



Specifications for
Statewide Contract (SWC) 222 – Vehicle Leasing
Event # 32110-13301

State of Tennessee

Department of General Services,

Central Procurement Office (CPO)

The purpose of this solicitation is for the State of Tennessee to establish a Statewide Contract for closed-end vehicle leases available to various Authorized Users across the State.

While the total purchases of any individual item on the contract are not known, the Central Procurement Office has attempted to give an accurate estimate of probable purchases and projected estimates for the new contract period. The Central Procurement Office does not guarantee that the State will buy any or all estimated amounts.

Approximately seven hundred (700) new vehicles will be ordered for leases per year for the first five (5) years of the contract. The remaining four (4) years will be for payment purposes only and no new leases will be allowed during this timeframe.

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Section One: General Solicitation Information

1.1 Definitions of Terms and Acronyms

Term/ Acronym	Definition
Authorized User	Entities that are authorized to and who may purchase off of this Statewide Contract. This includes: all Tennessee State governmental entities, Tennessee local governmental entities, the board of trustees of the University of Tennessee system, the Tennessee board of regents system, or the State university boards; any private non-profit institutions of higher education chartered in Tennessee; and eligible Non-Profit Agencies per Tenn. Code Ann. 33-2-1001
Closed-End Lease	An agreement that does not obligate the lessee (the Authorized User) to purchase the leased asset at the end of the agreement. Additionally, the lessee does not bear the risk of depreciation and may cancel any lease at any time with no penalty.
Contractor	Any successful Respondent to whom a Contract has been awarded by the Central Procurement Office (CPO).
CPO	Central Procurement Office, Division of the Tennessee Department of General Services
State Contract Administrator	The State's point of contact for all questions, concerns, and management of the designated statewide contract.
SWC	Statewide Contract
VAM	Vehicle & Asset Management Division of the Tennessee Department of General Services

1.2 Contracting Approach

SWC 222 – Vehicle Leasing, will be awarded to one supplier in the following category:

- Closed-End Leases (defined above)

Each lease term will be thirty-six (36) months with an option to extend the lease for an additional twelve (12) months. Any lease not turned in by the 36th month automatically extends the lease. The first sixty (60) months of the contract are intended for new leases to begin with the remaining forty-eight (48) months to be used as payment terms only.

Section Two: General Requirements -The awarded Contractor for SWC 222 – Vehicle Leasing shall provide all goods or services and deliverables as required below:

2.1 Contract Manager

The Contractor shall designate a contract manager for the contract as well as a secondary contact. The contract manager will be a point of contact for the State Contract Administrator and be responsible for addressing broad contract issues and requests brought to them by the State Contract Administrator. The contract manager should have the authority and competence to address and correct any issues related to the contract. The Contractor shall notify the State Contract Administrator in writing within three (3) business days of assigning a new contract manager.

2.2 Escalation Tree

An agreed-upon escalation tree of employees and contact information shall be provided by the awarded Contractor within thirty (30) days after the contract award. This document will provide contact information to be used when either party has questions or concerns regarding the contract, specifically if an issue with the contract must be escalated. The “tree” must include employee names, titles, phone numbers, and email addresses and must be listed in ascending order by position. The document may not be abused by either party to reach the highest-ranking employee with questions or issues that may be addressed by a lower position. Contact information must be provided starting with the Contractor’s contract manager or administrative position and ending with a position that has high-level decision making power for the party. The number of positions may differ for each party.

2.3 Maintenance Requirements

- a) The Contractor is required to have adequate maintenance and repair service providers with local service representatives. Adequate service provider shall be defined as at minimum two (2) service locations per metropolitan area defined as: Davidson, Knox, Hamilton, Shelby, and Madison counties. Additionally, the Contractor shall have a minimum of three (3) service locations in each region (see Attachment B - Regions) that are not included in the metropolitan areas.
- b) The Contractor shall be responsible for all maintenance and repairs during the entire thirty-six (36) or forty-eight (48) month lease period regardless of mileage. The State will be responsible for the purchase of all fuel while the vehicle is being leased by the State. The manufacturer’s standard warranty is the responsibility of

the Contractor. Any maintenance, mechanical repair or recall which requires the vehicle to be held for longer than two (2) business days will require a loaner vehicle to be provided by the Contractor to the State, at no additional cost. This loaner vehicle must be equivalent and of comparable condition to the leased vehicle. Any variance shall first be approved by VAM.

