

Vacuum Truck Analysis

Overall Assumptions:

Inflation 3.0%
 Discount Rate 6.0%

Alt - 1 Status Quo - Continue to Rent to supplement old equipment

Rental Cost: \$14,000 per month (includes Maintenance)
 Hours: 2,762 Per Year
 Labor Cost: \$75 per Hour

Year	1	2	3	4	5	6	7	8	9	10	Total
Rental	\$168,000	\$173,000	\$178,000	\$183,000	\$188,000	\$194,000	\$200,000	\$206,000	\$212,000	\$218,000	\$1,920,000
Maintenance	-	-	-	-	-	-	-	-	-	-	-
Operating Cost	\$207,150	\$213,000	\$219,000	\$226,000	\$233,000	\$240,000	\$247,000	\$254,000	\$262,000	\$270,000	\$2,371,150
	\$375,150	\$386,000	\$397,000	\$409,000	\$421,000	\$434,000	\$447,000	\$460,000	\$474,000	\$488,000	\$4,291,150
Present Value:	\$3,114,244										

Alt - 2 Contracted Service

Hours: 2,762 Per Year
 Operating Cost: \$177.50 per Hour (Includes Operation & Maintenance)

Year	1	2	3	4	5	6	7	8	9	10	Total
Service cost	\$490,255	\$505,000	\$520,000	\$536,000	\$552,000	\$569,000	\$586,000	\$604,000	\$622,000	\$641,000	\$5,625,255
	\$490,255	\$505,000	\$520,000	\$536,000	\$552,000	\$569,000	\$586,000	\$604,000	\$622,000	\$641,000	\$5,625,255
Present Value:	\$4,081,499										

Alt - 3 Purchase New Equipment

Hours: 2,762 Per Year
 Labor Cost: \$75 Per Hour
 Maintenance: \$7,500 Per Year

Year	0	1	2	3	4	5	6	7	8	9	10	Total
Equipment Cost	\$450,000											\$450,000
Maintenance		\$7,500	\$8,000	\$8,200	\$8,400	\$8,700	\$9,000	\$9,300	\$9,600	\$9,900	\$10,200	\$88,800
Operating Cost		\$207,150	\$213,000	\$219,000	\$226,000	\$233,000	\$240,000	\$247,000	\$254,000	\$262,000	\$270,000	\$2,371,150
		\$214,650	\$221,000	\$227,200	\$234,400	\$241,700	\$249,000	\$256,300	\$263,600	\$271,900	\$280,200	\$2,909,950
Present Value:	\$2,235,004											