

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
TRANSPORTATION SERVICES DIVISION
FY 2027 State Central Fleet Authority Long-Term Lease Agreement
Lease Agreement Number: 3P3-0506-0001
Fiscal Year: FY 2027

1. Purpose

The purpose of this vehicle lease Agreement is to apply the rates, conditions for and responsibilities of leasing vehicle(s) described in **Attachment A** of this Agreement from the State Central Fleet Authority (SCFA) of the Transportation Services Division (TSD). Fiscal Year 2027 leasing fees reflect a rate structure designed to recover overhead, maintenance, and vehicle replacement costs for vehicle(s) upon full completion of the term of this lease based on mutually agreed upon vehicle Life Cycles.

2. Authority

This lease operates under the following authority:

- A. Chapter 15, Article 8, Sections 1 through 11 NMSA 1978; and,
- B. Title 1, Chapter 5, Part 3, Sections 1 through 1-32, NMAC-09-23-2025
- C. Chapter 13, Article 1B, Section 1 through 7
- D. Chapter 66, Article 3, Section 28
- E. Chapter 66, Article 6, Section 15
- F. Chapter 41, Article 4, Section 3
- G. Title Chapter 5 Part 4 Sections 1 through 12 NMAC

3. Definitions

- A. Authorized driver means: a state employee holding a valid New Mexico driver's license or an approved out of state driver's license and a TSD approved defensive driving certificate who is permitted to use a state vehicle in furtherance of official state business; a valid New Mexico driver's license or an approved out-of-state driver's license but does not include provisional, limited, restricted or administrative permits.
- B. "Charge Point card" means a card used for charging electric vehicles
- C. "Commuting" means domicile-to-duty privilege authorized by the leasing agency's cabinet secretary or agency head to state authorized drivers where it is in the state's best interest to allow these employees to use a state vehicle to and from work and residence.
- D. "DDC" means the TSD officially adopted Defensive Driving Course(s); currently the National Safety Council (NSC)
- E. "Director" means the Director of the Transportation Services Division of the New Mexico General Services Department or his authorized designee;
- F. "Division" means the Transportation Services Division of the New Mexico General Services Department;
- G. "Fuel Card" refers to the Fuel Gasoline Credit Card(s) supplied by selected Fuel Card provider and acquired by the Lessee and is specifically designated for use with the vehicle(s) assigned in this Agreement; Fuel Card provider is Wright Express
- H. "GPS" means Global Positioning System
- I. "GSD" means the New Mexico General Services Department;
- J. "Hybrid" means internal combustion engine with an electric motor
- K. "Hybrid Plug-in" (PHEV) integrates both an internal combustion engine and an electric motor powered by a battery pack that can be recharged by plugging into an electrical outlet or charging station
- L. "Lessee" means the State of New Mexico or any of its branches, agencies, departments, boards, instrumentalities, institutions, political subdivisions, public school districts and state educational institutions that; lease vehicle(s) from the State Central Fleet Authority; (SCFA)
- M. "Lessor" refers to the State Central Fleet Authority of the Transportation Services Division of the New Mexico General Services Department;
- N. "Life cycle" life span of vehicle and mileage allowance
- O. "Monthly Lease Charge" refers to the monthly lease rate the Lessee shall pay during the term of this Agreement to the State Central Fleet Authority. The lease rates include the costs of overhead, maintenance, replacement costs, and any vehicle add on (winches, tool boxes, and GPS), determined by user requirements; **TSD will conduct an annual billing for those vehicles that are on a long term vehicle lease.**
- P. "NSC" means the National Safety Council, which is currently the TSD officially recognized DDC national authority;
- Q. "RFID card" means Wright Express card used for electric vehicle at all charging stations
- R. "SCFA" means the State Central Fleet Authority of the TSD of GSD;
- S. "State Central Fleet Authority Vehicle" means a state vehicle in the custody of the Division that is available for leasing to state agencies.
- T. "Third Party Commercial Vehicle" refers to a vehicle under the control of SCFA that is acquired via a separate lease agreement and is subject to excessive mileage charges and excess wear and tear fees.
- U. "TSD" means the Transportation Services Division of the GSD;
- V. Underutilized Vehicle refers to a state vehicle driven less than 750 miles per month or not used daily
- W. "ZEV" means Zero Emissions Vehicle

