



## Utilizing the Equipment Rental Industry to Expedite Response Efforts

### Renting Equipment is the Best Option for Rapid Response Solutions

When a disaster strikes, it is paramount that the right equipment be delivered to the right place at the right time. **For emergency response, it is critical.** Federal regulations and practice encourage cost effective, common sense and expedited asset delivery. In support of this, the GSA Schedule 51V lists several rental vendors and the GSA-STR program provides equipment rental along with vehicle rental.

State and local governments have various options available to them during emergency response including co-ops, direct contracting with rental vendors, or use of GSA schedules during declarations.

When a disaster is declared, a temporary rental yard to source equipment out in the field is a common sense and cost effective method for local emergency managers to access needed disaster recovery equipment solutions quickly. Using rental as a primary source of procurement during an event or emergency response ensures that in almost all cases, the most cost effective method has been used to source equipment needs. For those agencies subject the FAR acquisition rules, this checks the box and shows that agencies are also using taxpayer funds efficiently.

### Utilizing Rental in Emergency Response

- **Quick Access to Equipment:** In the event of a major strike, there may already be a rental operation within a short distance that can provide immediate support. In addition, a temporary rental operation can be created within a short time frame and without the need for staging or pre-positioning. In fact, many large rental businesses, such as DRCA member United Rentals and others, have their own portable rental operation vehicles ready to deploy at a moment's notice.
- **Real time Digital Capacity:** Digital apps are easy to use and they enable people managing the emergency event to have a full, real-time picture including with respect to equipment capacity and equipment availability. Telematics and GPS tracking provide users with the ability to track all activity on a mobile app. They also can be used to alert the rental company when repairs or maintenance is needed.
- **Access to 24/7 Support:** Some of the larger rental businesses have an emergency operations center (EOC) that is available 24/7/365. This center helps to ensure needs are met in the most efficient and cost effective manner. In addition, **the EOC's dedicated staff can ensure that all pricing is in conformity with the Federal, State, or Local agency schedules or contract terms.**
- **Rental Companies are Nimble:** Almost all heavy, general, and specialized equipment needs can be met by the rental industry. If there are specific unique equipment needs, rental companies typically have ability to source such equipment quickly from an existing facility in another location or directly from the manufacturers they work with. **One of the strengths of rental is the ability to quickly and easily move fleet -- including in large volumes -- with little or no advance notice.**



- **Only Pay for the Time and Equipment Used:** With rental, if a piece of equipment cannot be fixed or used as intended, it can be swapped out with a new piece of equipment. If the piece of equipment is no longer needed, it can be called off rent and picked up by the rental company. Billing typically stops when the equipment is called off rent.
- **No Cost of Ownership:** Renting eliminates cost of ownership. Among other things, it frees users from storage, maintenance and repair, ultimate disposal costs, and insurance. Additionally, it reduces overall costs and allows users to better capture the cost to any project. **This is critical when applying for reimbursement.**

## Recent Changes and Trends Reflecting the Growing Popularity of Rental

**Rental is a primary source of procurement in the private sector:** Today, a majority of construction and industrial equipment owned in the U.S. belongs to rental companies, not contractors. In fact, for 2019 the American Rental Association (ARA) estimated that 57% of construction equipment currently in use in the U.S. was owned by rental companies.

**Federal Procurement Reform:** Section 555 of the FAA Reauthorization Act passed in late 2018, among other things, directs GSA to reform FAR Subpart 7.4 to require Federal agencies to consider renting in their cost-benefit analyses when acquiring heavy equipment<sup>1</sup>.

**State Procurement Practices:** Several states have adopted rental through either purchasing co-ops or direct contracting with the rental industry and these agreements allow state and local emergency agencies to use them. However, there is still a fundamental challenge to how state and local emergency management agencies use rental during an emergency event.

### Recommendation

DRCA supports efforts by its members to share best practices and new information that can assist FEMA and other emergency management groups in their efforts to manage emergency response in a more efficient and cost-effective manner. DRCA believes there are significant opportunities for Federal, State, and local emergency response agencies to be more efficient, nimble, flexible, and cost-effective with their equipment procurement practices by embracing rentals.

Federal, State and local budgets have been decimated as a result of COVID-19. **Rental provides a cost-effective, robust, flexible opportunity for agencies to better support emergency response, especially when dealing with a smaller budget.**

We recognize that there is a need to educate those within the emergency management community on the rental industry's ability to help support, protect and maintain our nation's critical infrastructure and first responders. Possible opportunities may include a panel discussion or presentation on the merits of rental at sector events or meetings. We are also interested in any feedback or suggestions from FEMA on facilitating more discussion around this topic.

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<sup>1</sup> Department of Defense, General Services Administration, and National Aeronautics and Space Administration, Proposed Rule 2019-001 - Federal Acquisition Regulation Analysis for Equipment Acquisitions, Fed. Reg. Docket No. FAR 2019-0020, sequence No. 1 (August 24, 2020) available at: <https://www.federalregister.gov/documents/2020/08/24/2020-15769/federal-acquisition-regulation-analysis-for-equipment-acquisitions>