United Rentals®

Industrial fleet management

managing customer-owned assets at large industrial sites

2017

Total Control Conference

What we have learned

- Industrial and commercial firms lack comprehensive fleet management **tools and systems**, as well as necessary **people** (staffing).
- Maintenance operations are typically **fragmented** and lack consistent **programs** and **processes**.
- A well-managed **maintenance operation** provides a foundation for the development of a **comprehensive fleet management program**.

Today’s needs and pain points

Fleet management – owned equipment and site vehicles

Typical Fleet Operations

- Preventive Maintenance
- Unplanned Repairs:
  - Engine
  - Hydraulics
  - Transmission
  - Electrical
  - Other
- Inspections – Monthly & Annual
- Tire Repair & Replacement
- Body Work
- Glass Repair & Replacement
- Warranty Work
- Title/Registration/State Inspections
- Inventory Management & Assignment

Today’s Challenges – Fleet Operations

Limited Visibility

- ☐ Service Work – When? What is complete?
- ☐ Low PM Compliance = Higher Repair Costs

Shop Operations

- ☐ Manual Work Order Processing
- ☐ Limited Technology to “Guide the Work”
- ☐ Multiple Vendors – 3rd-Party Cost

Parts

- ☐ Limited Inventory Systems = “Parts Room”
- ☐ Inefficient Vendor Relationships/Logistics
- ☐ Limited Reporting = Inflated Costs

Administration

- ☐ Manual Systems & Tools (Excel/SAP)
- ☐ Reactive vs. Proactive

Asset Management

- ☐ What do you have and need?
- ☐ Where will your assets be best utilized?
- ☐ What to own vs. rent?
- ☐ How do you sell – maximize residual value?

United Rentals fleet management model

Owned equipment and industrial site vehicles

Fleet Management Program

UR – Mechanics
(Dedicated to Customer Assets)

3rd-Party Specialty Vendors
(Managed by United Rentals)

UR – Support Resources
(Fleet Management Specialist)

Service Features

- Planned Repairs/Preventive Maintenance
- Standard Unplanned Repairs
- Monthly/Annual Inspections
- Tire Repair/Replacement
- Parts Management

- Warranty Work
- Specialty Repairs
- Body Work/Glass – Other

- Single Point of Contact for Fleet Operations
- United Rentals Fleet Management Systems
- Defined Service Schedules
- Work Order Processing
- Proactive Service Alerts
- Performance Reporting
- Consultative Fleet Management Strategy:
  - Fleet Right-Sizing
  - Life Cycle Planning
  - Disposal/Liquidation Coordination

- **Currently Only Offered to Select Customers**
  Large Industrial Sites
- **Contractual Pricing**
  Labor Rate – FTE
  Parts & Materials – Mark-Up %
  Monthly Fleet Management Fee
- **Existing Programs**
  20%+ Documented Cost Savings
- **Other Available Services**
  Onsite State Inspection Stations
  Fuel Management Services
  GPS Telematics Systems
- **Program Development**
  Site Visit/Analysis
  Development of Scope of Work Agreement
  Implementation “Kick-Off Meeting”
  Agreement on Cost Savings Calculations
  Monthly/Quarterly Reporting
  Continuous Improvement Initiatives

Customer value proposition

Fleet management solutions

- Structure and Process
- Improved Cost Control and Cost Predictability
- Comprehensive Visibility
- Increased Productivity
- Improved Customer (User/Site) Satisfaction
- Risk/Liability – Compliance
- Flexible for Future Development
- Operational Cost Savings

“One-Stop Shop” – Fleet Maintenance and Management

Why United Rentals?

We’re uniquely positioned and experienced to deliver as one of the largest “owner-operators” of equipment fleets.

We do all of this for ourselves every day!

