

Section 5: Equipment Rental Contracts

Equipment Rental Contracts

Presenter:

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Operations Project Manager

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US Army Corps of Engineers
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Equipment Rental Contracts

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Operations Project Manager

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US Army Corps of Engineers
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Section 5: Equipment Rental Contracts

Equipment Rental Contracts

OBJECTIVES

1. Identify proper applications of the equipment rental contracting option
2. Prepare field input required to accomplish procurement of an equipment rental contract
3. Identify major advantages and disadvantages of administration of an equipment rental contract



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Equipment Rental Contracts

Advantages

1. Very flexible.
2. Easy to modify.
3. Only conceptual plans required - usually can save expensive E&D costs.
4. More timely because detailed plans and specifications are not required.
5. Can be funded in part.
6. Saves the expense of buying little used but necessary equipment.



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Equipment Rental Contracts

Disadvantages

1. Tendency for higher cost based on the availability of competition.
2. High level of inspection/direction required.
3. Increased administration associated with construction contracts is required.
4. Difficult at times to coordinate procurement of materials and supplies necessary to support contract efforts.
5. Failure to keep up with layout of work will create contract disputes.



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Field Input

1. Request wage rates
2. Develop plan of work, priorities and get approval
3. Determine materials and supplies required and process requests
4. Develop requisition and special clauses
5. Prepare a cost estimate and prepare a PR&C



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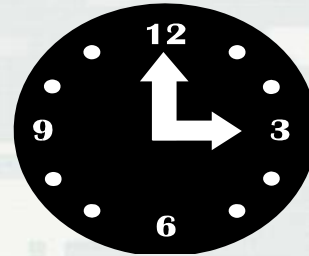
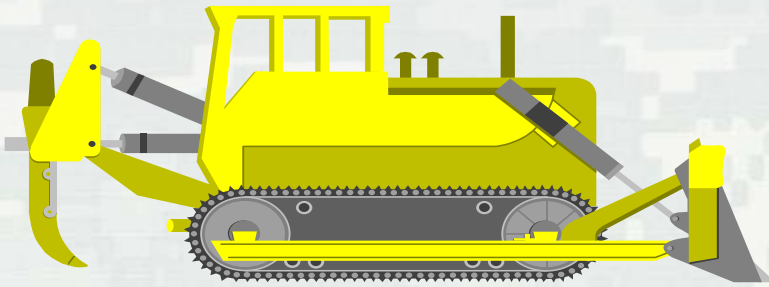


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Field Input



Specify the necessary **Equipment, Labor and Time** to complete the project.



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Field Input Specify What You Want!

<u>Item Description</u>	<u>Time</u>
Motor Grader with Operator Caterpillar 120 or Equal	200 Hours
Asphalt Spreader with all Operators Blowknox, PF180 or equal	120 Hours
Flatbed truck with Driver 1-1/2 ton capacity	800 Hours
Electric Generator 100 Watt Minimum	60 Days
Laborer with Hand Tools	850 Hours



Get What You Need!



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Field Input Orchestrate the project!



- Estimate supplies and materials and procure ahead of time.
- Visualize the job sequence.
- Know the capabilities of the equipment & operators.
- - Have a plan “B” just in case.



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Field Input

Special Clauses

- | | |
|-----------------------------------|-----------------------------------|
| 1. Work Location & Description | 13. Hazard Analysis Plan |
| 2. Period of Lease | 14. Environmental Litigation |
| 3. Payments | 15. Performance of Work |
| 4. Supervision | 16. Submittal of Work |
| 5. Objectionable Employees | 17. Contractor Equipment |
| 6. Transportation | 18. Special Requirements |
| 7. Operation | 19. Termination for Convenience |
| 8. Expenses of operation & repair | 20. Contractor's Responsibility |
| 9. Quality of Work | 21. Delays |
| 10. Cleaning Up | 22. Protection of Material & Work |
| 11. Invoices | 23. Rates of Wages |
| 12. Layout of Work | |



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Field Input

Section 4

SPECIAL CLAUSES

1. **LOCATION AND DESCRIPTION OF WORK.** Work is to be performed under the direction of the Contracting Officer or the Authorized Representative of the Contracting Officer and may include, but is not limited to, Amity and State Line Parks, Chambers County, Alabama, and Amity, Bird Creek, Holiday, R. Shaefer Heard, Ringer and State Line Parks, Troup County, Georgia, West Point Lake. The work to be done with the rental equipment and operating personnel will generally consist of renovation of existing campsites and road improvements. All equipment will be furnished with qualified operators, supervisors, laborers, etc., at Westpoint Lake, Georgia. All material for this work will be furnished by the Government.

