

East Herts Council Report

Officer decision – non-key

Decision by the Head of Housing and Health acting under authority delegated under paragraph 10.6.1.2(c) of the council's Constitution, to act *in relation to contracts to buy and sell and in relation to the property to acquire, dispose of, let and licence except as detailed in the council's Financial Regulations and Contract Procedure Rules in Section 9 of this Constitution*. Note: the financial limit for contracts in Section 9 is £1m.

Summary – Procurement of 5no. Nissan Leaf e-vehicles on a five year lease contract.

RECOMMENDATIONS FOR Head of Housing and Health:

- a) Enter into a five year contract with Sinclair Financing and Leasing, procured through The Procurement Partnership Ltd's Contract Hire Framework, for the lease of 5no. Nissan Leaf e-vehicles in line with the leasing price schedule in Appendix A and the leasing agreement in Appendix B.

2.0 Background

- 2.1 The council's Climate Change Strategy 2022 – 2026, approved by Council in July 2022, sees the replacement of all of the council's diesel vans with a fleet of e-vehicles as a step on the route towards being a net zero carbon council by 2030.
- 2.2 An opportunity has arisen to procure the required five e-vehicles from a supplier procured within The Procurement Partnership Ltd's (TPPL) Contract Hire Framework

established on behalf of Hertfordshire County Council, and open for all local authorities to use directly – see <https://www.tppl.co.uk/frameworks/fleet-frameworks/fleet-contract-hire/cars-lcvs-welfare-buses-pedestrian-and-compact-sweepers/> The vehicles can be delivered by the end of December 2022. Kirsten Brown, Procurement Manager, has confirmed that the council can make a direct award under this contract.

3.0 Reason(s)

- 3.1 The council wishes to procure a lease of five e-vehicles to replace the current diesel fleet and thus transform the council's own fleet to 100% electric. This will result in a reduction of nine tonnes of CO₂ equivalent a year and thus be a crucial step towards a net zero position by 2030 as envisaged in the council's Climate Change Declaration of July 2019 and the council's Climate Change Strategy 2022 – 2026.
- 3.2 TPPL's Contract Hire Framework operates a panel of suppliers in order to put forward the best deals to clients. In this case, Sinclair Finance and Leasing has provided a particular advantageous deal in terms of costs and delivery time.
- 3.4 Analysis by the Head of Strategic Finance and Property has demonstrated that the lease costs can be met within the existing diesel fleet budgets. Note: five e-vehicles will replace six diesel vehicles. This analysis is presented in Appendix C. The whole life financial cost of this replacement e-fleet is forecast to be slightly less than the very low lease charges the council is currently paying for diesel vehicles, which are at least 2 years past their anticipated original lease term. Like for like replacement with newer diesel vehicles would see an increase in lease costs and potentially

higher fuel costs so the e-vehicles represent Best Value on a whole life cost basis. In addition, assuming the UK average electricity generating mix, the e-vehicles will reduce municipal fleet CO₂ emissions by 9.8 tonnes per year. If the vehicles are recharged at Wallfields or from charge points supplied by 100% renewable energy, then the CO₂ saving will be greater (up to 242kg CO₂ per year) as Wallfields and some charging providers are supplied by 100% certified renewable sources of electricity with zero CO₂ emissions. The Nissan Leaf is also manufactured in the UK at Nissan's production facility at Washington and therefore the delivery journey CO₂ emissions are much less than vehicles produced overseas.

- 3.3 The Head of Legal and Democratic Services has reviewed and approved the leasing agreement, once some amendments were negotiated.

4.0 Options

- 4.1 Seek additional quotes – NOT RECOMMENDED. Officers have gone through a series of exercises to gain quotes. The most recent quotes prior to this quote were provided on 8th September 2022 (***this is now out-of-date and new quotes would have to be sought***). The previous quotes are included at Appendix D. Of note, these quotes are for each vehicle having an 8,000 mileage allowance per year. The new Sinclair quote is based on a more realistic 10,000 annual mileage allowance which will reduce or indeed avoid the risk of an excess mileage payment at the end of the five year term. Furthermore, the delivery time attached to the previous quotes is 6-12 months instead of the immediate delivery now on offer.

