Building a resilient public fleet in uncertain economic times

Strategies for government and public sector fleets to navigate budget constraints, supply chain disruptions, and operational risks



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Executive summary

Public sector fleets are essential to community well-being—responsible for everything from emergency response and public works to transportation and utilities. But as economic uncertainty continues to affect budgets, labor availability, and supply chains, government fleet managers are facing growing pressures to do more with less.

The economic challenges of 2025 are starting to impact a variety of entities. Proposed federal cost shifts, particularly to Medicaid and SNAP, could force states to absorb an additional $111 billion annually. This amounts to the equivalent of what states currently spend on higher education, corrections, and transportation combined. When an overall budget is impacted, government fleets will also feel the pinch. If we start to see inflation due to these challenges, there will be an increased cost on everything from fuel to replacement parts. Vehicle procurement delays are becoming more common, forcing many agencies to operate aging assets longer than planned. At the same time, expectations for sustainability, operational transparency, and service delivery remain high.

This white paper explores how public fleets can build long-term resilience through a combination of financial flexibility, operational agility, and strategic partnerships. From optimizing fuel management to adopting telematics and strengthening emergency preparedness, the paper outlines actionable strategies to help government fleets adapt, recover, and thrive—even in periods of disruption.

You'll also learn how WEX supports public sector fleets with tailored solutions designed to enhance control, accountability, and efficiency. With deep experience serving local, state, and federal agencies, WEX offers the tools and insights needed to navigate uncertainty and keep critical operations moving forward.

Whether you manage a city fleet, run operations for a school district, or oversee transportation at the state level, this guide is built to help you strengthen your fleet's foundation and plan confidently for the future.



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Section 1:

The economic landscape facing public fleets

Navigating the ripple effects of a volatile economy

Economic uncertainty is redefining how public sector fleets operate. Whether it's a municipal public works department, a school district's transportation fleet, or a state highway maintenance team, today's fleet leaders need to maintain high levels of service with fewer resources and alongside growing external pressures.

One of the most immediate challenges we may start to experience is inflation. Rising costs for fuel, replacement parts, and maintenance service will force many agencies to make difficult trade-off decisions. Budget cycles may not align with cost increases, leaving fleets to stretch resources and defer repairs or upgrades. At the same time, global supply chain issues—lingering from COVID and complicated by global trade disruptions—continue to delay vehicle procurement, particularly for specialized or alternative fuel vehicles.

Labor constraints are adding another layer of complexity. In a recent report, **Randstad** predicted that by 2030, U.S. manufacturing companies will need an additional 2.1 million workers to meet demand in skilled trades. Many fleets are struggling to recruit and retain qualified technicians and drivers, especially as experienced workers retire and fewer candidates enter the skilled trades. This workforce shortage puts added pressure on the remaining staff and can extend vehicle downtime when repairs or maintenance are needed.

Public expectations are also shifting. Agencies are under increasing scrutiny to demonstrate fiscal responsibility and transparent operations. These pressures require strategic prioritization—balancing short-term operational needs with long-term planning.

According to **Government Fleet,** public fleet vehicle sales were down year-over-year in February with 18,383 vehicles sold, falling 15.4% from 21,737 in February 2024. This might represent a response to the current economic climate and a shift toward a more conservative approach to fleet management.

All in all, in this environment, fleet resilience is no longer a luxury—it's a necessity. Leaders must plan for volatility while ensuring their vehicles and drivers remain safe, efficient, and responsive to community needs. The remainder of this white paper explores how public sector fleets can meet that challenge head-on.



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Section 2:

Core pillars of fleet resilience

What makes a public fleet resilient?

In the face of economic volatility, resilience is what allows public sector fleets to maintain continuity of service, protect assets, and adapt with confidence. But resilience isn't just about weathering crises—it's about building operational structures and systems that are flexible, transparent, and responsive.

Below are four foundational pillars contributing to a resilient fleet strategy:



1. Financial flexibility

When budgets are tight and unpredictable, the ability to manage costs proactively becomes increasingly important. Resilient fleets use tools that give them real-time visibility into fuel usage, maintenance spend, and tax-exemption oversight. This level of financial control allows managers to make informed decisions, shift resources quickly, and reduce unnecessary expenses. For example, fuel cards that offer transaction-level controls and automated reporting can help public fleets monitor driver behavior, identify fraud, and enforce spending policies with precision.