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
TRANSPORTATION SERVICES DIVISION
FY 2027 State Central Fleet Authority Long-Term Lease Agreement
Lease Agreement Number: 3P3-0506-0001
Fiscal Year: FY 2027

4. **Lessee**

The vehicle(s) identified in Attachment A of this Agreement is/are hereby leased to, XXXXXXXXXXXXXXXXXXXX located at XXXXXXXXXXXXXXXXXXXX for a period of twelve (12) months, beginning July 1, 2026 and ending June 30, 2027.

5. **State Vehicles Use**

Lessee must comply with Sections 15-8-1 through 15-8-11 NMSA 1978, and GSD Rule 1.5.3., NMAC. Lessee shall advise all operators of the vehicle of the provisions of the rule and applicable statutes. Vehicle operators must have a valid unrestricted driver's license (free of any conditional or provisional requirements) and proof of completion of the state's prescribed Defensive Driving Course(s) in their possession while operating a state vehicle. An electronic copy of a DDC will be acceptable.

6. **Fee, Fee Basis, Summary of Covered Expenses**

The monthly rate is calculated by prorating the annual cost of the vehicle and its operations based on historical data and vehicle lifecycles. Following are three component elements that make up the standard leasing rates:

- A. **Overhead Fee.** This fee is imposed on all vehicle leases to cover reoccurring costs such as labor; insurance; administrative/management; and personnel costs.
- B. **Maintenance Fee.** This fee is imposed on all vehicle leases and is used to cover all associated vehicle maintenance and repair costs.
- C. **Replacement Fee.** The replacement cost is comprised of the purchase price of the unit depreciated over the agreed upon vehicle life cycle minus anticipated residuals. Vehicles identified as needing to be replaced are subject to this fee. This fee is the basis to pay for replacement of the vehicles. Revenue earned from this fee is used to purchase new vehicles. Leases that do not include a replacement cost "Operational Lease" mean that once a vehicle is no longer operational it will be disposed of without a replacement. An operational lease will be applied to a vehicle whenever an agency is granted approval to outright purchase the vehicle using various funding sources or when the vehicle has fulfilled the prescribed lifecycle.
- D. **GPS Fee.** The monthly monitoring fee associated with the GPS system.
- E. **3rd Party Vehicle Rates.** The rates for these vehicles will consist of the leasing fee, maintenance and overhead.
- F. **Vehicle Add-On Fee.** This is a fee that is the results of vehicle add ons such as winches, tool boxes, plows etc.
- G. **Excessive Mileage Fees.** This fee only applies to third-party commercially leased vehicles that have accumulated miles over the negotiated terms. (MY24 term and 48 months and 72,000 miles), (MY25 and MY26 term 48 months and 72,000 miles). The Lessee agrees to pay any additional \$0.12 mileage charge for each mile driven in excess of the negotiated miles which is based on fleet averages. Attachment A will identify the negotiated terms.
- H. **Excess Wear and Tear Fees.** Third-party commercially leased vehicles are inspected for damage in excess of fair wear and tear upon lease termination. The commercial leasing vendor will conduct a post lease inspection. Damage considered in excess of fair wear and tear will be billed back to the Lessee's agency/department. Written documentation will be provided on each vehicle from the inspecting vendor. See **Attachment C** for excessive wear and tear form.
- I. **Leasing Dates.** The fees described in this section shall commence on the date the vehicle is delivered to, or accepted by the Lessee and will continue until the expiration of the lease Agreement term or early termination of the Agreement in accordance with Sections 16 and/or 17 of this Agreement. There will be no prorating on terminated leases. The monthly rate will be the same whether a vehicle is returned in the beginning, middle or end of the month.
- J. **Late Payment Penalty Fee-Accounts Receivable.** Lessor requires the Lessee to maintain its Accounts Receivable current – thirty days or less. The Lessor shall assess a one and one-half percent (1.5%) per month late payment penalty fee on accounts over ninety-days past due. The Lessor may take action to cancel any lease that is delinquent 120 days or more and retrieve the vehicle.
- K. **Encumbrance.** The Lessor requires the Lessee to encumber the 12-month cost of the lease at the beginning of the fiscal year. The Lessee may disencumber funds only after a written request to the SCFA has been approved.
- L. **Operating Transfers.** At the beginning of the fiscal year the Lessee should pay the full year lease amount with an operating transfer. Those agencies that rely on Federal Funds may have no choice but to pay on a monthly basis.
- M. **Billing Information.** Lessee may access billing/invoicing information at any time. Information can be found at <https://onlinestatements.genservices.state.nm.us>. You will need to register and will be sent login information.

