Scaffolding - Whether to Buy or Rent?

Experts explain the factors that can help determine if buying or renting scaffolding is better for you.

With the government laying special emphasis on construction and infrastructure development in the 12th Five Year Plan, opportunities abound in the Indian Scaffolding and Formwork (SELF) Industry. The boom in the construction industry has opened up new opportunities for the growth and development of the scaffolding and formwork industry in the country. The industry is witnessing major transformation and the reasons for growth are aplenty. Experts explain the following factors why one should rent or buy Scaffolding:

Anil Bontadka, Head Modular Fabrication Facility, L&T Hydrocarbon Engineering Limited, expresses his opinion in regard to the point. A "Rent or Buy decision" is comparable to the "Chicken and Egg" strategy problem which is generally an easier said than done decision once you weigh the pros and cons in theory. However, when a practical decision in perspective is to be applied to the rather complex fabrication industry, it is a different ball game altogether.

Hence, a judicial mix of rent or buy decision for large sized fabrication projects with longer schedules is the ideal decision. "However, as responsible companies, we need to ensure that the safety aspect never takes a back-seat, says Anil.

According to Mithilesh Kumar, Director, Layher Scaffolding Systems Pvt Ltd, for Industrial application sizes of scaffolding are the key factor to complete job on time and fulfil safety requirement. For end user have additional advantages every time scaffolding available in stock only scaffolding service provider required to start the job. Scaffolding stock is an additional advantage to save money and time in any condition (like bad or good weather condition).

Cost-benefit analysis

Sharing his views in terms of cost benefits Kumar says, "It is cost and time saving solution if end user adopt modular scaffolding for day to day construction and maintenance work. In case of developer, it will save money and time if considered more than one project because modular systems required less manpower and less time."

Kumar believes that the high quality of scaffold plays a key role for any business either for construction industries or any other industries due to product lifecycle and maintenance free. The company is fully compliant with health and safety standards, and maintains a skilled workforce. Buying is better option to increase assets of the company after investment.

According to Kumar, “Buying scaffolding is better option for developer and industrial application of scaffold either for construction or maintenance work.”

"Evaluating the costs and benefits of end-user development, the advantage of this approach for the end user is that it minimises upfront capital investment in scaffolding and formwork material, allows the general contractor to budget their scaffolding and formwork costs within the overall project budget, get advantage of using highest quality material with less labour and large number of repetitions and speeds up execution of the project as the expertise of selecting the best scaffolding, designing it in the best manner is with the scaffolding contractor who is renting the material," says Navneet Saraf, Group Director, Technocraft Industries India Ltd.

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According to Khanna, here is few cost saving measures:

**Cost Saving:**
- Cost is a key factor of course – renting equipment instead of owning it removes a sizeable burden from a contractor’s asset register.
- The significant price inflation in recent years associated with buying new machinery, particularly in the North American, European and Japanese markets where new enginie regulations have pushed equipment prices higher, makes the prospect of renting even more attractive.
- Renting gives contractors access to the most modern, safe and environmentally friendly equipment without the capital outlay.
- Renting equipment means that contractors not only have on-demand access to the most advanced machines on the market, but they also avoid the cost and efficiency pitfalls of in-house servicing and maintenance.

**Benefits of ‘renting’**
With a tagline, ‘We bring safety to your workplace’ Sanjay Khanna, President, Mtain Rentals Ltd, expresses his views on the benefits of ‘renting’.

Khanna informs “With the growing scale and sophistication of world’s equipment rental companies, more and more contractors around the world are choosing to rent rather than owning it.” Further, he explains the reasons to rent.

