

FLEET VEHICLE AGENCY

2018-2019 BUSINESS PLAN



MANAGEMENT SUMMARY

What is the Fleet Vehicle Agency?

Fleet Vehicle Agency (FVA) is a special operating agency of the Department of Highways and Public Works (HPW) that supplies vehicles to government departments and public agencies who are FVA's clients.

FVA provides a comprehensive fleet management service that enables clients to focus on their core business of delivering programs to the public. Clients are accountable to provide FVA with the number and type of vehicles they require to meet their program delivery needs, in addition to being responsible for fuel usage and the safe operation of each unit. FVA is accountable both for maintaining a safe fleet sufficient to meet clients' needs at the best possible cost and fuel efficiency, and for the level of client service it provides.

Why does the Fleet Vehicle Agency have a Business Plan?

The Business Plan, coupled with the agency's Annual Report, is the mechanism through which the agency exercises accountability for its operations and alignment with government mandates. The Business Plan once approved also sets the base rate structure under which the agency operates during the fiscal year.

FVA is **self-funded** and operates on revenue obtained from its clients, who have obtained their funding through appropriations approved in the legislature. Rental rate structures are set and reported to Management Board through this Business Plan and rate changes are communicated prior to the requirement for departments to submit their own main estimates for the following year. The setting of rates in advance before the call to submit main estimates allows Departments to budget appropriately for any revised costs.

What are the highlights of this Business Plan?

The FVA adjusts its standard rental rates to meet changing operating, vehicle purchase, and maintenance costs, which may go up or down from year to year. The rates are adjusted by vehicle type to provide better transparency for the actual costs associated to each unit class. In order to ensure enough lead-time for the budget cycles of all departments and agencies, the FVA informed its clients and departmental financial contacts of the proposed 2017/18 to 2021/22 maximum rate increases during meetings in 2016/17. Client meetings in 2018/19 and onward will continue to keep clients informed regarding any proposed future year rate adjustments in advance of budget cycles. No negative feedback or concerns have been received from clients regarding past rate adjustments. FVA provides client departments access to vehicle and fuel usage details and will continue to communicate future any annual rate changes that may impact client budgets.

Projections^{*1}

- Revenue is expected to increase by 11.3% from \$3.85 million to \$4.29 million.^{*2}
- Expenses are expected to increase 0.8% from \$3.74 million to \$3.77 million.
- Agency net income before adjustments is estimated to be \$520 thousand.
- The FVA Revolving Fund balance will increase 3.2% from \$2.48 million to \$2.56 million.^{*3}
- Total kilometres driven are expected to decrease by 0.7% to 7.11 million kilometres.

The core fleet will be approximately 639 vehicles at the start of 2018/19, of which 538 will be assigned to client agencies, 93 are planned to be held in the Whitehorse pool for short-term use, and 8 in FVA community pools. In order to meet demand from departments this core fleet is supplemented with third-party rentals from the private sector. FVA's continued priorities are satisfying client demand and retiring older vehicles.

Average projected per kilometre operating costs for 2018/19 (*please also refer to Table 3.5, page 10*)

	<u>2018/19 (Estimate)</u>	<u>2017/18 (Estimate)</u>	<u>2016/17 (Actual)</u>
Variable costs excl. fuel:	.18	.21	.21
Fuel cost ^{*4} :	.18	.18	.18
Fixed costs:	.33	.30	.32
Total costs of operations:	.69	.69	.71

^{*1} Refer to Table 3.1, page 7. Based upon estimates for fiscal year 2018/19 vs. previously recorded 2017/18 estimates where applicable.

^{*2} Revenue is generated from the use of government owned fleet vehicles (a much lower cost to client departments over 3rd party rentals).

^{*3} The revolving fund must cover all FVA operations including salaries, and includes the annual ongoing unit replacement purchase capital. The balance is maintained as close as possible to the accumulated depreciation of all fleet owned units to ensure timely replacements.

^{*4} Based on present and former estimated net fuel cost per litre: 2018/19 - \$1.17, 2017 /18 - \$1.17, 2016/17 - \$1.19.

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1. INTRODUCTION

1.1 Purpose of the Business Plan

The Fleet Vehicle Agency's (FVA) annually updated Business Plan identifies how it will deliver its services to its clients, Yukon government (YG) departments, and public agencies. The plan:

- Establishes the operating objectives of the FVA.
- Identifies the activities and resources required to meet the objectives over the next fiscal year.
- Formalizes the agency's commitment to attaining the objectives.
- Forms the basis for the agency's performance measurements.

1.2 Mission

To help government departments and publicly funded agencies meet their objectives by procuring and managing efficient and affordable ground transportation services.

1.3 Mandate

The Fleet Vehicle Agency is accountable for the following:

Client Service: satisfying the needs of clients by delivering services to them in a flexible, client-oriented manner that delivers safe and economical vehicles that meet their operational requirements.

Financial Performance: managing the costs of services through efficient operating practices and by managing the performance and condition of vehicles.

Public Policy: advancing the economic and social agenda of the Yukon government in the manner in which services are acquired and delivered.

Client departments and agencies pay for FVA's services at cost, making clients accountable for the costs of vehicles that their programs require. Accountability for the manner in which vehicles are acquired and managed is transferred to FVA through annual departmental rental agreements that the agency enters into with its clients.

1.4 Facilities and Locations

Fleet Vehicle Agency headquarters is located in the Supply Services Building #277 at 9029 Quartz Road in Whitehorse. The agency also operates, under internal contract, two satellite offices with remote vehicle pools based in Dawson City and Watson Lake. The present locations are conducive to providing complete fleet management services to its clients across Yukon.

The FVA main phone line for inquiries is (867) 667-5792 and the fax line is (867) 393-6463.

The internal FVA user access page and website can be accessed via <http://keysonline.ynet.gov.yk.ca>.

Mail can be sent directly to the FVA office located at: Fleet Vehicle Agency
9029 Quartz Road
Building 277 (Mailcode: W-4)
Whitehorse, Yukon
Y1A 4P9

1.5 Client Services

FVA provides a comprehensive fleet management service that enables clients to focus on the core business of delivering their programs to the public.

Vehicles are assigned to clients on a long-term or short-term basis, as requested by the client.

Clients pay for the services provided to them exclusively through the fee-for-service arrangement embodied in the agency's rate structure. The rates cover all costs arising from the normal operation of vehicles, including replacement. Customized client service agreements are used to define levels of service and rates. Separate short-term rental agreements are used for accessing pool vehicles.

Agency vehicles can be equipped with a standard set of emergency equipment, mobile radios, winches, tow packages, etc., which are included as part of the base fee-for-service cost.

As a convenience to its clients, each agency vehicle is supplied with a fleet fuel card honoured by most commercial fuel outlets in the Yukon. Recommended fueling locations are provided to all drivers.

The agency is open from 7 a.m. until 5 p.m. Monday through Friday. Weekend service and offsite pickup/drop-off is available upon request. Capital Towing, available at (867) 667-2403, is utilized by FVA to provide after-hours emergency services such as towing and lockout assistance. As government programs change, additional services may be considered and clients are encouraged to discuss their needs with the agency.

The agency contracts vehicle maintenance either to government workshops or to private sector workshops based upon the closest community with a certified mechanic, service workloads, the work required, and client turnaround requirements.

