AGC-WSDOT EQUIPMENT RENTAL AGREEMENT

Effective Date: 07/16/2024 Until Further Notice

It is mutually agreed by the parties to this agreement that rental rates paid to Contractors for equipment used on force account will be established in accordance with Section 1-09.6 of the Standard Specifications and this agreement. The following rules have been agreed to:

1. General

The Rental Rate Blue Book® published by Equipment Watch™ (herein after simply referred to as Blue Book), as clarified or modified by this agreement, will be used to establish rental rates for equipment approved for use on force account work. Rate modifications for the State of Washington shall be used for all equipment covered under this agreement. Equipment rates established under the terms of this agreement will be the rates in effect for each section of the Blue Book at the time the equipment is used.

2. Rental Rate

The hourly rental rate for equipment utilized on force account shall be a combination of the following items:

a. Ownership Costs: The ownership costs shall be calculated by using the Blue Book monthly rate multiplied by the Rate Adjustment factors for age and geographic location divided by 176. The geographic location used for calculating rates shall be Washington DOT.

b. Implements and Attachments (hereafter simply referred to as attachments): will be included in the rental rate when the Engineer deems them necessary to accomplish the force account work. An approved attachment that is continuously attached and used intermittently during the work will be paid for the same duration as the host equipment. When multiple attachments are approved for use, and the attachments are being used interchangeably on the force account operation, only the one attachment having the higher rate will be paid for the same duration as the host equipment. Attachments that are continuously attached, but not used will be paid for at the standby rate in accordance with Section 3 of this agreement, unless it is more economical to remove the attachment. Removal of the attachment, when authorized by the Engineer, will be paid in accordance with Section 5 of this agreement.

c. Operating Costs: The hourly operating cost for each hour that the equipment is in use. "In use" shall mean that the equipment is operating and the presence of the equipment is necessary for the operation. The equipment shall be present and not used for other activities while the force account work is underway. Under the circumstances, the equipment shall be paid at its hourly rate plus the hourly operating cost. If the equipment is not operating, but is necessary for the operation, it may be eligible for payment as Standby Time.

3. Standby Time

Standby time shall be defined as the time during which equipment is idled, but cannot be assigned to other work on the project. Only that equipment which has been utilized for work on the force account and is expected to be utilized again on the same force account will be eligible for standby compensation. The Contractor is expected to utilize idled equipment on other work if reasonable. Standby time will only be paid if the Engineer has had an opportunity to evaluate the cost of standby versus the cost of mobilizing and demobilizing and has ordered standby.

When ordered by the Engineer, standby time shall be paid at the standby rate established by Blue Book. The operating cost shall not be included in the calculation for establishing the standby rate. Standby time will not be compensated beyond that amount which will bring the resulting total of operated time and standby time to 8 hours in any one day or 40 hours in any one week.

4. Rental Equipment

If Contactor-owned equipment is not reasonably available, the Engineer may approve the use of rental equipment.

Equipment shall be compensated according to the provisions for rented equipment in section 3 of the force account specifications. If the invoice costs of non-operated equipment do not specifically say the fuel is included, the Blue Book hourly operating cost (see section 2c) shall be added for each hour the equipment operates.

When rental equipment is used on both force account and non-force account work, payment for the equipment will be a prorated share of the invoice cost. The time period covered by the invoice shall reflect the normal practice of the renting agency, except that the time period shall not exceed one month. When calculating the prorated share, the amounts of standby time for both types of work will be considered according to the formula:

Share of Invoice to be charged to force account = **F/(F+NF)**

Where:

F =Number of hours equipment was utilized on force account including standby time.

NF= Number of hours equipment was utilized on non-force account including standby time.

5. Mobilization

Force account mobilization of equipment is defined as the preparatory work performed by the Contractor including procurement, loading and transportation of equipment that is intended for use in a force account. A pro rata adjustment will be made when the equipment is eventually used for regular Contract work in addition to the force account work. Mobilization also included the costs incurred during demobilization. The costs will be included in the appropriate sections (Labor, Equipment, Services, etc) depending on the nature of the cost. If the equipment being mobilized is hauled, payment will cover the hauling vehicle (operated cost). In the event that equipment is transferred under its own power, the payment will cover the operated cost of the equipment plus operator costs. Move-out, or demobilization costs will provide for the return of the equipment to the location from which it was obtained. In the event that the move-out is to a different location, payment will not exceed the amount of the move-in.

If approved by the Engineer, payment will be allowed for moving equipment from work site to work site within the project after the equipment is on the job.

Charges for mechanic's time utilized in servicing equipment to ready it for use prior to moving to the project and similar charges will not be allowed.

6. Blue Book Omissions

In the event a rate has not been established for a particular piece of equipment in the Blue Book, a rate will be established, utilizing one or more of the following methods:

a. Use a rate for the most similar model found in the applicable Blue Book. Such characteristics as manufacturer, capacity, horsepower, and fuel type will be used as the basis for selecting a similar model.

b. Request a rate through the WSDOT HQ Construction Office for the rate not included in the Blue Book.

c. Utilize a rate agreed upon by the parties.

d. For equipment that is older than 20 years the oldest adjustment rate available in the Blue Book shall be used.

7. Breakdown

The Contractor shall provide reasonable maintenance efforts for equipment utilized in force account. When a breakdown occurs for any piece of equipment being used on force account work, the Contractor shall first divert idled equipment to replace it. If idled equipment is not available, the Engineer may order rental equipment.

Payment shall cease for the equipment that is broken down. Payment shall also cease for any other equipment that is idled as a result of the breakdown (there will be no standby payment). Payment for any labor that is idled as a result of the breakdown will be made in accordance with provisions of section 1 of the force account specifications, particularly as related to contractual obligations and normal practices of the Contractor.

8. Shutdown

If the Engineer orders a shutdown of any or all of the force account, the equipment idled as a result of the shutdown shall be diverted to other work. When diversion of equipment is not practical, standby time may be paid during non-operating hours as provided in Item 3 of this agreement.

The Engineer reserves the right to cease standby payment for equipment that is idled as a result of a shutdown when the shutdown is anticipated to be for an extended period of time.

No further payment shall be allowed after the date the Engineer makes this determination except as provided in Item 5 of this agreement, "Mobilization."

Standby time shall not be paid when shutdown is the result of the fault or negligence of the Contractor.

9. Small Tools

Any contractor-owned equipment listed in the Blue Book with a monthly rate of less than $100 and any other equipment with a purchase price of less than $500 shall be considered Small Tools and shall be paid by negotiation rather than using an hourly rate (except for rentals.) Any such small tool that is rented shall be paid according to the rental provisions in the Equipment section of this agreement. All other Small Tools shall be paid by agreement of the parties. After the force account work has been completed, (or more often, by agreement of the parties,) the Contractor shall promptly supply a list of small tools and equipment that have been utilized in the work. The list shall be supported by invoices or, in the event the item came from stock, by a Contractor affidavit of purchase cost. The negotiation of the Small Tools payment may include discussions of shared use with other work and of residual value, if appropriate. Once agreed upon, the small tools amount will be added to the payment amount in the Equipment section (Section 3 of the force account specification.)

10. Concurrence, Review Time

This agreement is issued after conference among representatives of the Associated General Contractors of Washington and the Washington State Department of Transportation and has the approval of both. Either party may request a review after a one-year period.

Associated General Contractors of Washington

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