Comparison of quotes

	Proposed lease	Best previous quote – though this is out-of-date and so is not available
Annual mileage below excess mileage costs incurred	10,000 per vehicle	8,000 per vehicle
Excess mileage costs	4 pence per mile	5 pence per mile
Delivery time	Immediate	6-12 months
Annual lease cost	£4,309 per vehicle	£4,248 per vehicle
Five year lease costs for five vehicles	£107,725	£106,200 – <i>note an extra £2,500 would be incurred if actual mileage totalled 10,000 per vehicle per year; this is included in the proposed lease</i>

4.2 Proceed with the Sinclair Financing and Leasing quote – RECOMMENDED.

Financial considerations approved by

Steven Linnett, Head of Strategic Finance and Property

Legal considerations approved by

James Ellis, Head of Legal and Democratic Services

Executive Member consulted

Cllr Graham McAndrew, Executive Member for Environmental Sustainability

Appendix A: Leasing cost schedule

Contract Hire Quotation

Prepared for :



Sinclair Finance and Leasing
Hemston Retail Park,
Bridgend
CF31 3NB

Phone: 01656 668844

Quote No: 1898398

Quote Date: 24-November-2022

Ref	Vehicle Description	Term	Total Mileage	P11D	Finance Rental	Maintenance Payment	Total Rental (ex Vat)	Effective Rental	Excess Mileage
A1.	Nissan Leaf Hatch 5Dr 0.0Electric 59kWh 217 e+ N-Connecta Auto (CO2 0)	36	30,000	34,890.00	4,442.25				
	Paint - Metallic - Pearl Black			575.00	170.64				
	6m EVSE 3-Pin Cable			295.00	87.54				
<i>Contract Hire with Maintenance; Servicing and Tyres 1 rentals in advance, followed by 2 yearly rentals commencing in year 2.</i>				35,760.00	4,700.43	225.33	4,925.76	5,395.80	4.00
B1.	Nissan Leaf Hatch 5Dr 0.0Electric 59kWh 217 e+ N-Connecta Auto (CO2 0)	60	50,000	34,890.00	3,851.47				
	Paint - Metallic - Pearl Black			575.00	109.11				
	6m EVSE 3-Pin Cable			295.00	55.98				
<i>Contract Hire with Maintenance; Servicing and Tyres 1 rentals in advance, followed by 4 yearly rentals commencing in year 2.</i>				35,760.00	4,016.56	293.20	4,309.76	4,711.42	4.00

The above quotation is valid for 28 days from the date of quotation and may be subject to change due to movements in money costs, tax or writing down allowances or manufacturer price changes prior to delivery. All rentals are quoted exclusive of VAT. Co2 emissions may change prior to delivery due to WLTP testing procedures. Acceptance of this quotation is subject to final credit approval. This could include credit searches which are part of the acceptance process. This may include Director searches, and for Partnerships, this may include co-Partner credit searches. On signing and returning this quotation, you agree to these terms. Final Credit approval is at the discretion of Sinclair Finance & Leasing Co Ltd

Appendix B: Leasing agreement

Sinclair Finance & Leasing Co Ltd

Contract Hire Master Agreement

East Herts District Council



November 22

TERMS AND CONDITIONS OF THIS AGREEMENT

1 Definitions

“The Lessor” is Sinclair Finance & Leasing Co. Limited (SFL) whose registered office is c/o Bocam Park, Old Fields Road, Bridgend CF35 5LJ and its successors or assigns.

“The Schedule” means each and all of the Schedules to this Agreement signed on behalf of the Lessor and the Customer.

“The Vehicle” means each and every vehicle included in the Schedule (s) — including consolidated Schedules where used - and any replacement vehicle.

“The Schedule” is a document which is signed by both Lessor and Customer which sets out in more detail information relating to the hire of specific vehicles}.

“Fair Wear and Tear” is as defined in the BVRLA's guidelines.

“Manufacturer” is the Vehicle manufacturer.

“Rental” shall mean any regular instalment payable as set out in the Schedule.

“Recharge Rental” shall mean any other amount payable by the Customer under this Agreement, including but not limited to damage or maintenance recharges, fines, etc.

“Rental Due Date” shall mean the 15th of the month following delivery of the vehicle.

“Recharge Rental Due Date” shall mean 30 days from the date of a valid invoice and can only be varied by the Lessor with notice in writing to the customer.

“Lessors Standard Payment Method” shall mean direct debit and can only be varied by the Lessor with notice in writing to the customer.

The Parties to this agreement are East Herts District Council, **“The Customer”** in this agreement.

It is agreed that Sinclair Finance & Leasing Co Ltd may assign its rights and responsibilities under this contract to Lloyds TSB plc, Barclays Bank plc, Close Leasing Ltd or any other Bank or Financial Institution chosen as its funder.

