

|                 |   |
|-----------------|---|
| <b>TO:</b>      | <b>CHAIR AND MEMBERS<br/>CORPORATE SERVICES COMMITTEE<br/>MEETING ON TUESDAY, JULY 23, 2013</b>                   |
| <b>FROM:</b>    | <b>JOHN BRAAM, P.ENG<br/>MANAGING DIRECTOR - ENVIRONMENTAL &amp;<br/>ENGINEERING SERVICES &amp; CITY ENGINEER</b> |
| <b>SUBJECT:</b> | <b>VEHICLE LEASE AGREEMENT<br/>FLEET SERVICES AND TOURISM LONDON</b>  |

|                       |
|-----------------------|
| <b>RECOMMENDATION</b> |
|-----------------------|

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 July 30, 2013 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 Tourism London for the lease of a City owned vehicle described as a 2012 Dodge Grand Caravan VIN # 2C4RDGBG5CR199233; and
- b) authorize the Mayor and the City Clerk to execute the lease agreement noted in a), above.

|                   |
|-------------------|
| <b>BACKGROUND</b> |
|-------------------|

**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 Tourism London for the continued use of the City owned van used exclusively by Tourism London staff.

Tourism London 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 Tourism London. The lease will also allow Tourism London 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 achieved by utilizing existing fleet facilities and staff.

**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 Joy Jackson Manager III – Risk Management

|   |   |
|---|---|
| <b>PREPARED BY:</b>   | <b>REVIEWED AND CONCURRED BY:</b>   |
|   |   |
| <b>MIKE BUSHBY<br/>DIVISION MANAGER, FLEET &amp;<br/>OPERATIONAL SERVICES</b>                 | <b>JAY STANFORD, M.A., M.P.A.<br/>DIRECTOR, ENVIRONMENT, FLEET, &amp;<br/>SOLID WASTE</b> |
| <b>RECOMMENDED BY:</b>  |   |
|   |   |
| <b>JOHN BRAAM, P.ENG.<br/>MANAGING DIRECTOR, ENGINEERING<br/>SERVICES &amp; CITY ENGINEER</b> |   |

Y:\Shared\Administration\Committee Reports\CSC 2013 07 Tourism London vehicle lease agreement.docx

- cc. John Winston, General Manager, Tourism London  
Jennifer Smout – Solicitor II  
Joy Jackson – Manager III

Bill No.  
2013

By-law No.

A By-law to approve the Vehicle Lease Agreement with Tourism London; and to authorize the Mayor and City Clerk to execute the agreement.

WHEREAS subsection 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Vehicle Lease Agreement to be entered into between The Corporation of the City of London and Tourism London, for the lease of a City-owned Vehicle described as a 2012 Dodge Grand Caravan, VIN # 2C4RDGBG5CR199233, attached as Schedule A to this by-law, is approved.
2. The Mayor and the City Clerk are authorized to execute the agreement approved under section 1 above.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council , 2013.

Joe Fontana  
Mayor

Catharine Saunders  
City Clerk

First reading -  
Second reading -  
Third reading –

## VEHICLE LEASE AGREEMENT

### **LESSOR:**

Name: The Corporation of the City of London  
Address: City Clerk  
300 Dufferin Avenue  
P.O. Box 5035  
London, ON N6A 4L9

### **LESSEE:**

Name: Tourism London  
Address: 267 Dundas Street, 2<sup>nd</sup> Floor  
London, ON, N6A 1H2

**Vehicle:** 2012 Dodge Grand Caravan  
VIN # 2C4RDGBG5CR199233

For good and valuable consideration, the receipt of which is acknowledged, the Lessor and Lessee covenant and agree as follows:

#### **1. VEHICLE LEASE**

The Lessor, as owner of the Vehicle, hereby leases to the Lessee the Vehicle, together with all accessories, additions, repairs and replacement parts affixed to it, now or in the future.

The Lessee acknowledges that the Vehicle was received by it in good condition and repair

#### **2. LEASE AMOUNT**

The Lessee agrees to pay to the Lessor the sum of \$3,143.30 payable in equal monthly installments of 628.66 due and payable each month, collected through the Lessor's JD Edwards Financial System, on the last day of each month.

#### **3. TERM**

The lease shall commence on August 1, 2013 and shall end on December 31, 2013.

#### **4. VEHICLE OPERATION AND USE**

The Lessee agrees that the Vehicle will be driven only by a competent driver who holds a valid Ontario driver's license of the proper class for the Vehicle, in accordance with relevant laws and regulations, and that the Lessee will pay all and any fines or sanctions levied or imposed in connection with the possession, use or operation of the Vehicle and to indemnify the Lessor in respect of any fines or levies, including but not limited to any victim fine surcharges and court costs.

The Lessee agrees that the Vehicle is to be used by the Lessee solely in connection with the business operations of the Lessor and for no other purpose.

#### **5. VEHICLE MAINTENANCE**

The Lessor agrees to maintain, service, license, inspect and provide fuel for the said vehicle in possession of the Lessee as part of the lease amount as set out in this Agreement. Appointments for service will be arranged through the Lessor's Fleet Services Division coordinated with the Lessee. The Lessee agrees that the vehicle shall be made available for such appointments with reasonable notice.

