U.S. Communities:
The Benefits of Renting vs Buying
Why is it better to rent than buy equipment?

- Transfer burden and costs of ownership
- Provides the right equipment for the right job
- Advice and assistance from professional staff
- Flexibility and availability of equipment
- Professional grade, heavy-duty equipment
- Environmentally friendly and recently manufactured
Benefits of Renting versus Lease/Purchase

Transfer burden & costs of ownership
Ownership requires a capital investment to cover the direct costs of equipment

...BUT

renting keeps the burden of buying, maintaining and selling the equipment on the rental business, not on the customer.
New Features for HERC and US Communities’ Partnership

SPECIAL PRICING BASED ON COMMITMENT
✓ Pricing designed to provide increased savings based on the level of commitment from the agencies

AERIAL & FORKLIFT SAFETY TRAININGS
✓ Safety training now available to individuals and groups within your organization

STANDBY CONTRACTS FOR POWER GENERATION AND DISASTER RELIEF
✓ Services available to make sure your community is ready in case of emergency; gives peace of mind

NEW AND USED EQUIPMENT SALES
✓ The security that Hertz Equipment can assist you with multiple purchase options
Benefits of Renting versus Lease/Purchase

• Renting offers the widest variety of equipment for added job versatility without the added hassles associated with ownership, including the costs of:

  – Warranties
  – Regular maintenance and repairs
  – Storage
  – Transportation
Benefits of Renting versus Lease/Purchase
Assistance from experienced & professional staff

• Renting not only helps reduce costs, it also provides access to expert knowledge and training. It allows customers to take advantage of staff professionals who will:
  - Access and secure the right equipment for the job
  - Offer a wide variety of specialized and modern equipment
  - Hertz offers specialized equipment applications, such as aerial specialists, pump & power, trucks, earthmoving and more.
Benefits of Renting versus Lease/Purchase

**Flexibility and Availability of equipment**

- Renting allows the customer to take on a wide variety of jobs and projects that may require equipment that they don’t have the capital to purchase.

- Seasonal and large jobs require specialize equipment that can be obtained by renting.

- Renting allows for equipment to be available when and where needed.
Benefits of Renting versus Lease/Purchase

New Equipment

• Hertz Equipment makes significant annual investments in the newest, most advanced equipment on the market
Benefits of Renting versus Lease/Purchase

• Environmentally Friendly – “Clean & Green”

• Because rental equipment is newer, renting instead of buying insures that customers have access to the most fuel-efficient and emission controlled equipment on the market

• All rental stores in California with certain types of equipment are required to be in compliance with CARB regulations

• These regulations can be implemented in other parts of the U.S.
EVALUATING THE RENT VS. BUY/LEASE DECISION
Fleet Management Metrics

- **Time Utilization**: the percentage of time a piece of equipment is rented or at a job site.
- **Dollar Utilization**: the cost of a piece of equipment new divided by the revenue generated by that piece of equipment.
- **Average Fleet Age**: the age in months of a piece of equipment.
Rental Fleet Averages

- The average construction rental fleet has a time utilization of 55-65 percent

- The average dollar utilization of a rental fleet is about $0.45

- The average age of a construction rental fleet is just under 35 months
Decision Rules

• If the annual cost of rental charges divided by acquisition cost is less than $0.45, customers should consider renting.

• If their estimated time utilization is less than 55 percent, they should consider renting.

• If their jobs are varied and require special equipment, they should consider renting.

• If your fleet’s diesel emissions are controlled by regulation, customers should consider renting.
Conclusion

• Equipment rental is largely diversified

• Hertz has 240 plus locations nationwide & can provide equipment for every type of job

• Renting offers professional grade equipment at a competitive cost

• It is an environmentally sound choice

• Rental professionals offer advice while also maintaining the equipment
Hertz Equipment Contact Info

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