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Field Input

2. PERIOD OF LEASE.

- a. The work on this contract shall commence within five (5) days after receipt of Notice to Proceed and shall be complete within six (6) months. At the option of the Government, the contract period may be extended a maximum of thirty (30) days. Services will be performed continuously as required by the Contracting Officer or his Authorized Representative during the contract period to accomplish the work. Upon approval of the Contracting Officer, equipment may be moved from the site when not in use, but the contractor will be required to have it available on the job site within three (3) calendar days after being notified by the Contracting Officer or his Authorized Representative that the equipment is required.
- b. The contractor will not be required to work more than eight (8) hours per day or forty (40) hours per week. The contractor may, if he elects, work more than eight (8) hours per day or forty (40) hours per week when approved in advance by the Contracting Officer. Payment for equipment actually worked in accordance with these provisions will be made at the prices shown in the Bidding Schedule. Payment will be made for rental equipment to the nearest minute. No payment will be made for idle equipment. Idle equipment not working for any reason, i.e., broken down, adverse weather, or equipment not needed in the operation.



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3. **PAYMENTS.** Payments to the contractor will be made in accordance with Paragraph 2 above, "PERIOD OF LEASE." Unless otherwise provided in the specifications, partial payments will be made at the end of each calendar month, or as soon thereafter as practicable.
4. **SUPERVISION.** The equipment described herein, for the purpose of ordering work when and as required, determining acceptability of work performed and inspecting equipment furnished by the contractor, will be under the supervision of the Resource Manager, West Point Lake, U.S. Army Corps of Engineers, P.O. Box 574, West Point, Georgia 31833-0574. This shall not relieve the contractor or his responsible agents of any responsibility for the proper execution of the work in accordance with the contract and directives of the Contracting Officer issued thereunder.



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5. **OBJECTIONABLE EMPLOYEES.** The contractor will remove from work under this contract any employee who, in the opinion of the Contracting Officer, is objectionable or incompetent. This requirement shall not be made the basis of any claim for compensation or damages against the United States or any of its officers or agents.
6. **TRANSPORTATION.**
 - a. Transportation of equipment and personnel to any job site on West Point Lake from off the project, and return from West Point Lake to off project job sites will be at the expense of the contractor. Time involved in movement of equipment between sites within the project area will be paid at hourly rate shown in the Bidding Schedule.
 - b. Contractor will furnish support vehicles sufficient to meet needs for transportation of personnel, equipment and supplies within and between job sites at the project.
7. **OPERATION.** Equipment will be in condition to render efficient, economical and continuous service. Failure of the equipment perform to the satisfaction of the Contracting Officer will sufficient cause for the termination of the contract by the Government, or the requirement by the Government that the equipment be replaced with equipment of satisfactory performance.



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Field Input

8. **CONTRACTOR TO BEAR ALL EXPENSES OF OPERATION AND REPAIR.** The contractor shall furnish at his own expense all skilled operators, labor, fuel and necessary equipment for transportation of fuel to equipment, including operators, appliances, appurtenances, equipment and supplies, and bear all expenses incidental to the efficient operation of the plant in connection with the work.
9. **QUANTITY OF WORK.** The number of hours of work required to complete this contract are estimated. The actual number of hours of work required may be more or less than the estimated amount shown in the contract. Payment for actual hours of work performed will be made at the hourly rates bid.
10. **CLEANING UP.** The contractor shall maintain the premises in a clean, neat and workmanlike condition satisfactory to the Contracting Officer at all times.



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11. **INVOICES.** Invoices shall be prepared and submitted in quadruplicate to the Disbursing Officer, U.S. Army Corps of Engineers, P.O. Box 2288, Mobile, AL 36628, with a copy to the Resource Manager, West Point Lake, P.O. Box 574, West Point, Georgia 31833-0574. Invoices shall contain the following information: contract number, item number(s), description of equipment used, number of hours used, hourly rate and extended totals.
12. **LAYOUT OF WORK.** The work layout will be done by the Authorized Representative of the Contracting Officer. The contractor will be responsible for the protection of such layout stakes, etc.
13. **HAZARD ANALYSIS PLAN.** A Hazard Analysis Plan, as described in Section 1, Article 01.A.05 of the Corps of Engineers Safety Manual, EM 385-1-1, dated October 1984, is required for this contract.



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14. ENVIRONMENTAL LITIGATION (1974 NOV) (OCE).