2 Customer's Responsibilities

- 2.1 On delivery, the Customer should inspect the Vehicle to confirm that it is acceptable and meets the requirements of their order. Details of the Vehicle and the related terms should be checked on the Schedule which should be signed by an authorised signatory of the Customer.
- 2.2 To pay by the Lessors Standard Payment Method all rentals specified in the Schedule by the Rental Due Date and other monies payable by virtue of this Agreement by the Recharge Rental Due Date.
- 2.3 To pay the cost of:
- Fuel
 - any top up oil or lubricants or anti-freeze that may be required in between routine servicing;
 - the repair of punctures and tyre damage; and
 - garaging and cleaning and any charges for delivery to or from the servicing garage
- 2.4 To notify the Lessor when any tyre requires replacing and have the tyre replaced by a supplier approved by the Lessor.
- 2.5 To be responsible at its own expense for maintaining the bodywork of the Vehicle both exterior and interior in good condition having regard to the age and mileage of said Vehicle. In assessing appropriate Vehicle condition with regard to age and mileage, SFL use the criteria set out in the BVRLA Fair Wear & Tear guide.
- 2.6 To be responsible at its own expense for the cost of maintenance (including but not limited to such events as fuel contamination, flood damage or driving through flood water) of the Vehicle other than such maintenance as is specified in the Schedule as being the responsibility of the Lessor.

- 2.7 To be responsible for maintaining the Vehicle in a roadworthy condition and to carry out routine maintenance and level checks as recommended by the Manufacturer.
- 2.8 To have the Vehicle serviced promptly at the correct servicing intervals and only at franchised dealer for that make of vehicle or a service garage approved by the Lessor and in accordance with the Lessors service conditions and also in accordance with the recommendations contained in the Manufacturers handbook, which has been supplied to the Customer and which must be stamped by the appropriate servicing agent.
- 2.9 In the event that the Vehicle is not serviced at a service garage approved by the Lessor and in accordance with the Lessors service conditions and also in accordance with the instructions contained in the Manufacturers handbook and/or if the service booklet is not stamped by the appropriate servicing agent, the Customer agrees to pay any costs borne by SFL in the event that the incorrect servicing or non-recording of the service devalues the Vehicle or invalidates the Manufacturers warranty. Any costs payable by the Customer will be determined by an independent accredited assessor appointed by the Lessor such as the BVRLA.
- 2.10 To instruct the servicing dealer to obtain the Lessors authority for any mechanical or maintenance repairs where applicable via the 1 Link maintenance authority system or by e mail or telephone if not associated with 1 Link (if service and maintenance is included in the Schedule).
- 2.11 To ensure that if and when any repairs or maintenance are required as a result of Fair Wear and Tear or faulty manufacture, such repairs or maintenance are carried out promptly and any dealer recalls are adhered to with the least possible delay.
- 2.12 Not to take the Vehicle out of the United Kingdom without the Lessors written consent and to observe such terms as the Lessor may impose as a condition of the granting of such consent, the provision of the VE103b will be deemed giving consent.
- 2.13 To keep and ensure that the Vehicle is kept free from any lien or landlord's hypothec.
- 2.14 Not to mortgage, pledge, loan, hire or party with either the Vehicle or any of its accessories.
- 2.15 Not to assign or sub-let the benefit of this Agreement. Any changes in corporate ownership of the Customer including novation of agreements must be notified to the Lessor in order to ensure that documents and records are updated and in place (acceptance of such changes will be subject to credit approval).
- 2.16 Not to use or suffer or permit to be used the Vehicle for the purpose of racing, pacemaking, rallies, reliability trials, speed testing or driving tuition.
- 2.17 Not to suffer or permit the Vehicle to be driven by any person who does not hold a full driving licence or is not approved by the Customers insurance Company.
- 2.18 Not to convert, modify or alter the Vehicle or its accessories without the written consent of the Lessor e.g. the installation of a tow bar.
- 2.19 Not to overload the Vehicle at any time (please refer to the Manufacturers published maximum payload criteria).
- 2.20 Not to affix any sign, letter or mark in any way to the Vehicle without the written consent of the Lessor. At the expiry of the Agreement, the Customer agrees to reinstate the Vehicle and its accessories to the condition of the Vehicle before such signs; letters or marks were affixed to the Vehicle at its own expense.
- 2.21 Not to disconnect or tamper with the speedometer. The Lessor shall be entitled to estimate the mileage travelled by the Vehicle during the period when the speedometer did not function.

2.22 In the event of a defect appearing in the Vehicle's mileage recorder, to obtain a replacement at once and notify the Lessor of the mileage reading at the time of the change.

3 Vehicle Maintenance

(Only available in some agreements - see Lessors Responsibility in the Schedule)

3.1 The Lessor shall pay the cost of all planned services in accordance with the Manufacturers recommended servicing intervals and warranty regulations.

3.2 In addition to clause 3.1, the Lessor shall pay the cost of any further items of maintenance and repair or replacement (except those for which the Customer is liable under this Agreement) including engine overhauls, replacement of major components and rectification of other mechanical defects, except where due to accident, negligence, abuse, misuse or fuel contamination in any form resulting in subsequent damage to the Vehicle on the part of the Customer, or other persons permitted by the Customer to drive the Vehicle, including failure to have the Vehicle serviced regularly or arising from this event, in which event the Customer shall be liable for such costs.

3.3 The Lessor shall pay the cost of any testing as required by any statute or statutory regulator for the time being in force.

