

Epic: Leases

Target release	V 1.0
Epic	Leases
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QA	

🎯 Objective 🎯

A lease authorizes a registered driver with BAT to drive a taxi with BAT.

The Main drivers registered at BAT can sign a lease with BAT for a vehicle authorized by TLC. The vehicle and the medallion assigned to the vehicle will be hacked as per the TLC Rules and be authorized to be driven on the road. There are four types of leases that are applicable to lease a vehicle from BATM.

They are:

- (a) Driver Owned Vehicle (DOV)
- (b) Long-Term Lease and
- (c) True Weekly / Short-Term Lease and
- (d) Medallion Only Lease

Driver Owned Vehicle (DOV): This is a lease typically for **4 years (i.e.) 208 Weeks** ($4 * 52$). However, the lease will be signed for 26 Weeks with an auto-renewal feature. **(Do the drivers need to sign after the 26 weeks period if Auto Renewal is chosen).** The lease amount is split between vehicle lease and corresponding medallion lease. So, the driver owns the vehicle at the end of the lease period. At that time, the driver has an option to get the vehicle title transferred to his/her name at the end of the entire lease duration. The vehicle repairs are paid by the driver for this type of lease.

It is permissible to work out a separate repair contract for DOV lessee's; however, BATM does not have that available currently.

If the vehicle was used on a Long-Term lease and then given on a DOV Lease, the lease duration could be adjusted for the remaining period of the vehicle duration. However, the total vehicle lease cap (across leases for the same vehicle) by TLC (currently, US \$ 42,900) has to be maintained.

Example: The vehicle (when new) was given on a Long-term Lease for 26 weeks twice. After the completion of the 52 weeks if the vehicle is signed for a DOV, the DOV duration could be ($208-26=182$ Weeks), however, provided for 26 weeks duration with or without auto renewal feature.

Long Term Lease: This is a lease typically for **26 Weeks** and could be opted for Auto Renewal. **(Do the drivers need to sign after the 26 weeks period if Auto Renewal is chosen). Should all LT Leases have Auto Renewal?**

The erstwhile terms and their new definitions in the system are as follows:

Erstwhile Term	Current Term
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Weekly Lease	Long-Term Lease
Recurring	Auto-Renewal

This is the terminology that will be used in the application henceforth.

True Weekly / Short-Term Lease: This is purely for someone who works for a day or a few days. This is generally, increments of days or weeks depending on Driver's request, no automatic renewals. If lessee terminates early, no cancellation fee is applicable. Maximum flexibility for lessee. Repairs remain the responsibility of BATM. ([Is this option applicable and if so, do we provide the number of Days / Weeks as an option?](#))

Lease payment amount is a combined amount placed on the corresponding medallion lease. Lease includes the use of the vehicle. Vehicle expenses can be placed on the vehicle lease side.

The Long-Term Lease and True Weekly Lease have a feature **Day/Night** indicating that two drivers can sign up for the same vehicle as co-leases. This means that one driver can drive during the day and the other driver can drive during the night. The lease will be signed by both the drivers. Each driver will have separate lease documents signed respectively for Medallion and Vehicle. So, if two drivers do a Day/Night in a Long-Term lease, there will be four lease documents.

Driver 1: Medallion Lease

Driver 1: Vehicle Lease

Driver 2: Medallion Lease

Driver 2: Vehicle Lease

BAT is responsible for the Vehicle's repairs in Long-Term Lease and True Weekly Lease.

In all the above three types of leases, the drivers will sign up for the Vehicle Lease and the Medallion Lease.

Medallion-Only Lease: This is generally, 4 years, 6-month increments, automatic renewals. If lessee terminates early a cancellation fee is applicable at discretion of BATM. It requires Driver to own and/or provide his own TLC compliant taxi vehicle. There will be no vehicle lease, there is only a medallion lease.

As per the TLC regulations, the breakup of the lease amounts have to be provided to the drivers clearly in their Payment Receipts indicating the section of the TLC regulations. However, the True Cost of the Vehicle is visible only to the BAT users and not the drivers.

Summary of the lease features ☺

Feature	Driver Owned Vehicle (DOV)	Long-Term Lease	True Weekly / Short-Term Lease	Medallion-Only
Typical Duration	4 years; 6 month increments	4 years; 6 month increments	Increments of Days or Weeks as per the driver request	4 years; 6 month increments
Automatic Renewals	Yes	Yes; Automatic	No	Yes
Day/Night Shifts	No	Yes	Yes	No
Co-Lessees	Yes (also co-ownership possible)	Yes	Yes	No
Extra Drivers (Additional Non-lessee authorized drivers)	Yes	No	No	No

Repairs/Damages Responsibility	Lessee(s)	BATM	BATM	Not Applicable
Early Termination	Bob has to check	Cancellation Fee applicable	No	Cancellation Fee applicable
Remarks	Possible to have a separate Repair Contract (Currently NA)			

Regulatory caps on lease amounts for the lease types ☺

This is the configuration for the lease cap amounts as per the TLC regulation.

