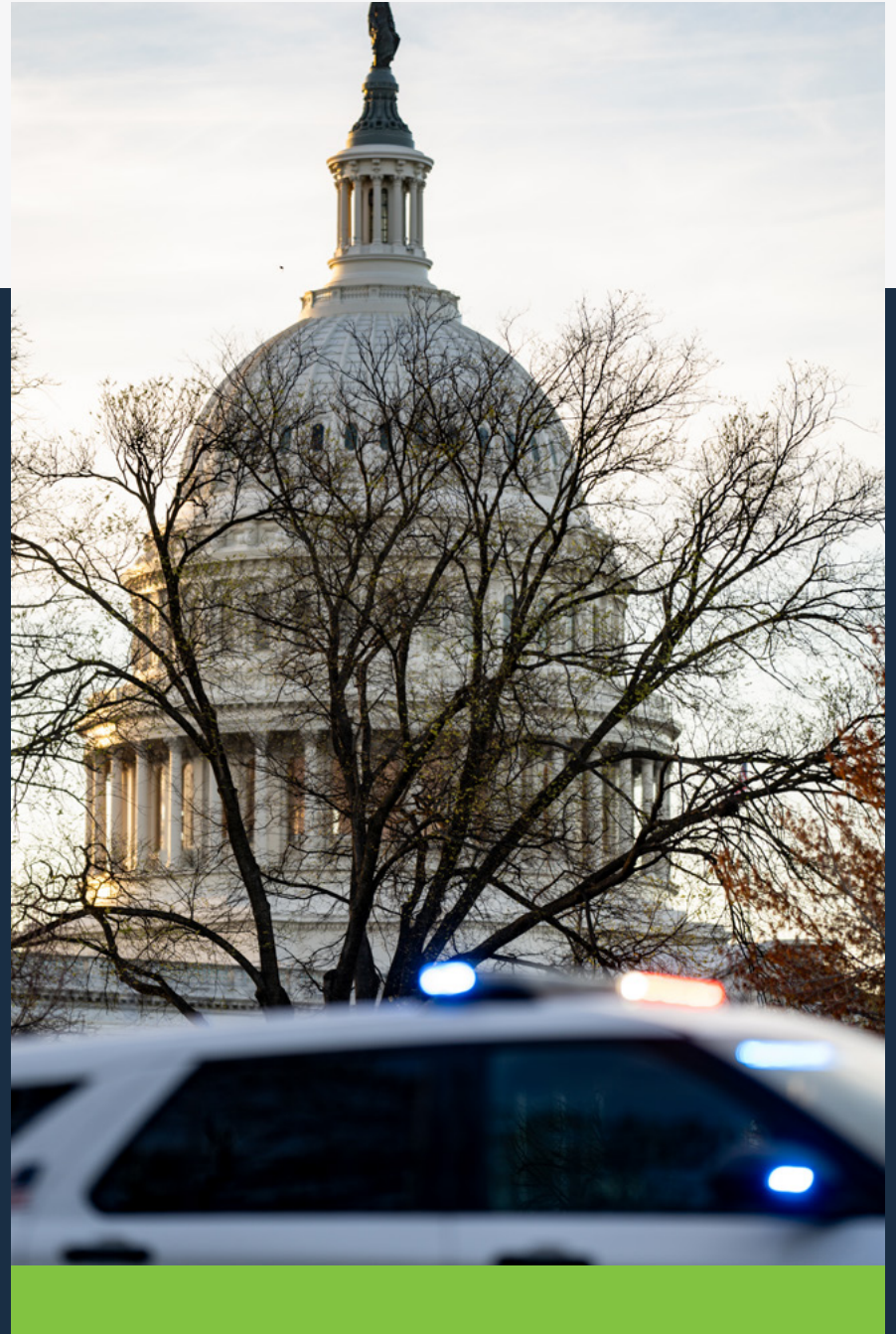


Driving efficiency in government fleets

A complete guide to
fleet maintenance



Overview

Managing government fleets presents a unique set of challenges. Whether your fleet size is growing or shrinking, limited resources and the shortage of skilled technicians can make it tough to keep vehicles running efficiently.

This guide offers an overview of an effective fleet maintenance program and how it can solve one of your biggest fleet issues.





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Challenges facing government fleets

As a leader with fleet responsibilities, you're often managing contracts with multiple repair shops—which includes all the administrative tasks like payments and tracking. If you're dealing primarily with a small network of shops, any staffing or availability shortages on their end will seriously impact your downtime and overall costs.

Some of the other maintenance challenges facing government fleets include:

1. Budget constraints: Government fleets are often required to stay within a limited operating budget in publicly funded programs. Managing growing fleet sizes with fewer resources creates operational inefficiencies.

2. Supplier variability: Consistent quality and performance across repair partners can vary, affecting vehicle uptime.

3. Compliance: It's a complex process to ensure all vehicles meet mandated safety and environmental standards, especially with evolving policies such as federal and state regulations on emissions standards. There's also an added layer of selecting partners that meet government requirements.

