

**SOUTH CAROLINA BUDGET AND CONTROL BOARD
GENERAL SERVICES DIVISION
STATE FLEET MANAGEMENT**

STANDARD STATE-OWNED VEHICLE LEASE AGREEMENT

This Agreement, made this ___ day of _____ between the South Carolina Budget and Control Board, General Services Division, State Fleet Management Section hereinafter known as Lessor, and _____, a State Agency or local government agency of the State of South Carolina hereinafter known as Lessee, Lessor hereby leases to Lessee the State-owned vehicles described in Appendix D, for use in the conduct of official government business, subject to the following terms and conditions.

1. **TERM OF LEASE** - The term of this Agreement shall commence on the date of acceptance by Lessee and shall continue until terminated by either party as provided in Appendices A and B. The initial term of this Agreement must be for a period of at least twelve (12) months, from the date of acceptance by Lessee.
2. **LEASE RATES** – Lease rates and the effective date thereof shown in Appendix C shall be adjusted annually, subsequent to the award of State Term Contracts for vehicles as awarded by the Materials Management Office. Revised rates will normally be published by Lessor during the second quarter of each fiscal year and shall become effective beginning the first billable day of the third quarter of each fiscal year. Lessee agrees to pay Lessor the amounts resulting from the Lease Fee Schedule in Appendix C as revised annually. The payments shall be as specified in Appendix B.
3. **FUEL SURCHARGE** – The vehicle mileage rate is established using \$2.25 as the price per gallon of gasoline. The price of gasoline will be monitored by State Fleet Management. In the event the price of gasoline increases by at least 10% and remains for a continuous three month period, the mileage rate will increase 1 cent per mile per 10% increase.
If the price of gasoline decreases at least 10% and remains for a continuous three month period State Fleet Management will decrease the mileage rate 1 cent per mile per 10% decrease.
4. **VEHICLES LEASED (APPENDIX D)** – The list of vehicles leased referenced as Appendix D shall be maintained electronically within the South Carolina Equipment Management Information System (SCEMIS) and shall be adjusted therein as needed. Lessee shall be provided a current copy of Appendix D annually for the purpose of reconciliation and vehicle replacement or retention confirmation. Lessee shall sign and return a copy of this Appendix to Lessor. This shall constitute a renewal of this agreement.
5. **MINIMUM CHARGES** – Lessee will be charged the monthly flat rate as indicated in Appendix C, and for the actual miles used each month.
6. **TITLE**: The vehicles shall at all times remain the property of Lessor, and Lessee shall have no right, title, or equity interest therein except as expressly set forth in this Agreement.
7. **GOVERNING LAW** - This Agreement shall be governed in all respects by the laws of the State of South Carolina.
8. **DEFAULT** - Upon the failure of Lessee to make any payment when due, or upon the failure of Lessee to perform any other obligation imposed upon it by this Agreement and upon the continuance of such failure for 10 days after the mailing of written notice thereof by Lessor pursuant to paragraph 10, Lessee shall be deemed to be in default and Lessor shall have the right to terminate this Agreement. Upon the failure of Lessor to perform any obligation imposed upon it by this Agreement, and upon the continuance of such failure for 10 days after the mailing of written notice thereof by Lessee pursuant to paragraph 10, Lessor shall be deemed to be in default and Lessee shall have the right to terminate this agreement.

9. **TERMINATION AND REMEDIES** - This Agreement may be terminated as provided in paragraph 8 or in Appendices A and B. Upon the termination of this Agreement, Lessee shall remit all sums due to Lessor within sixty days of such termination.
10. **NOTICES** - All notices and other communications made or required to be given under this Agreement shall be made in writing and mailed to the other party at its address as set forth herein or at such address as the party may provide from time to time.
11. **OBLIGATIONS**: Parties agree to the terms of this agreement including Appendices A through D.

Lessor's Address: South Carolina Budget and Control Board
 State Fleet Management
 1026 Sumter Street, 2nd Floor
 Columbia, South Carolina 29201-3746

Lessee's Address: _____

12. **ENTIRE AGREEMENT** - This Agreement and attached Appendices constitute the entire Agreement between the parties and may not be amended, altered, or changed except after approval from the General Services Division, State Fleet Management and by a written agreement signed by the parties, however the vehicles covered by this agreement and shown on Appendix D may be adjusted as needed upon mutual agreement by the parties. Such an adjustment of Appendix D will not alter any other portion or requirement of this agreement. Lessor reserves the right to promulgate new, or amend existing State statutes, regulations, policies and procedures concerning the operation of State vehicles without the consent of Lessee.

