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TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON APRIL 29, 2014
FROM:	JOHN BRAAM, P.ENG MANAGING DIRECTOR - ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	VEHICLE LEASE AGREEMENT FLEET SERVICES AND LONDON ANIMAL CARE CENTRE

RECOMMENDATION

That, on the recommendation of the Managing Director - Environmental & Engineering Services & City Engineer, the attached proposed by-law BE INTRODUCED at the Municipal Council meeting to be held on May 6, 2014 to:

- a) approve a Vehicle Lease Agreement, appended to the above-noted by-law as Schedule 1, between The Corporation of the City of London and London Animal Care Centre (LACC) for the lease of City owned vehicles described as;
 - 2006 Ford F150 Pick-up, VIN# 1FTRF12296NB35399
 - 2006 Ford E150 Full Size Van, VIN # 1FTRE14W36DB22737
 - 2006 Ford E150 Full Size Van, VIN # 1FTRE14W56DB22738
 - 2006 Ford E150 Full Size Van, VIN # 1FTRE14W76DB22739
 - 2006 Ford E150 Full Size Van, VIN # 1FTRE14W36DB22740
 - 2006 Ford E150 Full Size Van, VIN # 1FTRE14W56DB22741
- b) authorize the Mayor and the City Clerk to execute the lease agreement noted in a), above.

BACKGROUND

Discussion

The above recommendation along with the attached Vehicle Lease Agreement and by-law, (Schedule 1), is necessary to ensure the appropriate approval and authority is in place to enter into a full service lease agreement with London Animal Care Centre for the continued use of the City owned vehicles used exclusively by London Animal Care Centre staff.

London Animal Care Centre is not a board or commission of the City and therefore requires a special lease agreement that speaks to the terms and conditions that apply to the vehicle use, maintenance, service, licensing, fuel and cost recovery methodology that reflects the current arrangement with London Animal Care Centre. The lease will also allow London Animal Care Centre to obtain the appropriate insurance coverage for the vehicle.

Financial Impact

The Lease Agreement represents a full cost recovery system and therefore has no foreseeable negative financial impact for the City. This service can be accomplished within existing fleet services staff and facilities. Shared services and agreements with external clients improves the utilization of municipal staff and facilities and improves overall efficiency.

Risk Implications

The size of the deductibles' and self-insured retentions under the City's insurance policies, while cost-effective, would result in costs arising from negligence while London Animal Care Centre is using and operating the vehicles. Transferring the risk of losses or claims through a lease agreement formalizes the intentions of both parties and reduces the City's cost of risk and the administrative expense of managing use and operation of these vehicles.

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Acknowledgements

The Lease Agreement and report was prepared by Mike Bushby, Division Manager, Fleet and Operational Services in conjunction with Jennifer Smout – Solicitor II – Legal Services and Jason Wills – Manager Risk Management

SUBMITTED BY:	REVIEWED AND CONCURRED BY:
MIKE BUSHBY DIVISION MANAGER – FLEET AND OPERATIONAL SERVICES	JAY STANFORD DIRECTOR – ENVIRONMENT, FLEET & SOLID WASTE

RECOMMENDED BY:
JOHN BRAAM, P.ENG. MANAGING DIRECTOR - ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER

cc. Jennifer Smout – Solicitor II
Jason Wills – Manager III