

EME 4002014
Presented: 7-21-14
Adopted: 7-21-14

Resolution authorizing a Lease Agreement between Vehicle City Harley-Davidson and the City of Flint.

BY THE EMERGENCY MANAGER:

The City of Flint, a municipal corporation, is the local municipal governing body authorized to execute Lease Agreements, and Cummings' Harley-Davidson Sales, Inc., is a provider who has negotiated a Lease Agreement with the City of Flint to provide four (4) Harley-Davidson police solo motorcycles; and


A Lease Agreement shall be authorized and executed between the City of Flint and Cummings' Harley-Davidson Sales, Inc. for use of said motorcycles for police and related activities only, and shall be for 24 months, becoming effective as of the date of execution of said agreement at a cost not to exceed twelve Thousand (\$12,000.00) dollars, \$6,000.00 per fiscal year. Funding for said services will come from account 101-315.100-940.000; and

THEREFORE BE IT RESOLVED, That the appropriate City Officials, Upon City Council's approval, are hereby authorized to enter into a two year lease agreement with Vehicle City Harley-Davidson for police motorcycles, in an annual amount of \$6,000.00 for a total aggregate amount of \$12,000. General Fund \$6,000 FY15 and \$6,000 FY16 budget.

APPROVED AS TO FORM


Peter M. Bader, Chief Legal Officer

APPROVED AS TO FINANCE


Gerald Ambrose, Director of Finance
For

EM DISPOSITION:

ENACT *X* REFER TO COUNCIL _____ FAIL _____


Darnell Earley, Emergency Manager

DATED: 7-21-14

RESOLUTION STAFF REVIEW

DATE: 07/21/14

Agenda Item Title: Vehicle City Harley-Davidson Motorcycle Lease

Prepared By: Rick Johnson, Police Financial Coordinator

Background/Summary of Proposed Action: Resolution authorizing the Flint Police Department to enter into a two year lease agreement with Vehicle City Harley Davidson for four (4) police motorcycles.

Financial Implications: Funding is available and budgeted in the FY15 & FY16 budget in the amount of \$6,000 for each fiscal year, in the Police accounts listed below.

Budgeted Expenditure? Yes ☒ No ☐ Please explain if no:

Account No.: 101-315.100-940.000 - \$6,000.00 each year

Pre-encumbered? Yes ☒ No ☐ Requisition # 140000904

Other Implications (i.e., collective bargaining): None

Staff Recommendation: Recommend Approval

Staff Person:


James W. Tolbert, Chief of Police

HARLEY-DAVIDSON POLICE MOTORCYCLE LEASE AGREEMENT

This Agreement made and entered into between VEHICLE CITY HARLEY-DAVIDSON, designated as the Lessor, and CITY OF FLINT, designated as the Lessee, made this 1ST day of March 2014, for the purpose of leasing to the Lessee 4 Harley-Davidson police motorcycles, under the following terms and conditions:

1. EQUIPMENT

4 year 2014 Harley-Davidson police solo motorcycles with windshield, pursuit lamps, strobe light and siren. VIN 1HD1FMM15EB685104 VIN 1HD1FMM10EB685530
VIN 1HD1FMM15EB685488 VIN 1HD1FMM12EB685836

2. AGREEMENT TERM

This Agreement shall be effective as of the date of execution for a period of 24 months. Motorcycles leased under this Agreement are to be used for Police and related activities only.

3. PAYMENT PERIOD

The Lease agreement will be for the amount of \$1500.00 each year per motorcycle. Lessee shall pay one yearly payment in the amount of \$6,000.00 each year. Payments include the cost of the equipment, payment of interest, and administrative costs less the residual value of the motorcycles.

4. INSURANCE

At its own expense, the Lessee shall carry Casualty Insurance with respect to the motorcycles and shall carry Public Liability and Property Damage insurance sufficient to protect the full value of the equipment and to protect the Lessor from liability in all events. The Lessee shall carry Workman's Compensation Insurance covering all employees working on, in, near, or about the motorcycles and shall require any other person working on, in, near, or about the motorcycles to carry such coverage. The Lessee shall furnish to the Lessor certificates or other satisfactory evidences of all the insurance coverages described above as required by the terms

and conditions of this Agreement.