2.4 Service Requirements

- a) The Contractor shall be responsible for any repairs or replacement of tires, including damage caused by road hazards or debris. The State will only be responsible for repairing or replacing the tires when the damage is caused by operator error, such as impact collision.
- b) The Contractor shall provide twenty-four (24) hour roadside assistance at no charge for all leased vehicles unless an impact collision occurs, in which case this will become the financial responsibility of the State.
- c) The State will be responsible for handling all wreck damage claims. In the event the vehicle is considered totaled, reimbursement and fair market values will be determined by using Tenn. Code Ann. § 55-3-201 guidelines and the National Automobile Dealers Association.
- d) The State reserves the right to reassign any leased vehicle to another agency/facility. VAM will notify the Contractor of reassignments.

2.5 Invoicing Requirements

All invoicing the State receives from the Contractor must be electronic. The State will issue an initial purchase order for the full lease amount of one month for each vehicle ordered. This will serve as the order document to start the ordering process. After the initial purchase order, the State will then issue new purchase orders each fiscal year (July-June) for payments. The lease time period of either thirty-six (36) or forty-eight (48) months (when adding the additional twelve (12) months) will begin during the month of delivery. The Contractor will allow the State to have a full calendar month to return the vehicle(s) without any additional charges. This will allow the Contractor and the State to process one (1) full month of payment instead of partial months. For example, if a vehicle is delivered on December 11th, the State will return the vehicle before December 31st upon lease end. At the end of the full contract period the State will return the vehicle.

2.6 Meeting Requirements

During the contract term, the Contractor will be required to meet with the CPO and VAM at an agreed-upon recurring date every year for an annual business review. This review meeting will require the Contractor to present on the previous year's contracted business. At this time, VAM may provide the Contractor with an estimated list of vehicles to be leased in the upcoming year of the contract. There may be additional meetings planned at a mutually agreeable time for any additional discussions as well.

2.7 Pooled Mileage Estimates

- a) Pooled mileage estimates will be compiled every six (6) months on January 1st and July 1st during the life of the contract. At this time, it will be determined if any excess mileage charges to the State will be incurred. The Contractor must provide the = pooled mileage quantities twice a year, by January 1st and July 1st, and confirm with VAM within sixty (60) days of the required dates before invoicing. If the Contractor does not confirm the mileage with VAM within this timeframe, the State will assume there is no pooled overage mileage and will not accept an invoice after the sixty (60) days.
- b) Mileage on all vehicles must be grouped together when determining pooled mileage of sixty thousand (60,000) miles per vehicle, per thirty-six (36) month lease term.
- c) Vehicle leases that are extended an additional twelve (12) months and are part of the same original mileage pool will enter into a new mileage pool at eighty thousand (80,000) miles per vehicle, per forty-eight (48) month lease term.
- d) Determining pooled mileage will be calculated as detailed below. Note that this is only an example and quantities must be adjusted for each contract year depending on the number of vehicles leased.
 - i. If three hundred fifty (350) vehicles are leased biannually, then the pooled mileage will be twenty-one million (21,000,000) miles (three hundred fifty (350) vehicles multiplied by sixty thousand (60,000) miles).

- ii. The miles driven by each of the three hundred fifty (350) vehicles must be added together. If the total miles are less than twenty-one million (21,000,000) miles, no overage charges will be paid by the State.
- iii. If the total miles are more than twenty-one million (21,000,000) miles, the State will be charged the cents per mile multiplied by the total miles that are over twenty-one million (21,000,000). For example, if the sum of all mileage between the three hundred fifty (350) vehicles equals twenty-one million one hundred thousand (21,100,000) miles. The State would pay the cents per mile overage charge multiplied by one hundred thousand (100,000) miles.

2.8 Energy-Efficient Vehicles

The State of Tennessee is committed to a vehicle fleet encouraging energy-efficient or alternative fuel motor vehicles. All vehicles included on this contract must be identified as meeting or not meeting the energy-efficient standards outlined in Tenn. Code Ann. § 4-3-1109. If these standards are unavailable for a specific vehicle, the Contractor must identify them.