12B+
Total Equipment

1,000+
Locations

550K+
Total Units

1 Reporting capabilities

Existing program case studies

United Rentals®

Reporting – total cost of maintenance operations

Total Cost of Maintenance Operations – Monthly Performance Summary

Period – May 2016	Current Period	Plan	Diff +/-	Prior Period	Diff +/-	% of Total
Repair Parts	**$12,105**			**$18,248**	**$(6,144)**	**40.9%**
Shop Supplies	**$-**			**$-**	**$-**	**0.0%**
Labor	**$17,490**			**$20,100**	**$(2,610)**	**59.1%**
Total	**$29,595**	**$26,550**	**$3,045**	**$38,348**	**$(8,753)**	
# Active Units	**177**			**185**	**-8**	
Operational Performance						
Preventive Maintenance – % Complete	95.4%	95.0%	0.4%	92.4%	3.0%	
Average Days Down	0.84			0.90	-0.06	
# Work Orders Closed	66			87	-21	
Avg. Cost/Work Order	$448			$441	$8	
Avg. Cost/Work Order (w/o Labor)	$183			$210	$(26)	
Work Orders Closed – Outside Vendor	8			6	2	
Avg. Cost/Work Order – Outside Vendor	$366			$357	$9	
Avg. Cost/Unit	$167	$150	$17	$207	$(40)	
Repair Parts	$12,105			$18,248	$(6,144)	
Stock	$-			$-	$-	0.0%
Transactional (on-demand)	$11,069			$13,912	$(2,843)	91.4%
Outside Vendor Repair/Services	$1,035			$-	$1,035	8.6%
Shop Supplies	$-			$-	$-	
Consumable	$-			$-	$-	-
Facility/Safety	$-			$-	$-	-
Labor	$17,490			$20,100	$(2,610)	
Direct – URI Mechanics	$15,597			$17,957	$(2,361)	89.2%
Outside Vendor	$1,894			$2,143	$(249)	10.8%
Management/Admin.	$-			$-	$-	0.0%
Direct – URI Mechanics Wrench Time %	75.2%	75.0%	0.2%	82.4%	-7.2%	

Reporting – key performance indicators

Total Cost of Maintenance Operations

Quarterly KPIs – United Rentals Fleet Management Program

	Period – March, April, May 2017			This Period		
	KPI Description	**BASELINE / Savings Assumption**	**Benchmark**	**Result**	**Cost**	**Savings**
Quantitative	1. Preventive Maintenance %	25%	95%	78.9%	$56,932	$6,141
Quantitative	2. Parts Expense	**17%**	15%–35%	17%	$41,969	$8,596
Quantitative	3. Labor – 3rd-Party Margins – Vehicles Labor – Transportation – Vehicles	$90 **2 Hrs. @ $65**	25%–45% N/A	41% 37	$6,985 –	$4,895 $4,810
Quantitative	**Total Cost Savings** **% of Total**					**$24,442** **24.0%**
Qualitative	4. Scheduling Compliance %	N/A	90%	89%	19 Rescheduled Events	
Qualitative	5. Uptime %	N/A	95%	97.7%		
Qualitative	6. Days Down – Avg.	N/A	1.0	1.4		
Qualitative	7. User CSI %	N/A	80%	100%	6 Surveys	

Reporting – quarterly KPI

Total Cost of Maintenance Operations

Quarterly KPIs – United Rentals Fleet Management Program

March, April, May 2017

	KPI Description	Benchmark	March	April	May	Period Avg.
Financial	**Total Cost of Maintenance Operations**		**$33,226**	**$39,183**	**$29,595**	**$34,001**
	Total Parts		$11,617	$18,248	$12,105	$13,990
	Total Consumable Supplies		$-	$-	$-	$-
	Total Labor		$21,609	$20,935	$17,490	$20,011
	Total Cost Savings		**$7,669**	**$9,094**	**$7,673**	**$8,145**
	% of Total		23.1%	23.2%	25.9%	24.0%
Operational Metrics	**Preventive Maintenance %**	**95%**	**50.0%**	**92.4%**	**95.0%**	**78.9%**
	Scheduling Compliance %	**90%**	**74.0%**	**95.0%**	**98.0%**	**89.0%**
	Uptime %	**95%**	**96.6%**	**98.0%**	**98.5%**	**97.7%**
	Days Down – Avg.	**1.0**	**2.5**	**0.9**	**0.8**	**1.4**
	User CSI %	**80%**	**N/A**	**N/A**	**100%**	**100%**

