

Urban Mobility: Much More than Cleaner and Greener

Car Sharing for Public Sector Fleets:

The DC Fleet Share Program Case Study and Implementation Strategy

Michael P. Serafino

General Manager, FastFleet by Zipcar

Sustainable City Finance

New York City

January 7, 2010



Zipcar today

The world's largest car sharing company

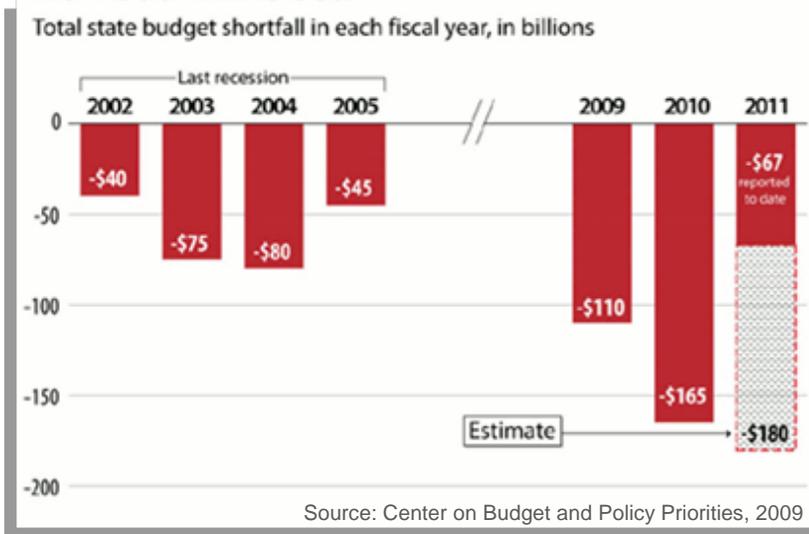
- Founded in 1999 – cars on the road since 2000
- Values-based culture and organization
- Acquired Flexcar in 2007 to expand footprint and accelerate growth
- 350,000 Zipsters in 28 states and provinces, 150 universities, three countries (US, Canada, UK)
- A sound, scalable, proven model for consumers, universities, businesses, and governments
- A decade of experience and technology innovation extensible to external fleets

The goal: sustainability as an economic as well as social objective

- Livability is now seen as mandatory
 - For economic growth
 - For residential growth
- Public sector leadership is expected
 - 2009 ARRA
 - Clean cities coalitions
 - Fleet electrification
 - Alternative fuels

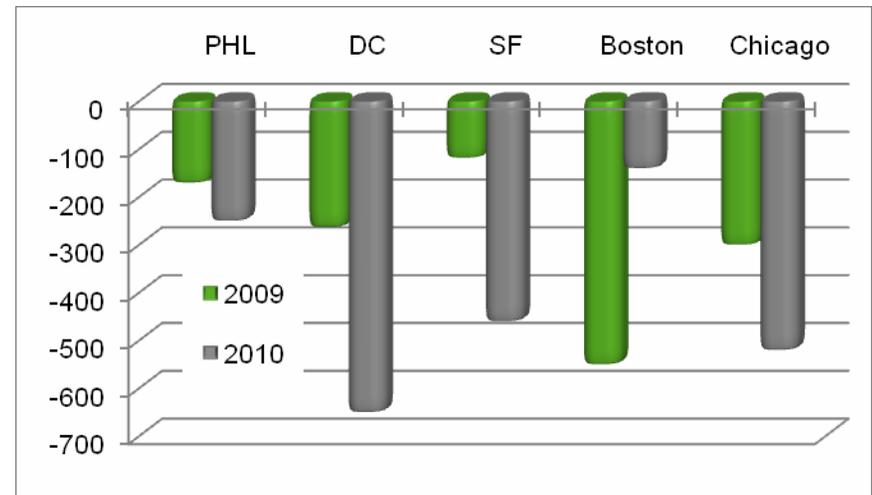


The problem: states and cities are under unprecedented pressure to reduce budgets



- Cities struggling to maintain basic services
- Tax options less feasible
- Recovery will likely be slow and protracted

- Worst decline in state tax receipts in decades, and getting worse
- Shortfalls being addressed through:
 - Federal stimulus dollars
 - Service reductions
 - Revenue increases
 - Reserves
- Additional gaps opening up mid-year



The opportunity



Save Money

- Dramatically reduce fleet size
- Improve mobile asset utilization
- Extend the existing fleet to serve a larger population
- Reduce administrative costs
- Reduce insurance expense
- Improve policy compliance
- Raise service levels



Promote Sustainability

- Reduce overall consumption
- Reduce emissions
- Reduce traffic congestion
- Increase use of transit/HOV
- Eliminate of under-utilized assets
- Parking relief