3.4 The Lessor shall approve the dealer and any other suppliers of services used by the Customer for the Vehicle unless the dealer concerned holds a franchise with the manufacturer of that vehicle.

3.5 The Lessor shall pay the cost of anti-freeze in the quantity recommended by the Manufacturer of the Vehicle.

3.6 The Lessor shall pay the cost of replacing any of the tyres on the Vehicle, which shall become unusable due to Fair Wear and Tear or faulty manufacture. In the event of damage necessitating replacement due to the misuse or accident by the Customer then the Lessor, at its discretion, reserves the right to hold the Customer liable to pay the cost of replacement tyres and fitting charges less any allowance agreed by the Lessor for betterment if applicable.

3.7 The Lessor will not usually reimburse the Customer direct but the Lessor may, in the event of an emergency, reimburse the Customer for any maintenance expense incurred by the Customer as a result of Fair Wear and Tear providing that such a claim is made within 28 days from the date the cost was incurred and supported by the duly receipted and detailed original invoices.

3.8 The Lessor shall pay the cost of new batteries and exhausts supplied as required subject to Fair Wear And Tear. In the event of damage necessitating replacement due to misuse or accident by the Customer, then the Customer shall be liable to pay the cost of such replacement.

3.9 The Lessor shall be entitled to reimbursement by the Customer forthwith on demand any sums which the Lessor in its reasonable opinion believes have been charged to the Lessor for work which was unnecessary or which did not fall within the types of work for which the Lessor agrees to make payment under the provision of this Agreement.

3.10 The Lessor shall be obliged to provide the services specified in the Agreement only whilst a Vehicle is situated in the United Kingdom. In the event of mechanical breakdown of the Vehicle outside of the United Kingdom, the Lessor shall pay the lower of:

- a) the actual costs incurred in repairing the Vehicle; and
- b) the costs which would have been incurred in repairing the Vehicle had the mechanical breakdown occurred within the United Kingdom. No other costs of whatsoever nature incurred whilst the Vehicle is outside the United Kingdom shall be payable by the Lessor.

3.11 The responsibility of the Lessor for the maintenance of the Vehicle specified in the Schedule relates solely to the period of hire indicated in the Schedule unless an extension is agreed with the customer.

4 Indemnities

- 4.1 The Customer agrees to indemnify and keep indemnified the Lessor against any claims made whether for personal injuries, loss, damage, inconvenience, delay or otherwise (and all actions, proceedings, damages, costs and expenses in connection therewith) in respect of or arising out of or in any way connected with the Vehicle or its use.
- 4.2 The Customer agrees to indemnify and keep indemnified the Lessor against any fines, fees or penalties resulting from motoring offences or violation of traffic or parking regulation and in addition to pay to the Lessor the consequent reasonable administration charges.
- 4.3 The Customer agrees that in the event of damage being sustained to the Vehicle (Fair Wear and Tear excepted) which is not covered by insurance for any reason, to pay or cause to be paid to the Lessor the reasonable cost of repair plus compensation for any consequential decrease in the value of the Vehicle and loss of the Vehicle's use and to pay the cost of any repair occasioned by negligence or misuse.
- 4.4 The Customer agrees to pay the Lessors reasonable administration charges and any costs or fees incurred by the Lessor by reason of any default by the Customer of any of the Terms of this Agreement.

5 Inspection

- 5.1 The Customer shall permit the Lessor, its servants or agents to inspect and test the Vehicle at all reasonable times during the period of hire.
- 5.2 The Customer undertakes to inspect or cause to be inspected the Vehicle at intervals not greater than six months to ensure that the Vehicle and its accessories are safe and without risk to health when properly used and to ensure that the Vehicle is properly repaired and maintained throughout the continuance of this Agreement. The Customer must ensure that any statutory Test requirements are strictly adhered to by fully authorised dealers.

6 Insurance

The Customer agrees:

- 6.1 To insure and keep insured the Vehicle and accessories on a fully comprehensive cover basis (including the shattering of or damage to glass) with an insurance company approved by the Lessor.
- 6.2 If requested and before using the Vehicle or permitting the same to be used to exhibit to the Lessor any appropriate Cover note and thereafter to exhibit to the Lessor at every insurance renewal the certificate of insurance and the policy or policies of insurance taken out in respect of the Vehicle.
- 6.3
 - a) To pay all premiums in respect of each policy of insurance as soon as the same become due, and to produce the receipts thereof on demand if requested by the Lessor .
 - b) In the event of a failure to pay the premiums to permit the Lessor to pay any sums due and reclaim all costs and charges from the Customer.
- 6.4 In the event of any such policy of insurance containing an excess to pay the amount of such excess in respect of each and every claim made there under.
- 6.5 In the event of damage being sustained to the Vehicle, to give immediate notice to the Lessor, and when required so to do by the Lessor, to deliver to the Lessors premises or those of a nominated dealer the Vehicle which has been damaged whether or not a claim is being made against the insurers, and to permit the Vehicle to remain for the purpose of repairs.