**Reasons to rent:**
- **Finance**
  Renting helps to avoid the burden of excessive investment, maintenance, and other costs. Renting provides you with the equipment when you need it and is more efficient than purchasing and watching your assets depreciate in value while they are not in use.
- **Product**
  The rental industry has specific products for specific jobs, leading to efficiency gains. Rental equipment is regularly maintained, ensuring you have high quality and reliable equipment on site.
- **Service**
  Renting provides you and your business with flexibility, allowing you to rent for short, medium and long periods. Services include trained and experienced professionals operating the right equipment for your job.
- **Standards and Regulations**
  The industry is well regulated and controlled, providing you with peace of mind. The outsourcing of product responsibility and legal compliance costs means that your risk is minimised.
- **Sustainability**
  Rental minimises environmental impact with increased utilisation efficiency and reduces investment by sharing equipment rather than owning. Rental gives permanent access to modern, efficient equipment. Rental reduces equipment transport costs efficient logistics.

Explaining further, Pankaj talks about how do we go about exploring a market opportunity and help business grow; if we explore the market, we will find varieties of rented units are available to provide scaffolding with quite reasonably priced and in fact we can also get rented ones at budget friendly costs. The abundance of choices available gives us the opportunity to get hold of the perfect one in accordance to size, shape, quality and the weight it can withstand.

**Rising demand for Scaffolding and formwork systems**
Sharing his views on the demand for scaffolding and formwork, Vijay Kalantri, Chairman & Managing Director, Balaji Infra Projects Ltd opines, “With the government laying special emphasis on construction and infrastructure development in the 12th Five Year Plan, opportunities abound in the Indian Scaffolding and Formwork (S&F) Industry. The boom in the construction industry has opened up new opportunities for the growth and development of the scaffolding and formwork industry in the country. The industry is witnessing major transformation and the reasons for growth are aplenty. Vijay Kalantri is also

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Almost every structure is unique and needs customised fabrication of shuttering.

Ratan Lal Kashyap, Sr. Vice President – Procurement, G R Infra Projects Ltd

the President of All India Association of Industries and Vice Chairman - World Trade Centre Mumbai.

Many companies provide the required formwork system to the customer on rental basis. This helps the customers in adopting the modern system for their projects, but at a cost budgeted for that specific project only, informs Kalantri.

Scaffolding and formwork globally is a multi-billion dollar industry and has wide ranging applications in a number of sectors be it building construction, infrastructure projects, industrial construction and even commercial events,” says Navneet.

He adds, “Formwork is the temporary structures that are erected for enabling concrete construction in building walls, columns, and slabs and also in infrastructure projects like bridge piers, tunnels, box culverts etc.”

Navneet further explains it with an instance. In developing countries like India, there have not been any standards in place for use of scaffolding or formwork and the market has evolved from traditional bamboo ‘scaffolding to better quality material being used now necessitated by the large number of infrastructure and building construction projects coming and acute shortage of skilled labour.”

Moreover, in the developed world scaffolding and formwork are largely rented by the end user of the project or the General contractor responsible for the overall construction. “There are specialised scaffolding and formwork contractors who are tasked with the job of designing, renting and erecting the scaffolding and formwork material out and these contractors typically maintain a large rental inventory which is rotated across multiple projects,” concludes Navneet.

Structure

Every building or structures have its own design, size and heights and we have to find out best solutions for faster completion of project with best available wide range of scaffolding believes Pankaj.

Selection between buy and rent required deep planning as it involves cost, storage space, maintenance and can be useful in future projects.

For Purchase:

- Required for continuous or high rise building projects and duration for completion are more.
- Construction of similar design work so that we can use for maximum repetition lead to cost saving for particular project.
- Having sufficient facility to store and skilled staff to maintain the same in best possible manner.
- Creation of assets which helps in for projects.
- Having clear calculation of costing and profitability by using these systems.

For rent:

- Mid-size project, no immediate chances of repetition and even break-down are rare. High initial investment is avoided and ensures maximum utilisation of scaffolding and formwork system without provision of carrying forward the cost at the end of project.
- No storage facility and skilled staff to maintain the same.
- Designs of constructions are different and not possible to accommodate in present stock.

Ratan Lal Kashyap, Sr. Vice President – Procurement, G R Infra Projects Ltd states, “The purpose of a working scaffold is to provide a safe working platform and access suitable for work crews to carry out the work. In our infrastructure industry the scaffolding requirement is customised due to variation in structure designs at every location.”

