COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

CONTRACT FOR LEASE OF MOTOR VEHICLE

# PARTIES

This contract is between the [DEPARTMENT NAME], a department of the Commonwealth of the Northern Mariana Islands and referred to herein as “the Commonwealth,” and [CONTRACTOR NAME]. [CONTRACTOR NAME] is referred to in this contract as the “Contractor.”

Contractor is a [CORPORATION, NON PROFIT CORPORATION, UNIVERSITY, GOVERNMENT AGENCY, ETC].

[HEAD OF AGENCY NAME] is the Expenditure Authority for [NAME OF AGENCY]. Any reference to the expenditure authority in this contract is a reference to [HEAD OF AGENCY NAME]. The Expenditure Authority may take any action on behalf of the Commonwealth provided for by this contract or by law.

# NOTICE

All notices required by this contract shall be in written form and shall be delivered to the following addresses:

Attn: [NAME OF YOUR DEPARTMENT’S PROCUREMENT OFFICER]

[MAILING ADDRESS]

Division of Procurement Services

Department of Finance

P.O. Box 10007

Saipan, MP 96950

[CONTRACTOR NAME]

[CONTRACTOR MAILING ADDRESS]

# COMMUNICATION

The Contractor shall maintain communications with [NAME OF AGENCY] at all stages of the Contractor’s work. The Contractor will submit any questions it may have to the [NAME OF AGENCY] regarding the performance of the contract.

# DEFINITIONS

“Leasing” means the acquisition of motor vehicles, other than by purchase from private or commercial sources, and includes the synonyms “hire” and “rent.”

“Motor vehicle” means an item of equipment, mounted on wheels and designed for highway and/or land use, that—

(1) Derives power from a self-contained power unit; or

(2) Is designed to be towed by and used in conjunction with self-propelled equipment.

# GENERAL PURPOSE

The general purpose of this contract is for the Commonwealth to lease a motor vehicle or motor vehicles described in this contract and in the attached exhibits and to enjoy the warranty or other services provided for by this contract.

The motor vehicle(s) being leased by the Commonwealth are described as follows:

[ENTER A DETAILED DESCRIPTION OF THE MOTOR VEHICLE. INCLUDE A DESCRIPTION OF ALL EQUIPMENT AND ACCESSORIES THAT ARE INCLUDED WITH THE VEHICLE].

# CONTRACTOR TO PROVIDE EQUIPMENT

The Contractor will provide all equipment and personnel necessary to complete this contract.

# CONFORMITY WITH LAW

The Contractor is responsible for ensuring that the vehicle(s) leased in accordance with this contract conform to all federal and Commonwealth law.

# GOVERNMENT VEHICLE ACT

The Contractor is responsible for ensuring that the vehicle(s) leased in accordance with this contract conform to 1 CMC § 7406. This section is included to emphasize the Contractor’s responsibility to ensure that the motor vehicle(s) comply with the Government Vehicle Act.

## Window Film Prohibited

The Contractor will not deliver a vehicle that has window film placed on the windows. This provision does not prohibit the use of factory tint, which is created by use of a dark pigment on the inside of the automotive glass.

## Vehicle Marking

The Commonwealth will be permitted to mark the vehicle in accordance with 1 CMC § 7406(f). The Contractor shall remove the marking at the end of the lease period, but will not receive additional compensation for the removal of the marking.

## License Plate

The Commonwealth is required by 1 CMC § 7406(g) to obtain a government license plate for the motor vehicle. The Contractor must comply with 1 CMC § 7406(k)(2) by obtaining and installing non-government license plates for the vehicle within sixty days of the vehicle being transferred out of government service.

# CONDITION OF LEASED VEHICLE

Each vehicle furnished under this contract shall be of good quality and in safe operating condition, and shall comply with all of the safety regulations applicable to the vehicle. The Commonwealth shall accept or reject the vehicle(s) promptly after receipt. If the Commonwealth determines that any vehicle furnished is not in compliance with this contract, the Commonwealth shall promptly inform the Contractor in writing. If the Contractor fails to replace the vehicle or correct the defects as required by the Contracting Officer, the Commonwealth may—

(1) By contract or otherwise, correct the defect or arrange for the lease of a similar vehicle and shall charge or set off against the Contractor any excess costs occasioned thereby; or

(2) Terminate the contract.

This clause does not restrict the Commonwealth’s right to seek compensation and damages as a result of the Contractor’s breach of this contract.