- 6.6 Not to do or permit or suffer to be done any act or thing which may make void or voidable any policy of insurance covering the Vehicle or render the policy monies irrecoverable or any act or thing which may invalidate the Manufacturer's warranty applicable to the Vehicle.
- 6.7 Forthwith to pay or cause to be paid to the Lessor any monies recovered under any policy of insurance in respect of loss or damage to the Vehicle and if requested by the Lessor to assign prior to receiving payment the rights to any monies due to be recovered.

7 Default

- 7.1 The Lessor may terminate the hiring by notice (effective immediately) in writing to the Customer (subject to clause 7.3 below):
- a. if the Customer is in breach of one or more of the terms and conditions of this Agreement; or
 - b. if any payment provided for in this Agreement is unpaid for 30 days in excess of the due date after the same shall have become due or if any cheque drawn by the Customer is not met on presentation; or
 - c. if the Customer is unable to pay its debts within the meaning of the insolvency Act 1986 (or any statute replacing or amending such Act) become bankrupt or in the opinion of the Lessor is apparently insolvent; or
 - d. if the Customer shall make any composition or arrangements with its creditors or being a Company any order should be made or resolution passed for the winding up of the Customer otherwise than for the purpose of amalgamation or reconstruction or a receiver of any of its assets by appointed; or
 - e. if the Vehicle or any of the accessories thereof shall be seized for any legal process; or
 - f. in Scotland, in the event of (in addition to the events specified in the sub clauses above so far as applicable) the Customer suffering sequestration to be awarded of its estate or a receiver or a judicial factor or trustee to be appointed for any portion of its estate or effects or suffering any arrestment charged pending or other diligence to be issued or levied upon the Customer or its estate or effects or if there is exercised or threatened exercise of any Landlord's hypothec; or
 - g. if the Customer shall fail to observe and perform any of its obligations or shall perform any act prejudicial to the Lessor's rights.
- 7.2 The Customer may terminate the hiring by notice (effectively immediately) in writing to the Lessor (Subject to clause 7.3 below):
- a. if the Lessor is in breach of one or more of the terms and conditions of this Agreement; or
 - b. if the Lessor is unable to pay its debts within the meaning of the Insolvency Act 1986 (or any statute replacing or amending such Act) become bankrupt or in the opinion of the Customer is apparently insolvent; or
 - c. if the Lessor shall make any composition or arrangements with its creditors or being a Company any order should be made or resolution passed for the winding up of the Lessor otherwise than for the purpose of amalgamation or reconstruction or a receiver of any of its assets be appointed; or
 - d. in Scotland in the event of (in addition to the events specified in the sub-clauses above so far as applicable) the Lessor suffering sequestration to be awarded of is estate or a receiver or a judicial factor or trustee to be appointed for any portion of its estate or effects or suffering any arrestment charged pointing or other diligence to be issued or levied upon the Lessor or is estate or effects or if there is exercised or threatened exercise of any Landlord's hypoti1ec; or
 - e. if the Lessor shall fail to observe and perform any of its obligations or shall perform any act prejudicial to the Customer's rights.
- 7.3 If either party to this agreement identifies that any default breach as outlined in 7.1 and 7.2 above has occurred, they should notify the other party in writing giving 14 days notice requiring remedy. If any breach capable of remedy has not been remedied within 14 days of receipt of such notice, then the

injured party may terminate the hiring by notice (effective immediately).

- 7.4 In the event of either party terminating the hiring, the Lessor may at any time thereafter retake possession of the Vehicle and for that purpose may enter any premises in the occupation or under the control of the Customer.
- 7.5 In the event of the Lessor terminating the hire, it may at any time terminate any other Agreements with the other Customer which are in operation inclusive of agreements with any associated or subsidiary company of the Lessor or Customer.
- 7.6 In the event of the Lessor terminating the hiring, this Agreement shall cease and determine but without prejudice to any rights which may have accrued to the Lessor hereunder before such termination and to the rights under sub-clause 7.7 of this clause
- 7.7 If this Agreement shall be determined under sub-clause 7.1 of this clause, it shall be deemed to have been terminated by repudiation of the Customer and the Customer shall pay to the Lessor agreed damages of an amount equal to the balance unpaid of the total hire charges specified in the Schedule less any benefits accruing to the Lessor in consequence of such early termination.
- 7.8 Any notice that is served hereunder shall be sufficiently served and sent to the usual or last known address and proof of despatch shall be conclusive evidence of service by the Lessor.