ACCEPTED AND EXECUTED THE DATE STATED ABOVE

LESSOR:
BY: _____
 Warren J. McCormack
ITS: State Fleet Manager

LESSEE:
BY: _____
ITS: _____

APPENDICES:

- A. Obligations of Lessor
- B. Obligations of Lessee
- C. Lease Fee Schedule
- D. Vehicles Leased
- E. Vehicle Replacement Criteria

APPENDIX A

SOUTH CAROLINA BUDGET AND CONTROL BOARD GENERAL SERVICES DIVISION STATE FLEET MANAGEMENT

Obligations of Lessor

- Provide Lessee the vehicles shown in Appendix D, at the lease rates shown in Appendix C.
- Pay all costs associated with ownership and operation of said vehicles, exclusive of those further indicated in Appendix B.
- Carry the standard state liability insurance on each leased vehicle.
- Replace each vehicle at the end of its life cycle with a new vehicle or a serviceable used vehicle of the same class that is still within designated life cycle (Appendix D) unless both parties agree to one of the following:
 - a.) Lessee chooses to have the vehicle replaced with a vehicle of a different class. In such instance any change in class or application shall require the submission of appropriate justification from Lessee, and approval by the State Fleet Manager.
 - b.) Lessee chooses not to have the vehicle replaced and to terminate the lease on that particular vehicle. In such instance Appendix D shall be adjusted accordingly.
- Lessor reserves the right to periodically adjust its Vehicle Life Cycles (Appendix C).
- Maintain each vehicle in a safe and serviceable condition. Lessor reserves the right not to make repairs when, in the sole discretion of the Lessor, these repairs are not in the best interest of the State.
- In the event it becomes uneconomical to repair a vehicle due to unforeseen circumstances, Lessor agrees to provide a temporary replacement vehicle to Lessee as soon as may be practicable. Such replacement vehicle may be of a different type than the original vehicle and may be in used condition. As soon as practicable, Lessor will replace temporarily issued vehicles with a new vehicle or a serviceable used vehicle of the same class that is still within designated life cycle (Appendix C).
- Credit Lessee for one day's lease fee (motor pool rate) for each day exceeding the initial three work days (exclusive of weekends and holidays) that a vehicle is in a state or commercial repair facility, and not ready for use. Initial three days includes the day the vehicle was turned in to the repair facility. Lessor shall not be responsible for any charges or expenses (i.e. operator lodging, meals, travel, replacement vehicle rental, etc.) resulting from the failure of a vehicle to perform, unless those expenses are pre-approved by Lessor.
- Provide Lessee an invoice for lease fees for each vehicle leased during the billing cycle, to the office designated by Lessee, not later than the 20th day of the month following the billing cycle.
- Provide Lessee 30 calendar days written notice of Lessor's desire to terminate this agreement.

APPENDIX B

SOUTH CAROLINA BUDGET AND CONTROL BOARD GENERAL SERVICES DIVISION STATE FLEET MANAGEMENT

Obligations of Lessee

- Abide by all State statutes, regulations, policies and procedures concerning the operation of State-owned vehicles.
- Provide Lessor appropriate written justification for additional vehicles which Lessee desires to lease as far as possible in advance of the date vehicles are needed.
- Not assign custody of leased vehicles nor sublet vehicles to other parties without the express written consent of Lessor.
- Pay Lessor's monthly lease invoices **within thirty (30) calendar days** of the invoice date.
- Pay Lessor a late fee of 1% per month for each invoice which is not paid by the due date (see above).
- At the expiration of this lease, or upon demand of Lessor (See Default Section on Main Agreement), Lessee shall return vehicle in good working condition, reasonable wear and tear excepted, to such location designated by Lessor.
- Abide by Lessor's policies concerning authorized credit card purchases and vehicle maintenance procedures. Lessee agrees to reimburse Lessor for any unauthorized fuel credit card purchases of products or services, or for the cost of damages resulting from the use of the improper type of fuel or other fluids in vehicles.
- Remit to Lessor any charges assessed by Lessor's Accident Review Board's review of accidents.
- Pay Lessor all costs and expenses, including reasonable attorney's fees, and other expenses incurred by Lessor in enforcing any terms, conditions, or provisions of this agreement, whether incurred before or after judgment.
- Ensure all drivers of leased vehicles are informed of all statutes, regulations, policies, and procedures governing the operation of State vehicles.
- Use leased vehicles in a careful and proper manner and only for their intended use. Lessee shall not be responsible for reasonable wear and tear from this use, however Lessor reserves the right to charge Lessee for excessive wear and tear or any damage or deterioration resulting from operator abuse or negligence on vehicles.
- Not alter leased vehicles in any manner without the express written consent of Lessor. Wherein Lessor grants such consent, all costs of any such alterations shall be borne by Lessee.
- Allow Lessor, upon reasonable prior notice and during Lessee's normal working hours, to inspect the vehicles and observe their use.
- Provide Lessor thirty (30) calendar days written notice of Lessee's desire to terminate this agreement. If Lessee fails to comply with this provision, Lessor may charge Lessee one month's lease fee for each vehicle to be returned.

