your method for sharing today is "Moderately Efficient (4)".
   REDUCTION: 2 Vehicles
4. The total reduction due to optimizing how vehicles are shared is approximately 2 vehicles.

Optimizing the use of fleet vehicles through efficient scheduling, quick turn-around between vehicle uses, and around-the-clock automated dispatching helps reduce fleet size. It is anticipated that savings would be realized over 5 years as a direct result of optimizing the use of vehicles that are already being shared.

Source	Year 1	Year 2	Year 3	Year 4	Year 5	Total
% of Vehicles Reduced Annually:	45.00%	25.00%	25.00%	5.00%	0.00%	100.00%
# of Vehicles Reduced Annually:	0.90	0.50	0.50	0.10	0.00	2
Cumulative Shared Vehicles Eliminated:	0.90	1.40	1.90	2.00	2.00	2

The cost savings identified in the table below are based on the elimination of maintenance, depreciation and other costs totaling $3800 per vehicle annually. First year maintenance and depreciation savings are discounted by 50% as it is assumed that vehicles will be reduced after 6 months.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Savings from Reduced Maintence & Depreciation:	$3,420	$3,610	$5,510	$5,890	$5,890	$24,320
Disposal Income:	$6,300	$1,750	$1,750	$350	$0	$10,150
Total Savings Per Year:	$9,720	$5,360	$7,260	$6,240	$5,890	$34,470
Total Cumulative Savings:	$9,720	$15,080	$22,340	$28,580	$34,470	$34,470

2.3 Reduced Labor Costs

As fleet functions are automated, the amount of staff time required to coordinate scheduling, dispatching, and reporting of vehicles will be diminished. Savings can be realized even from vehicles that are not shared through optimization of tasks such as mileage reporting or billing. Centralized management of shared vehicles, even vehicles located at distributed locations, can drastically reduce the total number of hours required to manage disparate sites. Fully automated vehicle sharing options can help eliminate the need for staff all together for nearly all fleet related tasks. It is anticipated that savings in labor & benefit costs would be realized over 5 years as a direct result of automating vehicle sharing tasks (including reporting).

The following input were used to calculate savings:

QUESTIONNAIRE INPUTS:

Full-time Labor Rate/Hour:	$15
# of Staff Currently Managing the Vehicles:	**2**[*1]

[*1] Note: Our Return on Investment (ROI) model assumed that, of the 2 staff provided in the questionnaire, these staff are dedicated, on average, 50% to vehicle sharing, reporting, and billing functions.

ASSESSMENT OUTPUTS:

While the number of staff required to manage vehicles after a right-sizing initiative is highly dependent upon factors such as the number of locations, the requirement to manually interact with drivers, reporting requirements, billing requirements, and more, nearly all fleets are able to drastically reduce staff hours needed to manage the use of fleet vehicles. A small amount of overhead of staff is needed regardless of the size of the existing fleet staff team. However, it is very typical to see the amount of staff hours needed to manage vehicle sharing, reporting, and billing reduced considerably.

The ability to fully automate scheduling, dispatching, and reporting functions is responsible for the dramatic reduction in fleet staff fully dedicated to fleet functions. It is anticipated that a staff person does not need to be

100% eliminated from the fleet functions, i.e., reductions are not listed in full increments of a staff person (e.g. half time). Estimated savings are reflected below:

Staffing	Year 1	Year 2	Year 3	Year 4	Year 5	Total
# of Dedicated Staff to Sharing, Reporting, Billing (before right-sizing):	2	2	2	2	2	2
% of Total Reduction per Year:	45%	25.00%	25.00%	5.00%	0.00%	100%
FTE Hours Reduced per Year:	0.36	0.20	0.20	0.04	0.00	0.8
Total FTE Hours Reduced:	0.36	0.56	0.76	0.80	0.80	0.80
Remaining Dedicated Staff Count:	1.64	1.44	1.24	1.20	1.20	1.20

Staff Savings	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Total Labor Savings Per Year Based on Staff Reduction:	$5,616	$11,856	$18,096	$19,344	$19,344	$74,256
Total Cumulative Savings from Labor Reduction:	$5,616	$17,472	$35,568	$54,912	$74,256	

Note: Year 1 savings were reduced by 50% based on the fact that staff may not be reallocated to other functions immediately. It is assumed after 6 months the estimated savings would occur.

3 Items for Further Analysis & Discussion

Our team members are experts in fleet savings. We don't think for a moment that we will account for every nuance of your fleet by asking for only seven (7) inputs for our fleet assessment. However, what we do strongly believe is that, based on the information collected, we have created a report that highlights the "low hanging fruit" with respect to fleet savings. We also believe we have initiated a dialog that will likely lead to real, and most likely greater, savings for you. We'd welcome the opportunity to review the analysis included herein and help you analyze the impact of several other key characteristics of your fleet on fleet savings.

Other topics for discussion include:

1. Utilization by time-used (versus miles), class of vehicle, location, specific vehicles, etc.
2. The number of sites across which vehicles are located
3. Centralized versus distributed management of shared vehicles
4. The allocation of vehicles to departments rather than geographically co-located populations of drivers
5. Meeting state, municipality, or organizational reporting requirement through automated integration
6. The composition of your fleet with respect to class / type of vehicle across each site
7. Pooling of specialized equipment
8. Leveraging outside rental agencies to achieve maximum utilization rates without impacting your fleet's mission
9. The impact of after-hours access to vehicles on your total fleet count
10. 24x7 self-service access to fleet vehicles
11. Optimizing the use of each vehicle through vehicle assignment tools
12. Allocating costs back to accounts for use of shared vehicles
13. Automated billing
14. Cost savings when using leased versus purchased vehicles
15. Accountability for access to vehicles
16. Automating data collection and reporting tasks
17. Comprehensive fleet policy communication and enforcement
18. Using dashboards to monitor the tasks and metrics affecting your fleet
19. Managing driver eligibility and behavior
20. Leveraging other fleet technologies (e.g. GPS, in-vehicle telematics devices) to maximize the ease-of-use and benefits of vehicle sharing

The above items do not constitute an exhaustive list of what is driving your costs. Our fleet experts have a wealth of knowledge and experience in fleet. We have case studies to share with you that demonstrate real-world savings. Additionally, we would be happy to refer you to organizations, similar to yours, so that you can share your story and hear about their successes.

