

FleetSmart

Lift Truck Replacement Criteria:

Determine projected savings (Replacement Threshold) RT – This report is a summary of the financial analysis used to determine the replacement timing of a lift truck. It compares projected five-year maintenance cost for an existing unit with maintenance cost of a new unit over the same five-year period - the resulting maintenance savings is then divided by the sell price of a new replacement truck to calculate the RT. It is important to remember the threshold (RT) for replacement will vary by customer – based on our experience the threshold range is between 130-137 percent.

Example:

Current Unit: 5,000 Cushion (6 year old w/12,000 hours)
2,000 annual hours
Projected accumulated 10,000 hour maintenance only CPH = \$4.60

Replacement Unit: S50FT
2,000 annual hours
Projected five-year maintenance cost = \$14,000
Accumulated CPH = \$1.40

Maintenance Savings: = \$32,000 (\$46,000 minus \$14,000)

Replacement Cost: New S50FT = \$24,000

RT Calculation: Maintenance Savings/Replacement Cost

RT = 133% (\$32,000/\$24,000)

The above example illustrates how individual RT is calculated however; replacement justification can also be met through **fleet reduction** or **fleet rotation**.

Example (Fleet Reduction):

(2) Fifteen-year old units operating 500 hours per year (individual RT = 95%)

Retire both units and replace with (1) new unit operating 1,000 hours per year (RT = 150%)

Example (Fleet Rotation):

Ten-year old unit operates 1,000 hours per year in the Baler area (RT = 115%)

Four-year old unit operates 2,000 hours per year in the Shipping area (RT = 100%)

By rotating the Shipping unit to the Baler area (retiring the ten year old unit) and replacing the Shipping unit with a new unit the “Net” RT impact is 150%