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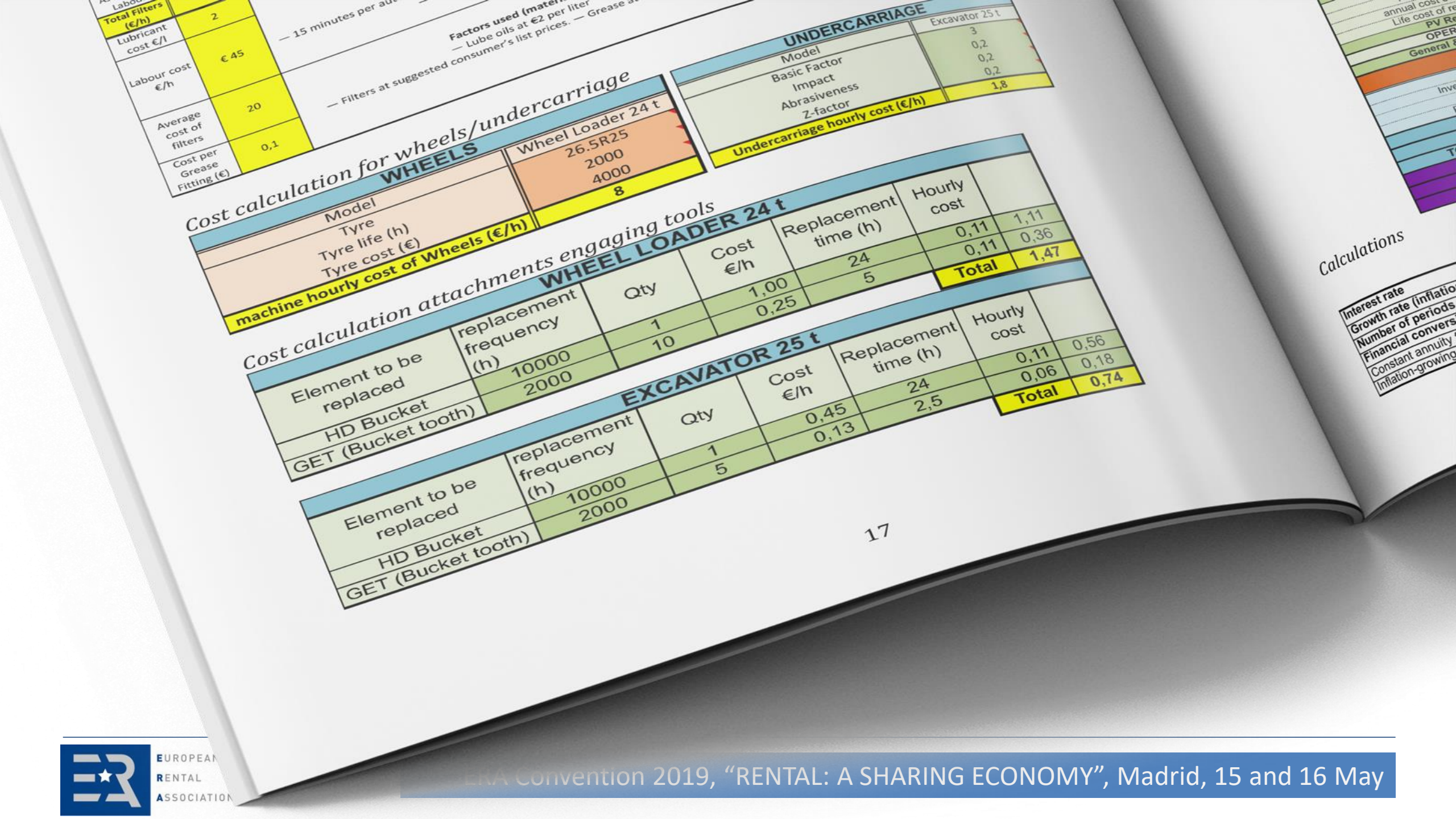
ASSOCIATION

ERA TCO Calculator: what's new

What is the real cost of owning and operating equipment?

