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| OVM Document ID Number  FY2018«Agency» |

The Executive Office for Administration and Finance Operational Services Division’s Office of Vehicle Management (“OVM” or “Lessor”) offers a Lease Program that secures funding to purchase vehicles and lease them to Commonwealth Agencies and/or Departments (“Agencies” or “Lessee”).

This Master Vehicle Lease & Assignment Agreement (“Agreement”) between OVM and «Agency\_Name» (“Agency”) (together, “the Parties”) governs the provision of any vehicle purchased by OVM and leased to Agency that is received by OVM and/or placed in service with Agency between July 1, 2017 and June 30, 2018.

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| **Lessor:** | **Lessee:** |
| Executive Office for Administration and Finance  Operational Services Division  Office of Vehicle Management  1 Ashburton Place, Room 1017  Boston, MA 02108 | Agency Name/Business Mailing Address:  «Agency\_Name»  «Address»  «City», «ST» «Zip» |
| Agreement Manager:  Alex Giannantonio  Director of Fleet Policy & Administration | Agreement Manager:  «CFO\_First» «CFO\_Last»  «CFO\_Title» |
| Phone: 617-720-3171 | Phone: «CFO\_Phone» |
| E-mail: alex.giannantonio@massmail.state.ma.us | E-mail: «CFO\_Email» |

OVM Lease Program Overview:

* Applies only to passenger vehicles and light duty trucks[[1]](#footnote-2) that are available on a departmental or statewide contract where OSD is identified as an authorized purchaser
* Agencies wishing to participate must execute a Master Vehicle Lease & Assignment Agreement prior to submitting Vehicle Requests to OVM
* Vehicle Requests must be submitted to OVM in a manner that allows time for review, approval, order, production and delivery of each vehicle, including upfit if applicable, prior to the end of that fiscal year
* Vehicle Requests must be approved by OVM and the Financial Signatory Authority of the requesting Agency or Department (“Agency CFO”)
* The source of funding for monthly lease fee payments must be included with the Vehicle Request
  + Agencies certify that sufficient funding for the obligations associated with each leased vehicle is available through the funding sources identified within the Vehicle Request
* It is expected that an existing vehicle be surrendered for each new vehicle leased
  + Vehicle Requests must identify the existing vehicles being surrendered
    - Agency may only identify currently active vehicles or those surrendered to OVM within the twelve (12) months immediately preceding the request that were not already attached to another replacement
* Vehicle requests will be reviewed to ensure compliance with fuel efficiency standards

OVM Lease Process:

* Lease availability is announced by OVM
* Agency Fleet Manager (“AFM”) reviews vehicle needs and funding availability with Agency CFO
* AFM submits Vehicle Requests to OVM for review, in required spreadsheet format
* OVM reviews, edits (if necessary) and processes request
* Upon receipt of approval from OVM, AFM obtains detailed quotes from dealers
* Agency & OVM review, edit (if necessary) and approve quotes
* OVM requests approval from Agency CFO via email to order vehicles based on approved quotes
  + Request for approval will include the quantity of vehicles, their descriptions and expected costs
  + *Agency CFO approval via email acts as legal & financial commitment for approved vehicle(s) in accordance with this Agreement*
    - *If Agency CFO does not provide approval via email, OVM will not order the requested vehicle(s)*
* Once a vehicle is ordered, delivered and placed in service, a lease schedule is issued to Agency

OVM Services:

In addition to financial leasing, OVM provides Administrative and Maintenance/Repair services.

An Administration Fee is charged to cover expenses incurred by OVM to provide services including:

* Vehicle purchasing through departmental or statewide contracts
* The receipt and inspection of all new passenger vehicles and light duty trucks
* Registrations, titles and plates (including renewals and duplicates)
* Fuel card management (statewide contracts for Fuel Card and Fuel Management Services)
* Coordination of maintenance, repair (including tires) and accident subrogation services and provision of vehicle packets (statewide contracts for Maintenance Management & Accident Subrogation Services)
* Driver accident reporting, monitoring, and follow-up
* Fleet inventory and data system management
* Vehicle redeployment or disposition management
* Assisting department fleet managers
* Compliance and auditing
* Management of the 1-800-How Am I Driving program and other citizen complaints
* Domicile approval process and IRS reporting services
* Management of federal reporting and alternative fuel mandates

A Maintenance/Repair Fee is charged to cover expected maintenance costs for normal wear & tear incurred by each leased vehicle. Coverage and exclusions are outlined below:

