

# 'PROs' and 'CONs' of Vehicle Leasing

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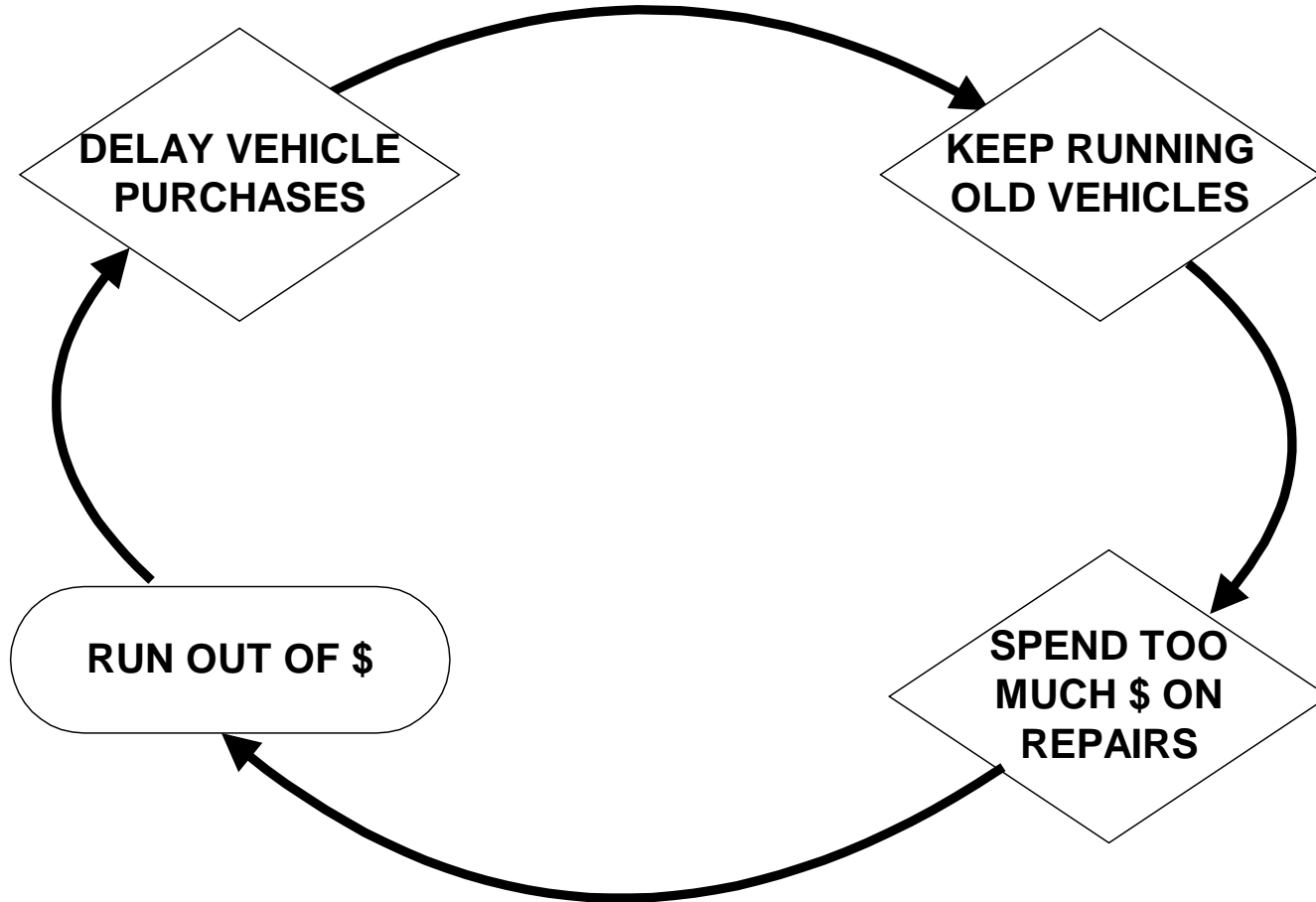
City of Chicago, Illinois



DEPARTMENT OF FLEET &  
FACILITY MANAGEMENT

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# **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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