Gian Luca BENCI, Alias2k.com

Please react on Twitter, @era_rental, #eraconvention2019


Total Filters (€/h) 2
Lubricant cost €/l
Labour cost €/h € 45
Average cost of filters 20
Cost per Grease Fitting (€) 0,1
— 15 minutes per aut
— Filters at suggested consumer's list prices. — Grease a
Factors used (mate
— Lube oils at €2 per liter
Cost calculation for wheels/undercarriage
WHEELS
Model Wheel Loader 24 t
Tyre 26.5R25
Tyre life (h) 2000
Tyre cost (€) 4000
machine hourly cost of Wheels (€/h) 8
UNDERCARRIAGE
Model Excavator 25 t
Basic Factor 3
Impact 0,2
Abrasiveness 0,2
Z-factor 0,2
Undercarriage hourly cost (€/h) 1,8
Cost calculation attachments engaging tools
WHEEL LOADER 24 t
Element to be replaced | replacement frequency (h) | Qty | Cost €/h | Replacement time (h) | Hourly cost
HD Bucket 10000 1 1,00 24 0,11 1,11
GET (Bucket tooth) 2000 10 0,25 5 0,11 0,36
Total 1,47
EXCAVATOR 25 t
Element to be replaced | replacement frequency (h) | Qty | Cost €/h | Replacement time (h) | Hourly cost
HD Bucket 10000 1 0,45 24 0,11 0,56
GET (Bucket tooth) 2000 5 0,13 2,5 0,06 0,18
Total 0,74
17
Calculations
Interest rate
Growth rate (inflatio
Number of periods
Financial convers
Constant annuity
Inflation-growing

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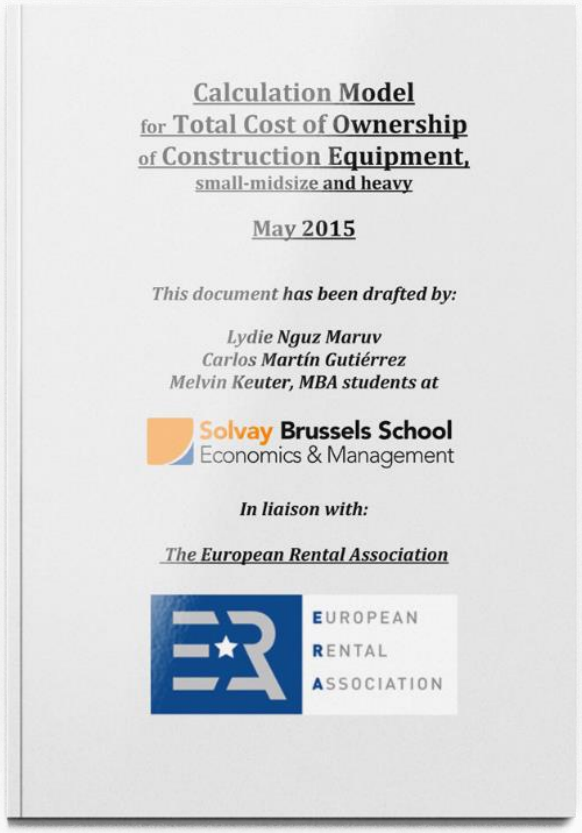

