

Examples of Preparing a Cost Analysis

Scenario 1: Permanent use vehicle

A refuge requires a vehicle to move people and property among four separate locations. Specifications require a mid-size, fuel-efficient light truck with four-wheel drive. The program needs the vehicle for at least 6 months out of the year for several years, so a short-term General Services Administration (GSA) rental is not an option. If the refuge purchases the vehicle, it intends to replace it as soon as the minimum replacement standards are met to achieve maximum proceeds from the sale. According to Service policy, for a light truck less than 10,000 lbs. gross vehicle weight rating (GVWR), the minimum replacement standard is 6 years or 50,000 miles, whichever occurs first. So the refuge compares the cost of ownership for leasing the vehicle for 6 years versus purchasing the vehicle and replacing it at 6 years.

	GSA Lease	GSA Rental	Service Purchase
Expected miles per year	8,000	N/A	8,000
Duration (weeks of use per year if under a year)			
Duration (years of use)	6		6
Fuel type	Gas		Gas
Estimated MPG	20		20
Estimated fuel price (per gallon)	\$3.85		\$3.85
Lease:			
Lease term (months)	72		
Payment (per month)	\$220.00		
Mileage charge per mile (includes fuel and maintenance)	\$0.27		
Maintenance (many GSA leases include maintenance and fuel)	Included in mileage payment		
Rent (non-TDY):			
Rate (weekly)			
Mileage charge per mile (Note: many GSA short-term rentals do not have a mileage charge, but some do. The GSA rental rates found here will have the latest information on GSA mileage rates)			
Fuel cost			
Additional fees (e.g., delivery)			
Owned:			
Purchase price			\$24,755.00
Fuel cost			\$9,240.00
Maintenance expense			\$2,850.00
Total estimated life-cycle costs	\$28,800.00		\$36,845.00

Scenario 2: Short-term use vehicle

A refuge has a need for a two-wheel drive pickup truck to facilitate the work of several volunteers for a period of 2 months each summer. The refuge must determine if it is more cost-effective to purchase a vehicle that will only be used for 8 weeks out of the year or to initiate a short-term rental through GSA each summer for 8 weeks. (Note: due to the short duration of the need each year, a GSA lease is unavailable). For this scenario, it is assumed that the refuge will require a half ton pickup truck (e.g., Ford F-150) to meet its mission needs and that the truck will be driven for approximately 3,000 miles each summer and remain unused after the volunteers leave. The refuge also estimates it would keep the vehicle for 6 years if it purchased the vehicle, since that is the minimum replacement standard for a light truck less than 10,000 lbs. GVWR (or 50,000 miles).

	GSA Lease	GSA Rental	Service Purchase
Expected miles per year	N/A	3,000	3,000
Duration (weeks of use per year)		8	8
Duration (years of use)		6	6
Fuel type		Gas	Gas
Estimated MPG		22	22
Estimated fuel price (per gallon)		\$3.85	\$3.85
Lease:			
Lease term (months)			
Payment (per month)			
Mileage charge per mile (includes fuel and maintenance)			
Maintenance (many GSA leases include maintenance and fuel)			
Rent (non-TDY):			
Rate (weekly)		\$479.99	
Mileage charge per mile (Note: many GSA short-term rentals do not have a mileage charge, but some do. The GSA rental rates found here will have the latest information on GSA mileage rates)		n/a	
Fuel cost		\$3,150.00	
Additional fees (e.g., delivery)			
Owned:			
Purchase price			\$22,755.00
Fuel cost			\$3,150.00
Maintenance expense			\$3,325.00
Total estimated lifecycle costs		\$26,189.52	\$29,230.00