1.6 Critical Success Factors

In order to meet its mandate successfully, FVA must:

1. Be able to provide safe, reliable vehicles of the right type at the right time to meet the diverse needs of its clients.
2. Have knowledgeable, committed staff that can provide prompt, friendly services that meet the clients' needs.
3. Maintain accurate and timely information to meet its requirements for management, client service, and billing purposes.
4. Ensure the agency is fully cost recoverable and maintains a sufficient fund balance necessary to procure vehicle replacements as needed.

1.7 Organizational Structure

The Fleet Vehicle Agency is a special operating agency within the Supply Services Branch of the Department of Highways and Public Works. The daily operations of the agency are managed by the Operations Manager and overseen by a Chief Operating Officer who reports to the Director of Supply Services. The director is also designated as the Agency Head.

The Chief Operating Officer also holds the position of Manager of the Transportation and Communications Unit within the Supply Services Branch. An estimated one-half of this position's time is attributed to agency activities. Agency personnel remain employees of the Yukon government and are included under existing collective agreements.

The organization chart of the Fleet Vehicle Agency is shown in Section 5 on page 13.

1.8 Financial Structure

The operations of the Fleet Vehicle Agency must generate revenue sufficient to meet its ongoing vehicle replacement needs, salaries, and operational and maintenance requirements.

2. OPERATIONAL OBJECTIVES

The agency's operations encompass four main activities: acquisition, allocation, operation and maintenance, and the eventual disposal of vehicles. Beyond the basic main activities, the team goals for staff are working safely and exceptional customer service, and the key operational objectives for supervisors and managers are workplace safety and employee engagement.

The FVA permanent full-time labourer staff level was last increased in 2000 from one to two staff, after the fleet had grown 21% from 257 to 311. The fleet is currently over 600 units and projected to be 646 units by the end of 2018/19. A minimum labourer staffing level of two is needed for safety during in-city or highway callouts and to successfully maintain quality customer service required by departmental clients during the 10-hour business day. Through office staff cross-training, auxiliary-on-call employees, and the cooperative sharing of staff between multiple Supply Services Branch (SSB) units, FVA has been able to maintain its high quality of operational services without a third permanent labourer, and will continue to monitor the operational effectiveness of shared staff.

2.1 Agency Management

FVA is committed to ensuring fleet operations and its units are managed effectively and efficiently.

The FVA membership in the National Association of Fleet Administrators (NAFA) and direct communications with corporate and government fleet managers across North America has provided beneficial information when reviewing agency operations. This material is combined with manufacturer and national legislative updates, and monitoring of industry best practices for operations, to ensure the continued success of the agency.

FVA continues to work on operational policies regarding the safety and operations of Government of Yukon light duty vehicles. In 2018/19 a policy will be created to ensure operator's licences are checked by FVA before providing vehicles to drivers.

The composition of units in the vehicle fleet are continuously reviewed and monitored by the operations manager to ensure that the classes/types of units purchased and offered for rent, can best meet clients' needs within FVA expenditure limits and revolving fund balance.

2.2 Customer Communication Initiatives

FVA will continue to ensure its clients have access to, and/or are provided with, the financial and operating data they need to make the most informed decisions about their vehicle requirements.

Departments are provided the coming year's rate structure so they can incorporate this information when developing their main estimates. FVA will continue including subsequent year rate adjustments in the Business Plan for Management Board approval so rates are available for departments main estimate planning.

2.3 FVA Safety Initiatives

Safety initiatives will continue in 2018/19 based upon staff training needs and risk assessment and analysis. The initiatives address the areas of vehicle safety, driver training and safety, staff safety, and workplace equipment safety and practices.

Vehicle Safety - *This ongoing safety mention is included as tire related questions reappear annually.*

FVA conducted research in 2010/11, with approval from the Yukon Workers' Compensation Health and Safety Board (YWCHSB), to determine the most effective measure for increasing tire safety. This research resulted in the agency outfitting all of its vehicles with winter-rated or severe-service rated tires. These tires are used on all FVA vehicles year-round. All new vehicle purchases by FVA will continue to include winter-rated tires, severe-service tires or other YWCHSB approved tires, as required by its customers. FVA will continue to monitor industry safety initiatives and continue to assess safety options for new vehicles when initiating procurement.

A new vehicle safety and equipment protection initiative began in 2014/15, which ensures mud/stone flaps are included as an option on new truck and SUV purchases, and added to many existing government-owned vehicles. FVA vehicles entering Alaska required flaps/guards. In 2016, the Government of British Columbia also made this a requirement for all private vehicles with a certain exposed tire height. This minimal cost equipment addition will reduce stone chips and rock damage to YG driven vehicles, towed equipment, and most importantly, will reduce the chances of rock damage to other vehicles (the general public) passing government drivers in areas of loose gravel. This program will continue until all existing trucks, vans, and SUVs have been up-fitted.

Driver Training and Safety

FVA's research indicates that one of the most effective ways to increase vehicle safety would be government-wide driver training. This training aligns with Corporate Health and Safety Programs and driver-training courses have been occasionally offered by the Public Service Commission Staff Development Branch (SDB). Corporate winter driver training programs have been run in the past with positive feedback received from attendees regarding improved confidence in their driving skills. FVA does not have the financial or human resources to offer these programs but strongly supports making courses a requirement for Yukon government employees when driving is a required duty.

All new vehicle purchases include the requirement for Bluetooth™. While it is safest not to use a phone at all while driving, the law allows for hands-free phone devices, and FVA understands that some programs may require communications while driving. The Bluetooth™ feature in vehicles ensures the safest and legal phone option is available to staff that require it.

Staff Safety

Due to the small staffing complement, FVA staff must be cross-trained in multiple areas. This requires all staff to support the labourers and vehicle coordinator/dispatchers by relocating/positioning vehicles, assisting customers outdoors, and providing some minor trouble support such as vehicle boosting, lockout assistance, and low tire inflation or replacement as needed. Staff training in proper equipment use and workplace hazard safety training, such as Workplace Hazardous Material Information System (WHMIS), is provided to employees. As a result of safety initiatives, FVA now provides its staff with reflective safety wear to improve their outdoor visibility and reduce the chance of being struck by equipment or other vehicles in government compounds, parking lots, and on roadways. Safety training courses are made available to staff to ensure WHMIS and any related training certifications are kept up to date.

Workplace Equipment Safety and Practices

Safe workplace practices combined with proper safety equipment and training will continue to be a focus area in 2018/19. Equipment training is done in an effort to reduce workplace injuries and address all risk areas. A defibrillator and burn kit is installed in Building 1277 and first aid training is provided to certify interested employees. For future staff training the FVA plans to create training videos for the safe use of its equipment and safe work practices.

2.4 Summary of Projected Revenues, Expenses and FVA Revolving Fund (Estimates 2018/19 vs. Estimates 2017/18)

Revenue is projected to increase by 11.3%. Revenue is showing an increase due to expected additional FVA vehicle usage by client programs in the 2018/19 year. The depreciation on both new vehicles procured and existing units in service must be offset by rental charges to ensure future replacements are fully funded and ongoing operating expenses of the agency are recaptured. Another revenue option is providing special rates for pre-upfitted and customized vehicles to select user departments to reduce their large one-time financial capital outlay, and amortize the added costs over the life of the vehicle. This will smooth out budgetary fluctuations for some clients.