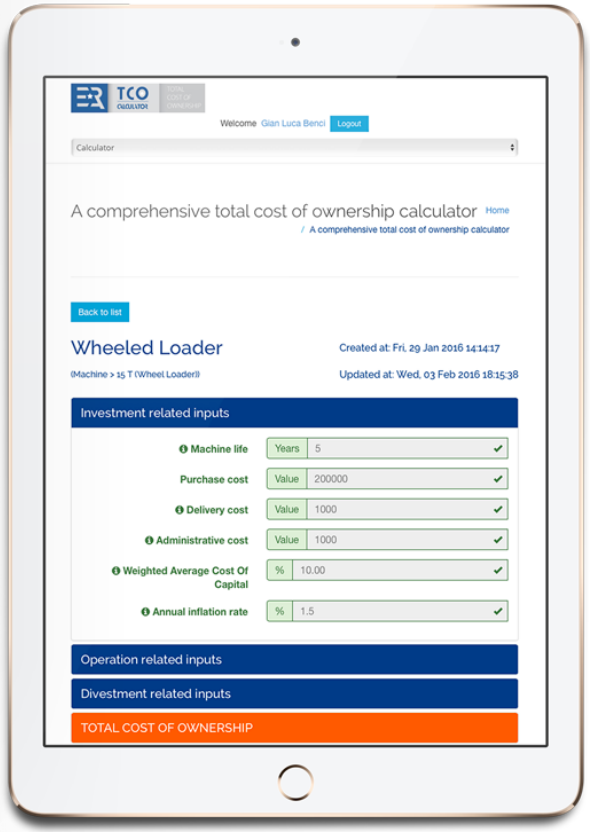

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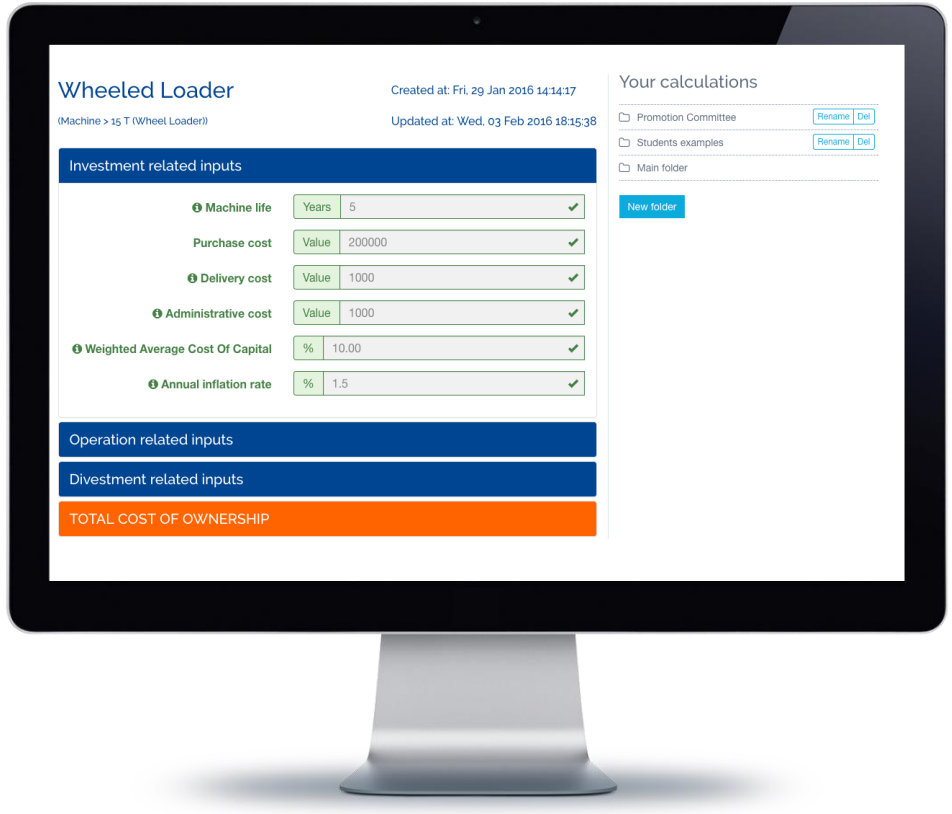
1 **Launched in English**
June 2016

2 **Translated into 5 additional languages**
(Dutch, French, German, Italian, Spanish)
January 2017



