



Fleet Management Service Agreement

LONG TERM LEASE VEHICLE SERVICES PROVIDED TO THE
{INSERT DEPARTMENT}, BY UT KNOXVILLE FLEET MANGEMENT.

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Summary

The UT Knoxville Fleet Management provides long term leased vehicles (exceeding four months in duration), as part of their services to the campus community, through defined chargeback models. Further information may be obtained from the Fleet Management website (fleetmanagement.utk.edu) or by contacting the department directly at 865.974.2134.

This Service Agreement (SA) between University of Tennessee Knoxville (UTK) Fleet Management (FM) (the “Service Provider”) and the {INSERT DEPARTMENT} (the “Customer”) establishes a commitment for long term transportation needs provided by FM in support of {INSERT DEPARTMENT}.

SA Review

The UTK FM Director responsible for this SA (acting on behalf of Service Provider) will hold a review with {DEPT NAME} (acting on behalf of the Customer). This review will occur upon request by the Customer or after a departmental change in leadership within the Customer’s department. Current service levels as described may change based on yearly or biennial reevaluations of Fleet Management budgeting requirements. If major changes are initiated, new service agreements or amendments will be completed.

During the review process the Service Provider will provide an updated UTK Cost Model to the Customer reflecting cost for services currently being offered by the Service Provider. The updated UTK Cost Model will be available to the Customer no later than January 31 (following CBO approval) of any given year to allow the Customer time to prepare for the upcoming fiscal year budget cycle.

SA Framework and Approvals

This Service Level Agreement (SA) is to be used to document long term leased vehicle services provided by FM. This document articulates the formal service commitments made by FM, as the Service Provider to the Customer. This document will be reviewed and approved by the Director of Fleet Management or a designated FM representative and {INSERT DEPARTMENT}.

Service Objectives

FM makes available to the Customer the use of a long term leased vehicle and associated services listed below. FM provides long term leased vehicle services to the campus community as a whole through standard monthly lease charges. Vehicle services specifically identified below are included in the Customer's monthly lease amount.

The quantity and types of vehicles available for long term lease fluctuates on a daily basis.

However, typical examples of obtainable vehicle types would include:

- Sedans – 4 to 5 passengers, of varying types and sizes
 - Minivans – 7 passengers, can be passenger or cargo
 - Sport Utility Vehicles – 4 to 6 passengers, of varying types and sizes
 - Passenger vans – 12 passengers, can be passenger or cargo
 - Trucks – 2 to 5 passengers, of varying types and sizes
- Vehicles have specified preventative maintenance included in the monthly charge.
 - Vehicles have a flat charge with unlimited miles included in their monthly charge.
 - Vehicles are provided a tax-free fuel card for fuel consumed by the vehicle. All fuel is charged back to the leasing department.
 - Vehicles are all direct billed through a monthly interdepartmental transfer.
 - Loaner vehicles are provided for the leased vehicle for servicing/repairs, when available.
 - GPS and fuel purchase data can be provided, if available, upon request.
 - For any charges (such as damage due to negligence) that are billed back to the leasing department, Fleet Management will repair or manage the repair of the vehicle using formalized agreements with local body shops and parts vendors. All FM labor will be calculated at a standard hourly rate.

Method of Initiating Service

Customers can make an inquiry or request by calling FM at 865.974.2134 or submitting a request form located on the FM website at fleetmanagement.utk.edu. The completed forms can be emailed to the FM email address – fleetmanagement@utk.edu.

FM Response to a Service Request

If the Customer has specific requests or issues that need to be addressed, please contact FM directly via phone or email. For requests placed through the standard avenues, FM employees are available Monday - Friday, 8:00 AM - 5:00 PM when the University is open for business and will acknowledge service requests within one business day. For requests submitted outside of these hours, we will respond the following business day. The office phone number is 865.974.2134. The departmental email account is fleetmanagement@utk.edu.

Escalation of Service Issues

For disputes regarding the services covered in this SA, the following steps of escalation should be followed until resolution:

- Step 0: Issue Identified
- Step 1: UTK FM Representative, {INSERT DEPARTMENT} attempt to resolve
- Step 2: UTK FM Director attempt to resolve
- Step 3: For extremely rare issues, UTK Executive Director of Auxiliary Services and/or Sr. Associate Vice Chancellor for Finance and Administration resolves.