Ratan believes almost every structure is unique and needs customised fabrication of shuttering. In the infrastructure industry renting option of shuttering is meagre and mostly it’s a buy option. If the project is simple, and involves only straight line elevations then we decide on renting option but other side infra projects usually involves longer period hence risk of high rentals and loss of shuttering cannot be ruled out. At times due to remote location of sites the rental options are not available and logistics cost would be high hence; it becomes a compulsion for buying for shuttering.

For contractors - ‘Rental option’ is turning to be feasible

For scaffolding contractor rental is the better option. Scaffolding business supplies and erects a range of scaffolding, ensuring that all equipment is well maintained and complies with all current
health and safety legislation," informs Kumar. They have built a reputation based on reliability and one of its strengths is that it always has sufficient stock to undertake any job. Its size also means that the business offers a friendly and highly bespoke service to clients," opines Kumar.

Kumar feels that, dedication to customer satisfaction has attracted and continues to attract new referrals. For end user rental is nothing but lease scaffolding, for developer it is panic in case of delay of project at any reason.

"First, the speed and uncertainty with which projects are awarded these days, a contractor has no choice but to ensure a quick completion and move on to the next one. Secondly, S&F provides qualitative consistency in construction besides good surface finish, thereby saving a lot of finishing time and plastering material. Furthermore, the usage of conventional scaffolding material is diminishing as labour safety is gaining considerable importance in India. And finally, S&F solutions have a longer life and can be re-used at various sites, thus resulting in cost savings for the contractor," says Kalantri.

Kalantri informs "Several companies supply a wide range of scaffolding rental services which find extensive applications in construction such as building, bridges, and dam construction sites. These products can be customised as per the clients' requirements and also available in different dimensions and sizes. These products can are availed from companies at reasonable price."

According to Kalantri, "Interestingly, the rental option is turning about to be feasible. Builders and contractors want to bring down the investments on S&F and are therefore happy to hire the systems at feasible rates for a stipulated time." He also stated that people are opting for rentals in-order to curtail investments and storage costs. The construction industry has been plagued by uncertainties and it is not uncommon for projects to suddenly come to a halt. A contractor will therefore think twice before purchasing S&F and would rather settle for a rental contract.

"No matter whether we buy or rent, we always need to research the supplier. We have to make sure that the supplier has reputation and the products they supply are of high quality standards and are at par with all safety specifications.

Niraj Bhatia, General Manager - Commercial, Luxura Infrastructure Pvt. Ltd

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Regular maintenance and safety aspects

According to Anil, "Thrust on safety is of utmost importance and hence, a preference is skewed toward the buy decision wherein established and competent in-house Health and Safety (HSE) teams are capable of ascertaining the correctness and adequacy of the scaffolding during erection, modification and dismantling of scaffolding."

Anil feels that, a strict control on the quality of the scaffold material as per applicable standards and fully trained personnel qualified to safely erect and dismantle scaffolding equipment are the crux for ensuring the highest safety standards that the industry demands. However, with end customers demanding challenging project timelines and complex fabrication projects exhibiting a trend of mixed intermittent and peak load cycles, renting scaffolding material for shorter durations during peak loads that call for scaling of scaffolds is economically a more viable solution albeit, with the responsibility that demands scaffolding shall be checked and certified by competent scaffolding inspector.

Niraj considers scaffolding needs regular maintenance in order to stay safe and in shape, but we might not have the team and expertise to take care of maintenance at regular intervals. A scaffolding rental company allows us to use a scaffold without having to worry about its maintenance.

He adds, "No matter whether we buy or rent, we always need to research the supplier. We have to make sure that the supplier has reputation and the products they supply are of high quality standards and are at par with all safety specifications. It's not just about labour laws and safety regulations but also the well-being of our team."

When choosing a scaffolding supplier, it's good to choose one with construction experience. "Not only they are aware of the importance of a quality scaffolding system, but they will also be more efficient in assembly and assisting us with any questions or concerns we may have," asserts Niraj.