APPENDIX C

Appendix C: Long-term Lease Rates

2011 Model Year

| Vehicle Class | Standard | | Special Use | |
|----------------------------|--------------|--------------|--------------|--------------|
| | Monthly Rate | Mileage Rate | Monthly Rate | Mileage Rate |
| Compact Sedan | \$ 269 | \$ 0.13 | * | * |
| Intermediate Sedan | \$ 323 | \$ 0.17 | * | * |
| Intermediate Police Sedan | \$ 421 | \$ 0.20 | * | * |
| Full Size Police Sedan | \$ 475 | \$ 0.22 | * | * |
| Compact Station Wagon | \$ 296 | \$ 0.15 | * | * |
| Minivan | \$ 372 | \$ 0.16 | * | * |
| Mini Cargo Van | \$ 258 | \$ 0.20 | \$ 196 | \$ 0.20 |
| 15 Passenger Van | \$ 336 | \$ 0.22 | \$ 223 | \$ 0.22 |
| Full Size Cargo Van | \$ 225 | \$ 0.25 | \$ 173 | \$ 0.25 |
| Compact Utility 4x4 | \$ 369 | \$ 0.20 | * | * |
| Compact Utility 4x2 Hybrid | \$ 473 | \$ 0.20 | | |
| Intermediate Utility 4x2 | \$ 397 | \$ 0.19 | * | * |
| Intermediate Utility 4x4 | \$ 433 | \$ 0.20 | * | * |
| Full Size Utility 4x2, 4x4 | \$ 388 | \$ 0.26 | \$ 254 | \$ 0.26 |
| Compact Pickup | \$ 214 | \$ 0.18 | \$ 150 | \$ 0.18 |
| ½-ton Pickup 4x2 | \$ 301 | \$ 0.20 | \$ 202 | \$ 0.20 |
| ½-ton Pickup 4x4 | \$ 372 | \$ 0.22 | \$ 245 | \$ 0.22 |
| ¾-ton Pickup 4x2 | \$ 284 | \$ 0.24 | \$ 192 | \$ 0.24 |
| ¾-ton Pickup 4x4 | \$ 364 | \$ 0.27 | \$ 239 | \$ 0.27 |
| High Cube Van <12,000 GVW | § | § | * | * |
| Handicap Van | \$ 522 | \$ 0.39 | \$ 381 | \$ 0.39 |
| Mini Bus | \$ 418 | \$ 0.33 | \$ 308 | \$ 0.33 |

NOTE: Base rates shown are for standard equipment as listed on State Term Contracts for Vehicles. Rates are computed from actual cost. They will vary if vehicle is different from standard specifications.

* SFM does not offer these types of vehicles on the Special Use Rate.

§ Contact State Fleet for a price quote on these types of vehicles.

APPENDIX D

**SOUTH CAROLINA BUDGET AND CONTROL BOARD
GENERAL SERVICES DIVISION
STATE FLEET MANAGEMENT**

VEHICLES LEASED

The attached list of leased vehicles is current as of

APPENDIX E

SOUTH CAROLINA BUDGET AND CONTROL BOARD GENERAL SERVICES DIVISION STATE FLEET MANAGEMENT

VEHICLE REPLACEMENT CRITERIA

It is the intent and policy of the Budget and Control Board that the State achieve the maximum return on investment in its motor vehicle fleet. The table shows disposal criteria for the various classes and sizes of state vehicles. These criteria are established as minimums only. Agencies may continue to operate vehicles past these minimums as long as they are determined to be safe and cost effective to operate.

Vehicles may be identified for disposal before the minimum criteria have been met when the cost of repairs shall be determined to be non-cost effective, or if a vehicle is declared excess to the needs of the State.

Non-compliance with these criteria may be cause for disapproval of requests to acquire replacement vehicles without additional justification. The criteria for non passenger-carrying vehicles and buses are recommended minimum guidelines, and agencies may apply their own criteria for these classes. However, if other criteria not meeting these minimums are used, agencies shall forward a copy of such, including justifications, to SFM for approval.

| Vehicle Type | Replacement Cycle, in Months | Miles |
|------------------------------------|-------------------------------------|--------------|
| Sedan, Compact | 84 | 100,000 |
| Sedan, Mid-size | 84 | 110,000 |
| Sedan, Full-size | 72 | 125,000 |
| Sedan, Executive | 72 | 125,000 |
| Sedan, Police | 48 | 125,000 |
| Station Wagon, Mid-size | 84 | 125,000 |
| Van, Mini, Passenger | 84 | 125,000 |
| Van, Window, 250 Reg., 12 Pass | 96 | 150,000 |
| Van, Window, 350 Extended, 15 Pass | 96 | 150,000 |
| Van Handicapped | 120 | 150,000 |
| Van, Mini, Cargo | 120 | 125,000 |
| Van, Cargo, 2500 >8500 | 120 | 150,000 |
| Utility, Mid-size, 4x2 | 84 | 125,000 |
| Utility, Mid-size, 4x4 | 84 | 125,000 |
| Utility, Full-size, 4x2 | 84 | 150,000 |
| Utility, Full-size, 4x4 | 84 | 150,000 |
| Pickup 2500 >8500, 4x4 | 84 | 150,000 |
| Pickup, Compact, 4x2 | 96 | 125,000 |
| Pickup, 1500 <8500, 4x2 | 120 | 150,000 |
| Pickup, 2500 >8500, 4x2 | 120 | 150,000 |
| Hi-Cube Van, 30,000 GVWR & Below | 120 | 150,000 |
| Bus, other Front Engine | 120 | 150,000 |
| Bus, Handicap | 120 | 150,000 |
| Bus, School, Mini | 120 | 150,000 |