



**TEXAS DEPARTMENT OF TRANSPORTATION
TERMS AND CONDITIONS
FOR THE LEASE OF MAJOR EQUIPMENT WITHOUT OPERATOR**

The Texas Department of Transportation (TxDOT) and the leasing vendor agree to the lease of equipment at the rates bid, for the period specified on the Invitation for Bids (IFB). The following terms and conditions shall apply:

1. **INSURANCE:** TxDOT does not carry collision or comprehensive insurance on leased equipment. If the vendor does not wish to personally assume the risk of loss or damage, insurance against such loss or damage should be purchased at the vendor's expense, and included in the bid price. TxDOT will not pay deductibles or other costs associated with a vendor's loss, as prohibited by Article 3, Section 50 of the Texas Constitution.
2. **DELIVERY:** Vendor shall deliver and pick up the equipment at the beginning and end of the lease period. Delivery and pick up costs shall be included in the bid price. Vendor shall deliver the equipment to the job site identified by the TxDOT representative within two working days after notification. TxDOT will provide any additional transportation for the equipment, which will remain in TxDOT's possession throughout the lease period.
3. **OPERATION /SAFETY:** Manuals, including operating and preventive maintenance instructions, shall be furnished when equipment is delivered. Warnings and safety precautions shall be clearly indicated. Safety plaques or decals shall be affixed at any hazardous area, in accordance with the latest revision of ANSI 535.4.
4. **DURATION:** The lease period shall begin on the date the vendor delivers acceptable equipment to the TxDOT designated location. TxDOT will inspect the equipment to determine its condition and may reject equipment which, in the opinion of TxDOT, does not meet the performance needs.
5. **RELEASE:** Prior to the end of the lease period, TxDOT will notify the vendor when the equipment will be released for vendor pick up at a location within the district, which may be different from the initial delivery site. TxDOT will release the equipment in the same condition as it was received, less normal wear and tear, as determined by TxDOT.
6. **MAINTENANCE/REPAIRS**
 - 6.1. **ROUTINE MAINTENANCE:** TxDOT will provide routine maintenance on the equipment during the lease period. The vendor shall provide written recommended routine maintenance procedures and intervals, including fluid/oil types to be used. TxDOT will furnish all fuel, oil, grease, and hydraulic fluid to ensure sufficient fluid levels, and will maintain correct tire air pressures.
 - 6.2. **MINOR REPAIRS:** TxDOT will make minor repairs as necessary in order to maintain the equipment in the same condition in which it was received from the vendor. Minor repairs are defined as repairs requiring no parts, or when purchase of parts does not exceed \$25 for any one repair. Labor will be furnished by TxDOT.
 - 6.3. **MAJOR REPAIRS:** The vendor shall assume the cost of all major repairs to the equipment except those resulting from willful negligence by TxDOT, including damage resulting from fire, theft, vandalism and/or acts of God. Major repairs are defined as those not covered in paragraph 6.2.
 - 6.4. **WEAR ITEMS:** Vendor shall ensure wear items (such as cutting teeth, blades, and drill bits) are sufficient to support normal operations for the lease period. TxDOT will inspect leased equipment to evaluate the expected use-life of any wear items. If the items are considered insufficient for operations through the full lease period, vendor shall furnish prompt replacement upon request by TxDOT (prior to initial operation or during the lease period). TxDOT will furnish labor to install replacement wear items provided by the vendor, under the terms and conditions of para. 6.2. If the lease is extended, vendor shall furnish any additional wear items required for operation during the extended period.
7. **DEDUCTIONS:** The vendor will be notified when major repairs are required to the equipment. TxDOT will deduct from the next payment to the vendor an amount equal to one day, for each working day the equipment is unavailable to TxDOT. Deductions will begin on the working day after TxDOT notifies the vendor that major repairs are required.
8. **SUBSTITUTION:** The vendor may, at their option, provide TxDOT substitute equivalent equipment to prevent payment deductions. All costs related to providing substitute equipment to TxDOT shall be the responsibility of the vendor.
9. **EXTENSION:** At TxDOT's option, the lease may be extended for any period of time, not to exceed the original period (i.e., a three month lease may be extended by up to three months; a 12 month lease may be extended by up to 12 months). Any extension shall be at the original price, terms, and conditions. TxDOT will notify the vendor in writing of an extension, prior to the expiration of the lease.

* This Revision Supersedes Previous Revision, Revised June, 2000.