

'PROs' and 'CONs' of Vehicle Leasing

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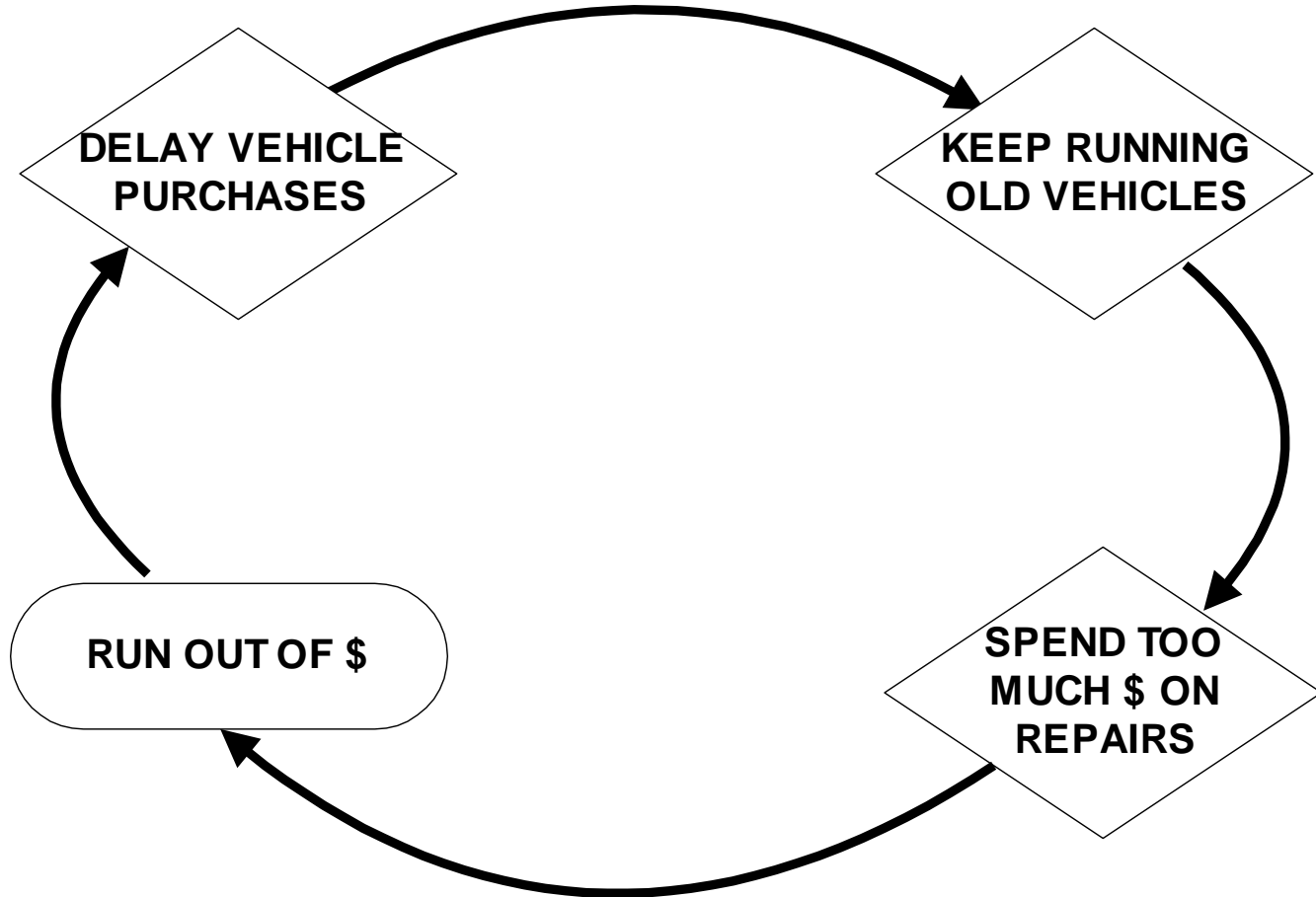
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DEPARTMENT OF FLEET &
FACILITY MANAGEMENT

VICIOUS CYCLE OF FLEET MISMANAGEMENT



VEHICLE LEASING: LIGHT DUTY VEHICLE SERVICE LOT



Leasing 'PROs'

- **FLEXIBILITY IN VEHICLE TYPES / MAKES / MODELS OVER PURCHASING (IF AGREEMENT IS STRUCTURED PROPERLY)**
- **ACCELERATE REPLACEMENT SCHEDULE**
- **INTRODUCE EFFICIENT / ALT. FUEL VEHICLES AT AN ACCELERATED RATE**
- **RETURN VEHICLES THAT ARE NOT A GOOD FIT FOR YOUR FLEET**
- **TAKE PRESSURE OFF OF INTERNAL MAINTENANCE RESOURCES**
- **MITIGATE RISK VS. SELF INSURANCE**
- **COST SAVINGS VS. RENTING**
- **'TRUTH IN BUDGETING'**

Leasing 'CONs'

- **CUSTOMIZED UNITS MAY NOT BE A GOOD FIT (REPLACEMENT CYCLE / RESALE)**
- **MAINTENANCE PROGRAM MAY NOT BE COST EFFECTIVE FOR NEW VEHICLES**
- **'HIDDEN COSTS' – TIRES / BRAKES ETC.**
- **MORE CLAIMS PAPERWORK**

GUIDELINES FOR VEHICLE LEASING

- **FOCUS ON FACTORY ORDERED UNITS**
- **EVALUATE DEPLOYMENTS AND SELECT PROPER VEHICLE TYPES**
- **STANDARDIZE FLEET WHERE POSSIBLE**
- **PACKAGE LEASE WITH INSURANCE**
- **EXPLORE OPTIONS FOR À-LA-CARTE MAINTENANCE TO MINIMIZE COSTS**
- **TAKE ADVANTAGE OF FLEXIBILITY - TRACK USAGE AND REDEPLOY / RETURN UNDERUTILIZED VEHICLES**
- **TARGET RESPONSIBLE DRIVERS**



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