Operating expenses are projected to increase 0.8% to \$3.77 million in 2018/19 from an estimated \$3.74 million in 2017/18. This is due to the increased fuel and salary amounts.

Third-party rental expense in 2018/19 is estimated to decrease 22.2% to \$351 thousand from the 2017/18 estimate of \$451 thousand. As the new replacement units for older vehicles are procured, this expense should continue decreasing, though unexpected client demands and short term special vehicle requests can increase third-party requirements throughout the year.

The *Financial Administration Act* (FAA) section s.47 was amended in December 2014 to allow FVA to purchase up to \$3.9 million in capital assets per year. This now allows FVA to more assertively replace vehicles that have been fully amortized for considerable time and/or are beyond economic repair or usefulness for government programs. Utilizing the funds already accumulated in the FVA revolving fund and supplemented by projected modest rate increases to ensure cost recovery, FVA plans to spend an average of \$2.5 million per year on vehicles each year over the next four years to reduce overdue replacement backlog.

The resulting net income each year is used to support the FVA Revolving Fund for vehicle replacements and offset the lost depreciation of units devolved or transferred into the fleet. This net income is projected to increase from \$111 thousand (2017/18 estimate) to \$520 thousand as more vehicles are replaced and the fleet has a higher utilization rate. Rate adjustments are also used to ensure the agency will be able to sustain replacement schedules to support client department needs in future years.

The FVA Revolving Fund balance is expected to decrease to \$2.56 million, as capital purchases continue to “right size” the fleet to best suit the vehicle needs of the government departments.

2.5 Electronic Interfaces

FVA has an electronic billing interface between the fleet management software, KEYS, and the Yukon government’s general ledger system. This interface has led to more timely reconciliation and allows departments quicker and more accurate cost accounting and variance reporting.

The web-based online module (KEYS-Online) for FVA’s vehicle management system provides all FVA client departments (managers and finance staff) with the ability to access their vehicle rental and usage data, bookings, and fuel usage information, as well as monthly kilometre updates in a self-serve fashion. The goal of this interface is to give clients access to their complete usage details so they can make the most informed decision(s) when conducting their needs analysis and financial planning.

The KEYS software support contract with the Government of Manitoba has been renewed until 2021. This measure ensures continued software support coverage for FVA operations. FVA will continue to ensure it has uninterrupted KEYS support until any potential new or shared system is available.

The client management website can be accessed via <http://keysonline.ynet.gov.ca>.

2.6 Procurement Plan

FVA plans to acquire between 51 and 97 new vehicles in 2018/19 to address departmental needs and to replace old vehicles that have become unsafe or too costly to operate. The exact number of vehicles purchased will be driven by purchase price, vehicle availability during the year, other departments' budget submission approvals that may occur subsequent to this business plan, and adjustments needed due to premature write-offs (caused by fire, theft, accident, vandalism, etc.). The core fleet will total approximately 639 vehicles at the start of 2018/19, of which 538 will be assigned to client agencies and 101 will be held in the Whitehorse and community pools for short-term use. While programs are encouraged to utilize FVA owned vehicles first for cost saving, in order to meet demand from departments, this core fleet is supplemented with third-party rentals from the private sector.

To most effectively meet existing departmental needs, as well as new program needs that FVA has been made aware of to date, the following is a list of vehicle procurements planned during 2018/19:

2.6.1 2018/19 Vehicle Procurement Plan

Vehicle Type and Class	Number of Vehicles	
	Expected Minimum	Expected Maximum
Sedans	8	10
Compact SUVs (all 4x4 or AWD)	15	25
Mid-size and Full-size SUVs (all 4x4 or AWD)	0	2
Pickups (mid & full size)	12	35
Cargo-Vans	8	12
Passenger Mini-Vans	2	5
Trucks (over one ton)	6	8
Total (Target Capital Expense \$2.5M)	51	97

The procurement plan shows expected minimum and maximum ranges for each class of vehicle. The agency must pick and choose replacements based on most urgent need. Prior to, or during procurement, unexpected circumstances or developments such as vehicle losses or write-offs, and new program creation in other areas of government, may necessitate changes outside each expected range above. Another reason for providing purchasing ranges is fluctuating market conditions and prices throughout the year. Early year individual unit cost estimates obtained in past years have varied by as much as 25% by the time actual request for purchase (RFP) orders are posted. Cost differences can also be affected by federal and private corporate or fleet pricing programs and/or rebates in effect only at time of purchase. Unawarded tenders due to bid noncompliance can also affect purchase volume.

Clients have been showing an increased preference for SUVs rather than sedans, citing a perceived increase in safety when driving in winter conditions, on non-maintained roads, or at highway speeds when traveling to the communities. SUVs also offer more versatility as a fleet vehicle. Purchasing a proportionally higher number of compact SUVs will allow FVA to retire more of the older, under-utilized sedans with lower fuel efficiency ratings, and improve the overall utilization rate of the fleet vehicles.

Since 2011, vehicles are being purchased under consideration of the government's Green Procurement Policy and Climate Change Action Plan (CCAP). New vehicles are more fuel-efficient resulting in fewer emissions than the models being replaced within the same class. FVA encourages clients to reduce vehicle usage where possible and return under-utilized vehicles so they can be reassigned to others areas. For light duty fleet CO² emissions, please refer to Table 3.6 on page 10.

3. TABLES: FINANCIAL AND FLEET MANAGEMENT INFORMATION

3.1 Summary of Revenues, Expenses and FVA Fund Balances

FLEET VEHICLE AGENCY REVOLVING FUND	2018-2019 Estimate^{*1}	2017-2018 Forecast^{*1}	2017-2018 Estimate^{*1}	2016-2017 Actual^{*1}
REVENUES				
Appropriations	0	0	0	0
Vehicle rentals and leases	4,291	4,166	3,851	4,128
Amortization of deferred capital contributions	0	0	0	0
Gain (Loss) on disposal of tangible capital assets	(4)	10	(1)	(9)
Subtotal	4,286	4,176	3,850	4,119
EXPENSES				
Salaries and administration	865	853	835	994
Other operating costs	37	20	34	39
Fuel	1,286	1,250	1,299	1,233
Fuel charged to Departments	(1,156)	(1,050)	(1,166)	(1,145)
Vehicle rentals	351	452	451	457
Vehicle service and repairs	885	830	996	996
Amortization	1,497	1,509	1,290	1,262
Subtotal	3,766	3,864	3,739	3,836
Net Profit / (Loss)	520	312	111	283
ADJUSTMENTS:				
Acquisition of Capital Assets	(2,441)	(2,441)	(2,441)	(3,350)
Amortization	1,497	1,509	1,290	1,262
Proceeds on sale of Capital Assets	111	225	168	80
(Gain)/Loss on disposal of tangible capital assets	4	(10)	1	9
Subtotal	(829)	(717)	(982)	(1,999)
Balance at Beginning of Year	2,865^{*2}	3,270	3,347	4,986^{*3}
Balance at End of Year	2,556	2,865	2,476	3,270^{*4}

General Note: Inflation is not considered.

^{*1} All amounts are rounded to 000's.

