

Record Keeping in the Rental Industry...

What are service tags?

Service tags are a selection of colored tags that are used to identify equipment that has been checked in and is ready for rental.

Why are they used?

They perform several functions. They demonstrate to customers that the rental establishment offers only equipment that is safe, and in good running condition.

Employees know that any tool with a tag attached is ready for rental. It provides automatic record keeping without the hassle of filling out logs or recording serial numbers. Finally the tag provides liability protection should an accident occur.

How does the tag system work?

When the customer returns the rental equipment it is given a visual inspection, its operation is verified, and a safety check is performed. If it passes, a "Ready For Rental" tag is attached.

When the equipment is rented the next time, the lower half of the tag is removed and attached to the file copy of the rental contract.

What if an accident occurs?

No amount of testing is ever going to prevent every accident. In most cases the accident is the result of an error by the operator, but some accidents are the direct result of an equipment malfunction. If the rental dealer is unable to prove that the equipment was in good, safe, working condition when it left his shop he will very likely be held liable for any injuries that occur.

How does the tag reduce the liability exposure?

A record keeping system, such as the Service Tag, provides a valuable defense by demonstrating that the safety and performance of all rental items has been verified.

What if the equipment needs service before it is rented?

There is a red tag (type 149) - which can be placed on the equipment needing repair or maintenance. This makes it easy for the Service Personnel to spot equipment needing attention.

The Liability Problem

If you sell or rent equipment, you are under a legal responsibility to furnish goods reasonably fit for the purpose contemplated by the parties.

It is important to realize that you are liable for those defects of which you are aware and for those which would have been disclosed by reasonable investigation.

For each item there is an implied warranty that the goods are reasonably fit for their intended use and will remain so during the period of use.