2. Operational agility

Emergencies most often happen when you're not expecting them. From natural disasters to infrastructure failures, fleet managers must be ready to respond to whatever's coming their way. They may need to reroute drivers, reassign vehicles, or shift service coverage in real time. Agility also means extending asset life strategically—knowing which vehicles to prioritize for replacement and which can be safely maintained longer. Public fleets prepared for both planned and unplanned disruptions recover faster and serve their communities better than unprepared fleets.

3. Data-driven decision-making

Gut instincts and decision-making on the fly don't set you up for success the way good data does. Resilient fleets rely on performance analytics and historical insights to guide everything from route planning and preventative maintenance to vehicle adoption and staffing. With the right data, fleet managers can justify budget requests, forecast long-term savings, and make confident, evidence-based decisions about how to build out their fleets. When integrated with telematics, maintenance software, and fuel card platforms, data becomes a force multiplier.

4. Strategic vendor partnerships

Public sector fleets don't operate in isolation—they depend on vendors for fuel, financing, parts, repairs, and technology. **Resilient agencies actively cultivate relationships with partners** who understand the complexities of government operations and can scale to meet their needs. The right partners bring more than products—they bring experience, compliance expertise, and proactive support during disruptions. This kind of care from a vendor is especially valuable when you're faced with procurement delays, disaster response, or regulatory changes.

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Section 3:

Practical strategies for building resilience

Actionable steps for improving fleet resilience today

Building a resilient public fleet doesn't require an immediate solution. It requires thoughtful, incremental steps that add control, visibility, and adaptability to your everyday operations. In this section, we outline five practical strategies public sector fleet managers can implement to strengthen their ability to weather economic disruptions and continue to deliver essential services without fail.

1. Build budget flexibility with smarter fuel management

Fuel is one of the largest and most unpredictable expenses for public fleets. By implementing a fuel card program with detailed controls, fleet managers can set spend limits, restrict unauthorized purchases, and access transaction-level data across departments or vehicle types.

Tactics to implement:

- Set custom purchase controls (e.g., fuel-only, by time of day or location)
- Monitor fuel consumption by driver, department, or asset
- Identify anomalies or unauthorized use in near real time
- Eliminate manual reconciliation with automated reporting

With these tools in place, fleet managers gain both accountability and agility—two critical advantages during times of fiscal constraint.

2. Leverage telematics for real-time visibility

Resilient fleets stay connected. GPS tracking and telematics systems provide a live window into fleet operations, helping managers route vehicles more efficiently, reduce downtime, and flag issues before they escalate.

Use telematics to improve resilience by:

- Proactively scheduling maintenance based on mileage or engine diagnostics
- Reducing idling and fuel waste
- Improving emergency response by tracking fleet vehicle location in real time
- Supporting grant and budget requests with utilization data

When integrated with fuel management systems, telematics enables a powerful, data-backed approach to optimizing performance and extending asset life.

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3. Modernize procurement and replacement planning

Fleet replacement planning is increasingly difficult in an environment marked by long lead times and budget uncertainty. Resilient fleet managers use operational data to guide smarter, more defensible procurement decisions.

Strategic approaches:

- Use utilization and maintenance records to justify asset replacement
- Develop replacement schedules that balance cost, availability, and sustainability goals
- Maintain a prioritized list of "must-replace" vehicles if budgets tighten further

Modern planning tools help fleet managers advocate more effectively when presenting to finance departments or elected officials.

4. Strengthen emergency preparedness

Natural disasters, cyberattacks, civil unrest, and infrastructure failures all pose unique challenges to public fleets. Building resilience means creating plans—and systems— to ensure your fleet can activate during and after an event.

Checklist for public fleet emergency readiness:

- ☐ Designate alternate service routes and staging areas
- ☐ Keep emergency fueling cards or mobile apps available for staff
- ☐ Store key documentation and communication protocols in multiple formats
- ☐ Partner with vendors who have proven disaster recovery support experience

In many cases, fleet continuity is the backbone of public safety during an unexpected event. Preparedness ensures you're not scrambling when every minute counts.

5. Partner with trusted vendors to extend capabilities

Government fleet leaders can't do it all alone. Building a network of reliable, experienced partners helps you scale resilience—especially in high-stakes moments.

