



MISSOURI DEPARTMENT OF TRANSPORTATION  
LEASE TERMS AND CONDITIONS

**LEASE PERIOD**

The lease period for **8 months begins April 15, 2010, and ends December 15, 2010**. Units will be delivered by the lessor to the department on or before April 15, 2010 but not before April 1, 2010. The lessor will pick up units on or after December 15, 2010, and before December 27, 2010.

The lease period for **12 months begins March 1, 2010, and ends March 1, 2011**. Units will be delivered by the lessor to the department on or before March 1, 2010. The lessor will pick up units on or after March 1, 2011, and before March 15, 2011.

The lease period for **24 months begins March 1, 2010, and ends March 1, 2012**. Units will be delivered by the lessor to the department on or before March 1, 2010. The lessor will pick up units on or after March 1, 2012, and before March 15, 2012.

**BASE LEASE**

The lease agreement is based on guaranteed department use of **300 hours for eight-month lease, 350 hours for 12 months lease, and 700 hours for a 24-month lease** per unit, but actual usage may vary by location. Usage beyond the guaranteed amounts will be paid at the eight (8), 12, or 24 months hourly rate at the end of the lease period and on a separate invoice.

**PENALTIES FOR LATE DELIVERY**

A penalty of \$100 will be deducted from the overall lease price for every day the leased equipment is past due from the specified delivery date. This penalty will not be enforced if the Missouri Department of Transportation did not order within the accepted time frame.

**BID AWARD**

There will be no one bidder awarded for each item listed within this bid. Each individual delivery destination will issue purchase orders for lease tractors based on price, location of servicing dealers, past performance of servicing dealers, past performance of different makes and models of tractors and actual delivery destination of the lease tractor. This bid will not be awarded solely based on low price per delivery destination. The individual delivery destinations will have sole discretion to determine the Lowest and Best bid for their own areas. You should indicate on the bid sheets which Districts you would like to provide services to, in order for your bid to be considered. Units must be delivered to the listed delivery destinations but they will have to be serviced at other locations within the district. **MoDOT reserves the right to refuse tractors that do not meet and/or exceed the required specifications.**

**PAYMENT**

All payments will be processed through the District Offices. Payments for the lease will be made either **up front** for the entire 8 or 12 month lease period or in **two (2) separate installments**. Payments made in installments will be made at the beginning of the **first** and **sixth** month of the lease. Payment will only be made upon delivery and acceptance. Usage beyond the guaranteed amounts will be paid at the eight (8), 12, or 24 months hourly rate at the end of the lease period and on a separate invoice. The District General Services Manager will verify hours when the lessor picks up the unit. Be sure to include the purchase order number on all packing lists, invoices and any other important correspondence to assist in prompt payment.



### **MAXIMUM INITIAL HOURS**

One hundred (100) hours **maximum** when the department receives the unit(s). Equipment must be new and of latest production model. All units delivered must be completely covered by the manufacturers warranty for the entire length of the lease period and include parts, labor and transportation.

### **EQUIPMENT DAMAGE**

The department will be responsible for abuse or damage to the unit beyond normal expected wears for highway mowing operations. Repairs for abuse or damage are at the department's expense. Damage will be based on the low competitive bids from at least three repair shops mutually agreed upon in writing by the lessor and the department. Maximum damage claim will be established at 75% of the manufacturers suggested retail price. A copy of the manufacturers suggested retail price is to be provided at the time of delivery. **The districts shall be invoiced for damage claims no later than 60 days after returning the equipment. Tire damage is not included under this section but is covered under the individual specifications.**

### **MAINTENANCE AND REPAIR**

The Missouri Department of Transportation will furnish fuel, lubricant, other filters, and normal maintenance cleaning. All products used will meet manufacturers specifications. The lessor shall furnish all necessary replacement parts and repairs. The lessor or lessor's representative is responsible for all warranty repairs at no cost to the department for parts, labor, or **transportation**. The department will attach no decals, stickers or logos to the equipment. Flexible, magnetic signs may be placed on the equipment.

### **SERVICE**

If equipment is not repairable on site, lessor or representative there of shall make an attempt to transport the equipment that day, no later than 24 hours from time of the department's calls. No penalty or void of warranty will be at the liability of the Missouri Department of Transportation should vandalism occur while the equipment is out of service during normal use.

All routine service repairs will be performed on site of the assigned equipment within 24 hours of the department's call. If the time frame cannot be met, arrangements must be made by the lessor to accommodate the department's need, else any service performed by the department shall be subject to billing to the lessor through subtraction of payment of lease.

### **DOWNTIME**

If the unit is unavailable for use at any time due to equipment failure, **the lessor must substitute a loaned unit of mutually agreed on type within 2 business days of notification from the department that the tractor is inoperable.** If the unit or substitute is unavailable for more than 7 business days during the lease period, the Base Lease Bid compensation due the lessor will be reduced by \$100.00 per calendar day for all days not available. (Consideration will be given to this reduction if prior arrangements have been made with the District Office.)

### **DELIVERY**

Units shall be assembled, adjusted and made ready for immediate operation at time of delivery. All parts, accessories and special tools necessary for normal operation of these units shall be furnished whether or not they are specifically mentioned in these specifications.



**EXTENSION AND RENEWALS**

Lease and outright purchase prices should be firm for purchase until **June 30, 2010**. **Two (2)** additional one-year extensions are available upon mutual consideration by Missouri Department of Transportation, and the successful bidder. Allowance for inflation increases will be considered at the time of offer of these extensions. **Upon renewal of the current contract, prices will only be accepted for the districts for which prices were originally submitted.**

**LEASE AGREEMENT**

**Copies of all proposed agreements must be submitted with the bid documents. It is MoDOT's desire to review and execute all necessary agreements prior to the actual order of units. NO UNITS WILL BE ORDERED PRIOR TO THE SUCCESSFUL EXECUTION OF ALL REQUIRED AGREEMENTS.** The Department will have the sole discretion to determine what agreement is acceptable to the Department. Any agreement, which requires any indemnification by the department or by the Missouri Highways and Transportation Commission, is NOT acceptable to the Department or to Missouri Highways and Transportation Commission. We are not accepting any other terms or conditions and if changes are made may lead to disqualification as a bidder.

Please sign and date below indicating that you, the vendor, is in agreement with the following terms and conditions.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Company



**Summary Sheet for Lease Analysis**

Instructions: Please complete the following information for each tractor upon delivery.

**Model of Tractor:** \_\_\_\_\_ **Serial #:** \_\_\_\_\_

**Anticipated lease payments:**

_____ <b>Rental/lease cost</b>	_____ <b>Maintenance agreement</b>	_____ <b>Other (specify)</b>
\$ _____	\$ _____	\$ _____

**What is the estimated economic life in years?** \_\_\_\_\_

**What is the interest rate (if available)?** \_\_\_\_\_

**What is the current fair market value of the leased asset (cash purchase price)?** \_\_\_\_\_

**Was there a trade-in associated with the lease asset?** \_\_\_\_\_ **Yes** \_\_\_\_\_ **No**

**If yes, what is the fixed asset number?** \_\_\_\_\_ **Value of trade-in?** \_\_\_\_\_