Top cost savings categories

Category	Potential Savings
Repair Parts	10%–45%
Labor	10%–30%
Repair Costs – Per Compliant PM Program	10%–35%
Transportation – 3rd-Party Service	2–3 Employee Hours (Per Service Event)
Total – Cost of Maintenance Operations	**10%–35%**

Reporting – work order history

CustEqpt#	CAT	CLASS	Description	MAKE	MODEL	SERIAL NUMBER	Model Yr	EQP#		
TW804904	300	2000	SCISSOR LIFT 19' ELECTRIC	SKYJACK	SJIII3219	240195	2004	COE7218		
						$ 8,144.18	$ 3,266.38	$ 4,877.50	$ -	
WO Date Clos	WO#	Statu	Repair Type	Repair Cod	Repair Description	Total Amount	Parts	Labor	Outside Repai	FldSer
05/02/13	110793425	D2	Electrical	10	Breakdown	$ 736.82	$ 266.82	$ 470.00	$ -	Y
05/31/13	111502842	D2	Hydraulic	10	Breakdown	$ 998.43	$ 185.93	$ 812.50	$ -	Y
11/07/13	116468659	D1	PM	8	Preventative Maintenance	$ 253.08	$ 73.08	$ 180.00	$ -	N
11/22/13	116469610	D4	Damage	11	Outside Repair	$ 1,757.08	$ 1,057.08	$ 700.00	$ -	Y
01/10/14	118333452	D2	Tire	12	Breakdown	$ 275.35	$ 200.35	$ 75.00	$ -	N
04/02/14	120900901	D1	PM	12	Preventative Maintenance	$ 240.25	$ 100.25	$ 140.00	$ -	N
05/01/14	121304982	D1	Annual Inspection	8	Annual Inspection	$ 601.55	$ 176.55	$ 425.00	$ -	N
10/30/14	136764021	D1	PM	8	Preventative Maintenance	$ 302.66	$ 152.66	$ 150.00	$ -	N
12/19/14	138933452	D3	Electrical	10	Breakdown	$ 625.35	$ 200.35	$ 425.00	$ -	Y
03/20/15	142331876	D2	Electrical	10	Breakdown	$ 553.97	$ 228.97	$ 325.00	$ -	N
05/10/15	121304982	D1	Annual Inspection	8	Annual Inspection	$ 625.35	$ 200.35	$ 425.00	$ -	N
06/22/15	146555487	D1	PM	8	Preventative Maintenance	$ 317.81	$ 92.81	$ 225.00	$ -	N
09/10/15	149873459	D2	Hydraulic	12	Breakdown	$ 856.48	$ 331.18	$ 525.00	$ -	Y

Overview:

- Reporting driven from UR Fleet Management System.
- Reporting can be exported by UR Fleet Management Specialist and provided to customer.

- Detailed capabilities include the following items:
  - Ability to track customer asset level details by unit number
  - Ability to track maintenance frequency
  - Ability to track work order repair history details
  - Ability to track work order repair history costs (Parts, Labor, Outside Repairs)
  - Ability to track field service call repair history

Reporting – department/cost center

United Rentals Fleet Management Program

Quarterly Performance Reporting – Department

Reporting Period: March, April, May 2016 **Department name:** Planning

COST SUMMARY – WORK ORDER ACTIVITY

Asset# and Description	# Work Orders	Unplanned Repairs	Preventive Maintenance	State/DOT Inspections	Other	Total Cost	Avg. Days Down
0012 UTILITY VEHICLE	2	$1,274	$85	$0	$0	$1,358	2.65
0015 UTILITY VEHICLE	1	$0	$137	$0	$0	$137	0.00
0016 UTILITY VEHICLE	1	$291	$0	$0	$0	$291	0.94
0021 UTILITY VEHICLE	1	$0	$85	$0	$0	$85	2.96
16067 UTILITY VEHICLE	1	$0	$108	$0	$0	$108	0.00
16073 UTILITY VEHICLE	1	$0	$69	$0	$0	$69	0.00
16076 UTILITY VEHICLE	2	$120	$22	$0	$0	$142	1.93
5107 UTILITY VEHICLE	1	$0	$124	$0	$0	$124	0.00
Totals	**10**	**$1,685**	**$628**	**$0**	**$0**	**$2,313**	**1.3**