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1 Investment related inputs

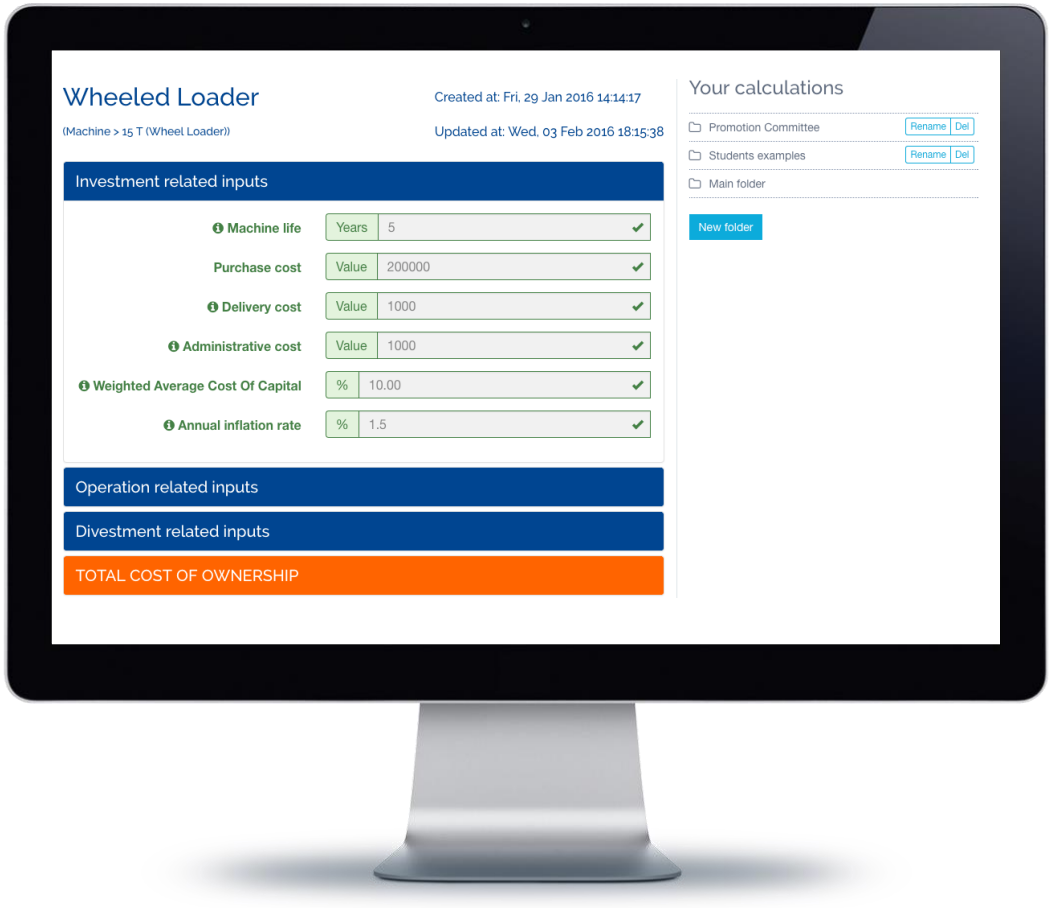
- Purchase cost
- Inflation rate
- …

2 Operation related inputs

- Hourly labour cost
- Bucket replacement frequency
