

A. Calculating Hourly Rate For Equipment Presently Being Manufactured.

1. Obtain as much information about machine as possible.

Example: John Deere Model 590D Crawler Mounted Hydraulic Excavator 95 HP, 0.75 Cyd bucket
Manufactured 1988

2. Obtain bluebook data from District Office.

6/93 - Published date of current section of bluebook.

Volume 1 - Volume of bluebook used.

10-6 - Section 10 and page 6 of bluebook listed.

A = 0.909 - Adjustment factor based on year machine was manufactured.

\$4,685.00/Month - Monthly rental rate.

1.08 - Regional Adjustment Factor.

\$10.20/Hour - Estimated operating cost.

3. _____ "Adjusted Monthly Rental Rate"

$$4,685.00/\text{Month} \times 0.909 = \$4,258.66$$

4. CALCULATE "Adjusted Hourly Rental Rate"

$$\frac{\$4,258.66/\text{Month}}{176} \times 1.08 + \$10.20 = \$36.34/\text{Hour}$$

5. CHECK Calculations

B. Calculating Hourly Rate For Discontinued Equipment.

Obtain as much information about machine as possible.

Example: American 4210 Crawler Mounted Mechanical Backhoe
1.0 Cyd bucket, 93 HP
Manufactured 1975

2. Obtain bluebook data from Lansing Construction Office.

Jan. 1993 - Published date of current section of bluebook.

Volume 3 - Volume of bluebook used. (Volume 3 for equipment 11 to 20 years old.)

L-1 - Section L page 1 of bluebook listed.

A = 0.781 - Adjustment factor based on year machine was manufactured (1975).

B = 0.787 - Adjustment factor based on year machine was discontinued (1976). (Obtained from bluebook.)

\$4,030.00/Month - Monthly rental rate.

1.08 - Regional Adjustment Factor.

\$19.15/Hour - Estimated operating cost.

3. CALCULATE "Rate Adjustment Factor"

$$\text{Rate Adjust Factor} - (A/B) = 0.781/0.787 = 0.992$$

4. CALCULATE "Adjusted Monthly Rental Rate"

$$\$4,030.00/\text{Month} \times 0.992 = \$3,997.76$$

5. CALCULATE "Adjusted Hourly Rental Rate"

$$\frac{\$3,997.76/\text{Month}}{176} \times 1.08 + \$19.15 = \$43.68/\text{Hour}$$

CHECK Calculations

