

State of Minnesota Iron Range Resources – FINAL Fleet Policy

Fleet Management Policy

I. Definitions

- A. Addition to the Fleet** – the acquisition of a vehicle that will increase the fleet size
- B. Automobile** – passenger car or station wagon
- C. Casualty Replacement** – replacement of a vehicle prior to reaching the end of the assigned life cycle, generally due to physical or mechanical condition
- D. Fleet Size** – the total number of vehicles in the fleet
- E. 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; includes pickup trucks, cargo vans, and some full-size passenger vans
- F. Normal Replacement** – replacement of a vehicle that has reached the end of the assigned life cycle, fleet size will not be increased
- G. Specialty vehicle** – a vehicle (not an automobile) less than 7000 pounds Gross Vehicle Weight Rating (GVWR), designed for primarily transporting people; includes passenger mini-vans, most sport utility vehicles (SUVs), and some full-size passenger vans

II. Scope

A. Application of the Policy

This policy applies to the Iron Range Resources Agency, and covers vehicles operated and owned/leased/rented by the Iron Range Resources.

This policy is not meant to supercede laws, rules, or regulations imposed by federal, state, or local government. Admin Policy 99.1 remains in effect.

Enforcement of this policy is the responsibility of Iron Range Resources. Each organizational unit within the agency is responsible for policy enforcement. It is the responsibility of each unit to make employees aware of this policy, give employees guidance concerning this policy, and take appropriate corrective action should it be necessary.

III. Acquisition of Vehicles

A. Acquisition Criteria

The Iron Range Resources recognizes the significant initial cost associated with vehicle acquisitions, and the commitment to ongoing costs that a vehicle purchase represents. To manage this expense effectively all vehicle acquisitions must be examined carefully.

Vehicle assignments will not be made on the basis of status, tradition, or as a condition of employment. Instead, vehicles are to be assigned on the basis of need, as measured by the number of business miles driven or other qualifying use.

B. Additions to the Fleet

All requests for new additions to the fleet will be presented with a written statement of justification for the vehicle acquisition, including anticipated costs. This justification statement will include alternative methods of transportation that have been considered and cost justification for the acquisition and ongoing expense. The Commissioner or Deputy Commissioner will approve additions to the fleet.

C. Normal Replacements of Fleet Units

When a vehicle is replaced, the vehicle type and use will be reviewed to ensure the agency is selecting an appropriate vehicle, and utilization has been, and will continue to be, cost effective. Upgrading, significantly changing vehicle type or option level requires written justification. The division Director in charge of the budget area will approve vehicle replacements.

D. Casualty Replacements of Fleet Units

All casualty replacements will be examined. Vehicle replacements involve significant expense.

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 potential exists for liability expenses as well as workers compensation expenses. All casualty replacements will be reported to the Agency Safety Officer for possible further investigation.

All casualty replacements will be approved by the Commissioner or Deputy Commissioner in charge of the budget area.

E. Vehicle Type Selection

Selection of an appropriate vehicle type is an essential part of cost effective fleet management. It is an objective of the agency to supply vehicles for employee use that are well suited to performing the work to be accomplished. Employee safety will be taken into account when acquiring vehicles. 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. Fuel economy and vehicle emissions will be taken into account when acquiring vehicles. Important links to reference when acquiring vehicles:

<http://www.revisor.leg.state.mn.us/stats/16C135.html>

Purchases of fuel and vehicles by state agencies – Statue

<http://www.afdc.nrel.gov/fleet.shtml>

Alternative Fuel Data Center – Fleet Information

<http://www.ott.doe.gov/epact/>

EP Act Fleet Information and Regulations – U.S. Department of Energy

The Admin Travel Management Division (TMD) can help answer questions related to State of Minnesota and/or U.S. EP Act requirements regarding vehicle acquisition.

F. Vehicle Life Cycle Selection

Establishing an appropriate life cycle is an essential part of cost-effective fleet management. The agency recognizes the importance of establishing a life cycle for each vehicle at the time of acquisition.

A life cycle will be established at the time of vehicle acquisition. This life cycle will include parameters for vehicle age as well as vehicle usage. This life cycle will take into account vehicle type as well as the work environment in which the vehicle will be used. This life cycle will be used in planning of vehicle replacement as well as monitoring vehicle usage during the life of the vehicle.

G. Financing Considerations

It is an objective of the agency to 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. Divisions planning vehicle acquisitions must contact Financial Management and Reporting before the vehicle is ordered to ensure that appropriate consideration is given to all of the available financial options.

H. Agency Acquisition Approval Process

The Commissioner or Deputy Commissioners will approve (signature approval) all vehicle expansions to the existing fleet as well as all casualty replacements. Division Directors will approve (signature approval) all normally scheduled vehicle replacements to the existing fleet.

I. Acquisition Process

All vehicles will be acquired in accordance with Minnesota state law. All purchasing laws, rules, and regulations will be followed.

Admin, Materials Management Division can help answer questions concerning purchasing requirements.

Important Links to reference when acquiring vehicles:

*<http://www.mmd.admin.state.mn/us06000.htm>
Admin, Materials Management Division*

IV. Operation of Vehicles

A. Compliance with State and Federal Requirements

Minnesota Statutes, Chapter 16B.55, prohibits the personal use of a state vehicle for other than authorized state business or specified, authorized commuting. This means that any other use of a state vehicle for personal benefit is strictly prohibited.

By statute, use of state vehicle for commuting to and from an employee's residence is also prohibited except under very limited circumstances. A state vehicle may be used by a state employee to travel to and from the employee's residence under the following 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 has been assigned the use of a state vehicle for authorized state business on an extended basis, and the employee's primary place of work is not the state work station to which the employee is permanently assigned.*
- If the employee has been assigned the use of a state vehicle for authorized state business away from the work station 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 a state vehicle to travel to the employee's residence before or after traveling to the place of state business*

Personal use of a state-provided vehicle includes commuting and local and out-of-town personal travel. The value of the personal use of a state-provided vehicle under one of the specifically permitted situations must therefore be

reported on the Employee's Biweekly Time Report and included as wages as reported on the employee's W-2, Wage and Tax Statement form.

Unauthorized personal use of a state vehicle may be grounds for disciplinary action.

Important links concerning vehicle operation:

<http://www.revisor.leg.state.mn.us/stats/16B/55.html>
Use of State Vehicles – Minnesota Statute

<http://www.sema4.state.mn.us/html/doc/eng/webhelp/PAY0019/ReportingPersonalUseofEmployerProvidedVehiclesforTaxPurposesOperatingandProcedure.htm>
Personal Use of State Vehicles – Department of Finance

<http://www.dps.state.mn.us/dvs/DLTraining/DLManual/DLManual.HTM>
Minnesota Driver License Manual – Department of Public Safety

<http://www.dps.state.mn.us/patrol/comveh/index.htm>
*Minnesota State Patrol – Commercial Vehicle Enforcement –
Department of Public Safety*

<http://www.dot.state.mn/motorcarrier.commercial/cvo.html>
Office of Motor Carrier Services – Department of Transportation

The agency will operate vehicles in accordance with laws, rules, and regulations set forth by the local, state, and federal government.

Special consideration will be given to the operation of commercial vehicles. Commercial vehicle laws, rules, and regulations will be followed. Employees should consult their immediate supervisor or the Agency Safety Office concerning licensing and/or operational questions regarding commercial vehicles.

It is an objective of the Iron Range Resources Agency to operate all vehicles safely and according to the applicable laws, rules, and regulations. Fines and/or penalties resulting from improper use of a vehicle are the sole responsibility of the vehicle operator.

B. Ethical Use

Ethical misconduct will not be tolerated at Iron Range Resources. Suspected or alleged ethical misconduct will be investigated by each

division with the assistance of the Iron Range Resources, Human Resources Division. Ethical misconduct will result in appropriate disciplinary action, up to and including discharge. It is the intent of the agency to present a public image that is above any ethical question.

All agency employees will operate vehicles in an ethical manner. The agency will avoid any use of vehicles that may give the appearance of being unethical. Employees should consult their immediate supervisor concerning any questions in this area.

Important link concerning State employee`s ethics:

<http://www.revisor.leg.state.mn.us/stats/43A/38.html>

C. Vehicle Utilization

Monitoring vehicle utilization is a key component in cost effective fleet management. Each location [Eveleth, Giants Ridge, Ironworld] within the Iron Range Resources Agency will monitor vehicle usage on an ongoing basis to ensure vehicles are being utilized in a cost effective manner consistent with expectations established at the time of vehicle acquisition. Agency vehicles will only be used for authorized state business. An agency state vehicle may not be used for transportation to or from the residence of a state employee. An exception would be if time needed to conduct state business would be minimized if the employee used a state vehicle to travel to employee`s residence before or after traveling to state business.

D. Vehicle Markings

Vehicles owned or leased by the agency will be clearly marked as State of Minnesota vehicles unless specifically exempted from marking requirements by state law. All vehicle licenses will be identified as Minnesota State Vehicle license plates unless specifically exempted by state law.