- …

3 Divestment related inputs

- Gross selling price
- Make ready costs
- …



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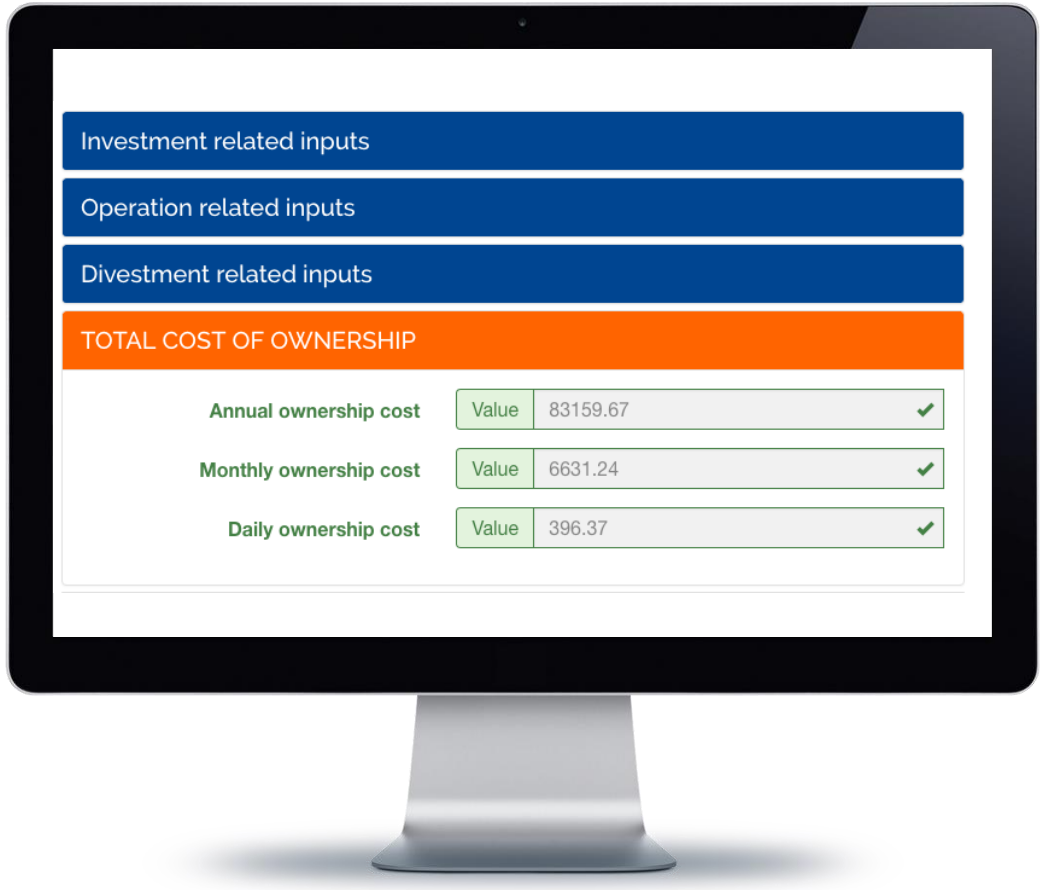
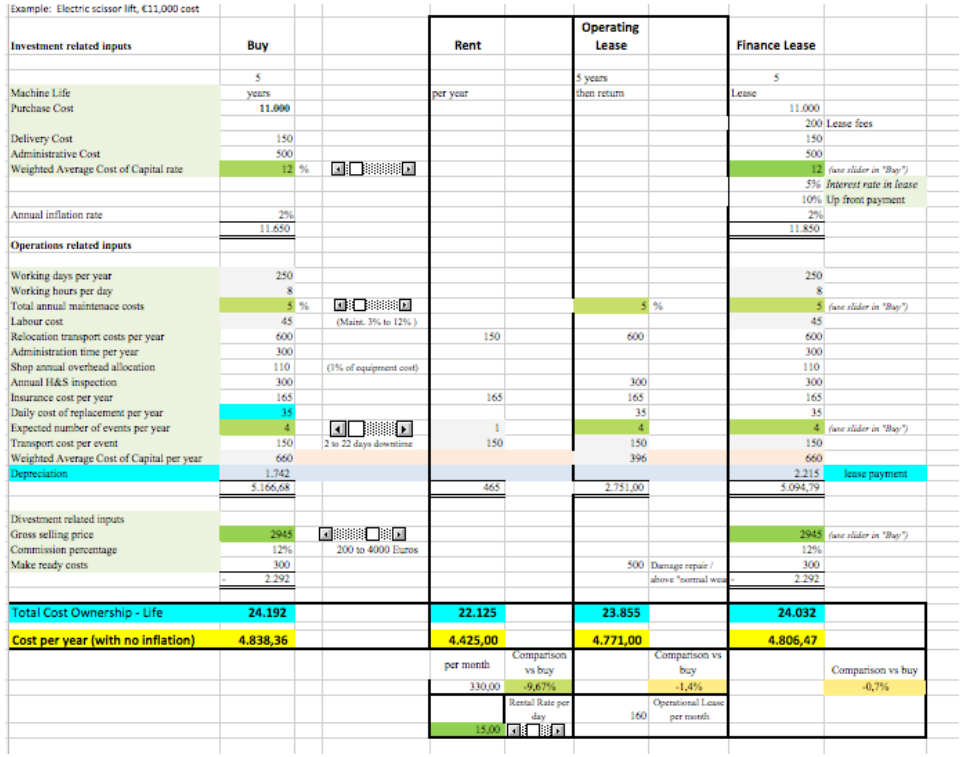


