



**RMA**  
**TRADE**

**AMSA**  
**Fall 2018**



# RMA TRADE

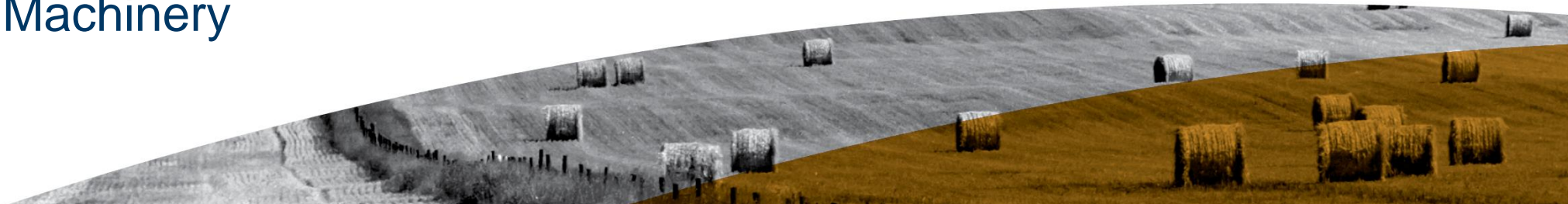
- RFPs
  - Tires
  - Signs
  - RMA/Sourcewell Capital Purchasing
- Expansion into Saskatchewan, Manitoba, Ontario

# RMA TRADE

- Group purchasing
- Favourable pricing/terms
- Broad offering of operational consumables
- Procurement legislation compliance

# RMA INSURANCE - Policies

- Property Insurance
  - Buildings & Contents
  - Heavy Equipment
- Liability Insurance
- Automobile Insurance
- Bond & Crime
- Boiler & Machinery
- Environmental Impairment Liability
- Aviation Liability
- Medical Malpractice
- Owner Controlled Course of Construction / Wrap Up Liability
- Accident Insurances



# RMA FUEL



- Essential Service Status
- Due Diligence / Fuel Analysis
- Upcoming Spring 2019 RFP