Termination of Agreement

Either party may terminate this long term lease agreement with 30 day written notification. However, {INSERT DEPARTMENT} will be subject to one of the options detailed below with respect to a vehicle lease.

Fleet Management provides two types of long term leasing categories:

- Existing vehicle lease or;
- Special purchase lease

An existing vehicle lease includes a vehicle already purchased and in use by Fleet Management. The vehicle is leased to the Customer without any special duration requirements.

If a department determines that it would rather lease a newly purchased or non-available vehicle in lieu of utilizing a vehicle from the rental pool, there are a few considerations to be made. A special purchase lease will be required in order to ensure all depreciation costs associated with the vehicle are recovered. Fleet Management will agree to purchase a new vehicle with the mutual understanding that one of two processes are followed. The first option consists of, ideally, leasing the vehicle through the full depreciation/lease time period. Depreciation periods are usually 60 months. Qualifying service vehicles may depreciate over a 120 month period. After that time period, the lease is month to month without duration considerations.

Secondly, if for any reason the department determines it no longer requires the vehicle for the full lease agreement time period, the leasing department will be responsible for the monthly payments until the vehicle is either leased to another department or sold. If sold, and the sale price did not meet or exceed the remaining book value, the department will be required to cover the difference between book value and the sale price. Anytime a vehicle is returned early, a **mandatory 30 day written advance notice** must be provided to streamline the reassignment or sales process.

If the business needs of the campus determine that the leased vehicle must be replaced with a different vehicle, the Customer must surrender the vehicle. Any adjustments of lease rates would be handled accordingly by FM. A new Service Agreement may be required.

After a vehicle is returned, if it is found to have damage to the vehicle the costs or repairs will be forwarded to the Customer. Damages such as curbed tires, scraped body panels, and broken windows would be examples of negligent damage. In addition, if the vehicle is returned in an excessively dirty state, additional FM labor fees or 3rd party professional cleaning fees will be forwarded to the Customer.

Approvals

All long term lease vehicle charges, associated fuel, and any other charges will be debited via interdepartmental transfer on a monthly basis. The benefits received from this amount is reflected in the previous Service Objectives. Fleet Management reserves the right to adjust rates based on FM budgetary requirements.

Account number to be charged: _____

Initial UT #: see attached_____

Color: _____

Year: _____

Make: _____

Model: _____

Beginning mileage: _____

License Plate: _____

Initial Lease: \$ _____

Note:

The vehicle will be inspected and any damage will be recorded before the vehicle is released for the long term rental. The effective period of this agreement is concluded. After the effective period is concluded, the agreement then converts to a month-to-month arrangement.

Name	Role	Signature	Date

Appendix A – Mutual understandings

Fleet Management will provide to the Customer: a vehicle, a single key, and a fuel card. In an effort to standardize the FM fleet, some vehicle makes, models, body types, and options may be required by FM. The monthly lease amount may fluctuate from year to year dependent on operating cost changes. The lease amount will cover the cost of the vehicle as well as the preventative maintenance. Normal wear items such as tires, wiper blades, and brakes and rotors are also included in the lease amount, if the components of the vehicle are worn by normal daily use. The replacement or repair of defective parts which are determined to be no fault of the department are covered, as well.

All up fitting or after-market additions that are made to the vehicle after the vehicle was purchased must be paid for in full at the time of the up fitting by the Customer. Examples may include an extra key, bed liners, or specialized floor mats. The only exception to this rule would be in regards to retro-fitting an existing vehicle to fulfill a customer need. Costs associated with that vehicle would be decided between the Director of Fleet Management and the Customer.

Repairs due to negligence are not included in the preventative maintenance program. The Customer understands that *all* damage to state owned vehicles must be promptly reported to Risk Management and Fleet Management via Risk Management’s “Driver’s Report of Vehicle Accident” form (see Fiscal Policy FI0135). The costs of damages to leased vehicles while in the care of a leasing department will be charged back to the leasing department unless a police report specifies the damage was not caused by driver error or neglect.

