

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
Maintain Current Fleet	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	\$150,000 - \$175,000	4
			2016-17 Estimated Cost of 5 Vehicles	2017-18 Estimated Cost of 6 Vehicles	2018-19 Estimated Cost of 5 Vehicles	2019-20 Estimated Cost of 5 Vehicles	2020-21 Estimated Cost of 5 Vehicles	Estimated Cost of 28 Vehicles 2016-17 through 2020-21	
Replace Fleet with Used Vehicles	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	\$615,000 - \$677,000	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>							
Replace Fleet with New Vehicles	<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>	\$195,000 - \$215,000	\$160,000 - \$176,000	\$160,000 - \$176,000	\$150,000 - \$165,000	\$155,000 - \$171,000	\$820,000 - \$903,000	2

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	Better resale at the end of the typical life cycle of 15 to 20 years								
Replace fleet with leased vehicles	<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	<p>\$36,000 - \$48,000</p> <p>Total of \$66,000 - \$88,000</p>	<p>\$30,000 - \$40,000</p> <p>Total of \$96,000 - \$128,000</p>	<p>\$30,000 - \$40,000</p> <p>Total of \$126,000 - \$168,000</p>	<p>\$30,000 - \$40,000</p> <p>Total of \$156,000 - \$208,000</p>	<p>Total of \$156,000 - \$208,000</p>	1

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	<p>Provides flexibility for fleet replacement at SRCS discretion depending upon length of the lease</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>								
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