# AMSA Fall Convention

*November 20<sup>th</sup>, 2018*

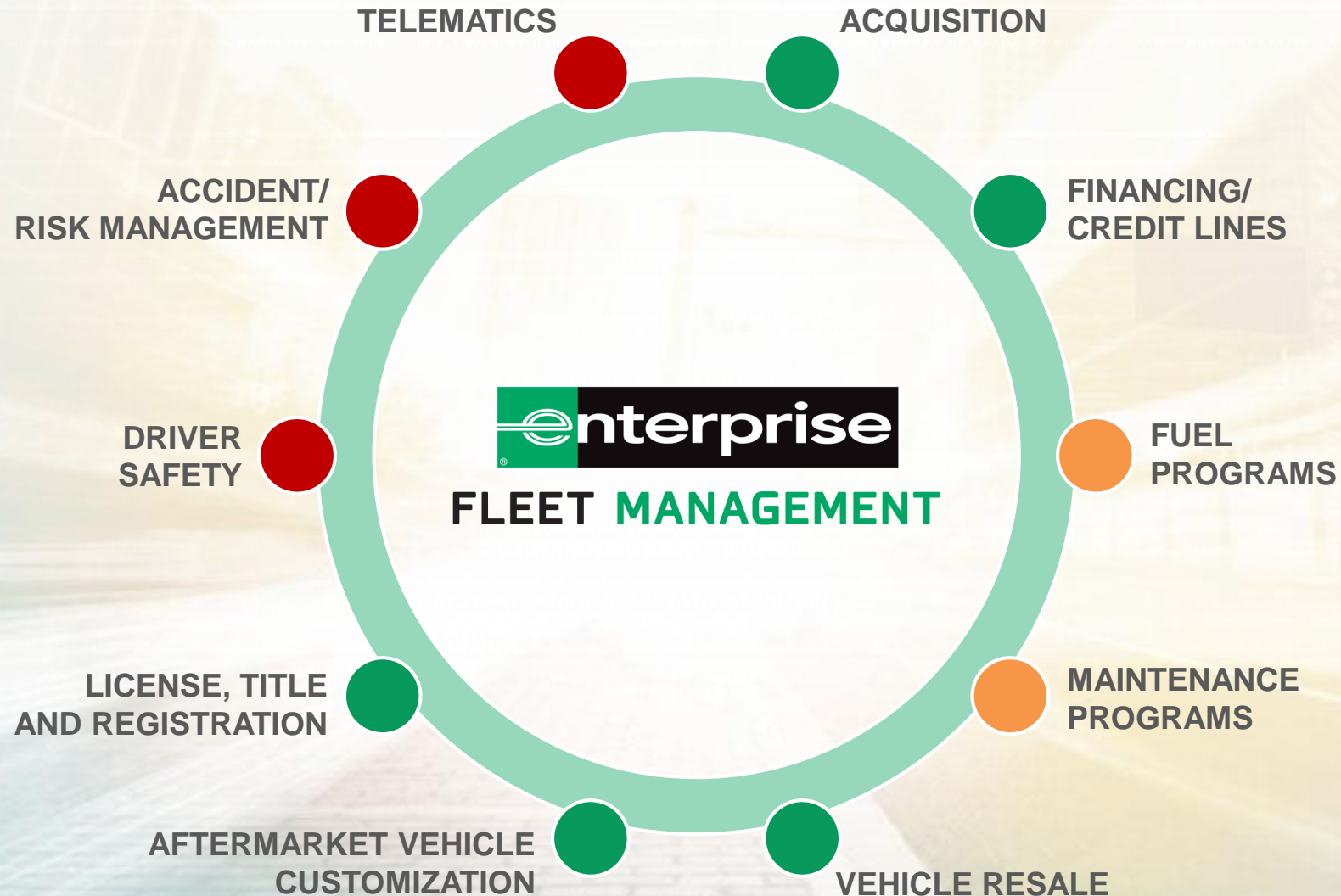


**NEW VEHICLES.  
UNDER BUDGET.**

 **enterprise**  
FLEET MANAGEMENT



# DELIVERING SOLUTIONS. DRIVING RESULTS.



# CURRENT GOVERNMENT CLIENTS





# CLIENT TESTIMONIAL – CARDSTON COUNTY



“Enterprise approached us two years ago with a new concept of governmental light vehicle fleet leasing as a way to modernize our light truck fleet. We’ve worked with Enterprise since then and are into the second phase of light truck replacement. We have just completed our first complete round (phase) of vehicle leasing/rotations. Economic estimates that Enterprise provided initially have been very close to their original presentation.

We have greatly reduced our fuel consumption (approximately \$30,000 per year) and our maintenance and repairs (approximately \$15,000 per year). We were also budgeting \$75,000 per year for vehicle replacement which wasn’t enough to keep up the aging fleet. We have now modernized 2/3 of our fleet and are considering leasing for the remaining fleet vehicles. **All told we are saving approximately \$50,000 - \$80,000 per year (difference due to yearly variables) from the way the fleet was formally managed and we get 20 NEW vehicles EVERY year.**

Enterprise has been great to work with, a wealth of knowledge on vehicle management and I have found them very open and honest in all my dealings with their entire staff. It has been a pleasure working with Enterprise Fleet Management”

**- Paul Hascarl, Director of Operations**

# EFFECTIVE VEHICLE LIFE CYCLE



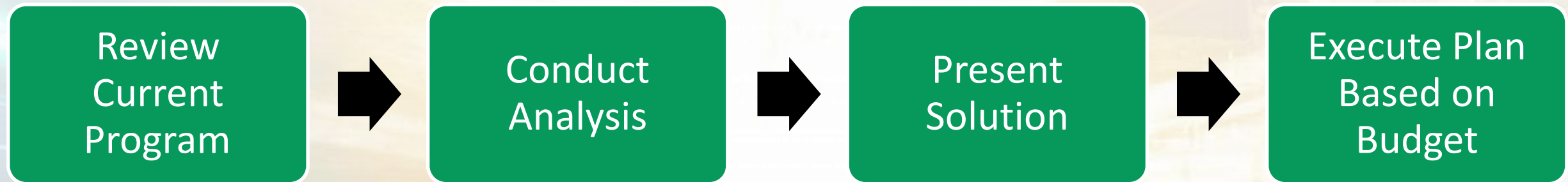
## 3 Main Vehicle Components:

1. Depreciation
2. Fuel
3. Maintenance/Downtime

- ✓ 2.0+ Million Vehicles Owned
- ✓ 500,000+ Under Management

**Optimal Time to Replace = Lowest Total Cost of Ownership**

# ENTERPRISE FLEET MANAGEMENT PROCESS





# ENTERPRISE FLEET MANAGEMENT OVERVIEW



## Current Plan

- The average age of the fleet is 5+ years old
- Approximate 10 year fleet cycle plan based on average age of fleet and oldest model years
- Light-duty fleet vehicles averaging 25,000 kms per year
- Standard Outfitting – 2 way radios, GPS, Headache, bed liners, beacon lights, mud flaps



## EFM Program

- Provide flexibility and cash flow management through various financing options
- Lower total fleet cost by developing the proper cycling plan that takes advantage of Government buying power
- Increase safety, performance and productivity of the fleet
- Leverage Enterprise relationships and network coverage/infrastructure
- **Manage and Advise the fleet as if it were our Equity**



## Annual Budget Planning

- Dedicated Account Management Team to provide local, expert, accountable service
- Improves ability to make adjustments to strategy as situation/market/budget changes and manage in “real-time”
- Quarterly in-person meetings to fine-tune fleet program and confirm it is operating optimally
- Annual Client Review:
  - ***Fleet analysis expense summary***
  - ***Savings and efficiency opportunity exploration***
  - ***Next model year: fleet plan and development***

# REMARKETING IMPACT



**Present Value Analysis**

|  | Vehicle #1 |         |         |         |         |         |         |         |         |           | Totals    |
|--|------------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|
|  | Year 1     | Year 2  | Year 3  | Year 4  | Year 5  | Year 6  | Year 7  | Year 8  | Year 9  | Year 10   |           |
| Enterprise Fleet Management Lease          |            |         |         |         |         |         |         |         |         |           |           |
| Payment Depreciation                       | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |
| Payment Management Fee                     | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |
| Payment Interest                           | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |
| GST/HST Tax                                | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |
| PST Tax                                    | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |
| Property Tax                               | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |
| License, Title and Tax                     | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |
| Cap Price Reduction (if applicable)        | \$35,221   | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$35,221  |
| Tax on Cap Price Reduction (if applicable) | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |
| Maintenance Fee                            | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |
| Preventative Maintenance                   | \$60       | \$264   | \$1,368 | \$376   | \$626   | \$1,651 | \$432   | \$1,590 | \$529   | \$515     | \$7,412   |
| Non-Preventative Maintenance               | \$53       | \$183   | \$376   | \$561   | \$671   | \$709   | \$749   | \$799   | \$846   | \$885     | \$5,832   |
| Downtime from Maintenance                  | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |
| Fuel                                       | \$2,932    | \$3,056 | \$3,209 | \$3,374 | \$3,540 | \$3,720 | \$3,917 | \$4,161 | \$4,426 | \$4,723   | \$37,057  |
| Upfront Insurance Premium                  | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |
| Annual Insurance Premium                   | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |
| Administrative Cost                        | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |
| Sale of Vehicle                            | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | (\$2,000) | (\$2,000) |
| Undepreciated Book Value at Time of Sale   | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |
| Service Charge at End of Lease             | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$395     | \$395     |
| Deposit                                    | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |
| Sub-total of Cash Outlay                   | \$38,265   | \$3,503 | \$4,954 | \$4,311 | \$4,837 | \$6,080 | \$5,098 | \$6,550 | \$5,802 | \$4,518   | \$83,918  |
| Cost per km                                | \$1.93     | \$0.18  | \$0.25  | \$0.22  | \$0.24  | \$0.31  | \$0.26  | \$0.33  | \$0.29  | \$0.23    | \$0.42    |
| Cash Flow from Income Tax Deduction        | \$0        | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0       | \$0       |