7. **Fuel Credit Cards**

- A. It is the responsibility of the Lessor to acquire state-wide price agreement approved fuel cards for each vehicle. Lessee is responsible for establishing and maintaining operating parameters/requirements for authorized vehicle operators. This includes any services and/or emergency purchase(s) that are to be procured via the card. The Lessee is liable for all fuel credit card purchases. Each driver must have their own unique PIN and it cannot be shared.
- B. While it is the Lessee's responsibility to establish operational requirements for the use of a fuel card, the Lessor still has the authority to stop the use of the fuel card if an agency is found in non-compliance with this document, any addenda and/or amendments.

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
TRANSPORTATION SERVICES DIVISION
FY 2027 State Central Fleet Authority Long-Term Lease Agreement
Lease Agreement Number: 3P3-0506-0001
Fiscal Year: FY 2027

- C. New fuel cards must be ordered upon receipt of government license plate. Fuel card **must** be embossed with the plate number that is issued to that vehicle. Any vehicle that does not have the correct license plate (SG) reflected on the fuel card is in violation and the card and/or vehicle may be pulled from the agency.
- D. Each vehicle needs to have a log that captures all fuel card purchases and must be reviewed and signed off by a supervisor. This requirement is incorporated into the vehicles mileage log.
- E. Permissible Fuel Card Purchases:
 - a. Regular Gasoline
 - b. Unleaded Gasoline
 - c. Electrical Charges
 - d. Diesel Fuel
 - e. Windshield Fluid
 - f. Motor oil – fill only, no oil changes
 - g. Car wash
 - h. Diesel exhaust fluid (DEF)
 - i. Emergency purchases - wipers, flats, etc

8. Inventory Requirements

- A. Lessee must maintain a physical inventory of all leased vehicles and forward such to the appropriate TSD Account Manager by **July 15** of each year. At a minimum, the physical inventory shall include:
 - a. Vehicle G/SG – Plate number
 - b. Vehicle Identification Number
 - c. Vehicle Model Year
 - d. Vehicle Make
 - e. Vehicle Model
 - f. Mileage
 - g. Vehicle condition
 - h. Vehicle Location
 - i. Costs incurred by the Lessee, for damages resulting from accident/theft and/or vandalism
 - j. Date inventory was taken
 - k. Certifying signature of Lessee's authorized representative
- B. Inventories are to be completed in an Excel spreadsheet format created by TSD. Attachment A
- C. In accordance with State Auditor Rule, Lessee must provide Lessor with copies of annual agency audits verifying inventory and identifying discrepancies.
- D. Each vehicle that has a lease shall be inspected yearly by the Lessor unless arrangements have been made for exemption. Failure to acquire vehicle inspection may result in cancelation of vehicle lease agreement.
- E. Lessor shall conduct announced/unannounced spot checks of Lessee fleet inventory as deemed necessary.
- F. Lessee shall notify the appropriate TSD Account Manager of vehicle location changes, as needed by Lessor.