4 Next Steps & Team Overview

Please contact our team for a custom online demo and in-depth discussion of achieving savings in this report.

The Agile Executive Team (partial list)	
 **Ed Smith** **President & CEO** esmith@agilefleet.com 408-213-9555 x501	**Experience Overview:** Smith is an expert in fleet right-sizing, with extensive program management and systems engineering experience in the fleet industry. Having led the implementation of dozens of government fleet and motor pool automation projects, he specializes in the analysis of vehicle utilization data for the accurate planning and execution of car sharing and right-sizing initiatives. Mr. Smith has been a featured speaker at numerous fleet industry events, and has been quoted in *Government Fleet* Magazine and *Fleet Solutions* Magazine on right sizing and other topics.
 **Matt Wade** **Vice President, Customer Success** mwade@agilefleet.com 408-213-9555 x555	**Experience Overview** Mr. Wade has more than 13 years of experience working with fleets within state and city governments as well as within the private sector. He has personally been involved with the deployment of our enterprise fleet solutions for hundreds of motor pool operations. He is very familiar with the challenges faced by fleets. He is skilled in project management, requirements elicitation, data gathering, data cleanup and manipulation, and technical support. He is also recognized for his support of training and quality assurance initiatives.
 **Phelps Rogovoy** **Manager, Implementation** progovoy@agilefleet.com 408-213-9555 x525	**Experience Overview:** Mr. Rogovoy utilizes his extensive program management, implementation, and training experience to ensure the success of automated motor pool projects. He is an expert in the functionality of FleetCommander which is key to helping customers get the most out of the application. He has managed the implementation of dozens of automated motor pool projects and leads the team that supports customers with implementation, custom requests, and training.
 **David Ancell** **Former Manager, State of Michigan Motor Pool**	**Experience Overview** Mr. Ancell has had a distinguished 30-year career in fleet, having worked as manager of Motor Pool and Data Operations for the State of Michigan motor pool for 16 years. Michigan has a complex, large-scale motor pool that operates 15 sites. Under Mr. Ancell's direction and through the implementation of FleetCommander technologies, The State of Michigan routinely reaches utilization rates upwards of 80% on most work days, changed driver behavior, saved thousands of dollars on personally-owned vehicle (POV) mileage reimbursement, reduced staff time needed to manage the fleet, and more.

5 RAW QUESTIONNAIRE RESPONSES

The following inputs were used for this effort:

Question	About Your Fleet…	Answer	Help
Q1.1	How many total vehicles are in your fleet?	**50**	When considering the total number of vehicles, consider your standard passenger and light-duty vehicles but also "look outside the box". Specialized vehicles (ie. cranes, snowplows, golf carts etc…) can be shared as well. Below there will be an opportunity to exclude vehicles that cannot be shared from all cost-saving calculations.
Q1.2	How many vehicles are shared regularly?	**10**	How many vehicles are shared today, either in a formal, centralized shared pool or in de-centralized pools of vehicles?
Q1.3	How many vehicles absolutely **cannot** be shared?	**10**	In most fleets, there are going to be certain vehicles that cannot be shared effectively. For example, ambulances, Firetrucks, Vans with specialized tools, etc…. Also, if a single driver or a single vehicle exists at an isolated remote site, it would be more difficult to share. Provide a realistic count of vehicles that cannot be shared.
Q1.4	Annual Cost/Vehicle (Use worksheet below)	**$3,800**	This value is calculated from the worksheet immediately below this cell. Note: All costs are to be entered as annual costs per vehicle

	Worksheet for estimating annual cost/vehicle		
	Annual average cost for Lease, Depreciation & Maintenance per vehicle	**$3,600**	A passenger vehicle depreciates over the life of a vehicle. Estimates of maintenance and depreciation for a standard sedan range from $3,500 to $8000 annually). We generally estimate this at $5,000.
	Annual cost of money (e.g. interest) per vehicle	**$0**	Annualize this amount. This would be the amount you are paying on a loan.
	Insurance, license, taxes	**$100**	
	All other yearly expenses (i.e. parking, car washes etc…)	**$100**	
		$3,800	

Question	About Your Organization…	Answer	Help
Q2.1	How many staff support your management of vehicles, including processing reservations, data entry regarding utilization, billing, generating regular reports on utilization and sharing, audits, collecting odometers, etc.? (Round down to the nearest whole number)	**2**	Consider all staff, including part-time that are required to perform these tasks today.
Q2.2	How aggressive are you willing to be as you address right-sizing and sharing of vehicles (on a scale of 1 (passive) to 7 (aggressive))?	**4**	Organizations with a strong project champion and a steadfast determination to reduce the size of the fleet achieve the largest savings. Be realistic, how focused will you be on this initiative? Do you have buy-in to make big changs?
Q2.3	How efficient is your process for sharing today (on a scale of 1 (lease efficient) to 7 (most efficient)?	**4**	