^{*2} Based on 2017/2018 forecast

^{*3} Actual amount used from Public Accounts \$4,986,068

^{*4} Based on actual amounts in audited financial statements

Table 3.1, Summary of Revenues, Expenses and FVA Revolving Fund Balances, while verified with audited financial statements, is laid out above in a format that is directly comparable to how they are reported in Schedule 6 of the Public Accounts. This makes it possible to show the projected balance of the FVA Revolving Fund, and to achieve consistency across government in the way in which the financial resources of the agency are reported.

3.2 Fuel Details

Fuel costs are projected to *average* \$1.17 per litre in 2018/19, which is approximately the same as the estimate for 2017/18.

Due to a reciprocal taxation agreement between the governments of Canada and Yukon, effective July 1, 2010, sales of fuel to the Yukon government are subject to the Canada excise tax. As well, it was agreed that Yukon government fuel purchases are subject to the Yukon's own fuel oil tax.

Since July 1, 2010, FVA has been including these taxes, in the following amounts, on each department's fuel bill for permanently assigned units:

	<u>Canada Excise Tax (\$)</u>	<u>Government of Yukon Tax (\$)</u>
Gasoline	0.100 / litre	0.062 / litre
Diesel	0.040 / litre	0.072 / litre

Effective 2018 Yukon is expected to adopt a carbon tax of approximately \$10/tonne of carbon dioxide emissions. The Yukon government will not be exempt from this tax. This amount is planned to increase \$10/tonne year over year for 5 years until it reaches \$50/tonne. The tax impact to departments utilizing fleet vehicles will be an approximate 2.33 cents per litre increase each year. Based on the 2016/2017 average price per litre of \$1.12 this translates to a 2.1% increase in each department's fuel costs.

3.3 Future Year Fund Forecast and Estimates

Estimates of revenue, expenses, and forecast end-of-year balances for fiscal years to 2022-2023 as follows:

FVA Revolving Fund Future Year Forecast	2022-2023 Estimate	2021-2022 Estimate	2020-2021 Estimate	2019-2020 Estimate	2018-2019 Estimate	2017-2018 Forecast	2016-2017 Actual
Year Start Balance	2,591	2,636	2,709	2,556	2,865	3,270	4,986 ^{*1}
Revenues	4,829	4,687	4,552	4,416	4,167	4,176	4,119
Expenses	3,799	3,829	3,832	3,814	3,741	3,864	3,836
Adjustments	-813	-931	-843	-520	-829	-717	-1,999
Carbon Tax	-128	-102	-76	-51	-25	-	-
Rate Adjustments^{*2}	-	130	126	122	119	-	-
Year Ending Balance^{*3}	2,680	2,591	2,636	2,709	2,556	2,865	3,270

^{*1} Updated balance based upon the 2016/17 Public Accounts

^{*2} Based upon estimated rate adjustments of up to +/- 3% which are required until each unit-class rate reaches its actual purchase cost breakeven amount over the expected life of the vehicle. Individual clients will see monthly unit rental charge changes (up or down) of no more than \$25 per month. Per the FVA client vehicle agreement, special rates outside standard posted rates may also be used (*only with the mutual agreement of both the client department and FVA*) to accommodate longer or shorter expected vehicle life depending on special circumstances or expected use.

^{*3} The Revolving Fund balance must be maintained at a sufficient balance to pay ongoing salaries, O&M, and capital/vehicle purchases at time of expenditure. In 2021-2022 the fund is projected to stabilize and future rate adjustments should only be necessary to accommodate substantial increases in new vehicle prices, or unexpected excessive replacements.

3.4 Source of Revenues (2018/19 estimate, 2017/18 forecast and 2016/17 actuals)

The Source of Revenue Table 3.4, used for FVA rental revenue estimates, now utilizes historic actuals and presents year forecasts to provide a more accurate estimation. Each department's vehicle needs are not confirmed until after the start of each budget year and the new table more accurately reflects this estimate. The estimated fuel charged to departments is no longer included here, as departments pay their own fuel for long term rentals, and FVA includes fuel administration expenses and actual fuel costs in short term rental charges.

Revenue Source - Department / Client	2018/19 Estimate ^{*1}	% of Total ^{*2}	2017/18 Forecast ^{*1}	2016/17 Actual ^{*1}
Yukon Legislative Assembly	\$0	0.00%	\$0	\$0
Executive Council Office	\$41,000	0.94%	\$39,000	\$39,000
Education	\$302,000	7.05%	\$294,000	\$291,000
Yukon College	\$0	0.00%	\$0	\$0
Economic Development	\$16,000	0.36%	\$15,000	\$15,000
Justice	\$111,000	2.59%	\$108,000	\$107,000
Public Service Commission	\$6,000	0.15%	\$6,000	\$6,000
Women's Directorate	\$0	0.00%	\$0	\$0
Finance	\$2,000	0.05%	\$2,000	\$2,000
Health and Social Services	\$1,001,000	23.33%	\$972,000	\$963,000
French Language Services	\$0	0.00%	\$0	\$0
Community Services	\$589,000	13.74%	\$572,000	\$567,000
Environment	\$768,000	17.88%	\$745,000	\$738,000
Energy, Mines and Resources	\$538,000	12.55%	\$523,000	\$518,000
Tourism and Culture	\$106,000	2.47%	\$103,000	\$102,000
Highways and Public Works	\$695,000	16.18%	\$674,000	\$668,000
Yukon Development Corporation	\$0	0.00%	\$0	\$0
Yukon Workers' Compensation Health and Safety Board	\$30,000	0.70%	\$29,000	\$29,000
Yukon Housing Corporation	\$62,000	1.45%	\$61,000	\$60,000
Yukon Liquor Corporation	\$22,000	0.51%	\$21,000	\$21,000
Yukon Lotteries Corporation	\$2,000	0.05%	\$2,000	\$2,000
Totals^{*3}	\$4,291,000		\$4,166,000	\$4,128,000

*1 These figures include all annual, monthly, and daily rental charges (daily rental costs include full fuel costs in the km usage charges).

*2 These percentages provide each department's estimated portion of FVA total revenue of \$4,128,000.

*3 These totals are the vehicle rental portion of FVA total revenue.

It is important to note that the fleet revenue generated is only sustainable through rate adjustments as operating conditions and costs change from year to year.

Agency revenue must also be sufficient to ensure adequate funds can be accrued to cover the accumulated depreciation of each vehicle in the fleet. This ensures timely vehicle replacements are possible when required without the need for additional funding or appropriations.

3.5 Cost of Operations per Kilometre

Operations Cost	2018/19 Estimate		2017/18 Forecast		2017/18 Estimate		2016/17 Actual	
	Cost (\$000's)	Per km						
Vehicle service & repairs	\$884.7	0.124	\$830.5	0.116	\$996.0	0.139	\$996.0	0.141
Fuel ^{*1}	\$1,286.5	0.181	\$1,250.0	0.174	\$1,299.0	0.181	\$1,233.5	0.175
Third party rentals	\$351.4	0.049	\$451.6	0.063	\$451.0	0.063	\$457.0	0.065
Other operating expenses	\$36.8	0.005	\$20.0	0.003	\$34.0	0.005	\$39.0	0.006
Total variable expenses	\$2,559.4	0.359	\$2,552.1	0.356	\$2,780.0	0.388	\$2,725.5	0.387
Salaries & Administration	\$865.2	0.122	\$853.0	0.119	\$835.0	0.117	\$994.0	0.141
Amortization	\$1,496.9	0.211	\$1,509.0	0.210	\$1,290.0	0.180	\$1,262.0	0.179
Total fixed expenses	\$2,362.1	0.333	\$2,362.0	0.329	\$2,125.0	0.297	\$2,256.0	0.320
Total ^{*2}	\$4,921.5	0.692	\$4,914.1	0.685	\$4,905.0	0.685	\$4,981.5	0.707

^{*1} Fuel costs for vehicles assigned to all YG departments including FVA pool vehicles.