5. INDEMNITY

The Lessee shall and does hereby indemnify and save the Lessor harmless from any and all liability arising out of the leasing, renting, operation, control, use, delivery and/or return of the motorcycles including, but not limited to injuries causing personal injury, property damage and/or death, but shall be credited with any amounts received by the Lessor with respect thereto from liability insurance secured by the Lessee. That indemnification shall include all costs and expenses including attorney's fees incurred by the Lessor in connection with any suits or actions resulting from any special liability.

6. LIENS

The Lessee shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the equipment, except with respect to the respective rights of the Lessor as herein provided. Lessee shall promptly, at its own expense, take such actions as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above if the same shall arise at any time.

7. TAXES

The Lessee shall comply with all laws and shall pay all taxes, if any, including but not limited to Sales and Use Taxes, Excise Taxes, Personal Property Taxes and Assessments and Penalties, Licenses, Registration Fees, Freight and Transportation Charges, Permits and any similar charges imposed on the ownership, possession or use of the motorcycles during the term of this Agreement.

8. CARE AND USE OF EQUIPMENT

The Lessee at its own cost and expense shall maintain the motorcycles in good operating condition, repair and appearance, and protect them from deterioration other than normal wear and tear; shall use the motorcycles for police and related activities only, without abuse, and in a manner contemplated by VEHICLE CITY HARLEY-DAVIDSON, shall not make modifications, alterations or additions to the motorcycles (other than normal operating accessories or controls)

without the written consent of VEHICLE CITY HARLEY-DAVIDSON, which shall not be unreasonably withheld.

VEHICLE CITY HARLEY-DAVIDSON shall have the right during normal hours to enter upon the premises where the motorcycles are located in order to inspect, observe or otherwise protect their interest and the Lessee shall cooperate in affording them the opportunity to do the same.

The Lessee agrees to maintain the motorcycles pursuant to the Manufacturer's Standard Preventative Maintenance Contract and/or Recommendations.

9. DAMAGE OR DETERIORATION OF EQUIPMENT

In the event the equipment is partially damaged or destroyed prior to the end of the Agreement Terms, the Lessee will promptly have the equipment repaired and restored to its original condition and working order for the purposes intended.

10. EVENTS OF DEFAULT AND REMEDIES

Lessee shall be deemed to be in default hereunder upon the happening of any of the following events of default:

- a. Lessee shall fail to make any periodic payment, or to pay any other payment required to be paid hereunder, or
- b. Lessee shall fail to keep any such other term, covenant or condition contained herein.

Upon the occurrence of an event of default as specified above, the Lessee shall fail to remedy such event of default with all reasonable dispatch within a period of thirty (30) days, Lessor or its assigns shall have the right, at its option without any further demand or notice, to pursue any one or more of the following remedies:

- a. by written notice to Lessee, declare an amount equal to all payments due during the Agreement Term to be immediately due and payable as liquidated damages and not as a penalty, whereupon the same shall become immediately due and payable.
- b. re-enter and take possession of the equipment enforcing this Agreement or terminating this Agreement, and repossess the equipment and sell or lease the equipment for the account of Lessee, holding Lessee liable for all payments up to the effective date of such leasing or

selling and for the difference in the purchase price, rental and other amounts paid by the Lessee or purchaser pursuant to such lease or sale and the amounts payable by Lessee hereunder, and

- c. take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, Agreement or covenant of Lessee under this Agreement.

11. DISPOSITION OF EQUIPMENT

Upon termination of this Leasing Agreement at the end of the rental period, the CITY OF FLINT will have the option of purchasing the Harley-Davidson Motorcycles covered by this Agreement for \$18,970.00 each from VEHICLE CITY HARLEY-DAVIDSON. This price does not include windshield, pursuit lamps, strobe light or siren. Said disposition will be determined immediately prior to the end of the Lease Agreement period.

The above terms and conditions are acceptable.

Lessor: VEHICLE CITY HARLEY-DAVIDSON Lessee: CITY OF FLINT

By: Chief James Tolbert
CITY OF FLINT POLICE DEPARTMENT

By: _____

Its: General Manager_____

Its: _____

Date: April 1, 2014_____

Date: April 1, 2014_____

LBC/cas