



Inflation & Fleet Costs Increasing: How Can Fleet Managers Help?

Panelists:

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Fleet TCO Surging

Total Cost of Ownership

Acquisition

Fuel

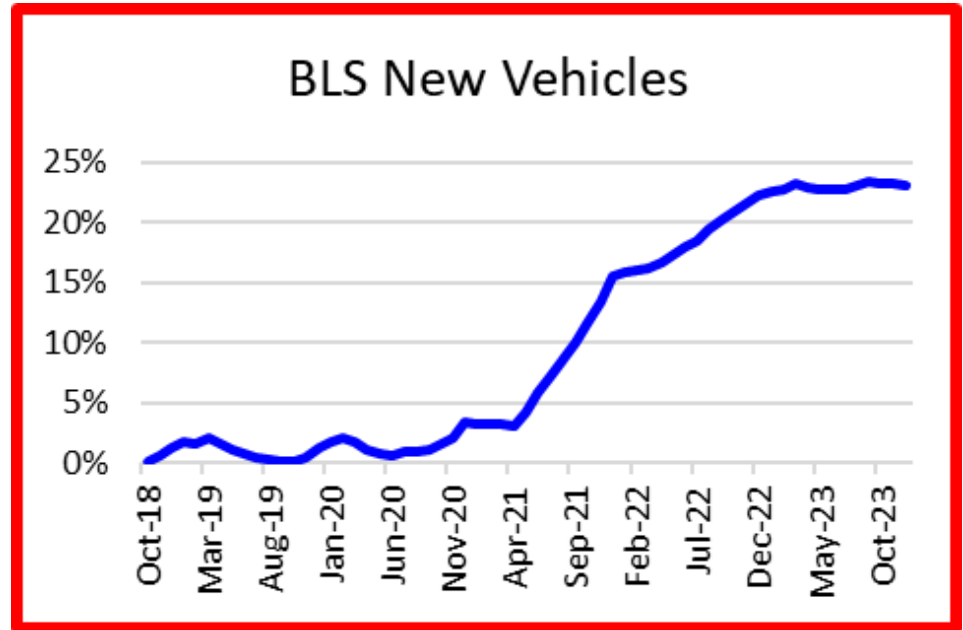
Maintenance and Repair

Crashes

Resale

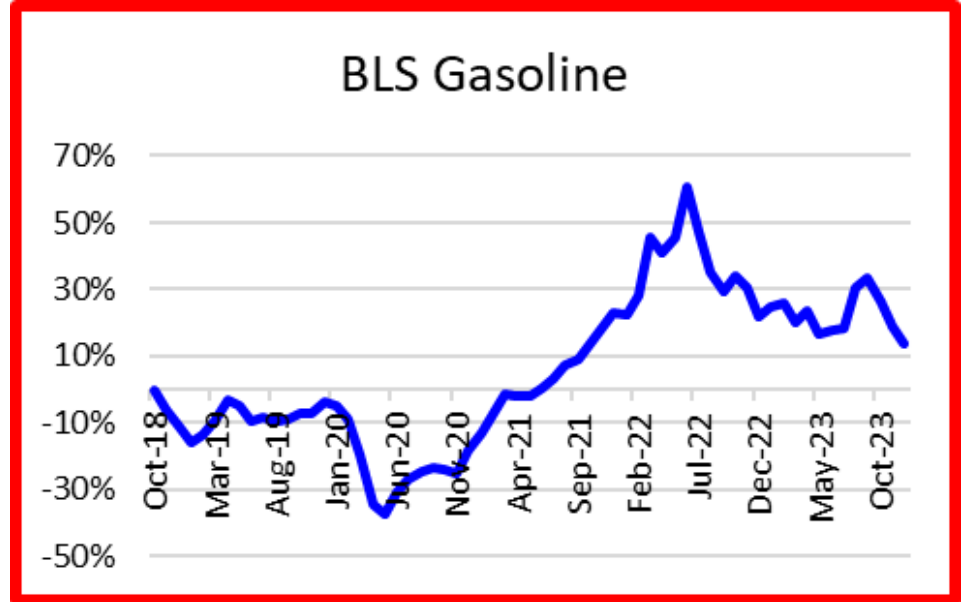
Acquisition - Up 23%

- Manufacturing shortages, delays drove up prices
- OEM allocating fewer vehicles to Fleets
- Lower/no discounts. May not do better than MSRP



