USD 261
HAYSVILLE SCHOOLS

Memo

TO: Haysville Board of Education

FR: Dr. Clint Schutte, Assistant Superintendent of Business/Finance

DA: September 17, 2018

RE: Enterprise Fleet Management Contract

History / Relevance: The district currently maintains a fleet of 42 white vehicles, ranging from light duty cars and trucks to heavy-duty maintenance vehicles used of snow removal and other facility and grounds work. Historically, the district has purchased vehicles outright and maintained them internally through the Operations Department. The average age of vehicles in the current fleet is 12+ years, not including the new leased vehicles from the 2017-2018 school year. In addition, the average number of odometer miles on the older vehicles is 120,000+. Last year the district leased 10 vehicles through Enterprise.

What: Enterprise Fleet Management, with their large vehicle network and purchasing power, proposed a fleet analysis and cost reduction plan through The Inter-local Purchasing System (TIPS) available to Government entities, a competitively awarded contract. Contracting with Enterprise through this cooperative meets all requirements of Kansas procurement statutes (KSA 72-6760) as well as Board of Education Policies.

Staff wishes to negotiate a lease agreement for the replacement of eight fleet vehicles. Based on the actual realized savings from leasing these vehicles staff can better determine the long-term viability of a fleet leasing option across all district vehicles.

Why: USD 261 Strategic Plan Goal: To pursue and develop the financial resources to support the goals of the district. The following are the key objectives of this lease agreement:

- Reduce the average age of the fleet (12.3) to no more than 5 years. Current 14-year cycle is based on the last 15 years of purchases.
- Resale of the aging fleet is significantly reduced – the goal is to maximize equity in each depreciating asset.
- Reduce overall operating costs as newer vehicles have a significantly lower maintenance expense and a great fuel efficiency.
- Maintain a manageable vehicle budget current budget is underfunded, while we have faced inconsistent yearly budgets.

Where: The budget source for this endeavor will be the capital outlay fund and potential cost saving from vehicle trades in the future. Potentially using a portion of new facility funds to start the process. We are currently looking at a maintenance saving from the 2016-2017 school year of

$45,470. Total lease payments for the 2017-2018 school year of $33,904 for a 2017-2018 school year savings of $11,566.

When: For the 2019-2020 School year, lease work will begin during the current school year.

How: Through the recommended acceptance to enter a fleet management agreement with Enterprise Fleet management, as presented

Who: Dr. Clint Schutte Assistant superintendent for Business and Finance, Mr. B.J. Knudson Executive Director of Operations, Mr. Freddy Robinson, Director of Facilities and Mr. Chris Long Director of Transportation will oversee this lease agreement and vehicle management program.

How Much: Actual costs will vary based on equipment and accessories installed on vehicles, such a snowplows, ladder racks, storage shelving, lifts, etc. These accessories will be included in the leased vehicle costs at the time the vehicles are ordered.

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