



Illinois Heartland Library System

TO: IHLS Finance Committee
 FROM: Leslie Bednar
 DATE: April 9, 2021
 RE: Enterprise Update

Background

In July 2020, IHLS began using Enterprise Fleet Management services. After eight months with the program, IHLS staff analyzed the leasing model to review how the services function for IHLS in relation to how the program was initially presented.

IHLS staff met with the regional Enterprise Fleet Management Director to discuss concerns with the leasing model and our expectations for a continued partnership. Over the course of several meetings, we were satisfied by the questions and concerns addressed by Enterprise. In addition, Enterprise authorized credits to compensate for some of the issues we experienced.

Outcome

Below is a cost comparison between the quoted and final monthly lease payments:

<u>Cost Comparison of Delivery Fleet</u>	<u>Quoted Monthly Lease</u>	<u>Final Monthly Lease</u>
(1) Staff Van	\$ 549.10	\$ 521.17
(7) Delivery Van *	\$ 895.25	\$ 895.14
(1) Box Truck *	\$ 818.20	\$ 772.47

*A gain applied from prior unit was applied to the monthly lease

These vehicle quotes were signed with an estimated gain applied from prior unit with a value of \$7,650.00 for the box truck and \$4,500.00 for each delivery van. The reduction applied to the monthly lease payment was estimated by Enterprise for the value of the IHLS owned vans to be consigned by Enterprise. At this time, these vehicles have not been consigned to Enterprise for resale. If no vehicles are given to Enterprise, IHLS is responsible to pay these amounts as a lump sum or as an increase to our monthly lease payments.

Other costs such as monthly maintenance, fuel, and vehicle wraps are consistent with estimations that IHLS staff projected. The relationship with Enterprise will continue to be assessed to ensure this is the best model for IHLS fleet management.

Recommendations

Based on our internal analysis and a much-improved working relationship with the vendor, we recommend:

IMAGINING TOMORROW ~ DELIVERING POSSIBILITIES TODAY!

--***IHLS continues to utilize Enterprise for our fleet management services in FY2022***: as stated above, our staff will monitor all costs related to the service.

--***All IHLS surplus vehicles not sold to the Illinois State Library or member libraries be consigned to Enterprise for resale***: this keeps our lease payments at predicted amounts for budget purposes. We will present additional information regarding surplus vehicles at our May committee and board meetings.

Thank you for your attention to this matter, and please let me know if you have any questions.