**Present Value Analysis**

|  | Vehicle #1 |            | Vehicle #2 |            | Vehicle #3 |            | Vehicle #4 |            | Vehicle #5 |            | Totals      |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
|  | Year 1     | Year 2     | Year 3     | Year 4     | Year 5     | Year 6     | Year 7     | Year 8     | Year 9     | Year 10    |             |
| <b>Enterprise Fleet Management Lease</b>   |            |            |            |            |            |            |            |            |            |            |             |
| Payment Depreciation                       | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         |
| Payment Management Fee                     | \$360      | \$360      | \$360      | \$360      | \$360      | \$360      | \$360      | \$360      | \$360      | \$360      | \$3,600     |
| Payment Interest                           | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         |
| GST/HST Tax                                | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         |
| PST Tax                                    | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         |
| Property Tax                               | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         |
| License, Title and Tax                     | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         |
| Cap Price Reduction (if applicable)        | \$35,496   | \$0        | \$36,569   | \$0        | \$37,674   | \$0        | \$38,813   | \$0        | \$39,986   | \$0        | \$188,538   |
| Tax on Cap Price Reduction (if applicable) | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         |
| Maintenance Fee                            | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         |
| Preventative Maintenance                   | \$60       | \$264      | \$61       | \$272      | \$62       | \$276      | \$63       | \$280      | \$64       | \$284      | \$1,685     |
| Non-Preventative Maintenance               | \$53       | \$183      | \$54       | \$189      | \$54       | \$191      | \$55       | \$194      | \$56       | \$197      | \$1,226     |
| Downtime from Maintenance                  | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         |
| Fuel                                       | \$2,932    | \$3,056    | \$2,936    | \$3,074    | \$2,926    | \$3,056    | \$2,878    | \$3,016    | \$2,827    | \$2,951    | \$29,651    |
| Upfront Insurance Premium                  | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         |
| Annual Insurance Premium                   | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         |
| Administrative Cost                        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         |
| Sale of Vehicle                            | \$0        | (\$30,000) | \$0        | (\$30,907) | \$0        | (\$31,841) | \$0        | (\$32,803) | \$0        | (\$33,795) | (\$159,346) |
| Undepreciated Book Value at Time of Sale   | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         |
| Service Charge at End of Lease             | \$0        | \$395      | \$0        | \$395      | \$0        | \$395      | \$0        | \$395      | \$0        | \$395      | \$1,975     |
| Deposit                                    | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         |
| Sub-total of Cash Outlay                   | \$38,900   | (\$25,742) | \$39,979   | (\$26,618) | \$41,077   | (\$27,563) | \$42,168   | (\$28,558) | \$43,292   | (\$29,607) | \$67,330    |
| Cost per km                                | \$1.96     | (\$1.30)   | \$2.02     | (\$1.34)   | \$2.07     | (\$1.39)   | \$2.13     | (\$1.44)   | \$2.18     | (\$1.49)   | \$0.33      |
| Cash Flow from Income Tax Deduction        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0         |

# HALF TON – 1 YEAR CYCLE VS. 8 YEAR HOLD

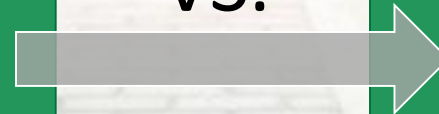


| VEHICLE – 2019 FORD F150 XLT 4X4<br>SUPERCREW 5.5ft BOX 5.0L V8 | OPEN ENDED EQUITY<br>LEASE | SELF-FUNDED | BUY & HOLD |
|---|----------------------------|-------------|------------|
| Total Vehicle Cost  | \$31,661                   | \$18,654    | \$30,961   |
| Total Maintenance Cost  | \$966                      | \$996       | \$10,468   |
| Total Fuel Cost   | \$23,298                   | \$23,298    | \$27,909   |
| Total Cost  | \$55,925                   | \$42,918    | \$69,338   |

8 New Trucks Over 8 Years



VS.



1 New Truck Over 8 Years



# HALF TON – 2 YEAR CYCLE VS. 8 YEAR HOLD



| VEHICLE – 2019 FORD F150 XLT 4X4<br>SUPERCREW 5.5ft BOX 5.0L V8 | OPEN ENDED EQUITY<br>LEASE | SELF-FUNDED | BUY & HOLD |
|---|----------------------------|-------------|------------|
| Total Vehicle Cost  | \$35,234                   | \$24,461    | \$30,961   |
| Total Maintenance Cost  | \$2,311                    | \$2,331     | \$10,468   |
| Total Fuel Cost   | \$23,874                   | \$23,874    | \$27,909   |
| Total Cost  | \$61,419                   | \$50,666    | \$69,338   |

4 New Trucks Over 8 Years



VS.

1 New Truck Over 8 Years







## **FLEET MANAGEMENT**

Aaron Boucher

Senior Account Executive

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Ben Cook

Account Executive

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# RMA Strategic Direction Session

# RISK IDENTIFICATION

Please help us identify:

- Risks that may affect your municipality
- Upcoming Trends



“

# RMA Strategic Direction Session