Manage Risk

- Monitor and identify safety risks
- Document fleet vehicle history
- Document driver history
- Improve existing insurance terms
- Enable strategic sourcing of insurance providers

The concept

- Car-sharing technology for your fleet: Fleet Sharing as a “smart service”
- Leverage vetted technology
 - Scheduling
 - Locating
 - Access
 - Connectivity
- Web & wireless system for vehicle management
- On-demand system to manage
 - Driver self-service
 - Real-time fleet operation
 - Maintenance and Repair Operations (MRO)
 - Billing and settlement
 - Reporting and Business Intelligence

The case study: DC Fleet Share with FastFleet by Zipcar

10 Locations

Fleet Management Administration HQ



50 Agencies and Departments



d.



Public Works

- Fleet Management Adm
- Office of Safety and Risk Mgt
- Human Capital Adm
- Office of Admin Services
- Office of Information Technology Services
- Parking Service Adm
- Solid waste Mgt Adm

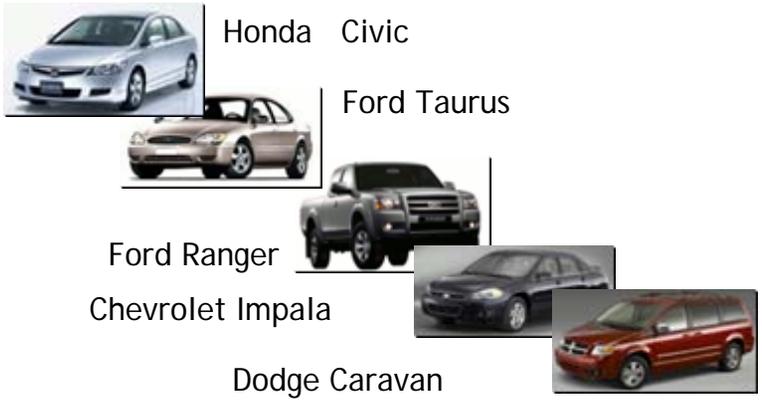
Transportation

- Infrastructure Project Mgt Adm
- Traffic Operations Adm
- Urban Forestry Adm
- Mass Transit Adm
- Transportation Policy and Planning Adm

Property Mgt

- Construction
- Portfolio Mgt
- Facility Mgt
- Protective Services

6 vehicle types, 75+ installed



2,300+ Approved Drivers



- Dedicated fleet
- Exclusive to DC employees
- Access cards recognized by Fleet Share vehicles only

The results: DC Fleet Share

- Recognized \$300,000 in savings during four month pilot
- Est. >\$1 Million saved in first year, with cumulative savings in future years >\$6 MM
- Extended fleet, improved service
- Increasing sustainability
- Improving risk management and compliance



The approach

- Analyze current fleet, budgets, and constituents
- Define success criteria
- Find the vehicles
- Determine locations and phases
- Engage drivers
- Implement then measure results, iterate, and improve

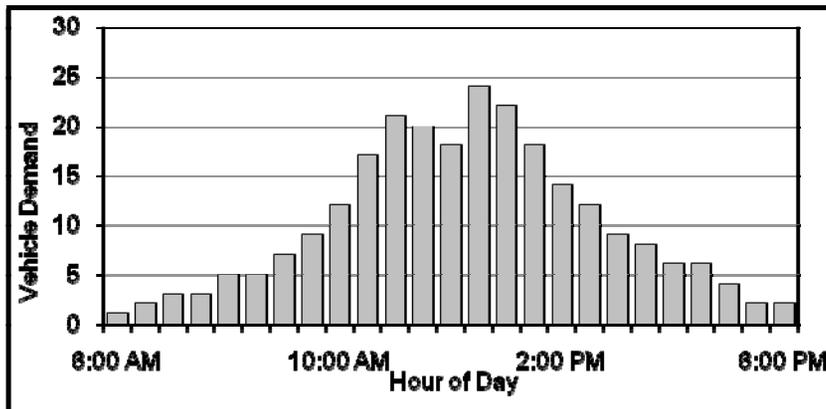
The lifecycle

- Attack high cost, highly visible, underutilized and depreciating assets
- Redistribute and optimize existing resources and fleet footprint
- Create and implement the proper replacement strategy
- Reduce risk by putting the best drivers and vehicles on the road
- Expand and iterate