# WARRANTY

The motor vehicle(s) will be serviced and maintained by the Contractor, which is summarized as follows:

[DESCRIBE THE CONTRACTOR’S OBLIGATION TO SERVICE AND MAINTAIN THE VEHICLE IN AS MUCH DETAIL AS POSSIBLE. IT IS NOT ACCEPTABLE TO STATE THAT THE CONTRACTOR’S DUTIES WILL BE DESCRIBED WHEN THE VEHICLE IS LEASED. IN PARTICULAR, WE NEED TO KNOW WHO WILL PAY FOR REPAIRS AND MAINTENANCE.YOU MAY INCLUDE A FULL COPY OF THE SERVICE PLAN AS AN EXHIBIT INSTEAD OF ATTEMPTING TO DESCRIBE IT.]

# OPTION TO PURCHASE

## Commonwealth May Purchase

The Commonwealth may purchase the motor vehicle(s) provided on a lease or rental basis under this contract. The Expenditure Authority may exercise this option only by providing a written notification to the Contractor. The effective date of the purchase will be specified in the written notification and may be any time during the period of the contract, any extensions thereto, or within ten calendar after the contract is terminated.

If the Expenditure Authority declines to purchase the motor vehicle prior to the termination of this Contract, then the Director of Procurement will notify other Commonwealth agencies of the option to purchase the vehicle. Thereafter, the Director of Procurement may notify the Contractor in writing that the Division of Procurement will exercise the option to purchase on behalf of another Commonwealth agency.

## Lease or Rental Charges Terminate Upon Purchase

Except for final payment and transfer of title to the Commonwealth, the lease or rental portion of the contract becomes complete and lease or rental charges shall be discontinued on the day immediately preceding the effective date of purchase specified in the unilateral modification required in paragraph (A) of this clause.

## Conversion Cost

The purchase conversion cost of the motor vehicle(s) shall be computed as of the effective date specified in the written notification required in paragraph (A) of this clause, on the basis of the purchase price set forth in the contract, minus the payments made to the Contractor by the Commonwealth during the period of lease or rental.

## Purchase Option Credits Include Previous Contracts

The accumulated purchase option payments for determining the purchase conversion cost will also include any payments made during a period of lease or rental of the motor vehicle(s) under any previous Commonwealth contract if the period of the lease or rental was greater than six months.

# LOSS OR DAMAGE

Except for malicious conduct resulting in loss or damage to the motor vehicle(s), the Commonwealth will not be held liable for any loss or damage to the motor vehicle(s) during the period of time that the motor vehicle is in the possession of the Commonwealth.

# RETURN OF VEHICLE

The Commonwealth shall return the motor vehicle(s) to the Contractor’s principle place of business at the end of the lease term. If the vehicle is located on an island where the Contractor does not maintain its principal place of business, then the Contractor may direct the Commonwealth to deliver the motor vehicle(s) to any business location on the island where the motor vehicle(s) is/are located.

# CONTRACT DOCUMENTS

The following instruments shown in the table below, constitute the contract documents (‘Contract Documents”) and are incorporated as part of the Contract thereof. If any of the attached documents conflict with this contract, then the language of this contract will control.

|  |  |
| --- | --- |
| **EXHIBIT** | **NAME OF DOCUMENT** |
| A | Standard Terms and Conditions |
|  |  |
|  |  |
|  |  |

# PURCHASE PRICE

The parties agree that the fair market value of the motor vehicle(s) on the date of the execution of this contract are as follows:

|  |  |
| --- | --- |
| **FAIR MARKET VALUE** | **VEHICLE** |
| [INSERT FAIR MARKET VALUE OF VEHICLE] | [BRIEFLY DESCRIBE VEHICLE] |

# DELIVERY AND PAYMENT

### The Contractor agrees to deliver the motor vehicle(s) to the Commonwealth on the island of [STATE THE ISLAND OF DELIVERY] at [ENTER ADDRESS WHERE VEHICLE WILL BE DELIVERED] within **[**NUMBER OF DAYS] days of the effective date of this contract.

### Payment by the Commonwealth shall be made only upon Contractor’s submission of evidence to the Expenditure Authority that the Contractor has delivered the motor vehicle(s) and has adhered to all contract terms and specifications.

### Rent shall not accrue for any vehicle that the Commonwealth determines does not comply with the requirements of this contract, until the vehicle is replaced or the defects are corrected.

### Rent shall not accrue for any vehicle during any period when the vehicle is unavailable or unusable as a result of the Contractor’s failure to render services for the operation and maintenance of the vehicle as prescribed by this contract.

# DURATION OF CONTRACT

The Contractor will deliver the vehicle to the Commonwealth on [ENTER DATE THAT THE CONTRACTOR BEGINS WORKING] or upon receipt of a Notice to Proceed by the Commonwealth.