9. Mileage Reported

- A. Vehicles equipped with an active GPS device do **not** need to report mileages.
- B. Lessees who do not have access to on-line reporting via TSD's Internet web site must obtain proper rights to report online from the appropriate TSD Account Manager. Lessees having on-line reporting capabilities must submit their monthly vehicle usage mileage via the TSD Internet site located at: <https://fleet.gsd.state.nm.us/InfoCenter/>
- C. Lessee shall report monthly mileage online from the 10th to the 25th, until 5:00 pm during the term of this agreement.
 - a. Should an employee's responsibilities change and they no longer need access to the online reporting website Lessee must notify TSD so that the user ID is deleted.
- D. Failure to submit mileage or report mileage via Internet access shall result in:
 - a. Cancellation of the fuel credit card.
 - b. TSD not reimbursing any subsequent maintenance purchases paid by the customer
 - c. If the Lessee fails to provide required mileage via Internet on an on-going (regular) basis the Lessor may terminate this Agreement in accordance with Section 16 of this Agreement and the vehicle will be returned to TSD.
- E. Mileage used will determine underutilized vehicles. Underutilized vehicles may be removed, transferred or re-located to another agency/location to ensure asset is used accordingly.

10. Repair Work under Warranty

Lessor will provide Lessee with warranty information on the vehicle and shall contact Lessee should repair work, recalls, etc., be necessary while the vehicle is under warranty.

11. Vehicle Recalls

Vehicle recall notices will be sent via E-mail to your Agency vehicle coordinator and must be completed no later than 60 days from receiving notification from GSD/TSD. The specific dealer is not allowed to perform any other services while vehicle is in their possession other than the recall(s) needed. Once the recall(s) have been performed a copy of completion must be sent to

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
TRANSPORTATION SERVICES DIVISION
FY 2027 State Central Fleet Authority Long-Term Lease Agreement
Lease Agreement Number: 3P3-0506-0001
Fiscal Year: FY 2027

GSD/TSD for verification. Failure to adhere to these recalls may result in the vehicle being removed from the agency's custody.

12. **Procedures for Maintenance and Repair Work not under Warranty**

- A. No Person shall alter, modify, convert, or improve the original vehicle equipment of any state vehicle without the prior written authorization of the director or designee. This also applies to vehicles with active GPS units installed.
- B. Lessee may arrange for the interior and exterior washing of the vehicle, without contacting the Lessor if this washing is to be charged to the Fuel Credit Card. Car washes are to be performed monthly. During periods of drought, Lessee must comply with state/county and/or city car washing restrictions. Remember that all costs incurred via the Fuel Credit Card are the responsibility of the Lessee. See paragraph "C." below.
- C. Oil changes, rotation and balancing of tires are to be performed at intervals reflected on **Attachment B**. **Attachment B** provides SCFA recommended service intervals as provided for by the manufacturer. Maintenance service intervals not covered by this attachment will require the operators to refer to their vehicle owner's manual. **Oil changes are not authorized on the Fuel Credit Card.** When a vehicle is given an oil change (Preventive Maintenance-PM), a copy of the invoice should be emailed to the appropriate TSD Account Manager for updating purposes. Lessee will then be provided with a quarterly updated PM schedule. **Oil changes made prior to the recommended mileage will be charged back to the Lessee.**
- D. Lessees will ensure that the thread depth is captured @ each LOF (lube and filter) service
- E. All purchases made via the Fuel Credit Card become the responsibility of the Lessee.
- F. Lessees who choose to utilize bulk fuel filling stations must report these activities to the appropriate TSD Account Manager on a monthly basis. The report will be in Excel format and will contain the following: a) vehicle license plate; b) vehicle class code; c) gallons entered; d) odometer reading; e) price per gallon; f) fueling location; g) fuel type.
- G. SCFA has maintenance contracts in place located throughout the state and will provide the Lessee with a listing of existing vehicle maintenance contracts. If a contract is not available, the Lessee shall provide the Lessor with three (3) cost estimates for approval to have maintenance and repair work done. Lessor retains the right to determine which vendor the Lessee must use to have the maintenance or repair work done.
- H. Lessee will ensure that the state vehicle license plate (SG) is clearly reflected on the invoice. This includes undercover and protected plated vehicles. Lessee needs to ensure the vendor is capturing the odometer on all invoices.
- I. Lessee shall fax or email all vehicle preventative maintenance invoices to the SCFA immediately upon completion and acceptance of any and/or all vehicle repair work done.
- J. Lessees are responsible to ensure that all work performed is done correctly. Employees need to verify that work occurred and, if body work is involved, that it meets with acceptance standards. Any work that occurs on a state vehicle that is not acceptable but is signed off by the Lessee as acceptable, the Lessee will assume the financial liability to repair the vehicle correctly.
- K. Maintenance or repairs from any vendor not approved by the Lessor will result in Procurement Violations and Lessee will be responsible for paying invoices and assuming Procurement violations.
- L. Maintenance or repairs that will exceed \$500 need prior approval from TSD. Approvals are obtained by the **vendors** contacting the Motor Pool Garage/Maintenance manager.
- M. **In case of a vehicle breakdown, the vehicle is to be towed to the nearest authorized vendor for repairs or state facility. Please refer to vendor list. Vehicles with GPS devices use this phone 1-833-433-8841 and provide them with the last 8 digits of the VIN number.**