PERFORMANCE SUMMARY OVERVIEW

# of Active Assets	# of Assets Serviced	Avg. Days Down	# of Assets – Past Due Service	PM % Compliance
9	8	1.3	1	88.9%

Assets Past Due Service – During Period

Unit #	Description
0006	UTILITY VEHICLE

Overview:

- Reporting driven from UR Fleet Management System.
- Reporting specific to a department’s realized costs and efficiencies.
- Enables billing of maintenance costs to specific departments or cost centers.
- Provides visibility of user/department maintenance trends.

Reporting – evaluation and insights

Top 40 Highest-Cost-to-Repair Assets							
Unit #	**Description (Year/Make/Model)**	**Department**	**Y2016 Total Cost**	**Unit #**	**Description (Year/Make/Model)**	**Department**	**Y2016 Total Cost**
73255	1980 Tadano 35 Ton Crane	Heavy Equipment Shop	$12,122.44	9651	1985 Broderson IC-80	Mechanic Shop	$2,697.36
60240	1980 Terex 60 Ton Crane	Heavy Equipment Shop	$11,495.96	0353	2000 Hyster Forklift Warehouse	Heavy Equipment Shop	$2,687.81
10106	2010 Ford F150	Complex 5	$8,579.97	3635	2007 Clubcar Carryall Utility Vehicle	Mechanic Shop	$2,567.40
10105	2010 Fort F150	Complex 5	$7,450.41	62350	2008 International Oil Truck	Heavy Equipment Shop	$2,471.36
72922	1985 Broderson IC-80	Heavy Equipment Shop	$6,874.35	6546	2000 Clubcar Utility Vehicle	Heavy Equipment Shop	$2,447.52
73315	1985 Broderson IC-80	Heavy Equipment Shop	$6,752.66	8632	2009 International Truck	Heavy Equipment Shop	$2,428.60
68214	2005 International Winch Truck	Heavy Equipment Shop	$6,232.23	3374	2011 Clubcar Carryall Utility Vehicle	Mechanic Shop	$2,267.86
72913	1980 Galion 15 Ton Crane	Heavy Equipment Shop	$6,175.93	5107	2008 Polaris Ranger Utility Vehicle	Planning Dept	$2,191.11
73314	1980 Galion 15 Ton Crane	Heavy Equipment Shop	$6,160.01	72994	1985 Broderson IC-80	Heavy Equipment Shop	$2,190.00
8028	2007 Ford F150	Complex 5	$5,948.52	9342	2015 Clubcar Carryall Utility Vehicle	Mechanic Shop	$2,171.76
24010	2008 Ford F350	Heavy Equipment Shop	$5,888.52	0012	2008 Polaris Ranger Utility Vehicle	Planning Dept	$2,162.04
7492	2013 Ford F450	Heavy Equipment Shop	$4,900.95	8043	2008 Ford F250	Heavy Equipment Shop	$2,149.12
1100	2012 Kubota RTV1100	Complex 1	$3,832.83	8473	2014 Clubcar Carryall Utility Vehicle	Heavy Equipment Shop	$1,980.79
15034	2015 Ford F150	Security Department	$3,767.45	7129	2007 Ford F150	Lab Dept	$1,980.77
2144	1982 John Deere 2040 Farm Tractor	Heavy Equipment Shop	$3,729.28	76678	2013 Polaris Ranger Utility Vehicle	Electrical Maintenance	$1,976.90
8041	2008 Ford F250	Heavy Equipment Shop	$3,633.90	20488	2011 Ford F150	Electrical Maintenance	$1,937.54
72005	1980 Galion 15 Ton Crane	Heavy Equipment Shop	$3,093.16	9016	2009 Ford F150	Environmental Dept	$1,910.97
8040	2008 Ford F250	Heavy Equipment Shop	$3,068.54	0003	2014 Polaris 900XP Utility Vehicle	Electrical Maintenance	$1,896.33
72996	1989 International Flatbed	Heavy Equipment Shop	$2,925.94	3506	2004 Allmand TBL-535 ES	Heavy Equipment Shop	$1,826.51
6648	2000 Landpride Trecker Utility Vehicle	Electrical Maintenance	$2,823.77	2714	2007 John Deere 7220 Farm Tractor	Heavy Equipment Shop	$1,760.92