Vehicle Lease Cap		\$42,900
Driver Owned Vehicle (DOV)		
Weekly Lease Rate	Medallion	\$994
	Vehicle	\$275
Long-Term Lease		
Weekly Lease Rate		\$1,367
	Day Shift	\$630
	Night Shift	\$737
True Weekly / Short-Term Lease		
Weekly Lease Rate for 1 Week or Longer	\$630	\$737
Day of the Week	12-Hour Day Shifts	12-Hour Night Shifts
Sunday	\$105	\$115
Monday	\$105	\$115
Tuesday	\$105	\$115
Wednesday	\$105	\$120
Thursday	\$105	\$129
Friday	\$105	\$129
Saturday	\$105	\$129
Medallion-Only Lease		
Weekly Lease Rate		\$952

Snippets of the lease agreement ☺

To be provided here once we get True Weekly Lease sample. What is Medallion Discount in Lease?

Vehicle Agreement	Medallion Agreement
Driver Owned Vehicle (DOV) [Vehicle] <p>Lease Term Commencement: <u>10/03/2024</u> Expiration: <u>04/02/2025</u></p> <p>Vehicle Lease Payment (payable for 26 Weeks) (as permitted by TLC rule 58-21 (4))</p> <p>Sales Tax on Vehicle Purchase (payable for <u>208</u> Weeks) (as permitted by TLC rule 58-21 (4)(5)(6)(8))</p> <p>TLC Inspection fees (payable weekly) (as permitted by TLC Rule 58-21 (4)(4))</p> <p>Tax Stamps (payable weekly as permitted by TLC rule 58-21 (4))</p> <p>Vehicle Registration (as permitted by TLC rule (c) (3)(i)(b))</p> <p>TOTAL WEEKLY LEASE PAYMENT <u>\$ 231.78</u></p> <p>PAYMENT DUE DAY: <u>Monday</u></p> <p>Total Payment for Lease Term: <u>\$ 46,124.22</u></p> <p>Vehicle Sales Price: <u>\$ 42,640.00</u></p> <p>Vehicle Lease Payment: <u>205.00</u> weeks x <u>208</u> weeks</p> <p>Additional Balance Due: <u>\$ 0</u></p> <p>Lease ID Number: <u>24 1003 5598 600</u></p>	Driver Owned Vehicle (DOV) [Medallion]
Long-Term Lease [Vehicle]	Long-Term Lease [Medallion]

<table border="1"> <tr><td>Lease Term Commencement:</td><td>12/02/2024</td><td>Expiration:</td><td>06/01/2026</td></tr> <tr><td colspan="4">Vehicle Lease Payment (payable for 26 Weeks)</td></tr> <tr><td>(as permitted by TLC rule 58-21 (1)(a))</td><td colspan="3">\$ 205.00</td></tr> <tr><td>Sales Tax on Vehicle Purchase (payable for 183 Weeks) (as permitted by TLC rule 58-21 (c)(3)(a))</td><td colspan="3">\$ 16.66</td></tr> <tr><td>TLC Inspection fees (payable weekly)</td><td colspan="3">\$ 3.46</td></tr> <tr><td>(as permitted by TLC Rule 58-21 (1)(d))</td><td colspan="3"></td></tr> <tr><td>Tax Stamp (payable weekly) as permitted by TLC rule 58-21 (4)(a)</td><td colspan="3">\$ 7.89</td></tr> <tr><td>Vehicle Rental (as permitted by TLC rule 58-21 (1)(e))</td><td colspan="3" rowspan="3">\$ 1.09</td></tr> <tr><td colspan="4">TOTAL WEEKLY LEASE PAYMENT \$ 233.90</td></tr> <tr><td colspan="4">PAYMENT DUE DAY: Monday</td></tr> <tr><td>Total Payment for Lease Term:</td><td colspan="3">\$ 42,569.80</td></tr> <tr><td>Vehicle Sales Price</td><td colspan="3">\$ 37,519.00</td></tr> <tr><td>Vehicle Lease Payment</td><td>205.00</td><td>x 183</td><td>weeks</td></tr> <tr><td>Additional Balance Due:</td><td colspan="3" rowspan="2">\$</td></tr> <tr><td colspan="4">Lease ID Number: 24 1125 3557 600</td></tr> </table>	Lease Term Commencement:	12/02/2024	Expiration:	06/01/2026	Vehicle Lease Payment (payable for 26 Weeks)				(as permitted by TLC rule 58-21 (1)(a))	\$ 205.00			Sales Tax on Vehicle Purchase (payable for 183 Weeks) (as permitted by TLC rule 58-21 (c)(3)(a))	\$ 16.66			TLC Inspection fees (payable weekly)	\$ 3.46			(as permitted by TLC Rule 58-21 (1)(d))				Tax Stamp (payable weekly) as permitted by TLC rule 58-21 (4)(a)	\$ 7.89			Vehicle Rental (as permitted by TLC rule 58-21 (1)(e))	\$ 1.09			TOTAL WEEKLY LEASE PAYMENT \$ 233.90				PAYMENT DUE DAY: Monday				Total Payment for Lease Term:	\$ 42,569.80			Vehicle Sales Price	\$ 37,519.00			Vehicle Lease Payment	205.00	x 183	weeks	Additional Balance Due:	\$			Lease ID Number: 24 1125 3557 600				
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💡 Business Rules ☀️