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| Maintenance/Repair Fee Covers:  Preventive Maintenance   * Oil changes * Tire rotations * Brake inspections * Tune-ups * Transmission flushes * State inspection stickers   Wear & Tear Repair or Replacement\*   * Brakes * Suspension * Electrical, sensors * A/C, coolant * Exhaust * Towing, diagnostics and labor * Tire repair/replacement * Miscellaneous parts   + Such as wiper blades | \*Wear & Tear Repair or Replacement:  Does NOT Include   * Cosmetic or rust repairs, including mirrors and glass * Damage due to accidents or vandalism   + Regardless of fault * Interior damage   + Such as upholstery, floor mat, door panel, dash, glove box or console damage * Radio, communications or navigation equipment * Keys, interior caging or security devices * Any vehicle cleaning * Repair or replacement of additional equipment   + Such as plows, sanders, lights, lifts * Loss or damage to personal items   *The Agency that is leasing the unit is responsible for any of the repairs noted above.* |

Important Note: Costs for any repairs that are required as a result of negligence, intentional or willful conduct, including those due to Agency or Driver action/inaction, are the responsibility of the Agency.

Lease Schedule:

A Lease Schedule will be issued for each vehicle placed into service, identifying the following details:

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| Agency Information: | |  | Approval Path Information: | |
| Agency Name | Agency Code |  | Date Requested | Requestor |
| Org Code | Current Agency Contacts |  | Date Approved | Approver |
| Funding Source | Account/Fund Codes |  | Date Ordered | Ordering Dealer |
|  | |  |  | |
| Vehicle Information: | |  | Lease Information: | |
| VIN | Plate # |  | Acquisition Cost | Lease Rate |
| Year | Make |  | In-Service Date | Maintenance/Repair Fee |
| Model | Trim/Drive |  | Lease Start Date | Administration Fee |
| Contract ID # | Asset # |  | Lease End Date | Total Monthly Lease Fee |

Term of the Lease: Each Lease Schedule under this Master Vehicle Lease & Assignment Agreement shall have a five (5) year term and shall terminate upon remittance of the sixtieth (60th) Agency payment of the total monthly lease fee as billed by OVM, unless terminated or properly amended in writing by the Parties prior to this date or terminated in accordance with OVM’s Policies and Procedures Manual. This Master Vehicle Lease & Assignment Agreement shall terminate upon remittance of all payments associated with all Lease Schedules created under this Agreement and completion of all terms included therein. Individual vehicles subject to this Agreement are identified in the Lease Schedule(s) that will be attached hereto, upon creation, and which may be updated from time to time.

Fees: Agency shall pay to OVM a total of sixty (60) monthly lease fee payments for each leased vehicle, payable by chargeback fee to reflect the costs associated with: (1) acquisition of the vehicle, including finance charges, (2) vehicle maintenance and repairs, and (3) administration. The applicable monthly fees will be outlined in each Lease Schedule. Bills will be issued on or about the fifteenth (15th) of each calendar month by OVM and will start with the billing date that occurs in the month following vehicle delivery. The portion of the monthly lease fee associated with vehicle acquisition costs shall be fixed for the five (5) year period, and may only be altered by written amendment between the Parties. OVM Maintenance/Repair and Administration Fees may be adjusted annually by OVM. A new Lease Schedule will be issued if an adjustment is made.

Vehicle Status:

Vehicles are considered to be owned by OVM and assigned to Agency during the term of the lease. At the end of the lease term, Agency may: (1) return the vehicle to OVM or (2) request written approval from OVM to update the vehicle’s status to owned by Agency and managed by OVM. This vehicle status is subject to additional terms and conditions, along with an Annual OVM Administration Fee, to be outlined in OVM’s written approval.

Authorized Vehicle Drivers: All drivers must be provided a copy of and comply with OVM’s Policies and Procedures Manual.

CERTIFICATIONS:

IN WITNESS WHEREOF, by executing this Master Vehicle Lease & Assignment Agreement below, the Agency and OVM certify, under the pains and penalties of perjury, that Agency and OVM understand and agree that any Agency and OVM officer or employee who knowingly violates, authorizes or directs another officer or employee to violate any provision of state finance law relating to the incurring of liability or expenditure of public funds, including this Agreement, may be considered to be in violation of M.G.L. c. 29, § 66, and therefore the Agency and OVM agree to ensure that this Agreement complies with, and that all staff or contractors involved with performance, including vehicle drivers pursuant to this Agreement, are provided with sufficient training and oversight to ensure compliance with the OVM Policies and Procedures Manual, the Agreement Terms and Conditions, including the Terms of Performance, and that all terms governing performance of this Agreement are attached to this Agreement, and the Agency and OVM agree to maintain the necessary level of communication (including immediate notification of any amendments to accounting information, or performance needs), coordination, access to reports and other Agreement reporting or information, and cooperation to ensure the timely execution and successful completion of the Agreement, amendments, and state finance law compliance; and that the Agency certifies it will ensure that sufficient funds are timely made available in the OVM account(s), with the proper accounting codes, prior to OVM’s need to begin initial or amended performance; and that OVM will not allow initial or amended performance to begin until the Agreement is executed AND the Agency account is sufficiently funded to support encumbrances and payments for performance, and OVM will make encumbrances and payments only from the authorized Agency account(s) and shall not be entitled to transfer charges made from any other account not approved in writing by Agency in advance of expenditures by OVM.