Vendor considerations:

- Look for providers with a proven track record serving public sector fleets
- Ensure your vendors understand procurement compliance, tax-exempt handling, and audit transparency
- Prioritize partners with dedicated support, not just self-service tools
- Choose solutions that integrate across platforms (e.g., fuel cards + telematics)

A strong vendor can offer strategic guidance, assist in times of disruption, and bring valuable operational insights.

By applying these strategies, public fleets can proactively manage costs, reduce downtime, and improve decision-making—even when economic conditions are unstable. In the next section, we'll explore how WEX supports these efforts with tailored tools and deep experience serving government fleet customers.



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Section 4:

Partnering with WEX for public fleet success

How WEX supports resilient public fleets

Public sector fleets face a unique balancing act: delivering critical services efficiently while navigating regulatory constraints, tight budgets, and unpredictable disruptions. At WEX, we understand that resilience isn't just about reacting to challenges—it's about having the right systems, data, and partners in place to stay ahead of them.

WEX has more than 600,000 commercial fleet customers worldwide. WEX provides fleet and ePayables solutions for the Federal Government, including the GSA, as well as more than 35 states. WEX serves approximately 40,000 public sector accounts, including federal, state and local government, and universities.

WEX is an active member of the National Alliance of State and University Fleets (NASUF), and was recently awarded with their Partner Excellence Award.

WEX has decades of experience supporting local, state, and federal fleets across North America. Our solutions are built to meet the needs of government agencies, from small municipalities to large multi-department operations. We help public fleets operate with greater control, agility, and insight—especially in times of uncertainty.

Fleet fuel cards designed for public sector performance

WEX fuel cards offer powerful, customizable features that give government fleet managers full visibility into spend, usage, and driver behavior. With the WEX platform, agencies can:

- Set strict purchase controls by vehicle, driver, department, or location
- Access Level III data (where available) for detailed reporting (e.g., cost per gallon, fuel type, timestamp, location)
- Simplify compliance with tools for managing tax-exempt transactions and internal audits
- Prevent misuse and fraud with real-time alerts and tracking tools
- Automate reporting to eliminate manual paperwork and improve oversight

Whether your fleet consists of five vehicles or five hundred, WEX helps ensure every transaction is visible, traceable, and aligned with your agency's fiscal goals.

> "While incorporating electric vehicles into our fleet, we found ourselves managing over four to five fleet payment cards for EV charging, car washes, and roadside assistance. Now we have a two-card solution that simplifies our operations and reduces the complexity for us and for our drivers. This solution also increases efficiencies by broadening the availability of fueling and charging stations our drivers can access, and enhances the convenience for our electric vehicle customers. This improvement contributes to more effective and streamlined government operations."
>
> **Courtney Speer**
> Deputy Assistant Director: BRD-Deputy Assistant Director, State of Washington
> February 20 2025

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Telematics integration for operational insight

WEX integrates seamlessly with leading telematics providers, enabling public fleet leaders to access real-time data on vehicle health, driver safety, and route efficiency—all within a centralized platform. This allows government fleets to:

- Track vehicle location and usage
- Monitor idling, speeding, and maintenance needs
- Make data-backed decisions on asset replacement or EV transition
- Respond quickly during emergencies with accurate fleet location mapping

Together, fuel and telematics data give agencies the full picture of fleet performance—and the ability to act on it.

Tax exemption, reporting, and recovery support for public fleets

Managing taxes on fuel purchases is complex, especially for public sector fleets operating across multiple jurisdictions. WEX simplifies this process through a robust tax exemption, reporting, and recovery program tailored for qualified tax-exempt entities. For eligible fleets, WEX invoices net of federal excise taxes at the transaction level, regardless of the merchant. The program also supports exemption from state, county, and city-level sales and excise taxes when purchases are made at participating merchants. For non-participating merchants, WEX flags "reported taxes" to help customers track and reclaim exemptions using WEX's comprehensive data.

By streamlining tax exemption and reporting, WEX empowers public sector fleets to improve financial oversight, recover eligible funds, and reduce administrative burden. With detailed transaction-level data and flexible support for both fuel and non-fuel purchases, WEX helps agencies stay compliant with tax regulations while maximizing every dollar. It's one more way WEX supports resilient, cost-efficient fleet operations in today's uncertain economic climate.