13. **Monthly Maintenance Fees**

- A. The monthly maintenance fees described in Section 6 of this Agreement shall provide for all routine preventive maintenance and repair work for the vehicle(s), unless otherwise excluded in this Agreement. This includes, but is not limited to, oil changes, tires and other routine maintenance, as well as repair work to include parts and labor.
- B. Maintenance described in this section does not cover repairs referenced in Sections 20, 21 and 23 of this Agreement.

14. **Markings or Decals**

- A. Unless exempted in writing by the Lessor on a fiscal year basis, 15-8-6 NMSA 1978 mandates that all State of New Mexico vehicles must display permanent state seal decals on both sides of the vehicle and decals describing the user agency, i.e. State of New Mexico Motor Pool, or the appropriate acronym identifying the user agency.
- B. The size of the decals and/or numbering shall be a minimum of two inches (2") in height.
- C. Each vehicle must also have the 1-800 vehicle abuse sticker, Vehicle monitored by GPS decal, along with the DWI sticker affixed to the rear of the vehicle.
- D. Lessees may use their own permanent decals upon acquiring Lessor written approval. Cost for such decals will be the Lessee's responsibility.
- E. In the event TSD has to install removed decals the lessee will be charged up to \$90.00 for replacement.
- F. Vehicles who have been granted decal waivers must keep a copy of the approval in the vehicle. In instances where an agency is granted a partial waiver, magnetic decals must be on the vehicle when it is used for administrative purposes and during inspection.

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
TRANSPORTATION SERVICES DIVISION
FY 2027 State Central Fleet Authority Long-Term Lease Agreement
Lease Agreement Number: 3P3-0506-0001
Fiscal Year: FY 2027

