



Florida Department of Transportation

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GOVERNOR

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KEVIN J. THIBAUT, P.E.
SECRETARY

DME MEMORANDUM NUMBER 21-01

DATE: April 26, 2021

TO: DISTRICT MAINTENANCE ENGINEERS

FROM: Rudy Powell, Jr., P.E., Director, Office of Maintenance

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COPIES: Michael J. Soto, Program Resources Manager, Office of Maintenance
Angel Birriel, Mobile Equipment Manager, Office of Maintenance

SUBJECT: **Heavy Equipment Lease Procedures**

This memorandum replaces DME Memorandum 20-03. The following are procedures to be followed when leasing heavy equipment for use by the Department. The intent is to establish a set of guidelines and maintain continuity on the process needed to lease heavy equipment. Leasing is typically a long-term commitment for equipment (i.e. 30 days or more) whereas renting is a short-term commitment (i.e. less than 30 days). Both can be paid with Transportation Materials and Equipment (TME) funds. Rentals can be paid with Expense funds. This memo will expire when the Mobile Equipment Procedures Manual 400-000-001 is modified and implemented.

Heavy Equipment Lease Procedures:

1. Determine the equipment needed – size, attachments, and length of time.
2. Verify if the equipment is available on the *DOT Agency Term Contract - Heavy Equipment Lease - DOT-ITN-19-9025-GH*.
3. If the equipment needed is on the DOT Agency Term Contract, contact the awarded vendor to request a quote and availability. If the equipment is not on the DOT Agency Term Contract, then verify if the equipment is available on the *DMS Alternate Contract Source - Industrial Equipment and Tool Rental - 518-410-19-ACS*. If not available from the DMS ACS contract, then obtain at least two quotes from other vendors.

4. Issue a monthly requisition for the item(s) using MyFloridaMarketPlace (MFMP) only when leasing item(s) for more than one 30-day period. The use of a Purchasing Card or a Confirming PO will not be acceptable. Prior approval must be obtained from the Office of Maintenance and Department of Management Services for items leased for more than one 30-day period. The format for approval from Office of Maintenance must be a memorandum showing the justification why the equipment should be leased, total anticipated duration of the lease, and monthly cost per item(s).
5. When creating your MFMP requisition, the following commodity codes must be used with the appropriate object code(s) applicable for the lease or rental.
 - 72141700: Construction machinery and equipment rental or leasing services
 - 72141701: Construction machinery rental or leasing service
 - 72141702: Construction equipment rental or leasing service
 - 78121604: Forklift rental or leasing service
6. Items leased or rented for less than one 30-day period follow the guidance in item #3 above. These item(s) do not require prior approval or a requisition in MFMP and can be paid with the Purchasing Card (can use TME or Expense funds). The use of a Confirming PO will not be acceptable. If a lease is extended past one 30-day period initiate the guidance in item #4 before the lease has exceeded 30 days. Prior approval must be obtained from the Office of Maintenance and Department of Management Services for leased items extended beyond one 30-day period.
7. After determining the vendor and equipment to be leased, request a certificate of insurance (COI) from Nicole Loman (nicole.loman@dms.myflorida.com). The vendor will charge for insurance if the COI is not provided. A description, value, and term of the lease will be required. There are no fees charged to the cost center if this process is used. A link has been provided in the DOT agency term contract document (page 7) that takes you to the DMS Contractor's Equipment Insurance page. The Certificate Request Form is located near the bottom of the page under "Documents and Forms". Fill out the form and follow the directions on the bottom as to who to submit the form.
8. If the lease dates change from the original request – end early or need to be extended - inform the CO-Firm Administrators (CO-FIRMAadministrators@dot.state.fl.us). If a lease is at the end of the fiscal year (6/1 to 6/30) funds must be committed, and services rendered on or before June 30th. Any carry forward funds for services must be expended by September 30th in the next fiscal year.
9. When a requisition for a heavy equipment lease is over \$35k (or becomes over due to a change order), the District must encumber funds in accordance with *Procedure Topic No. 350-030-200, Contract Funds Management – Funds Approval* prior to issuing a purchase

order (PO). For example, a vendor has several pieces of equipment that the District needs to lease and the total for all leases exceeds \$35k, an encumbrance and PO are required. A P-Card cannot be used.

10. A Confirming PO will not be acceptable for any lease.
11. The Department of Financial Services *Form DFS-A1-411, Checklist for Requesting Department of Financial Services Approval to Lease Equipment* is not applicable to heavy equipment leases unless the commodity contract requires deferred payments and the payment of interest, as per s. 287.063(1)(a), FS.
12. When leasing over the road vehicles on the Heavy Equipment Lease contract or Industrial Equipment and Tool Rental make sure to request a SunPass transponder if the vehicle will be traveling on the TURNPIKE network. This applies to the over the road items and trailer mounted equipment. The over the road items will require a SunPass mini and the trailer mounted equipment will require the tag be notified to Reno Abbadini (Reno.Abbadini@dot.state.fl.us) at the SunPass Program Office. Once the items are returned the SunPass mini transponder will need to be removed and canceled. When a vehicle or transponder needs to be deactivated, simply notify Reno Abbadini at the SunPass Program Office the plate number and or transponder number via email.
13. The lease items will need to be added by the district to the fleet information management system (FIMS) with the Purchase Method coded as "Lease". The items that can be operated over the road will be identified in FIMS by the tag number on the vehicle. The items that are not operated over the road can use the vendor identifier number in FIMS.
14. Reporting utilization will be done manually in the FIMS record since the only items to be reported monthly is miles / hours and fuel consumption. The repairs and preventive maintenance will not be reported since this will be done by the vendor providing the lease / rental item.
15. Once the item is ready to be returned to the vendor the district will need to notify DMS Fleet Management to remove the item from FIMS. The district will need to send an email to Martha Balboni (Martha.Balboni@dms.myflorida.com) and FleetHelpDesk@dms.myflorida.com requesting the item be removed from FIMS.

If further clarification or additional information is needed on any of these items, please contact Angel Birriel at 850-410-5517.

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