

## Whole Life Cost - Summary

In a recent study carried out by the Lancaster University MBA Department it was identified that the SSC Advanced Composite Covers will offer the end users **Substantial Cost Savings** when compared to the more traditional manhole covers (e.g. ductile iron) , over the useful life of the cover installations.

This is of course further enhanced by the SSC 15 years **Product Replacement Guarantee** (conditions apply).

A CASE STUDY is used to explain how a company which has a 15,000 manhole covers estate in its area of operations can save in excess of £ 12.45 Million over a period of 15 years.

They took as key factors :

Durability , Strength, Anti Corrosion Qualities, Permanent Ant Slip/Skid Qualities, Weight of covers, Useful Life of Covers, Carbon Footprint, Costs of Acquisition, Installation and Maintenance.

### ASSUMPTIONS :

Class D400 Cover and Frame, conforming to EN124 : 1994, installed on a moderately busy carriage way

- Ductile Iron 600x600 at £ 110 acquisition cost, useful life of 5 year.
- SSC Composite Cover 600x600 at £ 400 acquisition cost, useful life 15 years(including guarantee, conditions apply), which maintain their nonslip/skid value of PSVR60> throughout the period.

Installation Cost £ 450 the same for either ductile or Composite cover/frame set

In the case of the 5 year life ductile cover installation, over the 15 year comparable period 45,000 installations will have been made, at a cost of  $45,000 \times ( 110+450 ) = £ 25.20$  Million

In the case of the 15 year life Composite cover installation , over the same 15 year comparable period 15,000 installations will have been made, at a cost of  $15,000 \times ( 400+450 ) = £ 12.75$  Million

**This results in a saving of £12.45million!!**

Which goes to prove that **cheap manhole covers are very expensive!!**

If rates of interest and inflation over the period of 15 years were to be taken into account in both acquisition and installation cost, together with the necessary maintenance, the potential theft and cost of insurance, not to mention indemnity risks, then the case of Composite covers over Ductile Iron covers becomes overwhelming.

If all of this is then calculated on a Present Value (PV) basis it only makes the case stronger.

It is our contention that when manhole covers/frames are bought on price only at point of procurement, the "WHOLE LIFE COST" equation needs to be considered. The Chief Executive Officer and the Finance Director of any company that purchases these products should be aware of this scenario.

(For further information on this Lancaster University report, please visit [www.structuralscience.net](http://www.structuralscience.net).)