- G. Each vehicle that has an active GPS installed on it must have a sticker on the bumper identifying the unit as having a GPS device installed in the vehicle. Each driver will understand that all activity including speeding and location is and will be monitored.
15. **Unsafe or Inoperable Vehicle Replacement**
- A. Lessee must notify the Lessor in writing of any leased vehicle(s) that is identified as unsafe and or inoperable.
 - B. Lessee must have obtained a **written certification from a certified mechanic** stating that the vehicle in question is unsafe and/or inoperable.
 - C. Upon notification of the condition of the vehicle(s), the Lessor within a reasonable period will make every attempt to repair or replace the vehicle(s).
 - D. TSD will "red tag" vehicles that are deemed as unsafe or inoperable.
16. **Early Termination of Agreement by Lessor**
- A. SCFA operates as an internal service fund designed to be self-sustaining. By signing this Agreement, the Lessee commits to having sufficient funds to pay for the lease(s) of the subject vehicle(s) for the fiscal year.
 - B. The Lessor may take action to cancel this Agreement and recover the vehicle if the Lessee is delinquent over 120 days in making payment in accordance with Section 6 of this Agreement.
 - C. The Lessor reserves the right to cancel this Agreement at any time the Lessee is not in compliance with any or all provisions in this Agreement, provided the Lessor has brought the non-compliance to the Lessee's attention in writing and the Lessee has been given a reasonable amount of time to resolve the issues. If the Lessee disregards the Lessor's notification of non-compliance of the terms of the Agreement, the Agreement shall be terminated.
 - D. Under-utilized vehicles: The Lessor reserves the right to cancel this Agreement when the Lessor determines that the subject vehicle(s) is/are under/over utilized, and/or misused or abused. Underutilization is determined at the rate of less than 750 miles per month, unless justification is provided. Misuse or abuse is defined as failing to adhere to NMAC rules and requirements.
 - E. Lessor shall notify Lessee of the early termination of the Agreement in writing. The Lessor's decision shall be final. Lessee shall return the vehicle to the Lessor to a location mutually agreed upon within ten working days of receiving termination notification from the Lessor.
17. **Early Termination of Agreement by Lessee**
- A. The Lessee may terminate this Agreement by providing a written thirty day (30 day) notice indicating the vehicle has been repaired unsuccessfully two (2) or more times or the Lessee documents the car as unsafe, not roadworthy or will otherwise not be successfully repaired. In cases of a documented unsafe, not roadworthy vehicle, the Lessee's decision is final.
 - B. The Lessee may terminate this Agreement for lack of sufficient funding by providing a thirty day (30 day) notice in writing. The Lessee's decision shall be final and binding with the vehicle returned to a mutually agreed location within ten (10) working days of TSD notification.
 - C. Early replacements of vehicle; in the event a lessee chooses to replace a currently leased vehicle prior to its reaching its' life cycle with another newer vehicle, the lessee will be charged the balance due on the vehicle replacement fee based on pre-determined vehicle life cycle.
18. **Expiration of Term**
- A. If within thirty days (30 days) prior to the expiration of the term of this Agreement, the Lessee determines they will/will not renew the lease on the vehicle, the Lessee shall contact the Lessor of its intention.
 - B. If the determination is not to renew, the Lessee shall return the vehicle to a mutually agreed location and the vehicle shall be clean, inside and out, and have at least half (1/2) tank of gasoline.
 - C. The return of the vehicle shall occur by the expiration of the term of the Agreement, but no later than two (2) working days after the expiration of the term.
19. **Excess Wear and Tear Fees**
- A. Normal wear and tear includes, but is not limited to dents, dings, paint chips, scratches, pitted windshields, soiled carpeting and seat upholstery attributed to normal wear and tear of a vehicle during the term of this Agreement.
 - B. The Lessee shall pay for damages in excess of normal wear and tear of the vehicle. The Lessor shall conduct a post lease inspection. Lessor decisions regarding damages in excess of normal wear and tear of the vehicle are final.
 - C. Third-party commercially leased vehicles are inspected for damage in excess of fair wear and tear upon lease termination. The commercial leasing vendor will conduct a post lease inspection. Damage considered in excess of fair wear and tear will be billed back to the Lessee's agency/department. Written documentation will be provided on each vehicle from the inspecting vendor. See **Attachment C** for excessive wear and tear form.
20. **Vehicle Security**
- A. Lessee is responsible for assuring that all SCFA vehicles are kept in a secure area, minimizing exposure of the vehicles to vandalism, damage, destruction, wreckage, sabotage, defacement and/or harm.
 - B. Lessee will ensure that (1.5.3.21A) authorized driver must turn off ignition, close all windows, and lock the doors and trunk of a state vehicle whenever the state vehicle is unattended.

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
TRANSPORTATION SERVICES DIVISION
FY 2027 State Central Fleet Authority Long-Term Lease Agreement
Lease Agreement Number: 3P3-0506-0001
Fiscal Year: FY 2027

- C. If after multiple occurrences, of vandalism, damage, destruction, wreckage, sabotage, defacement and/or harm, the Lessee's landlord does not provide a secure space for SCFA vehicles; and, the Lessee cannot acquire other secure State of New Mexico or private sector overnight parking facilities, for the purpose of meeting the assurances of Section 20., Subparagraph A., above, the Agency Head shall in writing request authorization of the Director to permit qualified agency personnel to take vehicles to their place of residence at night and/or weekends. The agency shall comply with all authorization, recording and reporting requirements of 1.5.3.21.