^{*2} Based on estimates rounded to one decimal place.

3.6 Summary of Operations

Operations Summary	2018/19 <i>Estimate</i>	2017/18 <i>Forecast</i>	2017/18 <i>Estimate</i>	2016/17 <i>Actual</i>
Total kilometres driven including third-party rentals (000's)	7,110	7,179	7,158	7,043
Demand change (total km driven per year)	-0.7%	1.9%		
Total kilometres driven FVA vehicles only (000's)	6,506	6,403	6,563	6,453
Average FVA owned vehicles (from table 3.8)	643	647	616	613
Average kilometres per FVA owned vehicles	10,118	9,897	10,654	10,527
Utilization change (km per FVA vehicle per year)	-5.0%	-6.0%		
Average direct operating cost per kilometre	0.36	0.36	0.39	0.39
Average total cost per kilometre	0.69	0.69	0.69	0.71
Average fuel consumption (litres per 100 km)	16.0	15.6	15.4	15.6
Average projected net fuel cost \$/litre	1.17	1.11	1.17	1.12
Total Litres consumed	1,139,876	1,121,768	1,105,753	1,096,605
Total CO² emitted in kilograms (kg) ^{*1}	2,610,315	2,568,849	2,532,175	2,511,225
Change in total consumption/emissions ^{*2}	3.1%^{*3}	2.3%		

^{*1} The CO² calculation is based on 2.3 kg/L of gasoline, in accordance with Environment Canada's published report, *Canada's Greenhouse Gas Inventory and Natural Resources Canada Fuel Guide*.

Fuel Guide: https://www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/oe/pdf/transportation/tools/fuelratings/FCG2014print_e.pdf

^{*2} Change rates are based on comparing 2017/18 estimates to 2018/19 estimates and by comparing the 2016/17 actual figures to 2017/18 forecast.

^{*3} Year over year fluctuations are affected by driver usage, annual weather conditions, and idle times. The FVA, as only the vehicle provider and not the supervisor of individual drivers, must rely on departmental program managers and supervisors to encourage drivers to improve driving habits and reduce idling times to help reduce overall emissions.

FVA provides annual fuel usage data to the Climate Change Secretariat. Researching options to reduce government emissions is ongoing and FVA, the Climate Change Secretariat, and the Energy Solution Centre started an electric vehicle (EV) pilot project in 2016. FVA will report on the project progress starting in the 2017/18 Annual Report.

Cost Comparison – FVA, Personal Vehicle, and Third-Party Rental Vehicles

Table 3.7 presents an end-user cost comparison for three alternatives – use of an employee’s personal vehicle, use of third-party rental vehicles, and use of FVA vehicles. Two scenarios are presented (A – Annual Use and B – Daily Use) for each with three vehicle types (mid-size sedan, mid-size SUV, and full-size 4x4 pickup).

3.7 Cost Benchmarks – FVA, Personal, and Third-Party Rental Vehicle

Benchmarks are based on rates and rental costs in effect **April 1, 2017** with fuel based on the latest price update.

A. Annual Use^{*1}			Sedan Mid-size	SUV Mid-size	Pickup 4x4 Full-size
1.	Personal Vehicle Rate/km	\$0.605			
	Total Annual Cost^{*2}	\$7,865			
2.	Rental - fixed portion ^{*3}		\$13,140	\$15,900	\$30,000
	Fuel Cost per km ^{*4}		\$0.13	\$0.17	\$0.22
	Total Fuel Cost		\$1,690	\$2,210	\$2,860
	Total Rental (Third-Party)		\$14,830	\$18,110	\$32,860
3.	FVA Rate - fixed portion		\$4,123	\$5,662	\$6,769
	FVA Rate - variable portion		\$0.11	\$0.12	\$0.15
	Fuel Cost per km ^{*4}		\$0.13	\$0.17	\$0.22
	Total Fuel and Variable		\$3,120	\$3,770	\$4,810
	Total FVA		\$7,243	\$9,432	\$11,579

B. Daily Use^{*5}			Sedan Mid-size	SUV Mid-size	Pickup 4x4 Full-size
1.	Personal Vehicle Rate/km	\$0.605			
	Total Cost^{*2}	\$97			
2.	Rental - fixed portion		\$75	\$115	\$150
	Fuel Cost per km ^{*4}		\$0.13	\$0.17	\$0.22
	Administration Fee – variable portion		\$0.10	\$0.12	\$0.15
	Total Fuel and Admin		\$37	\$46	\$59
	Total Rental (Third-Party)		\$112	\$161	\$209
3.	FVA Rate - fixed portion		\$32	\$40	\$46
	FVA Rate - variable portion		\$0.25	\$0.33	\$0.42
	Total Variable		\$40	\$53	\$67
	Total FVA		\$72	\$93	\$113

*1 Based on an annual rate of 13,000 kilometres driven

*2 Does not include personal insurance premiums which may be affected by use of a personal vehicle for work and multi-driver vehicles

*3 Based on monthly Standing Offer Agreement (SOA) Summer rate times 12 months

*4 Based on FVA fuel cost and consumption averages

*5 Based on a one day travel distance of 160 kilometres (approximately Whitehorse to Carcross return)

Scenario A ‘Annual Use’ assumes the vehicles will be driven 13,000 kilometres per year for all three vehicle types. FVA’s costs are lowest (\$7,243), the personal vehicle is next (\$7,865) and third-party rentals are highest (\$14,830) for mid-sized sedans.

Scenario B ‘Daily Use’ assumes the vehicles will be driven 160 kilometres per day. For the mid-sized sedan and mid-sized SUV categories, the FVA vehicle provides the best value to the client department.

For the full-sized pickup, the personal vehicle (*if also a comparable 4x4 full sized pickup truck*) would be the lower cost for trips totaling less than 187 km.

Utilizing only FVA vehicles for all day trips over 187 km will result in the highest cost savings to departments.

3.8 Vehicles in the Fleet

VEHICLES IN THE FLEET	2018/19 Estimate	2017/18 Forecast	2017/18 Estimate	2016/17 Actual
Vehicles at start of year:				
Assigned to Departments	538	548	528	478
Pool Vehicles	101	107	88	94
Total Owned Vehicles	639¹	655	616	570
Vehicles sold at auction ²	44	85	67	33
Vehicles purchased	51	69	67	118 ³
Vehicles at end of year	646	639	616	655
Average vehicles per year	643	647	616	613

¹ Total Owned based upon previous year forecast.

² Formerly referred to as "retired," however to eliminate confusion in terminology, former units will continue to be included in the pool unit count until sold through the Yukon government asset disposal process.

³ Delivery of some 2015/16 units were delayed until the 2016/17 fiscal year.

Appendix A contains the target replacement schedule for vehicles in the YG fleet, and a comparable government replacement schedule. The target replacement ages are flexible and influenced by a number of factors including vehicle usage, vehicles destroyed in accidents, replacement funds available, and replacements changing from one operating class to another.