As long as, all precautions were taken to protect UT property, in the event a vehicle is damaged due to “Acts of God” or unexpected severe weather, the damages to the vehicle will not be charged back to the department. Examples such as chipped windshields, flood damage, animal impacts, and hail would not, necessarily, be considered negligence by the department.

The leasing department agrees to comply with all preventive maintenance requests. The vehicles are monitored by fuel consumption and/or time period to determine when the vehicle requires preventative maintenance servicing. The vehicle must be delivered to FM within 2 weeks of the request unless instructed otherwise by FM staff.

If the leased vehicle is continuously based outside of Knoxville and it is not able to be serviced by Fleet Management, an additional service package will be supplied to ensure proper maintenance of the vehicle. This program (TMS) will be utilized for all vehicle maintenance or repairs for this select group of vehicles.

Appendix A – Mutual understandings (continued)

Each vehicle will be provided with a universal fuel card which is vehicle specific and activated by the personnel number of any active employee. This fuel card must be used for all fuel purchases to assist in efficient and prompt preventative maintenance, as well as, fuel reporting purposes for the campus. Use of the fuel card results in lower cost per gallon rates due to the omission of state taxes and a negotiated bulk purchase price. It will be the Customer's responsibility to ensure that the assigned vehicle's fuel card is used only to fuel the associated vehicle. Starting July 1, 2017 all fuel purchases for the leased vehicle will be passed back to the Customer. Complete fuel transactional data will be made available to the Customer.

The appearance of UT vehicles is important. To assist, the Fleet Management car wash is available (depending on rental demand) for car washes and light vacuuming during normal business hours. Please contact FM in advance to schedule a cleaning. Car washes associated with outside companies are allowed once a month with a maximum cost of \$15 per wash.

All tolls and tickets are the responsibility of the Customer. If FM receives notice of an occurrence, FM will make every attempt to relay the information to the affected Customer for rectification.

Appendix B – Summary of Responsibilities

Responsibilities of the Provider (FM) and the Customer (INSERT DEPARTMENT) for each service listed in Appendix B, are listed below.

The Customer (INSERT DEPARTMENT) will ensure that the following expectations and responsibilities are upheld in regards to the long term lease of the vehicle.

1. The leased vehicle will be maintained in a clean and professional order by the Customer as is expected while representing the University in a University owned vehicle.
2. Smoking is not allowed in the vehicle.
3. Only service animals are allowed inside of the cab of vehicles.
4. The Customer shall utilize the vehicle in a responsible and professional matter by obeying all laws including the speed limit.
5. The Customer shall ensure that all vehicle preventative maintenance requests from the Provider will be concluded within 2 weeks of the request.
6. Any and all vehicle incidents will be reported within 24 hours to the Provider and Risk Management via Risk Management's "Driver's Report of Vehicle Accident" form. The report must be completed even if no damage seems apparent. If a police report exists, the report number is also required.
7. All fuel utilized by the vehicle will be purchased using the provided fuel card.
8. The Customer will ensure that the drivers record accurate odometer entries at the fuel pump for every fuel purchase.
9. The Customer will reconcile and verify that all fuel purchases relayed back to the leasing department are valid and appropriate.
10. The Customer will keep FM informed of all account information changes. Examples include account numbers and contact information.
11. The Customer will ensure that all drivers of the vehicle can legally and safely operate UT owned vehicles.
12. The Customer will provide a 30 day written advance warning when planning on surrendering a long term lease vehicle.

Appendix B – Summary of Responsibilities (continued)

The Provider will ensure that the following expectations and responsibilities are upheld in regards to the long term lease of the vehicle.

1. The Provider will ensure that a clean and mechanically reliable vehicle is provided, as well as, a single vehicle key.
2. The Provider will maintain a tax-free fuel card along with an onsite fuel island with discounted fuel.
3. The Provider will ensure timely preventative maintenance work is completed on the vehicle.
4. The Provider will administer an ARI Roadside Assistance program for after hours or off campus issues.
5. The Provider will provide a preventative maintenance program managed by a 3rd party for select vehicles who are not based in the Knoxville area.
6. The Provider will manage the vehicle, fuel card, preventative maintenance, vehicle repairs, direct billing, & reporting.

List of vehicles that are included in this service level agreement are listed below: