

## **FLEET MANAGEMENT POLICY**

### ***INTRODUCTION***

The Minnesota Department of Employment and Economic Development (DEED) may permanently assign State of Minnesota vehicles to certain employees for conducting state business. Those employees must sign written agreements regarding the use of such vehicles, track usage daily, and report mileage monthly. Managers and supervisors are responsible for policy enforcement, including making employees aware of this policy, giving employees guidance, and taking appropriate corrective action if necessary. Managers/supervisors and authorized employees (assigned drivers) must yearly review--and sign new--written agreements.

This policy applies to all vehicles owned or leased from the Department of Administration's (DOA) Fleet Services Division.

### ***DEFINITIONS***

*Automobile:* Passenger car or station wagon.

*Casualty Replacement:* Replacement of a vehicle before reaching the end of the assigned life cycle, generally due to physical or mechanical condition.

*Commuting:* Travel to or from an employee's home and the employee's permanent workstation.

*Light Truck:* Any vehicle 7,000 to 15,000 pounds Gross Vehicle Weight Rating (GVWR) and vehicles of less than 7,000 pounds that are designed primarily for hauling cargo, including pickup trucks, cargo vans, and some full-size passenger vans.

*Normal Replacement:* Replacement of a vehicle that has reached the end of the assigned life cycle; fleet size will not be increased.

*Specialty Vehicle:* A vehicle (not an automobile) less than 7000 pounds GVWR, designed for primarily transporting people, including passenger mini-vans, most sport utility vehicles (SUVs), and some full-size passenger vans.

*Vehicles:* Automobiles, light trucks, and specialty vehicles.

### ***POLICY***

Drivers of permanently assigned State of Minnesota vehicles must follow DEED's, DOA's, and the Department of Finance's policies regarding the use of state vehicles.

## **ACQUISITION PROCESS**

Employees and supervisors should follow this process to acquire a permanently assigned state vehicle:

Who	Step	What
Employee and Supervisor	1	Determine that it is cost-effective to lease a state vehicle. Contact DEED's fleet manager at 651.259.7083 for an information packet (the packet includes all necessary forms, along with DOA's and the Department of Finance's policies/procedures on state vehicle use): <ul style="list-style-type: none"><li>• Complete the Requisition for Leased Vehicle form.</li><li>• Complete the State Vehicle Use Agreement form.</li><li>• Indicate a preferred vehicle type.</li><li>• Sign the forms and send them to the fleet manager.</li></ul>
Fleet Manager	2	Review the forms for completeness and policy compliance; and send them to the deputy commissioner.
Deputy Commissioner	3	Review agreement and determine whether to approve the request. Return forms to fleet manager.
Fleet Manager	4	a. If the request has not been approved by the deputy commissioner, notify the employee and supervisor.  b. If the request has been approved by the deputy commissioner: <ul style="list-style-type: none"><li>• Place new vehicle order with Fleet Services (new vehicles may only be ordered in December).</li><li>• Notify employee when vehicle is ready to be picked-up from Fleet Services (within 180 days after order-date).</li><li>• Keep the original forms (reference them when reviewing mileage logs) and send copies to the supervisor.</li></ul>

## **VEHICLE USE AND REPORTING PROCESS**

Employees who have been permanently assigned a state vehicle must use the vehicle in accordance with their Use of State Vehicle Agreements and all relevant state agency policies (those policies are included in the information packet from Fiscal Management).

Some usage highlights:

- Assigned drivers must leave state-assigned vehicles at their permanent workstations except as authorized in their State Vehicle Use Agreements.

- [Minn. Stat. § 16B.55](#) prohibits the personal use of a state vehicle for other than authorized state business or authorized commuting; any other use of a state vehicle for personal benefit may be grounds for disciplinary action.
  - Authorized commuting--where an employee may use his or her state-assigned vehicle to travel to or from the employee's residence and the employee's permanent workstation--includes these very limited circumstances:
    - On a day when it may become necessary for the employee to respond to a work-related emergency during hours when the employee is not normally working.
    - If the employee's primary place of work is not the workstation to which the employee is permanently assigned.
    - If the employee has state-related business away from the workstation to which the employee is permanently assigned, and the number of miles traveled or the time needed to conduct the business will be minimized if the employee uses the state-assigned vehicle to travel to the employee's residence before or after traveling to the place of business.
    - Also, at DEED, another acceptable reason to commute is when there is lack of space/security to store the vehicle at the employee's permanent workstation.
- Because commuting is considered personal use of a state-provided vehicle, the commuting/personal use value must be reported on the employee's biweekly time reports. The value is also included as wages reported on the employee's W-2, Wage and Tax Statement form. See PPM [Chapter 211](#) for instructions on reporting this usage on biweekly time reports.

This is the procedure for reporting state vehicle usage:

Who	Step	What
Assigned Driver	1	<p>Complete monthly State Vehicle Mileage Log forms. List each stop location (beginning and ending daily mileage may also be listed).</p> <p><b>By the 25th of every month:</b></p> <ul style="list-style-type: none"> <li>• Report mileage on Fleet Services' <a href="#">website</a>.               <ul style="list-style-type: none"> <li>○ Select (click on) the "<b>Monthly Mileage Reporting</b>" link, located at the top of the right-side column. A pop-up box will appear. At username, enter: logs (all lowercase); at password, enter: mileage (all lowercase). Select "ok." A new screen will appear.</li> <li>○ In the "Vehicle Number" box, enter the vehicle number. Select "View." Enter the last odometer reading at the top; select "Update."</li> </ul> </li> <li>• Send mileage log to supervisor.</li> </ul> <p>If applicable, report the commuting/personal use on the biweekly time reports per instructions in <a href="#">PPM211</a>.</p>
Supervisor	2	Review monthly State Vehicle Mileage Log forms for proper usage.

Ensure that commute use is within policy guidelines and that commute distances are reasonable and financially efficient. If applicable, review biweekly time reports for IRS commute-usage reporting. Sign State Vehicle Mileage Log forms and send them to the fleet manager by the end of each month.

Fleet  
Manager

- 3 Review mileage logs for compliance with the driver's State Vehicle Use Agreement. Also review biweekly time reports to ensure that commutes are reported. Report to supervisor any discrepancies. File reports for invoicing verification.

Note: Fleet manager will, to ensure timeliness of mileage log submittal, contact supervisor about late or missing logs.

- 4 Within 60 days after the end of the state fiscal year, prepare an annual report--to be approved by the deputy commissioner--that identifies each car, office and/or staff assigned, miles driven, and the number and reason of commutes.

DEED employees must operate their state-assigned vehicles:

- In accordance with local, state, and federal laws, rules, and regulations. Fines and/or penalties resulting from improper use of a vehicle are the sole responsibility of the vehicle operator.
- Using the highest ethical standards and present a public image that is above any ethical question.
- According to all traffic laws, rules, and regulations. Vehicles will not be operated in any fashion that may endanger any person or property.
- In a manner that is consistent with the intended use of the vehicle and according to manufacturer ratings and guidelines including load capacity and trailer-pulling capacity.
- On the type and grade of fuel recommended by the manufacturer. E85 will be used in flex-fuel vehicles when it is reasonably available\*. Regular-grade gasoline is recommended for use in nearly every gasoline-powered vehicle operated by DEED. DEED will use self-service fuel pumps.
  - \* Employees should consider the following guidelines when fueling state-owned flexible-fuel vehicles:
    - If E85 fuel is available (bulk or retail) within a five-mile radius of an employee's normal parking location, the employee is expected to use E85 whenever the employee normally fuels the vehicle.
    - Employees are expected to be aware of E85 locations in their travel area and to plan their travel so they can fuel the vehicles with the least amount of lost-time and additional travel distance. Employees are expected to use E85 fuel if it is available without traveling over five additional miles in employees' normal routes. See [E85 fuel sites](#).
    - In some cases, it may be necessary to use gasoline in a flex-fuel vehicle. Employees must then reasonably limit these instances to a minimum.
    - Employees should weigh the factors of the spirit of Executive Order 06-03 (pertaining to the use of E85), increased use of renewable fuels,

decreased dependence on petroleum fuels, protection of the environment, best-use of taxpayer dollars, and common sense. Note: DEED reports E85 and gasoline use to the Governor's Office and the legislature.

- While maintaining vehicles in safe operating condition. Employee and public safety are prime considerations in making vehicle maintenance and repair decisions. Vehicle operators will bring vehicular defects to the attention of their immediate supervisors. Safety-related defects will be corrected before using the vehicle.
- That present a positive reflection of the agency to the public and to promote safe work practices. Incidents involving physical damage to vehicles must be reported to the Fiscal Management Office for potential further investigation. Physical damage exceeding \$500 will be reported to DOA's Risk Management Division, which will assist DEED with necessary reporting, repair, and/or subrogation procedures.

### ***DEED CONSIDERATIONS***

When acquiring vehicles, DEED will take into account:

- Cost. All vehicle acquisitions will be examined carefully to manage the significant initial cost associated with vehicle acquisitions and the commitment to ongoing costs that a vehicle purchase represents.
- Normal replacements. If a vehicle is to be replaced, the vehicle type and use will be reviewed to ensure DEED is selecting an appropriate vehicle and that usage has been, and will continue to be, cost-effective. The division/office director will approve the normal replacement of vehicles.
- Casualty replacements. All casualty replacements will be examined. Casualty replacements due to mechanical failure will be examined for cause and possible vehicle, vehicle life cycle, or operational changes that may be necessary to avoid future casualty replacements. Casualty replacements due to physical damage will be examined carefully as the potential exists for liability expenses and workers' compensation expenses. All casualty replacements will be reported to the Fiscal Management Office for possible further investigation. The division/office director will approve the replacement of vehicles lost due to damage.
- Vehicle type selection. DEED intends to supply vehicles for employee use that are well-suited to performing the work needing to be accomplished and taking into account employee safety. Manufacturer ratings, including load-carrying capacity and trailer-pulling capacity, will be followed when developing vehicle specifications for acquiring vehicles. All applicable state and federal laws, rules, and regulations will be followed concerning vehicle type selection.
- Vehicle life cycle selection. A life cycle will be established at the time of vehicle acquisition that will include parameters for vehicle age and usage, taking into account the vehicle type and the work environment in which the vehicle will perform. This life cycle is used in planning vehicle replacement and monitoring vehicle usage during the life of the vehicle.
- Financing considerations. DEED will make cost-effective financial decisions when acquiring new vehicles. Financial options including vehicle rental, vehicle leasing, and vehicle ownership will be examined when acquiring vehicles.

In addition, DEED will:

- Monitor vehicle use. Each DEED division will monitor vehicle usage on an ongoing basis to ensure vehicles are being used in a cost-effective manner consistent with expectations established at the time of vehicle acquisition.
- Use vehicles clearly marked as State of Minnesota vehicles unless specifically exempted by state law from marking requirements. All vehicle licenses will be identified as Minnesota State Vehicle license plates unless specifically exempted by state law.
- Insure vehicles for liability using the program provided through DOA's Risk Management Division, which will assist DEED in handling vehicular-related liability expenses.
- Contact DOA's Fleet Services if experiencing ongoing vehicle repair issues or complex vehicle repair problems for assistance in resolving these issues.
- Review vehicles reaching the end of their life cycle for condition. DEED will follow the laws, rules, and regulations concerning disposal of state property when retiring vehicles from service. This may include making surplus vehicles available for use by other agencies or governmental units.