4. FVA OPERATIONAL AGREEMENTS

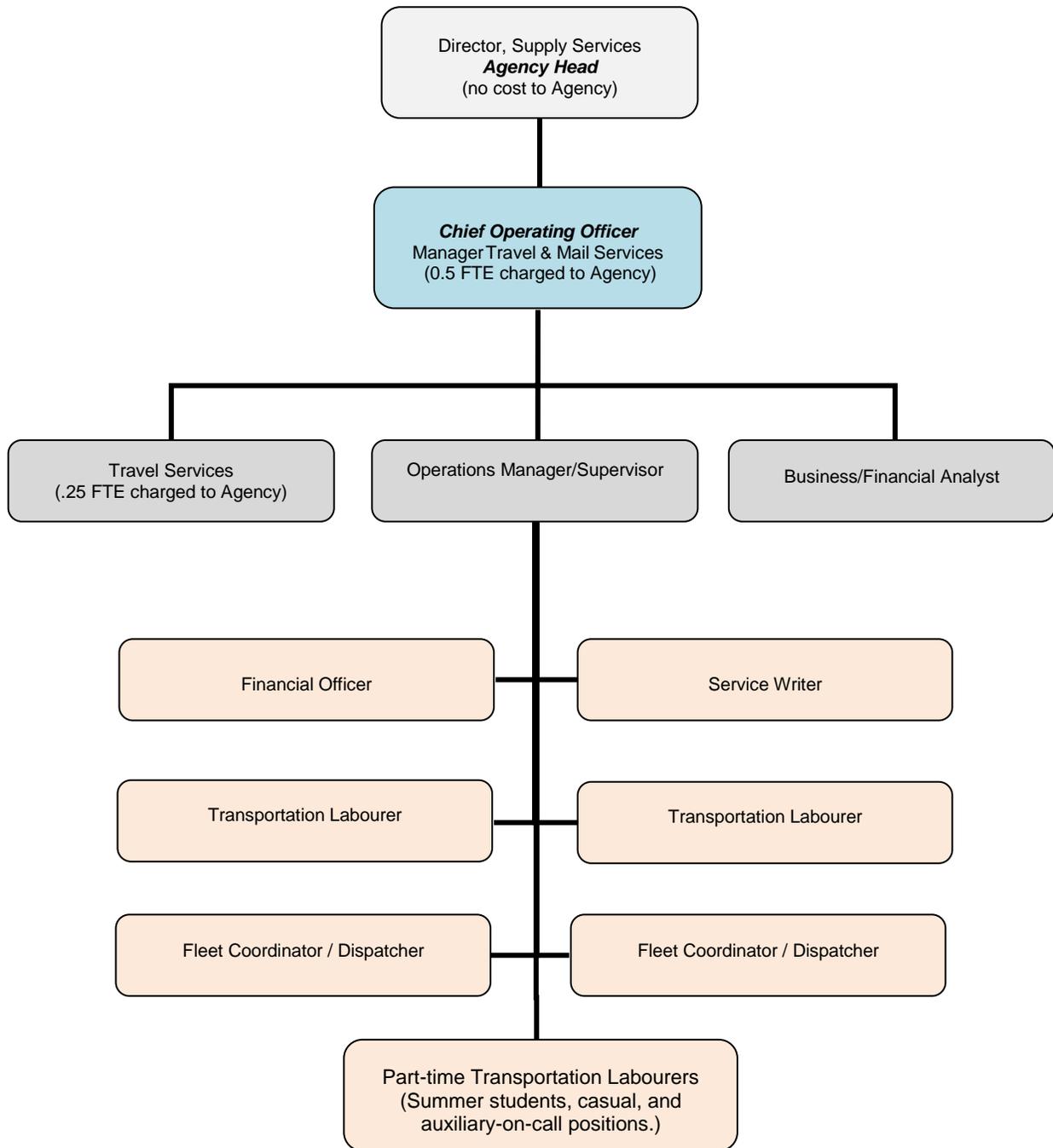
FVA, while a self-funded agency within YG, operates within *Section 47* of the FAA, *Financial Administration Manual (FAM)* and *General Administration Manual (GAM)* policies, as well as the FVA Charter (approved by cabinet in 1996). In conjunction with these, a number of other operational and high level agreements and contracts are in place. Contracts are in place with a variety of service providers including businesses such as garages, body shops, and car rental agencies both within and more recently outside Yukon.

There is a service agreement outlining price structures and markups between HPW Transportation Maintenance Branch (TMB) and FVA and a software service agreement in place with the Manitoba Government's Vehicle Equipment and Management Agency (VEMA) covering both the software used internally within FVA, and the web-based system used by FVA clients. (KEYS and KEYS-Online)

GAM policies notwithstanding, Appendix C details the general high-level Departmental Service Level Agreement (DSLAs) between FVA and its clients, outlining "*Our Commitments to you, our clients*" and "*Your obligations and commitments to us.*"

Appendix D is the rental agreement template that is prepared on a vehicle-by-vehicle basis as units are rented. The term of the Appendix D rental agreement may be daily, weekly, monthly, or yearly (annual) or any term in between that fits the program needs of clients. The Appendix D rental agreement is signed by the driver (YG staff member), on behalf of their program, for each new unit picked up.

5. FVA ORGANIZATION CHART



APPENDICES:

APPENDIX A Fleet Complement and Vehicle Replacement Schedule

The fleet is made up of a variety of types of vehicles. Vehicles are normally replaced when the mechanical condition and amortization schedule suggest that specific vehicles are no longer cost effective.

FVA Amortization Schedule Targets (by vehicle type):			
Sedan	<i>7 years</i>	Cargo van	<i>10 years</i>
SUV	<i>7 years</i>	Cube van	<i>10 years</i>
Suburban / Full-Size SUV	<i>7 years</i>	Passenger van	<i>7 years</i>
2x4 Pickup truck	<i>7 years</i>	Truck - light duty	<i>10 years</i>
4x4 Pickup truck	<i>6 years</i>	Truck - heavy duty	<i>15 years</i>

For industry standard and comparison purposes, the Canadian government has no published interdepartmental suggested standard vehicle life, replacement time, or amortization schedule(s). However, the General Services Administration (GSA), an independent agency of the United States government, publishes the following USG-GSA replacement schedule that is used by United States government departments.

Vehicle Category	Fuel Type	Replace once reached^{*1}
All Passenger Vehicles	Gasoline or Alternative Fuel	3 Years and 60,000 km or 4 Years and 40,000 km or 120,000 km or 5 Years
	<i>Hybrid</i>	5 Years and 100,000 km or 140,000 km or 7 Years
Light Trucks 4x2	Non-Diesel Diesel <i>Hybrid</i>	7 Years or 110,000 km 8 Years or 240,000 km 7 Years
Light Trucks 4x4	Non-Diesel Diesel <i>Hybrid</i>	7 Years or 100,000 km 8 Years or 240,000 km 7 Years
Medium Trucks 4x2 / 4x4	Non-Diesel Diesel	10 Years or 160,000 km 10 Years or 240,000 km
Heavy Duty Trucks (all types)	Non-Diesel Diesel	12 Years or 160,000 km 12 Years or 400,000 km

^{*1} USA government uses mileage (miles). Chart numbers in Appendix A have been rounded up to the nearest 10,000 kilometres for Canadian reference.

