



MEMORANDUM

Council Agenda
Item No. IX. A
08/27/2024

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Amendment No. 1 to Lease Purchase Agreement, CL Boyd Co., Inc. (R24-C228028), lease and maintenance of four John Deere, 672G AWD motor graders, estimated cost \$87,194.88, retroactive to July 1, 2024 through February 28, 2025.

Purpose:

To extend the end date of the lease for four motors graders and authorize the payments to continue through February 2025. The vendor's delivery of the motor graders was delayed by a few months at the beginning of the contract. This extension will allow lease of the equipment to continue for the full three-year period. A letter agreeing to this extension has been received from the vendor. This assignment does not relieve The Clarence L. Boyd Company Inc. from performing its other responsibilities as awarded in the Lease Agreement (C228028), including maintenance of the equipment.

Background:

The lease agreement was originally approved on August 3, 2021 (Item No. IX. C) for lease and maintenance of four motor graders for the Public Works Department/Street Maintenance Division for the period ended June 30, 2022. Assignment of payments for lease with Clarence L. Boyd Co., Inc. to Prosperity Bank were approved on February 1, 2022 (Item IX. G). On July 5, 2022 (Item No. IX. C), the lease agreement was renewed for the period ended July 1, 2023. On July 5, 2023 (Item No. IX.B), the lease agreement was renewed for the period ended June 30, 2024. This lease is a three-year lease with a purchase option.

The City is under no obligation to purchase the equipment at the end of the lease. The equipment includes an extended warranty. The lease agreement meets the City's policy on renewal of pricing agreements for goods and services.

Staff requests the City Council approve the extension of a Lease Purchase Agreement, CL Boyd Co., Inc. (R24-C228028), lease and maintenance of four John Deere, 672G AWD motor graders, estimated cost \$87,194.88, retroactive to July 1, 2024 through February 28, 2025.

Lease Agreement:

(R24-C228028)

The Clarence L. Boyd Co., Inc.

(4) John Deere Motor Graders

(\$10,899.36 month x 8)

\$87,194.88

Estimated Cost:

\$87,194.88

Source of Funds:

\$43,597.44 - General Fund-General Operations-Streets-Other Equipment Rental- Rural Roads (1001-3300301-52400007-12631)

\$43,597.44 - Stormwater Drainage-Drainage City Operations-Drainage-Other Equipment Rental - Unimproved Drainage (1741-3300303-52400007-12661)

Review:

Finance Department

Recommendation: Agreement be extended.