- a. If the performance of all or any part of the work is suspended, delayed, or interrupted due to an order of a court of competent jurisdiction as a result of environmental litigation, as defined below, the Contracting Officer, at the request of the contractor, shall determine whether the order is due in any part to the acts or omissions of the contractor or a subcontractor at any tier not required by the terms of this contract. If it is determined that the order is not due in any part to acts or omissions of the contractor or a subcontractor at any tier other than as required by the terms of this contract, such suspension, delay, or interruption shall be considered as if ordered by the Contracting Officer in the administration of this contract under the terms of the "Suspension of Work" clause of this contract. The period of such suspension, delay or interruption shall be considered unreasonable, and an adjustment shall be made for any increase in the cost of performance of this contract (excluding profit) as provided in that clause, subject to all the provisions thereof.
- b. The term "environmental litigation," as used herein, means a lawsuit alleging that the work will have an adverse effect on the environment or that the Government has not fully considered, either substantially or procedurally, the effect of the work on the environment.

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- 15. PERFORMANCE OF WORK BY THE CONTRACTOR (APR 1984).** The contractor shall perform on the site, and with its own organization, work equivalent to at least forty (40) percent of the total amount of work to be performed under the contract. This percentage may be reduced by a supplemental agreement to this contract if, during performing the work, contractor requests a reduction and the Contracting Officer determines that the reduction would be to the advantage of the Government.



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16. **SUBMITTAL OF WORK TO BE PERFORMED BY CONTRACTOR.** The contractor shall furnish the Contracting Officer within ten (10) days after award the items of work he will perform with his own forces and the estimated cost of those items. The percentage of work that must be performed by the contractor is stated in the special clause entitled, "PERFORMANCE OF WORK BY CONTRACTOR."
17. **CONTRACTOR EQUIPMENT.**
- a. All equipment to be used must be inspected and approved by the Contracting Officer or his authorized representatives prior to use. All items must have operable safety equipment as specified in EM 385-1-1, Safety and Health Requirement Manual, dated October 1984.
 - b. All contractor employees must have and use personal protection devices as specified in EM 385-1-1, dated October 1984. That equipment includes, but is not limited to, safety footwear, hard hats, eye protection, gloves, hearing protection, and chain saw chaps. Required items will be furnished and replaced at no cost to the Government.
 - c. Hand tools are identified as those items electrical, gas or manually operated, necessary to perform the described work. Those tools include, but are not limited to, shovels, picks, rakes, sledge hammers, post hole diggers, chain saws, timber tongs, circular saws, electric drills, etc., and items generally described as carpenter tools.



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18. **SPECIAL REQUIREMENTS.** The contractor will be required to make his own provisions for parking and security of his equipment during non-work hours. The contractor will also be required to furnish his own sanitary facilities, water and operational necessities.
19. **TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (SERVICES) (SHORT FORM) (APR 1984).** The Contracting Officer, by written notice, may terminate this contract, in whole or in part, when it is in the Government's interest. If this contract is terminated, the Government shall be liable only for payment under the payment provisions of this contract for services rendered before the effective date of termination. (FAR 52.249-4)
20. **CONTRACTOR'S RESPONSIBILITY.** The contractor shall be responsible that his employees strictly comply with all Federal, State, and municipality laws that may apply to operations under the contract; and it is understood and agreed that the contractor assumes full responsibility for the safety of his employees, plant, and materials, and for any damage or injury done by or to them from any source or cause, except damage caused to plant or equipment by acts of the Government, its officers, agents or employees, in which event such damages will be the responsibility of the Government in accordance with applicable



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Field Input

Federal laws. For the purpose of this clause, the terms "officers, agents or employees" of the Government shall not include persons who are employed by the contractor and whose services have been furnished to the Government pursuant to this or any other contract.

21. **DELAYS.** If the contractor refuses or fails to make delivery of the property within the time specified in Paragraph 2, or any extension thereof, as provided in specification, or to maintain the property in serviceable condition and diligently and competently to conduct the specified operations as indicated by the Contracting Officer, the Government may by written notice, terminate the right of the contractor to proceed with delivery or with further performance under the contract or such part or parts thereof affected by the delay. In such event, the Government may use or procure similar property by contract or otherwise and the contractor shall be liable to the Government for any excess cost occasioned thereby. Unless otherwise provided in the specifications, the Government shall not be chargeable for out of service time due to breakdown not caused by the act of negligence of the Government or its agents.
22. **PROTECTION OF MATERIAL AND WORK.** The contractor shall at all times protect and preserve all materials, supplies and equipment of every description (including property which may be Government-furnished or owned) and all work performed. All reasonable requests of the Contracting Officer to enclose or specially protect such property shall be complied with. If, as determined by the Contracting Officer, material, equipment, supplies, and work performed are not adequately protected by the contractor, such property may be protected by the Government and the cost thereof may be charged to the contractor or deducted from any payment due him.
23. **RATE OF WAGES.** Wage rates have been requested and will be furnished contractor when complete.