8 Loss, Theft or Write Off

If the Vehicle is stolen and deemed by the insurers to be irrecoverable or is damaged and deemed by the insurers to be incapable of repair:

- 8.1 The Customer shall forthwith deliver to the Lessor all such documents and information as the Lessor may from time to time require in order to effect a settlement with the Customers insurance company.
- 6.2 This Agreement, in so far as it relates to the Vehicle subject to loss, theft or write-off, shall be terminated on the date on which the Lessor receives full compensation from the Customer for that Vehicle and the rental on the Vehicle shall continue until that date. In the event that the Customers insurance does not cover the full compensation required by the Lessor, the Customer undertakes to pay the Lessor any shortfall.

9 Expiry of the Schedule or Agreement

- 9.1 On the expiry of the Schedule or Agreement, the Customer will deliver the Vehicle together with all its accessories, keys (including master keys), alarm and immobiliser codes and documents at its own expense to the Lessors trading premises at Hernston Business Park, Bridgend, CF31 3NB or other location agreed with the Lessor. At the Customers request, the Lessor can arrange to collect the Vehicle from the Customer's premises or other agreed location; the Lessor may, at its discretion charge for such collection.
- 9.2 The state of repair and condition of the Vehicle is to be consistent with its age and mileage assuming good treatment and the Customer agrees to pay any costs incurred by the Lessor for body damage and making good mechanical defects not resulting from Fair Wear and Tear or sub-standard accident damage repairs and for replacing any missing keys, codes or accessory items. All such rectifications will be on a like for like basis and in accordance with the Manufacturers recommended specifications. It is understood and agreed that actual repair or rectification may not necessarily be undertaken prior to sale. For the purposes of defining 'Fair Wear & Tear' both the Lessor and the Customer agree to use the definitions published by the British Vehicle Rental and Leasing Association (BVRLA), copies of which can be provided on request or from the BVRLA website.
- 9.3 On collection, representatives of both the Lessor and the Customer must assess and agree the condition of the Vehicle. All readily apparent damage to the vehicle will be noted in hard copy paper format or

electronically using portable computer equipment. The assessment must be signed by the representatives of the Lessor and the Customer. If this inspection cannot be performed because a representative of the Customer is not present for the collection of the Vehicle, or if the Vehicle cannot be inspected because of poor visibility or poor weather conditions, a further full assessment will be performed at the Lessors nominated site. Prior to disposal of the Vehicle by the Lessor, should further damage become apparent relating to sub- standard accident damage repairs performed whilst the Vehicle was on hire to the Customer, this damage shall be added to the original Vehicle condition assessment.

- 9.4 If the Vehicle is unusable on the expiry of the Schedule or Agreement, the Customer will continue to pay rental at the late hire rental rate (see 9.6 below) until such time as the Vehicle is restored to a condition consistent with a Vehicle of similar age and mileage.
- 9.5 No Vehicle will be permitted to remain on hire beyond the termination date without written permission from the Lessor.
- 9.6 Should the Vehicle not be returned by the Customer on the termination date, additional charges will be payable by the Customer. The rate of these additional charges will be calculated on a daily basis based on the rental specified in the Vehicle Schedule.
- 9.7 Any Vehicle which is not returned on the termination date where no secondary Schedule has been agreed between the Lessor and the Customer will be operated by the Lessor on the same terms and conditions as those on the schedule unless advised otherwise.
- 9.8 In the event of a Vehicle being operated by the Lessor on a non-maintenance basis after the termination date stated in the schedule (subject to clause 9.7), the Customer will be required to maintain the Vehicle at its own expense and the Customer shall not be released from its rights and responsibilities until the Vehicle is returned to the Lessor.
- 9.9 On return of the Vehicle, in the event of the Vehicle exceeding the allowed mileage specified in the Schedule the Customer shall pay the excess mileage charges specified.
- 9.10 The mileage of any Vehicle issued to the Customer and returned having completed its contracted lease term will be considered as pooled. The true mileage recorded by each Vehicle will be compared with the contractual mileage as per the Schedule. The Lessor will pool any Vehicle(s) returned over a six month period as standard.
- 9.11 Where the Vehicle has recorded more miles than contracted there will be an excess mileage charge calculated at the rate specified in the Schedule.
- 9.12 The Lessor will invoice the Customer for payment of the net amount where the aggregate excess mileage charges exceed the aggregate shortfall mileage credits, or such smaller sum as results from setting off against the net amount of any prior {previously unused brought forward} shortfall credits.
- 9.13 If the aggregate credits more than utilise the aggregate charges, any net credit will be held to the Customers credit and offset against any future excess mileage charges. Any credits held over in this way will continue to be carried forward for utilisation against future excess mileage charges for one full year from the six months in which the credit is calculated.

