

**VILLAGE OF ORLAND PARK
TOTAL COST OF OWNERSHIP ANALYSIS**

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PROJECT: Replacement Recreation Bus

DATE: 2/29/2016

PURCHASE COSTS		Lease *		Lease **
Initial Costs		Option A	Option B	Option C
Acquisition Decision			\$ -	\$ -
Purchase		\$ 58,598	-	-
Lease cost p/month X 5 years	\$9300.00 p/year		46,500	46,500
Set-up/Deployment		900	900	900
Change Management(Training, Orientation, Process Change)		100	100	100
Subtotal - Initial Costs		\$ 59,598	\$ 47,500	\$ 47,500
Ownership Costs per Year				
Maintenance cost over the seven years-Estimated per year		\$ 1,500	\$ 1,500	\$ 1,500
Gas-gallons used per year X \$3.27 av/p/ga 653gallons av/per year)		\$ 2,135	\$ 2,135	\$ 2,135
Licensing---included above		-	-	-
Insurance		750	750	750
Subtotal - Ownership Costs per Year		\$ 4,385	\$ 4,385	\$ 4,385
Ownership Costs (over the Lifetime of the Asset)				
Expected Life (in Years)		7	7	5
Subtotal - Ownership Costs (over the Lifetime of the Asset)		\$ 30,695	\$ 30,695	\$ 21,925
Post-Ownership Costs				
Disposal/decommission/lease termination fee		500	500	500
Purchase Cost After Lease End			26,000	46,500
Salvage Value (Negative Cost)		(15,000)		
Subtotal - Post-Ownership Costs		\$ (14,500)	\$ 26,500	\$ 47,000
TOTAL COST OF OWNERSHIP		\$ 80,178	\$ 109,080	\$ 120,810

Option A-Village will own the bus for 7 years or more (depending on condition) and sell at Auction

* Lease - Option B - Assume purchase at end of 5 year lease term

** Lease - Option C - 5 year life; will either purchase or lease again at additional cost.

5 year lease option means rebidding a bus near end of year 5 so new unit can be readily available to use as opposed to rebidding in year 8 assuming replacement is board approved