21. Insurance

- A. Lessor is responsible for insurance for long-term leased vehicles. GSD Risk Management Division accident and/or vandalism insurance deductible cost to the Lessor is two thousand five hundred dollars (\$2,500) per occurrence. Theft deductible cost to the lessor is five thousand dollars (\$5,000) per occurrence.
- B. Lessor is financially liable for any repair expense because of accident/theft and/or vandalism under the two thousand five hundred dollars (\$2,500) deductible per occurrence.
- C. If the Lessor determines that the Lessee is at fault for the accident, all repairs up to two thousand five hundred dollars (\$2,500) and/or the two thousand five hundred dollars (\$2,500) deductible will be charged back to the Lessee.,
- D. Reoccurring vandalism will be charged back to agencies for vehicles that are left in unsecured areas.

22. Accidents, Theft, Vandalism, Acts of God

- A. Without exception, **Lessee shall submit an auto loss notice to Lessor within twenty four hours or the next business day of all accidents, vandalism, damage, destruction, wreckage, sabotage, defacement and/or harm or acts of God resulting in damage to the vehicle or theft of the vehicle.** Lessor shall determine if the vehicle is to be repaired and where it is to be repaired.
- B. It is the Lessee's responsibility to acquire a police report on every accident, vandalism, destruction, wreckage, sabotage, defacement resulting in damage to the vehicle or theft of the vehicle. The police report is to be forwarded to SCFA as soon as it is received. **Any Vehicle Loss Notices with a reason of "Unknown" will result in repairs becoming the responsibility of the Lessee.**
- C. Failure of the Lessee to notify the Lessor of vandalism, damage, destruction, wreckage, sabotage, defacement and/or harm of an SCFA leased vehicle may require the SCFA to exercise its Early Termination options pursuant to Section 16 of this Agreement. Furthermore, **any repairs to bring the vehicle up to standard will be borne by the Lessee.**
- D. Costs associated with this section may be borne by the Lessee if not reported within the twenty four hour or the next business day timeframe.
- E. Lessor shall not be required to provide a replacement vehicle for the Lessee during the period of the time the vehicle is out of service. However, Lessor will make every effort to provide a vehicle.
- F. Notwithstanding the paragraph immediately above, the parties agree that the Lessor may bill the Lessee up to two thousand five hundred dollars (\$2,500) in the event of any damage to the vehicle is caused by gross negligence or gross misuse of the vehicle by the Lessee. See Section 20.C above. If the claim is denied by Risk Management, the agency will assume all repair costs.
- G. Regardless of damage, all accidents must be reported to GSD/TSD. A police report must be obtained. Every effort should be made to contact a state police officer first. Lessee must forward three (3) quotes for repairs to TSD within 5 days. Pictures of damages and of repaired damages are required. Failure to comply will result in Lessee paying for the full repair.
- H. In the event the driver is found to be at fault for the accident while operating a state vehicle they are required to re-take the 6 hour Defensive Driving Course class instructed by a TSD approved instructor.
- I. All repairs should be finished and the vehicle needs to be back on the road within 30 days from the time of incident, regardless of repairs needed.

23. Dispute Resolution

- A. Should the Lessor and Lessee disagree on charges to the Lessee pursuant to Paragraphs 20, 21 and 22, if any, the Lessor and Lessee shall select a party not associated with the General Services Department or the Lessee to arbitrate the dispute.
- B. If the Lessor and Lessee do not mutually agree on a party to resolve the disagreement, a neutral party will be asked to intervene.

24. Vehicle Waivers

Lessee must request a waiver if vehicle will be traveling Out of State and incurring per diem, traveling out of the country or transporting a non-state employee. Please request waivers at least 5 working days in advance. Please register/submit at <https://www.generalservices.state.nm.us/transportationservices/waivers.aspx>

25. Commuting

- A. Each agency permitting authorized drivers to utilize this domicile-to-duty privilege shall maintain current records of and provide a current copy of the following to SCFA.
- a. Review all authorizations to use a state vehicle to commute at the beginning of each fiscal year and provide an approved commuter report to TSD.