## **6. LIENS AND CHARGES**

The Lessor shall, at all times, keep the Vehicle free from all levies, liens and encumbrances whatsoever. If the Lessee fails to pay any such levies, liens and encumbrances, the Lessor may pay the same and in such event the costs thereof, together with interest calculated monthly at a rate equivalent to the prime rate established by the Scotiabank on the first day of each month, plus two (2%) present per annum, shall forthwith due and payable by the Lessee to the Lessor.

## **7. INSURANCE**

The Lessee agrees to obtain and maintain standard automobile insurance on statutory forms listing both the actual owner (Lessor) and the Lessee of the Vehicle and shall ensure that this insurance will not be cancelled unless the insurer notifies the certificate holder in writing at least thirty (30) days prior to the date of cancellation:

- (a) automobile liability insurance in an amount not less than five million (\$5,000,000.) Dollars;
- (b) statutory accident benefits, uninsured motorist coverage and direct compensation property damage; and
- (c) collision and comprehensive coverage with a deductible no more than \$1,000.00.

Evidence that such insurance is in force shall be provided to the Lessor promptly on request and thereafter once annually at policy renewal until this Agreement is terminated or expires.

Proof of insurance must be carried in the vehicle at all times and available for presentation should the need arise.

In the event of damage to the Vehicle the proceeds of any insurance shall be payable to the Parties as their respective interests may appear.

The Lessee acknowledges that the Vehicle and any goods carried are solely and exclusively under its possession and control and at its risk, and nothing contained in this Agreement is intended to be construed otherwise.

The Lessee is required to notify the Lessor, as soon as practicable, of any accident or circumstance giving rise to a claim and to provide the Lessor with particulars of it, the identity of the driver, and to furnish the Lessor with information as might reasonably be requested to enable the Lessor to be fully acquainted with the circumstances of the incident.

## **8. INDEMNITY**

The Lessee agrees to be responsible for and shall indemnify and save the Lessor harmless from and against all losses, claims, actions, expenses and liabilities of any sort and kind whatsoever in nature in connection with or arising from this Lease Agreement and the Lessee's use and operation of the Vehicle. The Lessee agrees that it will defend, at its expense, any actions brought against the Lessor for which indemnity might be provided in accordance with the terms of this Agreement

## **9. NON-TRANSFERABILITY**

The Lessee acknowledges that this Lease is not assignable or transferable.

## **10. OWNERSHIP**

All right, title, interest in and to the Vehicle remains in the Lessor and nothing in this Agreement is to be taken as transferring to the Lessee any proprietary interest.

**11. CANCELLATION OR TERMINATION**

This Lease Agreement may be terminated by either party at any time by providing to the other party 90 days written notice, delivered to the other party at the address stated in this Lease Agreement, whereupon the Lessee shall surrender to the Lessor possession of the Vehicle.

On the failure of the Lessee to perform any obligations stipulated in this Agreement, the Lessor may at its option cancel this lease and on fifteen (15) days' written notice, delivered to the Lessee at the address stated in this Lease Agreement, whereupon the Lessee shall surrender to the Lessor possession of the Vehicle.

In the event of the total loss of the Vehicle as a result of a collision, fire, theft, or otherwise, the Lessor may in its sole discretion choose to replace the Vehicle with a vehicle of similar kind and condition or terminate this Lease Agreement.

**12. RETURN OF VEHICLE AT END OF TERM OR ON TERMINATION**

At the end of the lease term or on termination of this Lease, the Lessee at its option may purchase the Vehicle at the market value or return the Vehicle to the Lessor in the same good order and condition in which it was received, subject to normal wear and tear. In the event of default of this provision, the Lessee agrees to reimburse the Lessor for the cost of any repairs to the Vehicle.

**13. LICENSES**

The Lessor will provide license plates to be used on the Vehicle for 2013. The Lessor agrees to apply for the permit for the Vehicle as defined in Part II of the *Highway Traffic Act*, and the Lessee agrees to pay for the permit as part of the lease amount for the Vehicle.

**14. ADDITIONAL COSTS / CHARGES**

The Lessee agrees to pay all fines, penalties, Victim Fine Surcharge, Administrative Monetary Penalties or assessments incurred pursuant to any conviction or charge by virtue of any by-law, regulation or legislation of any governmental authority arising from or in connection in any way with the operation and use of the Vehicle.

**15. GOVERNING LAW**

This Agreement is enforceable pursuant to the laws of the Province of Ontario.

**16. ENTIRE AGREEMENT**

The parties agree that this Agreement in writing contains the full and complete provisions of their contract and that there are no other terms, conditions or representations forming part of the contract, except as are expressly referred to in this Agreement.

IN WITNESS WHEREOF the parties have set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_ the City of London, in the Province of Ontario.

THE CORPORATION OF THE CITY OF LONDON

\_\_\_\_\_  
Joe Fontana, Mayor

\_\_\_\_\_  
Catharine Saunders, City Clerk

[Insert name of Lessee]

\_\_\_\_\_  
Name:  
Title:  
I have authority to bind the Corporation