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Support when it matters most

During natural disasters or emergencies, WEX offers fast and responsive support to help public fleets maintain operations and access critical resources. From helping drivers locate open fuel stations during outages to supporting fraud detection with real-time alerts, the WEX team is trained to support government agencies under pressure.

Public sector expertise and compliance readiness

WEX understands the regulatory and procurement requirements that come with public sector fleet management. We offer:

Dedicated government account teams who know how to support RFPs, audits, and compliance reviews

Transparent pricing and reporting to meet budgeting and grant application needs

Flexible onboarding and training to ensure teams are equipped from day one

Our goal is to be more than a vendor—we aim to be a trusted partner, supporting your agency's mission with tools and insights that help you succeed under pressure

Resilience in the public sector isn't just about backup plans—it's about putting better systems in place from the start. WEX is here to support public fleets with the tools, data, and expertise they need to navigate whatever comes next.

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Section 5:

Preparing for the road ahead

Future-proofing your fleet through planning and partnerships

As the economic landscape continues to shift, the demands on public sector fleets will only grow. Rising operational costs, aging infrastructure, climate-related disruptions, and mounting service expectations all point to one truth: resilience must become a core operating principle—not just a crisis response.

Preparing your fleet for what's next means moving from reactive to proactive. It requires investing in the systems, policies, and partnerships that allow you to make smart decisions under pressure, safeguard taxpayer resources, and maintain service delivery regardless of external conditions.

But resilience isn't built in isolation. It's supported by vendors and systems that understand the unique challenges public fleets face. Whether it's navigating disaster recovery, or managing complex budgets, having the right partner can make all the difference.

At WEX, we're committed to helping public fleets not only survive difficult times—but emerge stronger. Our tools are designed to meet today's challenges and tomorrow's unknowns, with a focus on transparency, control, and operational continuity.

Now is the time to assess your fleet's resilience strategy. Because in an uncertain world, the most resilient fleets are the ones that prepare—not just respond.



Fleet managers embracing data-driven planning, financial flexibility, and technology integration are better positioned to:

- **Stretch limited budgets** without compromising service quality
- **Justify capital requests** with clear performance metrics
- **Adapt quickly** to emergencies or workforce changes
- **Advance sustainability goals** through smarter asset utilization and electrification planning
- **Meet regulatory requirements** and public accountability standards

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Conclusion and next steps

Turning resilience into a competitive advantage for public fleets

Public fleets are more than just vehicles on the road—they're critical to a community's infrastructure. From snow removal and emergency response to transit and utility services, these operations keep communities functioning day in and day out. In times of economic uncertainty, adaptability and continuity in delivering these services become defining measures of success.

This white paper outlines a framework for building a more resilient fleet—one that can withstand budget pressures, respond to disruptions, and remain accountable to the public. The strategies discussed—from optimizing fuel management to partnering with experienced vendors—are designed to help government fleet managers take control of their operations and better prepare for the unexpected.

WEX brings decades of experience supporting public sector fleets with secure, scalable tools that promote financial control, operational insight, and emergency readiness. Whether you manage a city's service vehicles or a statewide agency's transportation assets, WEX is ready to help your fleet move forward with confidence.



Next steps for government fleet leaders

To begin strengthening your fleet's resilience today:

1. **Conduct a fleet risk and readiness assessment**
   Evaluate your fleet's current vulnerabilities in fuel spend, data visibility, and emergency planning.
2. **Review and update your business continuity strategy**
   Ensure your policies include contingencies for disasters, staffing shortages, and procurement delays.
3. **Explore WEX's public sector solutions**
   Learn how WEX fuel cards, telematics integrations, and financial tools can support your agency's goals.
4. **Download our Fleet Resilience Checklist**
   Get a printable resource to help guide internal planning discussions.
5. **Connect with a WEX public sector specialist**
   Schedule a consultation to explore how WEX can help your fleet build strength for the road ahead.

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Let’s build a smarter, stronger fleet—together.

Download our public fleet resilience checklist and have a quick list of how to best manage your fleet through economic uncertainty.

Visit wexinc.com to learn more

Resources:

[National Governors Association]

[Government Fleet]

[Randstad]

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