4. Skilled technicians: A lot of repair shops face staffing shortages. And not all repair shops are staffed with technicians capable of handling newer technologies, such as electric vehicles (EVs). Garages may also need infrastructure changes to accommodate EV fleet repairs, which can be expensive.

A structured maintenance program

To combat some common maintenance challenges, you need a structured program that addresses potential issues before they arise.

Cutting-edge technology and sophisticated reporting capabilities can provide proactive strategies to manage costs, optimize budgets, and improve operational efficiency.

A maintenance program also enables fleets to remain compliant with federal, state, and local regulations.



Why partner on a fleet maintenance program



A fleet maintenance program can transform your entire maintenance approach from reactive to proactive. Your network of shops can significantly increase, which means even if there's a staffing shortage at one shop, you have many more options to ensure a quick turnaround and keep downtime to a minimum.

The latest software will help track repairs and notify you when preventative maintenance is due. This enables you to better track your fleet maintenance schedule and control costs.

Ultimately, choosing to partner with a fleet maintenance provider means:

- Quality control
- Cost control
- Greater transparency
- Increased operational efficiency
- Increased access to innovation and technology

Data that drives informed decision-making

There are several key components to a structured fleet maintenance program. From telematics to supplier performance evaluation and driver training, it takes a comprehensive approach to make your fleet maintenance more cost-effective and hassle-free than ever before.

A structured fleet maintenance program will tap into real-world data to give you:

- A preventive maintenance schedule to reduce unexpected failures.
- Real-time maintenance data updates.
- Access to maintenance exceptions such as overdue maintenance, oil changes, or inspections.
- Use of data analytics for cost optimization and decision-making.
- Real-time visibility into repair status and costs.

Impact of driver training

Of course, telematics and data are only one part of the structured fleet maintenance program. Driver training is also important to reinforce better driving habits and practices.

Driver training significantly reduces avoidable maintenance costs by:

- Minimizing vehicle wear-and-tear through improved driving habits.
- Ensuring compliance with maintenance schedules.
- Enhancing driver accountability for vehicle condition.



Key performance indicators (KPIs) to evaluate your program

Is your fleet operating at maximum efficiency? You can measure this by tracking a few KPIs that include:

- **Vehicle downtime percentage** to measure fleet efficiency.
- **Cost per mile** to track cost-effectiveness of your maintenance program.
- **Preventive maintenance compliance rate** to ensure vehicles are maintained proactively.
- **Supplier SLA adherence** to track repair partners' performance.
- **Warranty recovery rates** which indicate the financial efficiency of the maintenance.



Red flags to watch out for

- Increasing vehicle downtime.
- Missed preventive maintenance schedules.
- Rising repair costs and lack of warranty recovery.

How Element Fleet Government Solutions elevates your maintenance program

Element's structured fleet maintenance program makes staying on top of repairs fast and simple. Our proactive maintenance strategies have helped reduce repair cycle times by **10%** for clients, directly improving fleet utilization. We also save our clients **~13%** per repair through negotiated savings.



Element offers governments:

- An expansive network of repair partners tailored for government needs, with consolidated management through a single digital platform.
- Proprietary platforms for real-time reporting and warranty recovery. This allows for performance tracking of in-network repair partners, in addition to cost savings.
- Expertise in regulatory compliance, ensuring alignment with government policies.
- Dedicated account management resources along with 24/7 National Institute for Automotive Service Excellence (ASE) certified staff to support growing fleets.
- Custom options like Client Garage Management consolidate and organize vehicle maintenance data to provide meaningful insights, drive compliance, and control costs.

All of this adds up to an average client savings of ~\$300 per vehicle per year.

Client success story

Challenge

A client had a case limit approval of \$500, and 64% of their maintenance expenses occurred in the \$500 to \$1,000 range taking up valuable time in approvals.

In addition, 39% of their tire expense and 64% of their preventive maintenance (PM) were completed at dealers and independent shops.

Solution

Element's Strategic Advisory Services performed a deep analysis of maintenance spending (tires, PMs, roadside/towing, brakes, transmissions). We quantified potential savings by steering additional volume to key national accounts. We also recommended increasing the case limit to \$1,000 to reduce approval and subsequent driver downtime.

Impact

5,388 decrease in downtime hours

\$540K in downtime savings

\$185K in annual savings by shifting volume from dealers & independents to select national providers

About Element Fleet Management

Element Fleet Management (TSX: EFN) is the largest publicly traded pure-play automotive fleet manager in the world, providing the full range of fleet services and solutions to a growing base of loyal, world-class clients – corporations, governments, and not-for-profits – across North America, Australia, and New Zealand.

Element's services address every aspect of clients' fleet requirements, from vehicle acquisition, maintenance, accidents, and remarketing, to integrating EVs and managing the complexity of gradual fleet electrification. Clients benefit from Element's expertise as one of the largest fleet solutions providers in its markets, offering economies of scale and insight used to reduce fleet operating costs and improve productivity and performance.

For more information, visit **elementfleet.com**.