An evolution of the TCO calculator

1. **Operating Lease Option**
2. **Finance Lease option**



Example: Electric scissor lift, €11,000 cost									
Investment related inputs	**Buy**			**Rent**		**Operating Lease**		**Finance Lease**	
	5					5 years		5	
Machine Life	years			per year		then return		Lease	
Purchase Cost	**11.000**							11.000	
								200	Lease fees
Delivery Cost	150							150	
Administrative Cost	500							500	
Weighted Average Cost of Capital rate	12	%						12	*(use slider in "Buy")*
								5%	*Interest rate in lease*
								10%	Up front payment
Annual inflation rate	2%							2%	
	11.650							11.850	
Operations related inputs									
Working days per year	250							250	
Working hours per day	8							8	
Total annual maintenace costs	5	%				5	%	5	*(use slider in "Buy")*
Labour cost	45		(Maint. 3% to 12%)					45	
Relocation transport costs per year	600			150		600		600	
Administration time per year	300							300	
Shop annual overhead allocation	110		(1% of equipment cost)					110	
Annual H&S inspection	300					300		300	
Insurance cost per year	165			165		165		165	
Daily cost of replacement per year	35					35		35	
Expected number of events per year	4			1		4		4	*(use slider in "Buy")*
Transport cost per event	150		2 to 22 days downtime	150		150		150	
Weighted Average Cost of Capital per year	660					396		660	
Depreciation	1.742							2.215	lease payment
	5.166,68			465		2.751,00		5.094,79	
Divestment related inputs									
Gross selling price	2945							2945	*(use slider in "Buy")*
Commission percentage	12%		200 to 4000 Euros					12%	
Make ready costs	300					500	Damage repair / above "normal wear"	300	
	- 2.292							- 2.292	
Total Cost Ownership - Life	**24.192**			**22.125**		**23.855**		**24.032**	
Cost per year (with no inflation)	**4.838,36**			**4.425,00**		**4.771,00**		**4.806,47**	
				per month	Comparison vs buy		Comparison vs buy		Comparison vs buy
				330,00	-9,67%		-1,4%		-0,7%
					Rental Rate per day	160	Operational Lease per month		
				15,00					

New UX

What is the real cost of owning

https://equipmentcalculator.org/en

TOTAL COST OF OWNERSHIP

Calculator | How it works | What's the TCO? | Contact us | Login/Register

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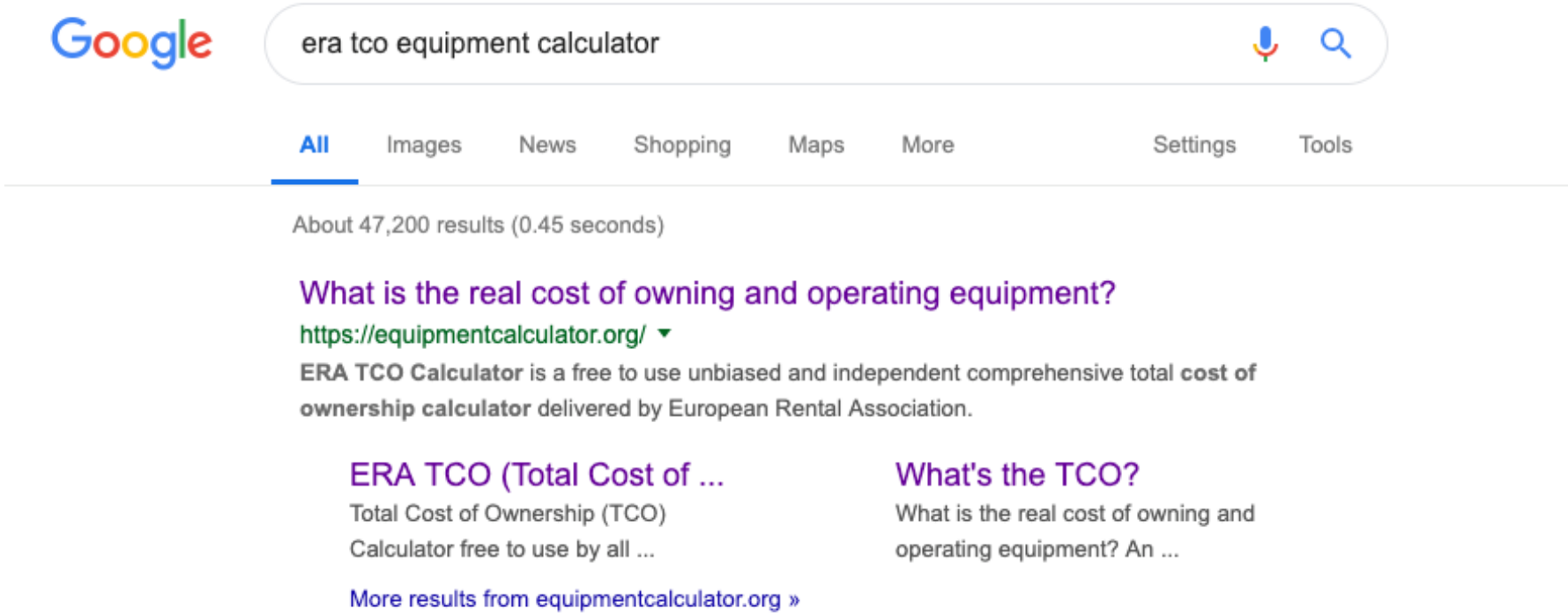