Reporting – evaluation and insights

Fleet Aging – Oldest Units by Type

Passenger Vehicles

Valero Unit #	Year	Make	Model	Description	Average Age
0045	2000	Mercury	Sable	Sedan	16
24084	2003	Chevrolet	2500	Truck	13
93257	2004	Dodge	1500	Truck	12
19878	2005	Ford	F150	Truck	11
75795	2005	Chevrolet	1500	Truck	11
6187	2006	Ford	Escape	SUV	10
6080	2006	Ford	F150 4x4	Truck	10
7129	2007	Ford	F150 4x4	Truck	9
29621	2007	Nissan	Frontier	Truck	9
8028	2007	Ford	F150 4x4	Truck	9
8040	2008	Ford	F250 4x4	Truck	8
8041	2008	Ford	F250 4x4	Truck	8
8042	2008	Ford	F250 4x4	Truck	8
8043	2008	Ford	F250 4x4	Truck	8
7125	2008	Ford	F350 4x4 EXT	Truck	8
9016	2009	Ford	F150 Super Cab	Truck	7
13524	2009	Ford	F150 4x4 EXT	Truck	7

Utility Carts

Valero Unit #	Year	Make	Model	Description	Average Age
4069	2005	Club Car	Carryall 252	Utility Cart	11
0330	2005	Kawasaki	Mule KAF3300C	Utility Cart	11
4006	2005	Club Car	Carryall 252	Utility Cart	11
4001	2005	Club Car	Carryall 252	Utility Cart	11
0101	2005	Land Pride	Trecker 4410	Utility Cart	11
4003	2005	Club Car	Carryall 252	Utility Cart	11
8701	2005	Bobcat	3400	Utility Cart	11
0071	2005	John Deere	Gator	Utility Cart	11
8211	2006	Kawasaki	Trans 4x4 PLTMGR	Utility Cart	10
9298	2006	Club Car	Carryall 252	Utility Cart	10
9297	2006	Club Car	Carryall 252	Utility Cart	10
0001	2006	John Deere	Gator #1	Utility Cart	10
0002	2006	John Deere	Gator #2	Utility Cart	10
3635	2007	Club Car	Carryall 252	Utility Cart	9
5546	2007	Club Car	Carryall 252	Utility Cart	9
4231	2007	Club Car	Carryall 252	Utility Cart	9
47665	2007	Polaris	Ranger 6x6 Model 700	Utility Cart	9

Reporting – customer satisfaction index

Customer Satisfaction Index	#1 Professionalism	#2 Communication	#3 Timeliness	#4 Billing Accuracy	#5 Overall Satisfaction	United Rentals® Customer Fleet Solutions

Department	Contact Name	Survey Date	Question Results					Notes/Comments
Heavy Equipment Manager	Scott	2016-05-20	10	10	10	10	10	Scott commented that the fleet maintenance program is going very well and has freed up more of his time to spend on other assignments and responsibilities.
Inspection	Josh	2016-05-20	10	10	10	10	10	Josh commented that the program is going very well and he does not see anything that needs to be changed with the existing program in place.
Planning	Kelly	2016-05-20	10	10	10	10	10	Overall, Kelly thinks the program is going great and is very pleased. She said Eugene is doing a great job working with her department's users on scheduling services.
Mechanic	Daphne	2016-05-20	10	10	10	10	10	The turnaround time for getting equipment serviced has been very good.
Complex 5	Shawn	2016-05-20	10	10	10	10	10	Shawn commented that the program is working out great. He also commented that he absolutely has no complaints or changes to recommend.
Security	Mike	2016-05-20	9	9	9	9	9	Mike commented that the program is going very well but doesn't give anybody a 10.

Questions?

Bret Kasubke
Senior Director, Customer Fleet Solutions
Phone: 314-393-1348
bkasubke@ur.com

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