10 Replacement Vehicle

(Only available in some agreements --- see Lessors Responsibility in the Schedule)

- 10.1 In the event of mechanical breakdown not the result of accidental damage or of default or negligence on the part of the Customer, the Lessor will use every endeavour to supply (within the United Kingdom only) a replacement vehicle which shall not necessarily be of the same make, type or group after the expiry of 2, 24 or 48 hours (see Lessors Responsibility in the Schedule) from the receipt of notice of mechanical breakdown. If the Customer requires a replacement vehicle prior to the expiry of 2, 24, or

48 hours {see Lessor's Responsibility in the Schedule), the Customer shall be responsible for the cost of hire during such time.

10.2 The Customer shall hold any replacement Vehicle in substitution for the Vehicle described in the Schedule and subject to the terms hereof, for a period which shall not exceed 28 days without the written consent of the Lessor.

10.3 The Customer is not entitled to any remission of rent during the period of substitution.

10.4 The Customer shall be responsible for the cost of comprehensive insurance of the replacement vehicle for the period of substitution.

11 Vehicle Substitution

11.1 At the option of the Lessor, the Vehicle may be replaced at any time by another of similar age and condition (in which case all terms and conditions of this Agreement continue to apply).

11.2 The Lessor shall not be required to provide such a replacement for a Vehicle outside the United Kingdom.

12 In the event of Accidental Damage or Theft

{only available in some agreements - see Lessors Responsibility in the Schedule) -

The Lessor will use every endeavour to supply (within the United Kingdom only) a replacement vehicle which shall not necessarily be of the same make or type, after the expiry of 2, 24 or 48 hours (see Lessors Responsibility in the Schedule) from receipt of notice of the theft or accident. This replacement facility is limited to 28 days for any one theft or accident

13 Subsidiaries

The Customer may request the Lessor to provide vehicles to a subsidiary or associated company of the Customer. Any vehicles so provided by the Lessor shall be subject to the terms of the Agreement and the Customer will be liable therefore.

14 Statutory Obligations

14.1 The Customer shall be responsible at its own expense for ensuring that the condition of the Vehicle complies with all existing and future statutory requirements.

14.2 The Customer shall bear the cost of any modifications or additions to any part of the Vehicle or the accessories made necessary by any change in statutory regulations governing the operation of the Vehicle.

14.3 The Lessor shall be entitled to vary the rental specified in the Schedule to such an extent as it shall in its discretion think necessary to take account of any change in the rate, incidence or method of calculation or charging Road Fund Licence Duty, Value Added Tax and all other taxes which are or may become chargeable during the Period of Hire or otherwise under this Agreement.

15 Optional Services

The services available to the Customer referred to in Clauses 3, 10 and 12 are optional and will be provided by the Lessor if requested by the Customer in the Schedule.

16 General

16.1 The Lessors rights under this Agreement shall not be prejudiced by any forbearance, indulgence or

acquiescence of the time given to the Customer.

16.2 The title to the Vehicle shall remain at all times with the Lessor or its funders.

16.3 The law of either England and Wales or Scotland shall apply to this agreement according to the Country in which the Customer signed the Agreement.

Appendix

The following terms and conditions will apply specifically to the agreement between Sinclair Finance & Leasing Co Ltd and East Herts District Council

Early Termination Costs

Contracting Authorities require the following early termination schedule as detailed below applied to all vehicles where the Customer exercises such right by giving at least thirty (30) days' notice in writing.

Year of Termination	Vehicle Contract Term			
	2 Years	3 Years	4 Years	5 Years
Year 1	2 Months	5 Months	6 Months	7 Months
Year 2	1 Month	3 Months	4 Months	5 Months
Year 3		1 Month	2 Months	3 Months
Year 4			1 Month	2 Months
Year 5				1 Month

Vehicle Excise Duty

Increases in the rate of VED up to 7.5% must not be passed on to the hirer. For any increases above this, only the amount in excess of 7.5% will be charged.

Contract Extensions

Contract extensions: - Informal extensions under 3 months will be charged at a pro-rata rate to the contracted rentals, all formal extensions of 3 months or longer and formally agreed will attract 10% discount of the original primary rentals.

Excess Mileage Charges

Charges for vehicles up to 3.5tonnes GVW is fixed at the following rates:-

- Vehicles under 1,600cc, including all electric (and electric petrol/diesel hybrid vehicles regardless of engine capacity) the rate is four pence (£0.04) per mile;
- Vehicles equal to or over 1,600cc the rate is five pence (£0.05) per mile.

Under mileages will be credited at the same rate. Pooled mileage will be allowed if chosen by the authority and the authority can elect to have mileage calculated and charged/ rebated either annually or upon expiry of the lease.

Return Charges

Return conditions. Any return condition charge must be based upon the BVRLA code of practice and calculated as **the estimated loss on sale** as a result of the accepted excess wear and tear as opposed to the estimated parts, labour and repair costs. Any resulting charges that are less than £250 shall be waived. Only repairs or loss above £250 will be charged.