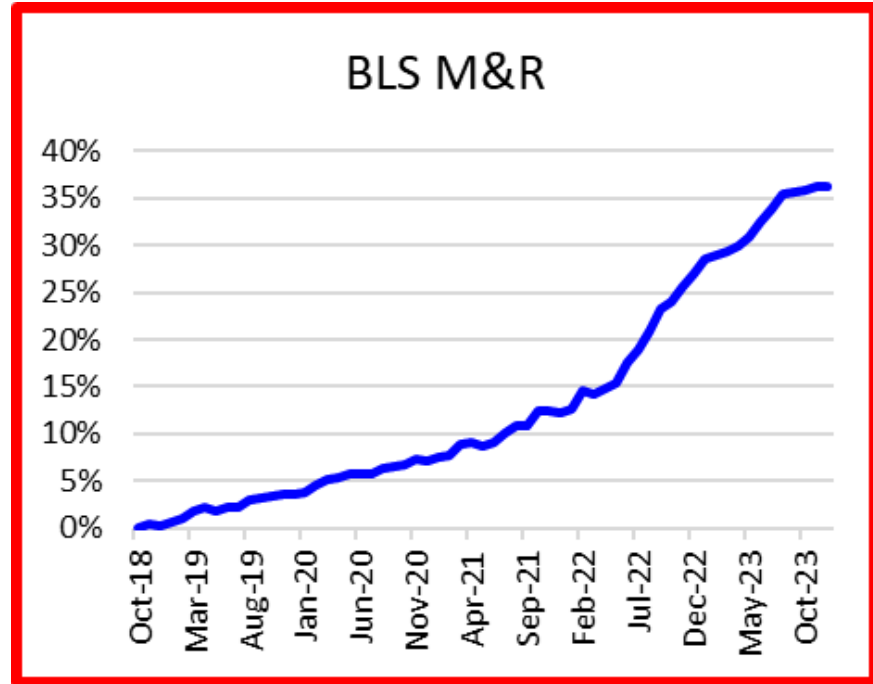
Fuel - Up 14%

- Pandemic recovery, Russian tariffs caused a spike
- Other oil producers ramped up, US at record level
- Prices still higher than pre-pandemic



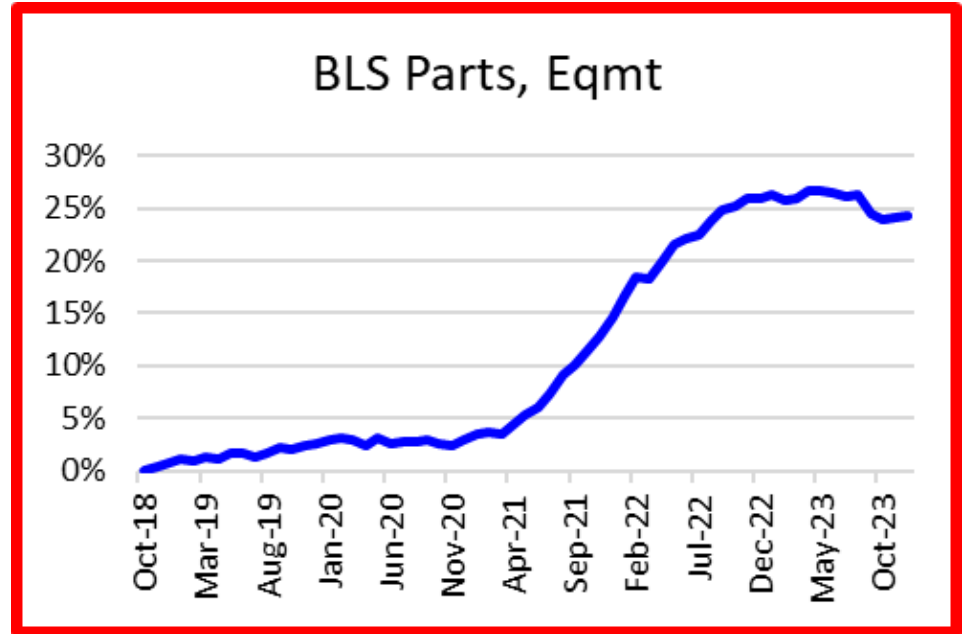
Maintenance & Repair - Up 36%

- Pandemic created supply chain problems
- Recovery brought higher demand than supply
- M&R may drop but there is no precedent



Maintenance & Repair - Parts - Up 24%

- Chips, cat converters, and other shortages drive higher prices
- Longer downtime