2.9 Vehicle Damage and Wear and Tear

All vehicles are subject to normal wear and tear during the thirty-six (36) or forty-eight (48) month lease period. The State will not be responsible for normal wear and tear under \$500.00 per vehicle. Normal wear and tear includes but is not limited to: dents, dings, paint chips, scratches, pitted windshields, and interior wear such as soiled carpets and seats. The State must be invoiced for damages above \$500.00 within thirty (30) days of the lease expiration or return of the vehicle.

Initial inspection of a vehicle being returned at the end of the lease must be done on VAM property by a representative of the Contractor.

2.10 Driver Kits and Manuals

All driver kits and manuals must be supplied in digital form via email to VAM per issued PO. Driver kits must be included for each vehicle year, make, and model, when delivered to the Authorized User. Driver kits must include the necessary maintenance and repair information needed for service to the vehicle year, make, and model. Examples include, but not limited to: service intervals, a preventative maintenance

schedule, automotive service and repair locations, and all service provider payment instructions with phone numbers necessary for payment at the time of service. Operator manuals for the proper year, make, and model of each vehicle delivered must be included. Current bulletins of all manufacturer notices must be forwarded via email to VAM and the Authorized User at the time of ordering or delivery of the vehicle.

2.11 Titling, Registration, and Renewals

- a) Titling and Registration of all vehicles will be completed by VAM upon their delivery. All vehicle titles will be mailed to the Contractor upon completion.

2.12 Vehicle Delivery

Vehicle delivery must occur no more than one hundred twenty (120) days from the Contractor's receipt of the purchase order, unless there are known issues in the manufacturing market and communication with VAM has been documented, then delivery must occur as soon as available. No delivery fees will be charged to Authorized Users under any circumstance. The Contractor must advise the CPO in writing of the date upon which a subsequent model year vehicle will be applicable for the purpose of purchase order issuance. All purchase orders issued after that date are to reflect that subsequent model year. Under no event shall any purchase order issued by the State be accepted or vehicle delivered until such approval has been granted by VAM. The vehicle lease starts at the time of delivery at the Authorized User's specified delivery location. The vehicle lease ends thirty-six (36) months after the delivery date unless terminated or extended.

- a) All vehicles are subject to inspection to establish conformity to specifications prior to acceptance. Vehicle delivery does not assume acceptance of the vehicle.
- b) Delivery must be made to the location requested by the ordering Authorized User. Note: the Contractor must be able to deliver multiple vehicles at one time at the request of the Authorized User.
- c) The Contractor must notify VAM three to five days in advance to schedule delivery of all vehicles and must be able to make statewide volume deliveries as scheduled. All deliveries must be made between the hours of 8:00AM and 4:00PM CT, Monday-Friday.
- d) The vehicle must be delivered with a minimum of $\frac{1}{4}$ tank of fuel (by fuel gauge).

2.13 Expiring Leases

The Contractor will be responsible for coordinating a replacement vehicle for any expiring lease to eliminate any lapse of lease terms (thirty-six (36) leases or, if extended for an additional twelve (12) months, forty-eight (48) month leases).

A lease expiration report must be delivered via email to VAM on the first of each month. The report must include a forecasted list of expiring leases six (6) months prior to the lease expiration month. For example, if leases are expiring in May 2027, the Contractor must submit a lease expiration report to VAM in November 2026.

2.14 Pre-Delivery Inspection

The Contractor, prior to delivery, will perform a pre-delivery inspection (PDI). Any vehicle found not to be in compliance with this requirement may not be accepted by the receiving Authorized User for the purpose of delivery. The PDI will include but is not limited to the manufacturer's recommendations as well as the following:

- Tires are to be inspected to ensure proper inflation levels.
- Two (2) sets of keys per unit must be provided.
- All fluid levels to be checked and corrected as needed.
- Antenna is to be in the operating position prior to delivery.
- Floor mats are to be color-keyed and placed in the correct floor area (not in the trunk). If mats are not in the correct color, the Contractor shall not deliver the vehicle.
- Remove any unnecessary manufacturer's tape, stickers, decals, labels or other items.
- The itemized window sticker with E.P.A. Fuel Economy Estimates shall be placed in the vehicle's glove compartment.
- Vehicle is to be test driven and all features are to be checked to ensure proper operation.
- Any final assembly or installation of features, equipment or any options must be completed prior to delivery.
- All necessary repairs and/or adjustments must be made prior to delivery.
- The maximum mileage allowable for any vehicle to be considered acceptable will be five hundred (500) miles. It will be the responsibility of the Contractor to make required arrangements to ensure that the mileage/odometer reading

does not exceed the maximum miles listed when vehicle is delivered to the Authorized User for final acceptance.

2.15 Vehicle Details and Specifications

a) Vehicle Specifications -

Contractor must provide documentation of owning at least fifty million dollars (\$50,000,000.00) of leased vehicle assets. Contractor must provide pricing for two (2) vehicles meeting each description below. The Option 2 vehicle must be a different vehicle than the Option 1 vehicle. Pricing must reflect the manufacturer base make and model of each vehicle with all standard options included. Bluetooth capabilities must be available with every make and model. Contractor must supply specification sheets on all of the vehicles provided. This information must include average miles per gallon and accessories:

1. ½ Ton Pickup 2WD, Standard Engine, 6' Bed, Extended Cab
2. ½ Ton Pickup 2WD, Standard Engine, 8' Bed, Extended Cab
3. ½ Ton Pickup 4WD, Standard Engine, 6' Bed, Extended Cab
4. ½ Ton Pickup 4WD, Standard Engine, 8' Bed, Extended Cab
5. ½ Ton Pickup 4WD, Hybrid Engine, 6' Bed, Extended Cab
6. ½ Ton Pickup 4WD, Hybrid Engine, 8' Bed, Extended Cab
7. ¾ Ton Pickup 2WD, Tow Package Upgrade Engine, 6' Bed, Extended Cab
8. ¾ Ton Pickup 2WD, Tow Package Upgrade Engine, 8' Bed, Extended Cab
9. ¾ Ton Pickup 4WD, Tow Package Upgrade Engine, 6' Bed, Extended Cab
10. ¾ Ton Pickup 4WD, Tow Package Upgrade Engine, 8' Bed, Extended Cab
11. 7 Passenger Minivan
12. Compact Pickup Extended Cab 2WD
13. Compact Pickup Extended Cab 4WD
14. Midsize SUV FWD or RWD
15. Midsize SUV AWD or 4WD
16. Midsize SUV Hybrid FWD or RWD
17. Midsize SUV Hybrid AWD or 4WD
18. Small SUV/Crossover FWD or RWD
19. Small SUV/Crossover AWD or 4WD
20. Full Size SUV 4WD Cloth
21. Full Size SUV 4WD Leather
22. Compact Sedan
23. Midsize Sedan
24. Full Size Sedan
25. Full Size Hybrid Sedan

In addition to those listed above, there are eight (8) vehicles with specified makes and models:

26. Volkswagen ID.4
27. Nissan Altima Sedan
28. Nissan Pathfinder SUV FWD
29. Nissan Pathfinder SUV 4WD
30. Ford Transit 350, 15 Passenger, Mid Roof
31. Nissan Leaf

b) Additional Details and Specifications - No dealer decals/emblems are to be attached to the vehicle. All vehicles are to include all equipment advertised by the manufacturer as standard. In the event a particular specification(s) requirement is no longer made available by the vehicle manufacturer, the State reserves the sole right to consider the change minor and continue the contract for that subsequent model year. The CPO and VAM must be notified of and approve all minimum specification deviations prior to subsequent model year contract changes. Written notification to CPO and VAM is required if:

- Award vehicle model is no longer being produced and is not available from the manufacturer
- Award vehicle model will not have a new model year replacement or the concessions for the manufacturer will no longer be made available to the Contractor.

c) Optional Equipment - The Authorized User may request additional catalog pricing at the time of order for optional equipment offered by manufacturer or aftermarket supplier. This cost is to be divided equally over the number of months remaining within the lease term and included in the monthly lease rate.