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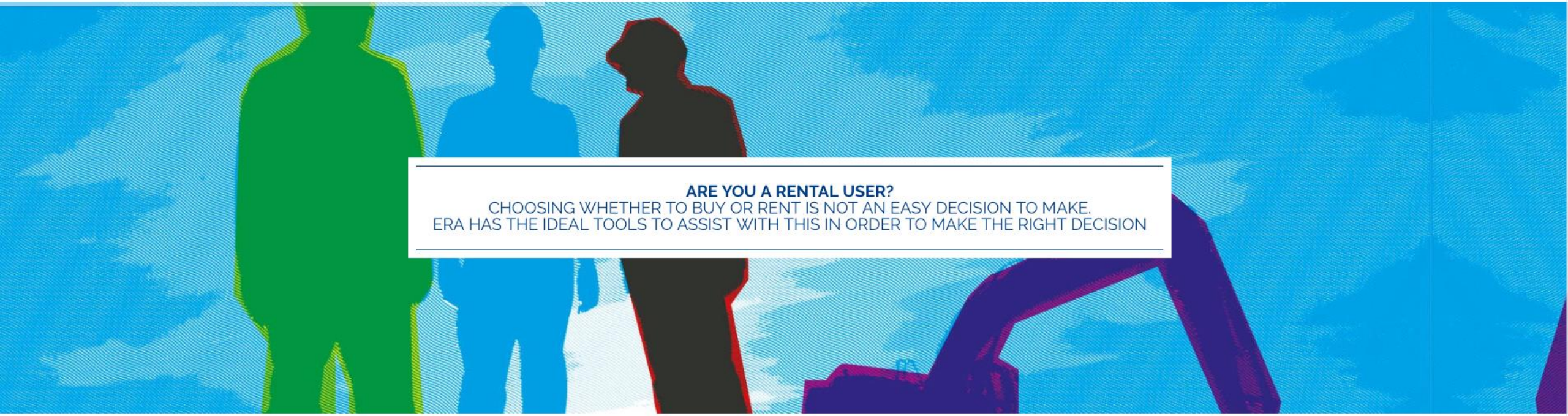
THE VOICE OF THE EQUIPMENT RENTAL INDUSTRY



ARE YOU A RENTAL USER?
CHOOSING WHETHER TO BUY OR RENT IS NOT AN EASY DECISION TO MAKE.
ERA HAS THE IDEAL TOOLS TO ASSIST WITH THIS IN ORDER TO MAKE THE RIGHT DECISION

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RENTAL STORIES

DIGITISATION

Thanks to digitisation, we are living through one of the most technologically revolutionary periods in human history. The Internet of Things, Big Data, smart phones and cloud-based computing are transforming the way we live and work.

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