APPENDIX B 2018/19 FVA Rate Structure

FLEET VEHICLE AGENCY STANDARD RATE STRUCTURE ^{*1} Effective April 1 st , 2018		Time Charges	km Charges	Time Charges			km Charges
		Assigned Vehicles	Assigned & Monthly ^{*2}	Pool Vehicles			Weekly & Daily ^{*3}
Vehicle Type & Class		Yearly	per km	Monthly	Weekly	Daily	per km
Sedan							
Sub-Compact	40-1	\$3,972	0.08	\$470	\$155	\$31	0.19
Compact	40-2	\$3,990	0.09	\$472	\$156	\$31	0.22
Mid-size	40-3	\$4,247	0.11	\$493	\$163	\$33	0.25
SUV							
Compact	47-2	\$5,078	0.11	\$567	\$186	\$37	0.25
Mid-size	47-3	\$5,832	0.12	\$625	\$206	\$41	0.33
Full-size	47-4	\$8,842	0.15	\$859	\$269	\$57	0.37
Pick-up (Reg. & Ext. Cab)							
4x2 mid-size	45-3	\$4,944	0.11	\$552	\$181	\$36	0.33
4x2 full-size	45-4	\$5,269	0.14	\$578	\$191	\$38	0.37
4x4 mid-size	46-3	\$6,765	0.12	\$709	\$234	\$46	0.35
4x4 full-size	46-4	\$6,972	0.15	\$720	\$238	\$47	0.42
Cargo-Van							
Minivan	42-2	\$3,800	0.12	\$456	\$150	\$30	0.31
Full-size	42-4	\$4,195	0.14	\$489	\$162	\$32	0.42
Passenger Van							
Minivan	43-2	\$4,282	0.12	\$496	\$164	\$33	0.33
AWD Crossover	43-3	\$6,416	0.13	\$607	\$200	\$40	0.33
Full-size	43-4	\$5,329	0.18	\$584	\$192	\$51	0.40
Truck							
Light	44-x	\$7,345	0.25	\$706	\$233	\$46	0.67
Heavy Duty	49-x	\$9,255	0.50	\$871	\$317	\$63	0.92

^{*1} This is the second rental rate increase since April 1, 2009; however, the per kilometre rate is adjusted (up or down) every three months based upon **Bloomberg Fuel Report** data fuel price and maintenance costs by class.

Individual vehicle rental rates may be adjusted by FVA, with customer consent, based upon utilization, non-standard amortization schedules, multi-year rental contracts, special equipment, or unusual circumstances.

^{*2} Effective April 1, 2009, this per km rate includes service and repair costs only. Fuel for yearly assigned and monthly rentals are charged directly to departments as per actual cost incurred, plus 2% for administering the fuel credit card and wholesale fuel purchasing programs.

^{*3} For short-term rentals, actual fuel consumption in litres cannot be determined in a fair and practical way. Therefore, effective April 1, 2009, the per km rate for weekly and daily rentals continues to include service and repair and fuel costs. In order to reflect ongoing changes in fuel prices and allocate the true cost of fuel to users, the fuel portion of the rate will be adjusted quarterly, using a regularly published fuel price index. Amounts listed are current as of the October 31, 2017 price update.

Equipment Surcharges (no effect on km rates) - Based on FVA purchase price				
Item	Daily	Weekly	Monthly	Yearly
Radio Phone	\$6	\$34	n/a	n/a
Winch	\$11	\$63	\$97	\$550
Canopy or Rack	\$6	\$34	\$53	\$300
Standalone Bluetooth	\$1	\$5	\$20	\$200
Cellular GPS AVL	\$1	\$7	\$30	\$310

GPS AVL (automatic vehicle locators) available in limited quantities during innovation fund pilot project. Any missing equipment upon vehicle return will be charged back to departments at replacement cost.

APPENDIX C Departmental Service Level Agreement (template)

GENERAL TERMS & CONDITIONS

OUR COMMITMENTS TO YOU, OUR CLIENTS:

We agree that during the term of this agreement we will:

- Diligently carry out our roles and responsibilities as described in the Business Plan and this agreement to meet your ground transportation needs.
- Provide services to you following standards, directions, guidelines, and procedures of the Government of Yukon.
- Supply vehicles to you at fair rates.
- Be responsible for minimizing unit costs for operation where possible.
- Include all associated O & M costs including fuel (for non-assigned units) in our rates.
- Provide access to KEYS-Online reports, which will detail departmental usage and costs.
- Make best efforts to provide information to meet specialized clients' needs from time to time.
- Provide small accident related repairs to fleet vehicles or all when another driver is at fault.

YOUR OBLIGATIONS AND COMMITMENTS TO US:

You agree that during the term of this agreement you will:

- Be responsible for forecasting & budgeting for ground transportation requirements.
- Submit monthly usage logs via KEYS-Online for assigned vehicles supplied by the Agency.
- Acknowledge that the vehicle is the property of the Fleet Vehicle Agency and was received in good condition except as noted. You will return the vehicle to Fleet Vehicle Agency, together with all tools, accessories, and equipment, in the same condition as received, ordinary wear and tear excepted. Vehicles should be returned on the date and time specified unless prior arrangements have been made to delay or advance the return of the vehicle. Additional charges at third-party rates may apply for late returns when arrangements are not made with FVA in advance.
- Operate the vehicle in compliance with all laws, policies, directives, and procedures.
- Operate the vehicle in the most fuel-efficient and environmentally responsible manner possible.
- Be liable for all traffic and parking violations.
- Agree to care for all tools, accessories, and equipment and pay the cost of replacement of any such items not returned with the vehicle.
- Agree to report all accidents/incidents through the normal government procedures.
- Acknowledge that the vehicle may be equipped with a "Trip Monitoring Device" what may track vehicle-operating data including monitoring seatbelt use, speed, and GPS location.

- Agree not to carry, in the rented vehicle; explosives, firearms, flammable materials, liquor, pets, or non-government staff without special written approval of the Fleet Vehicle Agency.
- Pay the costs of cleaning vehicles where they are unreasonably dirty, have pet hair or residue, or smell of cigarette/cigar/other smoke (smoking is not permitted in YG vehicles) as well as cover third-party rental costs for other departmental users inconvenienced by such acts while the vehicle is being cleaned and detailed.
- Not sub-lease, rent, or lend the rented vehicle to parties outside the renting department without the written permission of Fleet Vehicle Agency.
- Accept responsibility for the care of the vehicle while in your possession including paying the cost of repairs required due to operator negligence.
- Agree to all terms and conditions when utilizing the services of the Pool Fleet.
- Be responsible to turn in your vehicles for regular scheduled servicing (schedules will be given out at the time of vehicle pick up).
- Pay the yearly rate for assigned vehicles at the beginning of each fiscal year and pay the kilometre rates for all assigned vehicles plus pool vehicle usage at the end of each month based on the following rate structure schedule.

Please Note: Fleet Vehicle Agency is not responsible for loss or damage to any property left or stored in the vehicle.

Fleet Vehicle Agency reserves the right to re-allocate assigned vehicles as necessary in order to achieve maximum utilization. Vehicles that are re-assigned will be replaced with similar type vehicles. Specialty type vehicles are excluded unless mutually agreed upon by both parties.