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
TRANSPORTATION SERVICES DIVISION
FY 2027 State Central Fleet Authority Long-Term Lease Agreement
Lease Agreement Number: 3P3-0506-0001
Fiscal Year: FY 2027

- B. At the end of the fiscal year each agency must provide a report identifying drivers and state vehicle plates who commutes for the fiscal year and needs to contain the following information;
- a. The authorized commuter: the vehicle state plate.
 - b. The number of total miles each commuter drives annually between work and residence using a state vehicle;
 - c. The number of times annually a state authorized commuter is called back when the state employee is off-duty;
 - d. This report is due on July 15 of each fiscal year

LESSOR: _____
Annette Roybal, SCFA Bureau Chief
Transportation Services Division, GSD

07/01/2026
DATE

LESSEE: _____

DATE

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
TRANSPORTATION SERVICES DIVISION
FY 2027 State Central Fleet Authority Long-Term Lease Agreement
Lease Agreement Number: 3P3-0506-0001
Fiscal Year: FY 2027

Attachment C

SURRENDER OF VEHICLES. At the end of the Lease Term, Customer shall, upon ten (10) days' written notice to Lessor, deliver the Vehicle identified in the notice to Lessor at a mutually agreed location. Upon surrender or, if not surrendered, at final disposition, the Vehicle shall be in good, safe and lawful operating condition with any added equipment, if requested by the Lessor, removed and the Vehicle restored to original condition. If the Lessor determines that the Vehicle has been subject to excess wear and tear and use, the Customer shall be liable for the cost of restoring the Vehicle to the required condition. Standards applicable in making the determination that a Vehicle has been subject to excess wear and tear or wear and use are:

- a. The manufacturer's warranty and scheduled maintenance schedule has not been met;
 - b. The Vehicle will not pass any inspection required by law, even if an inspection is not then due;
 - c. The Vehicle does not have four (4) undamaged matching tires (retread tires are unacceptable) comparable in quality to the original equipment with at least 1/8 inch tread at its lowest point, one (1) spare tire and wheel, jack and wheel wrench (if originally equipped);
 - d. The Vehicle is not returned with the same or comparable equipment and accessories installed at the time of delivery, in working order;
 - e. There are rips, tears, burns, soiling or excess wear to the carpet, seats, doors, headliner, dash board, interior or trunk areas;
 - f. There are scratches, dents, pits, rust areas, mismatched paint or cracks in the fenders, bumpers, grill, hood, trunk, roof or doors, that would collectively cost more than One Hundred Dollars (\$100.00) to repair;
 - g. The Vehicle has been repainted in other than its original color;
 - h. The engine, drive train or other mechanical, safety or electrical parts, including, but not limited to, the engine, transmission, drive train, transfer cases, air conditioning, power windows, power door locks or audio equipment, do not operate properly or have been altered in any way;
 - i. There are any special identification markings, decals or lettering appearing anywhere on or in the Vehicle;
 - j. The windows, lenses or lights are cracked or broken; and
 - k. Damage has resulted from flood, hail, sand, excessive use, misuse, abuse, negligence or accident.
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In addition, Customer shall be responsible for any excess mileage charges as noted in the related Lease Schedule. Surrender of the Vehicle shall not be effective until Lessor or its agent has actual physical possession of the Vehicle and has received all license plates, registration certificates, and documents of title, odometer and damage disclosures and other documentation necessary for the sale of the Vehicle. If, upon Customer request, Lessor accepts an offer to purchase a Vehicle from a Customer or a purchaser identified by Customer and Lessor does not take actual physical possession of the Vehicle, neither surrender nor sale shall be deemed to occur until Lessor delivers the certificate of title and receives payment for the Vehicle. Any personal property in a Vehicle upon surrender shall be deemed abandoned and may be disposed of by Lessor without liability to Lessor.