Tyre Policy

A "no quibble" tyre replacement policy is required. Under this policy the Eligible Body only to be recharged for tyres replaced as a result of a road traffic accident, vandalism or suspected fraud. In addition, where there is evidence of persistent driver negligence in relation to kerbing or bad driving habits, the lessor may recharge in these instances, but only after the issue has been previously brought to the attention of the Eligible Body based on the following percentage of unused tread:-

Tyre Depth Remaining	Percentage of Replacement Cost Recharged
8mm	100%
7mm	80%
6mm	60%
5mm	40%
4mm	20%
Under 4mm	Nil

in the event of fair wear and tear, tyres will be replaced with a minimum of 3mm tread remaining.

Standard Charge

- Driver Pack - No cost.
- Administration fee for the management of an infringement £20.
- Administration fee for private number plate transfer £20.
- Administration fee for payment of the congestion charge £20.
- Administration fee for re-contracting of the vehicle (e.g. mileage re-writes and contract extensions) £0.

SIGNATURE OF THE PARTIES

Effective Date: _____

The Customer: East Herts District Council

Signature: _____

Name: _____ Position _____ Date _____

The Lessor: Sinclair Finance & Leasing Co Ltd

Signature _____

Name: _____ Position _____ Date _____

Appendix C: Comparison of budgeted diesel fleet annual lease costs and proposed e-fleet costs

Reg	GX68 KPE	EY13 WZM	ND64 HGX	BJ64 URP	BJ64 URT	BJ64 URW			
Vehicle	Ford Transit Connect 200 LTD Tdc	Peugeot Partner 625 S L1 HDI	Fiat Fiorino 16V Multijet	Fiat Doblo 16V Multijet	Fiat Doblo 16V Multijet	Fiat Doblo 16V Multijet			
Fuel	Diesel	Diesel	Diesel	Diesel	Diesel	Diesel			
CO2 g/km	130	133	133	126	126	126			
Lease Cost	2841.87	2850	3194	3194	3194	3194		£18,467.87	
MPG	61.4	50.1	57.6	51.4	51.4	51.4			
Fuel costs	1350.74	355.46	1350.74	1350.74	1350.74	1350.74		£7,109.16	
Fuel split	19%	5%	19%	19%	19%	19%			
Fuel per l	190	190	190	190	190	190			
Fuel per G	863.76	863.76	863.76	863.76	863.76	863.76			
Gallons	156.4	41.2	156.4	156.4	156.4	156.4			
Miles	9603	2064.1	9008.6	8039	8039	8039		44,792.7	
Kilometres	15451.2	3321.1	14494.8	12934.8	12934.8	12934.8			
CO2 kg	2008.7	441.7	1927.8	1629.8	1629.8	1629.8		9267.6	
							Financial cost	£25,577.03	
							Environmental cost	9160.5	kg CO2

5 year leases									
Vehicle	Nissan Leaf 59kW N- Connecta	Nissan Leaf 59kW N- Connecta	Nissan Leaf 59kW N- Connecta	Nissan Leaf 59kW N- Connecta	Nissan Leaf 59kW N- Connecta				
Fuel	Electric	Electric	Electric	Electric	Electric				
CO2 g/km	0	0	0	0	0				
Lease Cost	4,309.76	4,309.76	4,309.76	4,309.76	4,309.76			£21,548.80	
MPkWh	3.7	3.7	3.7	3.7	3.7				
Battery kWh	59	59	59	59	59				
Miles per charge	239	239	239	239	239				
Charges Req	40	37	33	33	33				
kW input	2360	2183	1947	1947	1947				
Price per kW	35	35	35	35	35				
Fuel costs	826	764.05	681.45	681.45	681.45			£3,634.40	
Miles	9492.4	8905	7946.4	7946.4	7946.4			42,236.6	
CO2 g	23.3	23.3	23.3	23.3	23.3				
average uk electricity mix per kW						Financial cost		£25,183.20	
CO2 home charge	55	50.9	45.4	45.4	45.4	Environmental cost		242.1	kg CO2

Appendix D

Quotes secured by Hertfordshire County Council on East Herts Council's behalf using TPPL's Contract Hire Framework: 8th September 2022

CONTRACT TERM 5 YEARS		Net of VAT
<u>Contract Hire Company</u>	<u>Annual Rental</u>	<u>Total over 5 Year Term</u>
	<u>Annual Mileage 8,000</u>	<u>Total Mileage 40,000</u>
Grosvenor	£5,184.76	£15,554.28
Daysfleet	£4,611.24	£13,833.72
Agility	£4,248.90	£12,746.70
TCH	£4,668.48	£14,005.44
Kinto	£4,724.96	£14,174.88
Leaseplan	£4,481.09	£13,443.27
TCH	£4,793.57	£14,380.71

Please note this would be a factory order estimated delivery 6 to 12 months.