VILLAGE OF ORLAND PARK
TOTAL COST OF OWNERSHIP ANALYSIS

VILLAGE OF ORLAND PARK
TOTAL COST of OWNERSHIP ANALYSIS

PROJECT: Replacement Medium duty dump trucks with plow and spreader
DATE: 7/22/2016

PURCHASE COSTS		Lease	
Initial Costs		**Option A**	**Option B**
Acquisition Decision			$ -
Purchase of three units		$ 218,786	-
Lease cost p/month X 5 years $3975.00 p/month for 3 units			238,500
Set-up/Deployment		850	850
Change Management(Training, Orientation, Process Change)		100	100
Subtotal - Initial Costs		**$ 219,736**	**$ 239,450**
Ownership Costs per Year			
Maintenance cost over the five years-Estimated		$ 8,950	$ 8,950
Gas-gallons used per year X $3.27 av/p/ga 975gallons av/p/y/x5)		$ 3,188	$ 3,188
Licensing---included above		-	-
Insurance			
Subtotal - Ownership Costs over 5 years		**$ 12,138**	**$ 12,138**
Post-Ownership Costs			
Disposal/decommission/lease termination fee		500	unknown
Salvage Value (Negative Cost)		(15,000)	-
Subtotal - Post-Ownership Costs		**$ (14,500)**	**$ -**
TOTAL COST OF OWNERSHIP		**$ 217,374**	**$ 251,588**

Buy vs. Lease Car

Make & Model: _____

	LEASE			BUY
Suggested retail price			Suggested retail price	
Tax, title, etc.			Tax, title, etc.	
Refundable security deposit				
First month's payment				
Capital cost reduction payment			Down payment	
Last month payment in advance?				
Payment (if yes)				
Selling price at end of lease			Resale value	
Monthly lease payment			Monthly loan payment	
Lease term			Term of loan	
Discount for present value			Loan rate	
Future value of last payment			Present value of resale	
Initial costs			Initial costs	
Financing costs			Financing costs	
Present value of refund				
Present value of total costs			Present value of total costs	
			DIFFERENCE	
			Note: Positive value favors leasing.	

TAXATION

Tax bracket	
Business use percentage	
Sales tax percentage	

TAXATION	LEASE		TAXATION	BUY
Title			Title	
Fees			Fees	
Sales tax			Sales tax	
Potential financing deduction			Interest deduction	
Total potential deductions			Total potential deductions	
Potential tax savings			Potential tax savings	

Note: Depreciation deductions may be available that could change the results of this analysis.