Important links concerning vehicle markings:

<http://www.revisor.leg.state.mn.us/stats/16B/54.h>
Central Motor Pool Establishment

<http://www.revisor.leg.state.mn.us/stats/16B/581.html>
Distinctive Tax Exempt License Plates

<http://www.revisor.leg.state.mn.us/stats.16B.581.html>
Vehicles exempt from tax or license fees

E. Safety

It is an objective of the agency to operate vehicles safely. Vehicles will be operated in accordance with all traffic laws, rules, and regulations. Vehicles will not be operated in any fashion that may endanger any person or property. Seatbelts are to be worn by all occupants. Questions concerning safe vehicle operating practices may be addressed to the Agency Safety Office.

Important links for safe vehicle operation:

<http://www.dps.state.mn.us/dvs/DLTraining/DLManual/DLManual.htm>
Minnesota Driver License Manual - DPS

F. Suitability for Work Use

Vehicles will be used in a manner that is consistent with the intended use of the vehicle. Vehicles will be operated in accordance with the manufacturer ratings and guidelines including load capacity and trailer pulling capacity. Employee safety and public safety are to be primary considerations when determining vehicle operational practices.

All agency drivers and their leadership are responsible for the proper care, maintenance and safe operation of TMD vehicles.

G. Fuel

Vehicles are to be operated on the type and grade of fuel recommended by the manufacturer. E85 will be used in flex fuel vehicles when it is reasonably available and the price is comparable to gasoline.

Regular grade gasoline is recommended for use in nearly every gasoline powered vehicle operated by the agency. The agency will use self-service fuel pumps.

Questions concerning fuel can be directed to the Travel Management Division

Important links for Fuel Purchasing:

<http://www.revisor.leg.state.mn.us/stats/16C/135.html>

Purchase of fuel and vehicles by state agencies - Statute

H. Maintenance / Mechanical Repair

It is an objective of the Iron Range Resources Agency to keep all vehicles maintained in safe operating condition. Employee safety 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 supervisor. Safety related defects will be corrected prior to use of the vehicle.

Divisions experiencing ongoing vehicle repair issues, or complex vehicle repair problems may contact the Travel Management Division for assistance in resolving these issues.

I. Physical Damage

It is an objective of the agency to operate vehicles that present a positive reflection of the agency to the public.

It is also an objective of the agency to promote safe work practices. Physical damage to a vehicle often results from unsafe work practices. Incidents involving physical damage to vehicles are to be reported to the Agency Safety Officer for potential further investigation.

Physical damage exceeding \$500 will be reported to the Risk Management Division. The Risk Management Division will assist the

division owning/operating the vehicle with necessary reporting, repair, and/or subrogation procedures.

Important links for Risk Management Information:

<http://www.mainserver.state.mn.us/risk/index.html>

Admin, State and Community Services, Risk Management Division

J. State Liability

It is the intent of the Iron Range Resources Agency to operate vehicles safely. Employee safety and public safety are very important to the department. Safe vehicle operation is the primary preventive measure that can be used to help avoid incurring liability-related vehicle expenses.

Vehicle operation involves a significant amount of potential liability. Vehicles will be insured for liability utilizing the program provided through the Risk Management Division. The Risk Management Division will assist divisions in handling vehicular-related liability expenses

Important links for Risk Management Information:

<http://www.mainserver.state.mn.us/risk/index.html>

Admin, State and Community Services, Risk Management Division

V. Replacement / Disposal of Vehicles

A. Retirement / Disposal

Vehicles reaching the end of their life cycle will be reviewed for condition. Vehicles with useful life remaining will be made available for seasonal and/or temporary use when appropriate.

It is the intent of the agency to 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 divisions, agencies or governmental units

Important links for Vehicle Disposal:

<http://www.mmd.admin.state.mn.us/mn03000.htm>

Admin, Material Management Division, Surplus Services

VI. Travel Management Division

A. Agency Support

It is the intent of the Administration to assist other State of Minnesota agencies with fleet management activities. The Travel Management Division (TMD) provides this assistance. TMD offers long term vehicle rentals and fleet services for agencies desiring assistance.

TMD will provide fleet management expertise to customer agencies in an effort to help these agencies best utilize vehicles acquired through TMD. TMD will work with customer agencies in choosing an appropriate vehicle for the work intended, establishing an appropriate life cycle for each vehicle, and monitoring usage throughout the life of the vehicle. TMD will assist customers in keeping their vehicles in good running order while minimizing vehicle out-of-service time.

Recognizing that responsibility for carrying out agency fleet policy belongs to each agency, TMD will, to the best of its ability, assist customer agencies in carrying out their individual fleet management policies.

The agency has a website to correspond with TMD to record mileage and receive maintenance requirements as well as a Home Site for TMD and can be viewed at: <http://www.tmd.state.mn>.