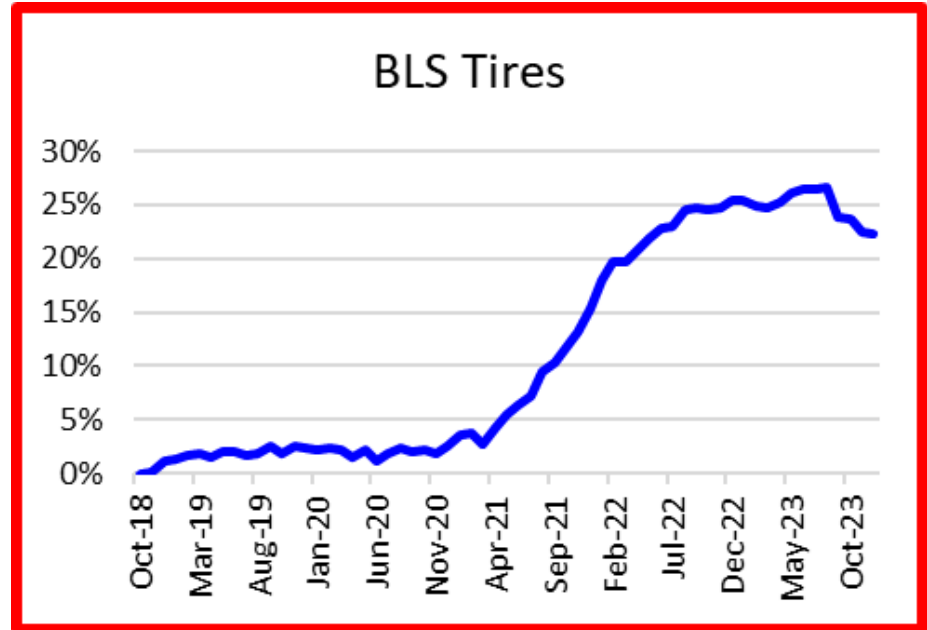


Maintenance & Repair - Labor

- Increasing vehicle complexity, retirement surge creating shortage of skilled technicians
- Shop backlogs mean less time for training
- More complex vehicles mean higher diagnostic fees, longer repair time, recalibrations
- Labor quality may be suspect, leading to more downtime

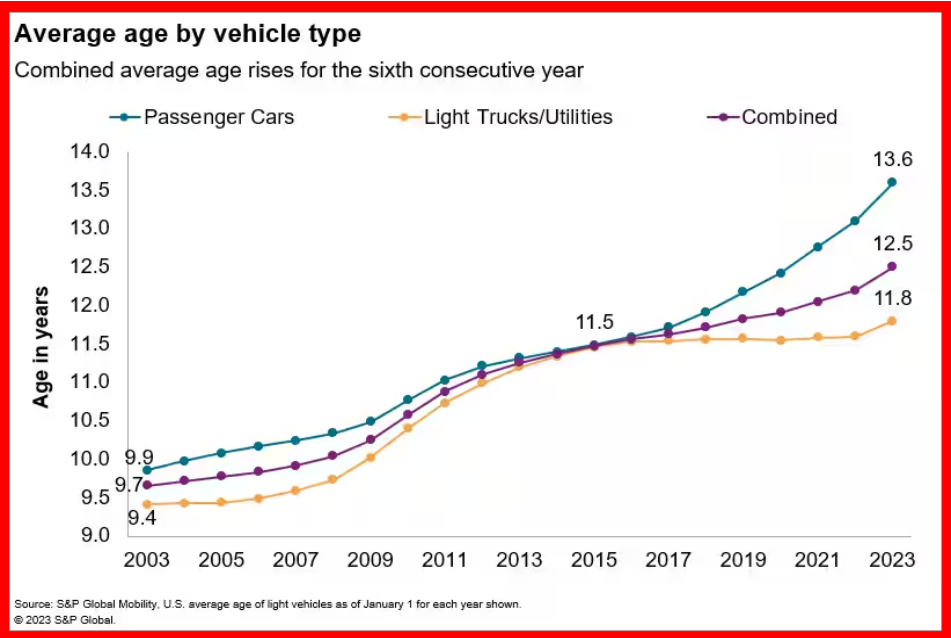
Maintenance & Repair - Tires - Up 22%

- With higher oil prices come higher tire prices, but with a delayed trend as vendors work through inventory.
- Should experience the same drop in oil.