1. All the leases will have a Payment Due Day, which is one of the days of the week.
2. The lease payment and the driver payments happen on the Payment Due Day.
3. The lease is identified by a Lease id of 16 characters. Example: 24 1125 3557 600A.
4. The TLC Cap for a Vehicle Lease Total payment is US \$ 42,900 and the TLC Cap for the Vehicle Lease Weekly payment is US \$ 275.
5. The DOV Lease is typically for 4 years. However, it can be lesser than 4 years as well.
6. The regulatory caps for the lease amounts as per [Epic: Leases | Regulatory lease amounts for the lease types](#)

📊 Success metrics ☀️

Goal	Metric
A main driver can sign a DOV Lease or a Long-Term Lease with or without the option of Day/Night.	
The appropriate lease agreement can be generated by the system based on the lease inputs provided.	
The driver can sign the lease in-person at the front office using DocuSign.	
The lease schedule and the lease payments due will be scheduled in the system during the lease creation.	
The lease amount could be modified during the lease term. This would involve a recalculation of the future payments.	
A lease could be terminated during the lease duration.	
The vehicle for which the lease was terminated before its lease end could be offered to other drivers for lease. However, the Paid up value for the vehicle needs to be carried forward and the	

total lease payment for the vehicle cannot exceed the TLC norms.

💡 Assumptions 🤝

1. The vehicle prices, taxes, fees will be available and accurate in the system for lease creation.

📋 Requirements 📈

Requirement	User Story	Importance	Jira Issue	Notes
			↗ https://co nceptvines-g lobal.atlassi an.net/brow se/BAT-402 Can't find li nk	
			BAT-405: Lease: Update Driver's Lea se TO DO	
			BAT-403: Lease: Renew Driver's Leas e TO DO	
			BAT-404: Lease: Terminate Driver's L ease TO DO	
			Manage Lease Configuration s	

Answered Questions 🤝

Question	Answer	Date Answered
In the current lease templates shared, could not notice a provision for co-leases where two drivers could sign the agreement. Is that a different template and can that be shared?	The two drivers will sign two different leases.	12/09
Is it correct that the DOV leases will have two agreements, one for the vehicle and another for the medallion?	Yes; This is applicable for DOV, Long-Term Lease and True Weekly / Short-Term Lease.	12/09

Is it correct that the Extra driver gets included in the Worker's Compensation insurance?	Yes. The Extra driver gets included in the Worker's Comp Insurance.	12/06. Insurance is currently in the backlog and this will be included along with Insurance.
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❓ Open Questions ↗

Question	Answer	Date Answered
Do the drivers need to sign after the 26 weeks period if Auto Renewal is chosen?	Bob will get back. Also, we want to know this answer by the lease type if anything is different.	
Should all LT Leases have Auto Renewal automatically selected as default?	Bob will get back.	
For True Weekly Lease / Short-Term Lease, do we provide the number of Days / Weeks as an option?	Bob will get back	
Please provide samples of the lease agreements in Epic: Leases Snippets of the lease agreement	Bob will get back	
Noticed a Medallion Lease Agreement with Discount. When will that situation arise and what do we need on the screen to handle the same?	Bob will get back	
Is it correct that the Extra driver knows the Main driver at the time of registration? Or does the driver update the Main driver later?	Not necessarily. However, an Extra driver can be added to the lease after the lease is created. The agreement is between the Main driver and the Extra driver. BAT does not have any lease with the Extra driver; However, there is an agreement with the Extra Driver. Not sure if we need to have it going forward. Bob will get back	
For DOV drivers, do we show the breakup of Med and Vehicle in the DTR?	Bob will get back	
Is there a cancellation fee for the early termination of DOV Lease?	Bob will get back	

For Medallion-Only Lease: Do the drivers register with CURB and do we track their earnings and expenses as well (or) is it only the lease amount that we collect?	Bob will get back	
When the lease is renewed, will it be a different Lease id or the same Lease Id?		
Can the Weekly Lease Amount be changed during the lease or only when the lease is renewed?		
If a driver has more than one lease, the driver id will remain the same across the leases. Is this understanding correct?		
On the same lines, If a driver is a day driver on one vehicle and a night driver on another vehicle, the driver id will be the same on both vehicles for this driver. Is this understanding correct?		

⚠️ Out of Scope 🚫

- Managing the Extra driver agreements or Payments is outside the scope of this system. BATM handles only the Main Driver agreements and Payments.