

## M&O Vehicle Replacement Plan Summary

Option	Pros	Cons	2016-17 Estimated Cost of Repairs	2017-18 Estimated Cost of Repairs	2018-19 Estimated Cost of Repairs	2019-20 Estimated Cost of Repairs	2020-21 Estimated Cost of Repairs	Estimated Cost of Repairs 2016-17 through 2020-21	Option Ranking
<b>Maintain Current Fleet</b>	No capital outlay	Repairs may exceed the actual retail value of the vehicle  Safety concerns  Larger carbon footprint  Fuel mileage is lower (carburation versus fuel injection)	\$20,000 - \$25,000	\$25,000 - \$30,000	\$30,000 - \$35,000	\$35,000 - \$40,000	\$40,000 - \$45,000	<b>\$150,000 - \$175,000</b>	4
			<b>2016-17 Estimated Cost of 5 Vehicles</b>	<b>2017-18 Estimated Cost of 6 Vehicles</b>	<b>2018-19 Estimated Cost of 5 Vehicles</b>	<b>2019-20 Estimated Cost of 5 Vehicles</b>	<b>2020-21 Estimated Cost of 5 Vehicles</b>	<b>Estimated Cost of 28 Vehicles 2016-17 through 2020-21</b>	
<b>Replace Fleet with Used Vehicles</b>	Lower cost for replacement of vehicles  Vehicle is Kelley Blue Book rated  May still have a warranty from the	Purchasing a vehicle that you do not know the history on  May have significant hidden wear on internal components	\$146,000 – \$161,000	\$120,000 - \$132,000	\$120,000 - \$132,000	\$113,000 - \$124,000	\$116,000 - \$128,000	<b>\$615,000 - \$677,000</b>	3

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	<p>factory on some components such as drive train</p> <p>Purchasing an extended warranty is less expensive</p> <p>Safer vehicles</p> <p>Reduction of carbon footprint</p> <p>Better fuel economy</p>	<p>Vehicle will have some wear and tear</p> <p>May have to add components to make vehicle usable such as racks, specialized beds, and dump capabilities</p>							
<p><b>Replace Fleet with New Vehicles</b></p>	<p>Less maintenance, easier to maintain</p> <p>Will have a factory warranty</p> <p>Vehicles ordered to fit SRCS specific criteria or package</p> <p>Fuel mileage will be better</p> <p>Carbon footprint will be reduced</p> <p>Improved safety of vehicles</p> <p>Longer life expectancy</p>	<p>Capital outlay required for purchase</p> <p>CMAS purchasing power could result in savings of several thousand dollars</p>	<p>\$195,000 - \$215,000</p>	<p>\$160,000 - \$176,000</p>	<p>\$160,000 - \$176,000</p>	<p>\$150,000 - \$165,000</p>	<p>\$155,000 - \$171,000</p>	<p><b>\$820,000 - \$903,000</b></p>	<p>2</p>

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	Better resale at the end of the typical life cycle of 15 to 20 years								
<b>Replace fleet with leased vehicles</b>	<p>Initial cost would be considerable less than purchasing new vehicles</p> <p>A realistic and consistent replacement plan can be budgeted for annually</p> <p>Lease payments for 10 vehicles would be close to the purchase price of two (2) new vehicles or three (3) used vehicles</p> <p>When the term of the lease is complete, the Lessor would take possession and sell the vehicles at auction with no financial responsibility to SRCS</p>	<p>Annual cost of planned lease and amount of vehicles leased could exceed a typical replacement plan if average length of service for a vehicle is 15 to 20 years</p> <p>No capital asset gains from a lease</p> <p>Potential damage repair cost at end of lease</p> <p>Recapture clause at the end of lease for depreciation over resale cost</p> <p>Average lease payments per vehicle would be in the range of 6k per vehicle</p>	\$30,000 - \$40,000	\$36,000 - \$48,000	\$30,000 - \$40,000	\$30,000 - \$40,000	\$30,000 - \$40,000	<p><b>Total of \$156,000 - \$208,000</b></p>	1