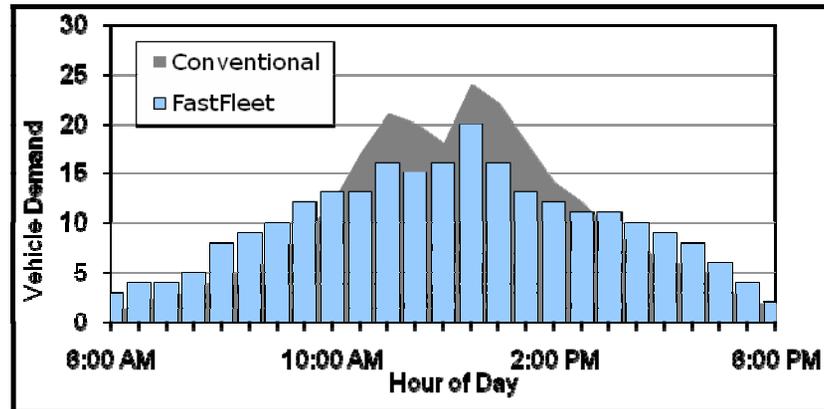


The numbers: reduce fleet size and promote sustainability while maintaining service levels

Conventional Fleet: Daily Vehicle Demand Profile



Shared Fleet: Daily Vehicle Demand Profile

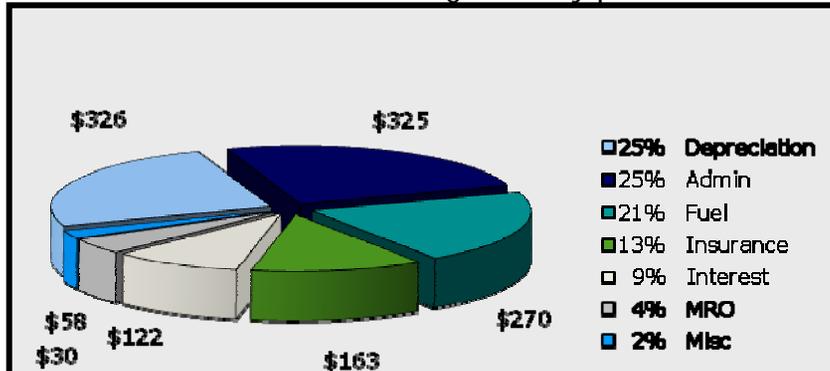


- Representative example fleet
- Workday (12 hour) demand only
- 24 vehicles required to deliver a service level of 100%
 - Service level defined as vehicle availability at time of demand*
- Total usage : 125 vehicle-hours
- Workday utilization : 43%
- 24-hour utilization : 22%

- Same representative fleet
- FastFleet vehicle scheduling visibility
- 10% increase in utilization
- 17% reduction in fleet requirement
- 20 vehicles instead of 24 required to deliver 100% service level
- Total usage : 125 vehicle-hours
- Workday utilization : 53%
- 24-hour utilization : 27%

More value: unlock savings trapped in the vehicle cost structure

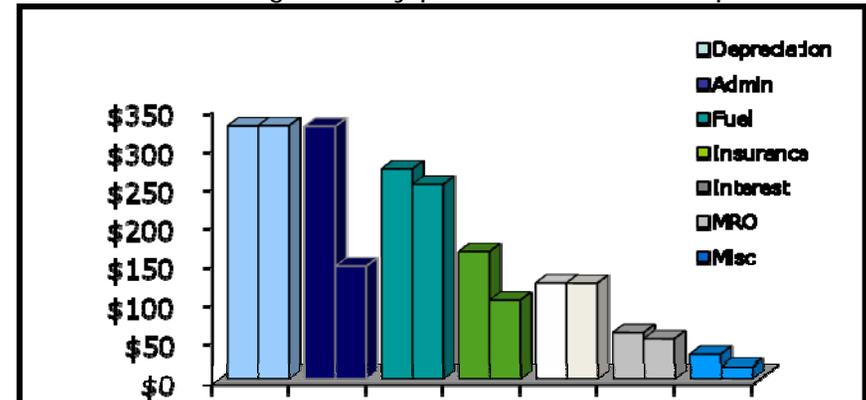
Conventional Fleet: Avg monthly per vehicle cost



Source: Automotive Fleet 2007 Fact Book

- Estimated monthly: \$ 1,295
- Average costs taken across passenger car and light truck vehicle fleets
- Administrative costs compete with depreciation as largest cost component
- 1:20 administrator-to-vehicle ratio represents significant opportunity for improvement in large fleets

FastFleet: Avg monthly per vehicle cost comparison



- Estimated Monthly: \$ 1,007
- Net cost reduction of 22%
- Administrative costs reduced by 50%
- Fleet visibility improves
 - Fuel economy
 - Insurance loss runs
 - Preventive maintenance
 - Miscellaneous (tow, impound, etc.)
- Average costs taken across passenger car and light truck vehicle fleets

Contact



Michael Serafino
General Manager

mike@fastfleet.net

617.336.4361