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Contract Administration

1. Hold pre-work conference.
2. Review and approve safety and activity hazard analysis plans.
3. Assign inspector.
4. Develop daily inspection sheet.



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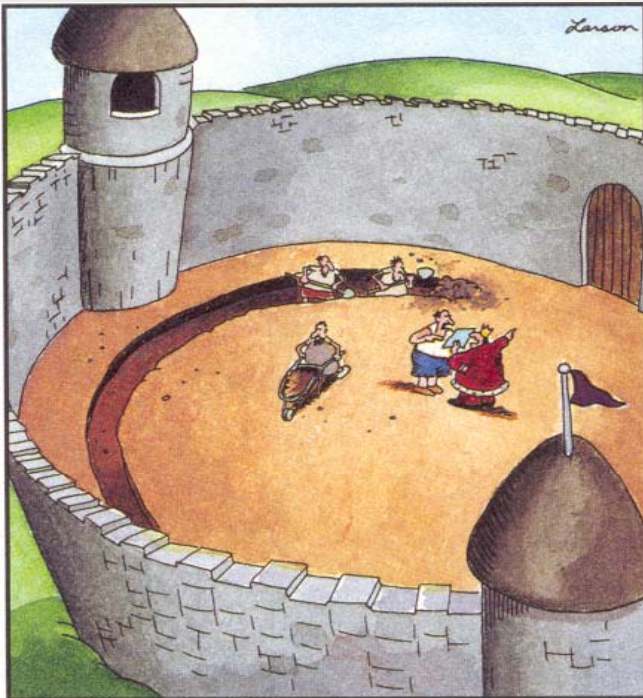
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Contract Administration

- **Scope:**
 - ▶ **Location:** The King's Castle
 - ▶ **Work Description:** Work using the rental equipment will consist of digging a trench, 6 feet wide, 6 feet long, 6 feet from the castle wall. All equipment will be furnished with qualified operators, supervisors and laborers, etc.
 - ▶ **Supervision:** The work described herein will be completed under the supervision of the King himself.



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PRE-WORK
MEETING

**“Suddenly a
heated exchange
took place
between the King
and the moat
contractor”**



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Contract Administration

Inspection of Work



- Inspector must be on job site at all times.
- Hours of equipment and labor use must be recorded.
- Daily inspection reports are required.
- Avoid billing conflicts by Contractor and Govt. signing inspection reports **daily!**



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Contract Administration

Rental Equipment with Operators for
Contract No. DACW01-86-C-0027

Item	Description	Name of Operator	Hours of Productive Work	Notes
1.	Crawler tractor	M. H. BAKER	10	
2.	Front-end loader	BILL BROWN	10	
3.	Backhoe/loader	JAMES BROWN	10	
4.	Dump truck	JERRY LOVE	0	
5.	Flatbed truck		8 3/4	Gearshift hung-up
6.	Flatbed truck		0	
7.	Pickup truck, 1/2 T.	KIMMY BAKER	10	
8.	Pickup truck, 1/2 T.	WILLIE LLOYD	10	
9.	Electric generator		2	
10.	Motor grader		0	
11.	Laborers w/small tools	WILLIE LLOYD	10	
12.	Laborers w/small tools	MIKE SIMONS	10	
13.	Laborers w/small tools	MIKE SIMONS	10	
14.	Laborers w/small tools	MIKE LOVE	10	
15.	Laborers w/small tools			
16.	Laborers w/small tools			

Corps of Engineers' Inspector

W. A. Smallwood

Job Site Superintendent

James Baker



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Contract Administration



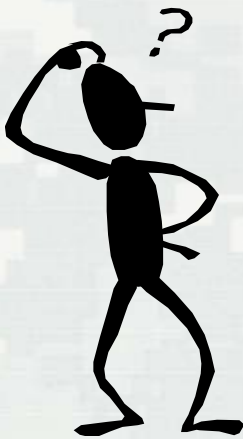
Completion of Work & Contractor Payment

- Work must be approved by Government
- Invoice must be submitted per special clauses & quantities must match daily inspection reports.



Contract Administration

The end of the contract and the project is not finished.



MODIFY!

- Stay within the original scope of work.
- Usually only takes a memo.

It's simple!



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Section 5: Equipment Rental Contracts

Equipment Rental Contracts

Review

1. **Proper applications of the equipment rental contracting option**
2. **Field input required to accomplish procurement of an equipment rental contract**
3. **Major advantages and disadvantages of administration of an equipment rental contract**



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