This vehicle lease will remain in effect for [INSERT MONTHS] months after this contract becomes effective.

# PAYMENT OF RENT

### The Lessor will invoice the Commonwealth and will be paid according to the following schedule:

|  |  |  |
| --- | --- | --- |
| **DATE THE COMMONWEALTH RECEIVES INVOICE** | **INVOICE AMOUNT** | **PAYMENT DUE DATE** |
| [Example: 1/1/16] | [Example: $500] | [Example: 4/1/16] |
| [Example: 2/1/16] | [Example: $500] | [Example: 5/1/16] |
|  |  |  |
|  |  |  |
|  |  |  |

### If the notice to proceed or the acceptance of the premises occurs after a date identified in the above-schedule, then the Contractor will invoice the Commonwealth on the next date identified in the above‑schedule. Thereafter, invoices will be issued in accordance with the above-schedule and will continue to be issued until the contract is completed.

### If the Contractor fails to invoice the Commonwealth according to the above schedule, then the Commonwealth, at its sole discretion, may refuse to pay the untimely invoice. If the Commonwealth exercises its right to refuse payment under this subsection, neither party will be relieved of its obligation to perform under this contract.

# INCORPORATED BY REFERENCE BUT NOT ATTACHED

This contract incorporates the following documents and laws that are not attached to this contract:

### All Commonwealth laws, regulations, or rules applicable to the purchase of motor vehicle(s) in the Commonwealth; and

### All applicable federal laws and regulations.

# SIGNATURE REQUIREMENTS

No Contract can be formed prior to the approval of all required signatories, as evidenced by the signature affixed below of each of them, made in the order listed. The Contract shall become effective when the Director of Procurement Services certifies its completion and a notice to proceed has been issued by the Commonwealth.

# ADJUSTMENTS OF TIME FOR PERFORMANCE

The Expenditure Authority may grant the Contractor up to thirty additional days to complete the delivery of the motor vehicle(s). A grant of additional time will only be effective if it is placed in writing and signed by the Expenditure Authority.

The Contractor may grant the Commonwealth up to thirty additional days to complete the payment for the goods. A grant of additional time will only be effective if it is placed in writing and signed by an agent of the Contractor.

# SIGNATURES

### Expenditure Authority

I declare that I have complied with the Commonwealth procurement regulations; that this contract is for a public purpose; and that the contract does not waste or abuse public funds. I declare that I, personally, have the authority to obligate the expenditure of funds for this contract. I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed this day on Saipan.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[EXPENDITURE AUTHORITY NAME] Date:

Expenditure Authority

### Procurement Services

I hereby certify that to the best of my information and belief this contract is in compliance with the CNMI Procurement Regulations, is for a public purpose, the Contractor is a responsible contractor, and the contract does not waste or abuse public funds.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Brien S. Nicholas Date

Acting Director of Procurement Services

### Secretary of Finance

I hereby certify that the funds identified below are available and have been committed for funding of this Contract:

Account: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Amount: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Tracy B. Norita Date

Secretary of the Department of Finance

### Attorney General

I hereby certify that this contract has been numbered, review and approved as to form and legal capacity.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Edward Manibusan Date

Attorney General

### Governor

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Arnold I. Palacios Date

Governor

### Contractor – [NAME OF CONTRACTOR]:

On behalf of the Contractor, I represent that I am authorized to bind the Contractor to the terms of this Contract, and by my signature I do hereby accept and bind the Contractor to the terms of this Contract. I further represent for the Contractor that no person associated with the Contractor has retained any person in violation of the Commonwealth Procurement Regulations.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

PRINTED NAME OF SIGNING AUTHORITY TITLE

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[INSERT NAME OF SIGNING AUTHORITY] Date

On behalf of [NAME OF CONTRACTOR]

### CERTIFICATION OF CONTRACT COMPLETION

I hereby certify that this contract bears all signatures and is therefore complete.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Brien S. Nicholas Date

Acting Director of Procurement Services

# END OF CONTRACT DOCUMENT

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Procurement Information

(For government purposes only)

Method of Procurement (Check one only)

Competitive Sealed Bids

Competitive Sealed Proposal

Small Purchase

Sole Source

Emergency

Expedited

Type of Procurement (Check one only)

Initial procurement

Subsequent procurement –

Following Bid Protest

Government’s Option

Replacement for Defaulted Contractor

Government contract numbers of all related contracts with the Vendor:

Insert Contract Numbers, or NONE

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**