LIABILITY AND INDEMNIFICATION

For indemnification for employees operating government vehicles, please refer to General Administration Manual, Human Resources Policy 3.10, "Indemnification."

APPENDIX D RENTAL AGREEMENT

NOTE: FVA no longer uses the Agency Management Agreement template listed in former business plans. Program managers within YG now have the authority to sign for rentals; the signature of the Deputy Minister of the client department is no longer required. The annual template below is modified for daily, weekly, or monthly rental periods as needed.

<UNIT NUMBER>

<CUSTOMER NAME> - <CUSTOMER NUMBER>

Agreement ID <Agr ID>

Annual Rental Agreement



THE UNIT

Unit #	<UNIT NUMBER>	Description	<UNIT DESCRIPTION>
Year	<MODEL YEAR>	Serial Number	<SERIAL NUMBER>
Make/Model	<MAKE AND MODEL>	Colour	<COLOR>
		Primary Meter At Issue	<PRIMARY> <METER TYPE>
Licence	<LICENCE>		

TERMS AND RATES

Effective Date <EFFECTIVE DATE> Expiry Date <EXPIRY DATE>

Service(s)	Rate(s) <small>(excluding applicable taxes and discounts)</small>	Effective From <small>(Charges start on the Effective Date of the agreement)</small>	Condition(s)
<SERVICE DESC>	<RATE 1> <RATE 2>	<EFFECTIVE DATE>	<CONDITION OF THE SERVICE>

THE PARTIES

Fleet Vehicle Agency (Lessor) Building 277 9029 Quartz Road Whitehorse YK Y1A 4P9 Fax: (867) 393-6463	<CUSTOMER NAME> (Customer) <CUSTOMER ADDRESS> <CITY> <PROV> <POSTAL CODE> Tel: () - Fax: () -
---	--

Authorized Signing Officer _____ 

Authorized Signing Officer _____ 

Print Your Name _____

Print Your Name _____

Date _____ Phone _____

Date _____ Phone _____

Witness _____ 

Witness _____ 

Print Your Name _____

Print Your Name _____

Date _____ Phone _____

Date _____ Phone _____

TERMS AND CONDITIONS

- 1(1) The above described vehicle delivered to Renter in good condition with exceptions as noted by hand on this document.
- 1(2) Renter agrees to rent this vehicle subject to terms and conditions stated below and in accordance to GAM Policy 2.11 Government Fleet Vehicles.
- 1(3) Renter acknowledges that the vehicle is the property of the Fleet Vehicle Agency and was received in good condition except as noted. Renter will return vehicle to Fleet Vehicle Agency, together with all tools, accessories and equipment, in the same condition as received, ordinary wear and tear excepted.
- 1(4) The operation, use or driving of the vehicle will be in compliance with all established policies and procedures. Renter shall be
- 1(5) liable for all traffic and parking violations.
- 1(6) Renter agrees to care for all tools, accessories and equipment and will be charged the cost of replacement of any such items not turned back with the vehicle.
- 1(7) Fleet Vehicle Agency shall not be liable for loss or damage to any property left or stored in the vehicle. Renter agrees to
- 1(8) report all accidents/incidents through the normal government procedures.
- 1(9) The renter agrees to keep the rented vehicle secure at all times.
- 1(10) The renter agrees not to carry, in the rented vehicle, explosives, firearms, flammable materials, liquor or pets without special written approval of the Fleet Vehicle Agency.
- 1(11) The renter shall not sub-lease, rent or lend the rented vehicle while in their possession.

1(12) It is understood that the renter accepts all responsibility for the care of the vehicle while in their possession.

1(13) Renter acknowledges that the vehicle may be equipped with a "Trip monitoring device."

EQUIPMENT SUPPLIED WITH THE UNIT

2(1) Equipment with the Unit includes one of each of the following:

- | | |
|--|--|
| <input type="checkbox"/> 20' tow rope/strap c/w grab hooks | <input type="checkbox"/> Extension cord |
| <input type="checkbox"/> Shovel | <input type="checkbox"/> First -aid kit |
| <input type="checkbox"/> Flashlight | <input type="checkbox"/> Set of road flares (reflective triangles) |
| <input type="checkbox"/> Set of booster cables | <input type="checkbox"/> Windshield scraper |
| <input type="checkbox"/> Wheel wrench & jack (OEM) | <input type="checkbox"/> Bottle of matches |
| <input type="checkbox"/> Package of quick start cubes | <input type="checkbox"/> Gas line antifreeze |

The terms of this rental agreement are for the above unit rented, and are in addition to the general terms and conditions of the Departmental Service Level Agreement.

The renter certifies that the unit will be used for government programs and/or official government business only (GAM Policy 2.11 – Government Fleet Vehicles section 2.2.4). Personal use is prohibited.

Additional Services Available at Cost

The Fleet Vehicle Agency is pleased to be able to offer the following additional services. To acquire these services, contact our operations office at 667-5792.

- 1 - Departments that wish to rent vehicles other than the standard models through the pool may do so at additional costs. The requesting department will pay the third-party rates plus fuel plus an administration fee of \$25.00 to supply a credit card and contract.
- 2 - Additional vehicle cleaning services will be available for special requests. The cost will be determined by the level of cleaning or detailing required.

** Smoking and loose animals are not permitted in government vehicles and additional cleaning charges will be invoiced automatically to the renting department(s) when smoke or animal hair is discovered during any detailing process. FVA is charged up to \$500 per occurrence if a third-party vehicle is smoked in or transported loose pets. Those charges plus administrative costs are passed on to the department that rented the vehicle with a suggestion that the department recover the cost from the driver.
- 3 - Special tires such as studded (although not recommended) tires will be made available on request at cost plus applicable installation and administrative charges. Those departments requesting this service will agree to store the original tires and have them changed over in the spring and again in the fall. Prices charged back to the departments will be based on costs at the time of purchase, and applicable rates at the time of each seasonal change. Standard non-studded winter-rated tires are provided by FVA at no additional cost.
- 4 - Costs incurred by FVA in response to avoidable service calls (such as keys locked in a vehicle, winter boosts when a vehicle was not plugged in or lights left on, etc.) will be charged to departments. The minimum charge is \$50 to attend but may be reviewed upon request, by the Operations Manager, based on case-by-case circumstances. The FVA's safety standard is to send two staff to respond to all service calls, but the driver or a departmental contact person is required to be available at the vehicle's location with keys if available.
- 5 - Effective April 1, 2011, the distracted driver law came into effect. To aide clients in complying with this new law, FVA offers optional Bluetooth™ in-car hands-free devices (if not built into the unit) to drivers who require the use of a cell phone while in town or on the highway. These are available for rent at \$1 extra per day, or \$20 per month, when supplies are available.

While FVA can provide this standalone option in annual assigned rentals for \$200 per year, requests should be made to the Operations Manager if there is an operational requirement for annual rentals to have built-in phone connectivity, so that an attempt can be made to locate a vehicle with a factory installed phone connectivity option for the client's needs. A vehicle with the factory phone connectivity option installed eliminates extra charges to the client for a standalone device and reduces the chance of loss, damage to the device during a long rental period.

All vehicles purchased by FVA, from the 2013/2014 model year onward, have factory Bluetooth™ hands free phone connectivity installed.