



# Whole Life Cost

## What is it?

Whole Life Cost is a **smarter way of selecting vehicles for your fleet** which takes into account all the costs associated with running a vehicle, not just the monthly lease payment.

## How will it help your business?

Adopting Whole Life Cost **reduces your overall fleet costs** by helping you select vehicles with better fuel consumption and lower tax and National Insurance levels.

## Why Fleet Alliance?

- Fleet Alliance understands Whole Life Cost and has helped clients achieve savings using this approach for many years.
- The systems Fleet Alliance has developed makes the adoption of Whole Life Cost **simple and straightforward**.
- To help you see the benefits, we can provide examples of savings based on the current vehicles on your fleet or a vehicle you are considering.

To show the importance of Whole Life Cost and the savings that can be made, we compared two fleet vehicles over a three year contract hire agreement.

Despite the BMW having a higher monthly rental than the Volvo, its lower CO<sub>2</sub> output means it's **cheaper to operate over the lifetime of the contract by more than £2,700**.

Multiplied across a typical 50 vehicle fleet, the vehicle with the higher monthly rental would actually **save you more than £135,000 over the duration of the contract**.

Element	Volvo S40	BMW 320d
Combined Miles Per Gallon	37.2	68.9
CO <sub>2</sub> g/km	176	109
Monthly rental*	£384	£410
Total rental cost*	£14,873	£15,935
Total fuel cost*	£8,660	£4,865
Insurance*	£2,100	£2,100
National insurance	£1,581	£1,125
Tax on Lease Rental Restriction	£497	£0
<b>Whole life cost - over contract*</b>	<b>£20,091</b>	<b>£17,298</b>
Whole life cost - per month	£558	£481

\* Monthly rental includes maintenance. Total rental cost includes disallowable VAT. Total fuel cost based on combined MPG. Insurance assumes an average yearly cost of £700. Assumes 28% Corporation Tax. Vehicles compared: Volvo S40 Saloon 2.0 SE Lux 4dr and BWM 320d Efficient Dynamics.