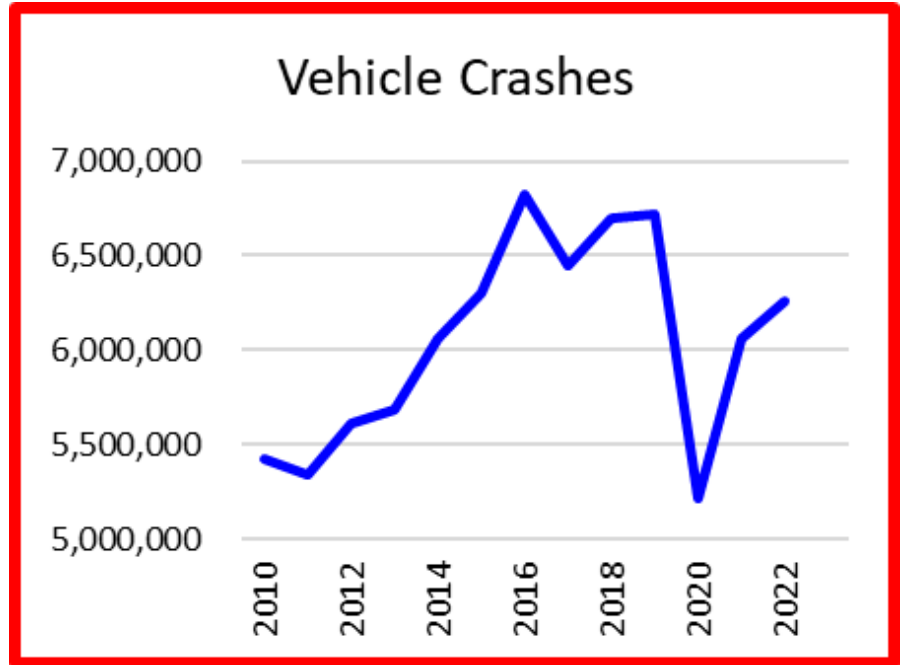
Maintenance & Repair - Aging Inventory

- Older fleets experience more unscheduled M&R
- Creates greater demand for labor, parts
- Higher demand amplifies inflation effect



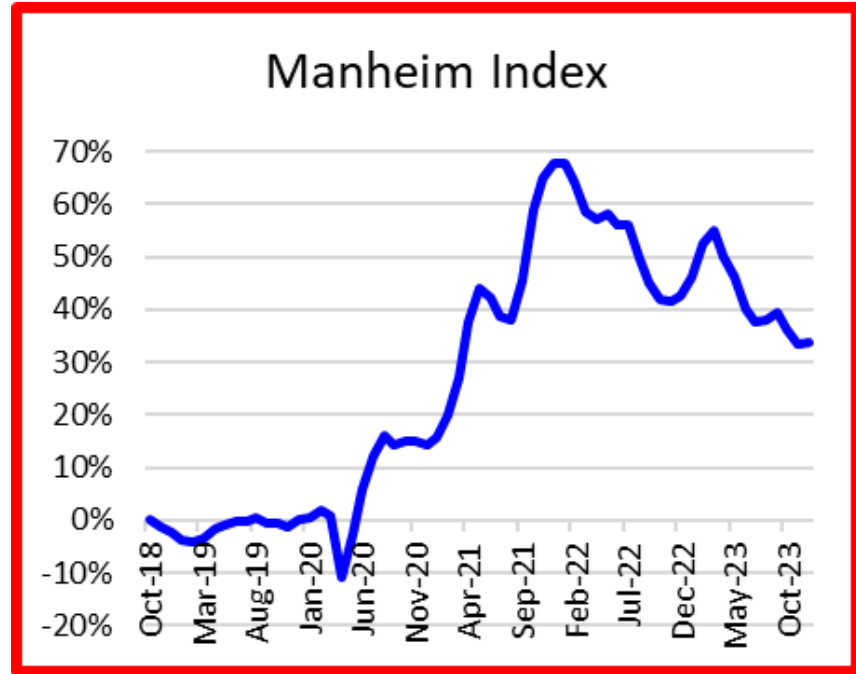
Crashes

- Back to pre-COVID levels
- Suffer from the same price and shortage pain as M&R
- Rising from pandemic dip
- Be prepared for high EV repair costs



Resale - Premiums Ebbing

- Lost half of pandemic premium, but still 34% above pre-pandemic
- Reduced vehicle production means lower used vehicle supply, and higher used vehicle prices
- The peak has passed so you will get less for your retired vehicle to offset new vehicle prices



Recap

Today

- Monitor for fuel fraud
- Take advantage of warranty coverage
- Do your PMs to avoid more costly expenses later - especially DPF problems
- Consider GSA Fleet's driver safety course
- Take advantage of discount vendors
- Max longevity by rotating vehicles to balance age and miles
- Keep your vehicle clean, maintained, and recall-free to facilitate quick sale

Long Term

- Do you really need a replacement for the old vehicle? Try the VAM. [41 CFR § 102-34.50](#)
- Choose cost effective (low cost, high MPG) vehicles
- Consider telematics to predict, avoid problems, monitor driver behavior