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**TERMS AND CONDITIONS**

OVM Certifications: OVM will make encumbrances and payments only from the authorized Agency account(s). OVM is authorized to use Master Vehicle Lease & Assignment Agreement funding only for the agreed upon costs of Agreement performance and may not use such funds to supplement non- Agreement related personnel or expenditures.

Agency Certifications: Signature by the Agency certifies that it has obtained the necessary approvals to request and receive leased vehicles, that it will ensure that sufficient funds are timely made available in the OVM account(s), with the proper accounting codes, prior to OVM’s need to begin initial or amended performance; that the Agency will monitor Agreement performance in compliance with the OVM Policies and Procedures Manual, and will communicate all fiscal information necessary for the set-up of the OVM interdepartmental encumbrance(s).

Financial Responsibility: The Chief Fiscal Officer or other authorized designee identified as the financial signatory authority for the Agency (“Agency CFO”) and OVM will be responsible for overseeing the fiscal management of Lease Schedules within their Departments in accordance with these Terms and Conditions.

Master Vehicle Lease & Assignment Agreement Manager: Both the Agency and OVM are responsible for ensuring that the Agreement Manager listed on the Agreement, or any amendments thereto, is current and that the Agreement Manager is an authorized signatory for the Department supported by the appropriate Security Profile. If the listed Agreement Manager changes, the designated or interim Agency CFO shall be the Agreement Manager until a replacement is identified via Written Notice.

Record-keeping and Retention: Agency and OVM shall maintain all Master Vehicle Lease & Assignment Agreement and Lease Schedule records in such detail as necessary to support claims for payment, including reimbursement, for at least seven (7) years from the last payment under the Agreement, or such longer period as is necessary for the resolution of any litigation, claim, negotiation, audit or other inquiry involving the Agreement, or as required by any amendments to the Commonwealth’s record retention laws.

Payments and Compensation: All Master Vehicle Lease & Assignment Agreement Lease Schedule payments are subject to appropriation pursuant to M.G.L. C. 29, or the availability of sufficient non-appropriated funds for the purposes of the Agreement. Overpayments or disallowed expenditures shall be reimbursed by OVM or may be offset from future Agreement payments in accordance with state finance law and instructions from the Office of the State Comptroller.

Master Vehicle Lease & Assignment Agreement Termination or Suspension: The Agreement shall terminate on the date specified, unless properly amended prior to this date, or unless terminated or suspended under this Section upon prior written notice. OVM may terminate the Agreement without cause and without penalty with at least thirty (30) days prior written notice, or may terminate or suspend the Agreement with reasonable notice if the Agency breaches any material term or condition or fails to perform or fulfill any material obligation required by the Agreement, or in the event of an elimination of an appropriation or availability of sufficient funds for the purposes of the Agreement, or in the event of an unforeseen public emergency mandating immediate OVM action. Upon immediate notification to the other party, neither party shall be deemed to be in breach for failure or delay in performance due to Acts of God or other causes factually beyond their control and without their fault or negligence.

Written Notice: Any notice shall be deemed delivered and received when submitted in writing in person or when delivered by any other appropriate method evidencing actual receipt by OVM or the Agency. Unless otherwise specified in the Agreement, legal notice sent or received by the Agency’s Agreement Manager or the CFO (with confirmation of actual receipt) through the listed E-Mail address for the Agreement Manager will satisfy written notice under the Agreement. Any written notice of termination or suspension delivered to OVM shall state the effective date and period of the notice, the reasons for the termination or suspension, if applicable, any alleged breach or failure to perform, a reasonable period to cure any alleged breach or failure to perform, if applicable, and any instructions or restrictions concerning allowable activities, costs or expenditures by OVM during the notice period.

Assignment: The Agency may not assign, delegate or transfer in whole or in part any Agreement, or any liability, responsibility, obligation, duty or interest under the Agreement. Assumption of the Agreement by a successor Department due to a legislative change in OVM’s or Agency’s department status shall be accomplished through the execution of a new Agreement.

Waivers: Forbearance, indulgence or acceptance by OVM or Agency of any breach or default in any form shall not be construed as a waiver and shall not limit enforcement remedies or allow a waiver of any subsequent default or breach.

Risk of Loss: OVM shall bear the risk of loss for any vehicle subject to this Agreement that is in the possession of OVM until such vehicle is received by the Agency. After receipt, the Agency shall bear the risk of loss for any vehicle governed by the Agreement. In the event of vehicle loss, Agency cost responsibility shall be determined in accordance with Section 5 of the Terms of Performance of these Terms and Conditions.

Disputes: Agency and OVM agree to take all necessary actions to resolve any dispute arising under the Agreement within thirty (30) calendar days including department head and secretariat involvement, but in no event shall a dispute remain unresolved more than thirty (30) days beyond the end of any fiscal year, nor may the Agency or OVM allow a dispute to create a violation of state finance law or other violation of Agreement terms (such as a delay in funding, failure to timely communicate funding changes, or failure to timely process paperwork).

If any Agreement provision is superseded by state or federal law or regulation, in whole or in part, then both Parties shall be relieved of all obligations under that provision to the extent necessary to comply with the superseding law, provided however, that the remaining provisions of the Agreement, or portions thereof, shall be enforced to the fullest extent permitted by law. The terms of this Agreement shall survive its termination for the purpose of resolving any claim, dispute or other action, or for effectuating any negotiated representations and warranties.

TERMS OF PERFORMANCE:

1. At all times, vehicles subject to an Office of Vehicle Management Master Vehicle Lease & Assignment Agreement shall remain titled to the Executive Office for Administration and Finance.
2. Agency shall be responsible for ensuring that vehicles subject to the Agreement are operated in a manner fully consistent with OVM’s most current Policies and Procedures Manual.
   1. This provision applies to all vehicles acquired through the OVM Lease Program, including those within Agencies that are generally considered exempt from OVM oversight, such as Law Enforcement entities, specifically in regard to the following areas:
      1. Acquisition and payment processes for leased vehicles
      2. Notification of any vehicle modifications to OVM
      3. Adherence to motor vehicle laws and regulations
      4. Accident & stolen vehicle reporting procedures
      5. Safe Driving Program, excluding 1-800-How Am I Driving
      6. Preventive maintenance and repair procedures
         1. Any Agency wishing to utilize internal garages for maintenance or repairs to leased vehicles must execute an addendum that outlines the terms and conditions under which this would be allowed
      7. Fuel card usage and procedures
      8. Adherence to IRS reporting requirements for personal use of state vehicles
3. Failure to abide by the terms of the Agreement or OVM Policies and Procedures Manual may result in the revocation of Agency’s assigned vehicles and/or termination of the Agreement by OVM.
4. If, for any reason, vehicle is returned to OVM prior to the end date of the Agreement, the Agency shall remain liable for remaining costs, including unrecovered excess repair fees, for the duration of the Agreement or until such time as the vehicle is reassigned to another Agency or otherwise disposed of. The OVM Lease Administrator shall determine and bill such costs to Agency.
5. In the event vehicle is declared a total loss during the term of the Agreement, the Agency shall be responsible for payment of remaining balance of all vehicle acquisition fees due for the entire five (5) year term. To generate a payment amount for a vehicle subject to total loss, OVM Lease Administrator shall first net out: (1) remaining OVM administration fees and (2) remaining OVM maintenance and repair fees.
6. In the event Agency seeks to retain use of the vehicle upon expiration of the Agreement, Agency must obtain written approval from OVM. OVM continues to provide administrative services beyond the lease term, but maintenance and repairs become Agency responsibilities.

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| Agency Authorized Signature:  Date:  (Date must be handwritten at time of signature) | OVM Authorized Signature:  Date:  (Date must be handwritten at time of signature) |
| Print Name: «CFO\_First» «CFO\_Last» | Print Name: Alex Giannantonio |
| Print Title: «CFO\_Title» | Print Title: Director of Fleet Policy & Administration |

1. For the purposes of the OVM Lease Program, “passenger vehicles” include all sedans, crossovers, sport utility vehicles and vans up to 10,000 lbs. GVWR (Gross Vehicle Weight Rating) and “light duty trucks” include all traditionally labeled “Compact, ½-Ton, ¾-Ton and 1-Ton” trucks and vans, regardless of GVWR. Motorcycles are excluded. Law enforcement tier “LE1” vehicles, as defined in GSA FMR Bulletin B-33, are also excluded. [↑](#footnote-ref-2)