

## State Vehicle Policy

### **Purpose:**

The purpose of this policy is to provide safe, cost-effective transportation services for the conduct of official state business of the Department of Labor and Industry (DLI). This policy applies to all DLI employees, and covers vehicles operated and owned/leased/rented by DLI. This policy is not meant to supercede laws, rules, or regulations imposed by federal, state, or local government.

As with any DLI policy, success and compliance is shared with employees, supervisors, and managers. Violations of this policy may lead to discipline, up to and including discharge.

### **General:**

It is an objective of DLI to operate all vehicles safely and in accordance with all applicable laws, rules, and regulations including the Minnesota Drivers License Manual at <http://www.dps.state.mn.us/dvs/DLTraining/DLManual/DLManual.htm>. Vehicles will not be operated in any fashion that may endanger any person or property.

All DLI employees will operate vehicles in an ethical manner in accordance with the Code of Ethics for Employees in the Executive Branch at <http://www.revisor.leg.state.mn.us/stats/43A/38.html>. DLI will avoid any use of vehicles that may give the appearance of being unethical (e.g. stopping to conduct personal business).

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

Monitoring vehicle utilization is a key component in cost effective vehicle management. Each unit manager will monitor vehicle usage on an ongoing basis to ensure that vehicles are being utilized in a cost effective manner consistent with the expectations established at the time of vehicle acquisition/assignment.

### **Operation of Vehicles:**

State vehicles shall not be used for any of the following prohibited uses:

- operation by an unauthorized driver;
- operation by any driver under the influence of intoxicants, drugs, or any other substance known to impair driving ability;
- for any illegal purpose;
- operated in any abusive or reckless manner, or if convicted of careless driving;
- carrying or transporting firearms, intoxicants, drugs, or any other controlled substances;
- carrying persons or property for hire;

- towing or pushing any objects, operated in any race, test, or contest; or
- operated off-road unless equipped for such use and authorized in writing by the Department of Administration, Travel Management Division (TMD).

Authorized drivers are state employees; contract employees if authorization to drive a state vehicle is specifically cited in their contract; interns who have been granted permission by DLI; and drivers for certain disabled employees with the permission of that employee and the approval of his/her supervisor. All drivers must have, in their possession, a current and valid driver's license.

Only authorized persons are permitted to ride in state vehicles. Authorized persons include state employees, other persons participating in state programs or functions, or individuals assisting disabled employees with prior approval as described in the paragraph above. Family members are not allowed in state vehicles.

A driver of a state vehicle is required to observe and obey all traffic laws regarding the operation of a motor vehicle including established speed limits. Drivers of state vehicles are responsible for all fines and penalties imposed for parking or traffic violations with respect to the state vehicle while that vehicle is in their possession.

Drivers must operate state vehicles in a safe and courteous manner at all times. Seat belt usage is required at all times by the driver and passengers.

Employees will be responsible for using, parking, and storing equipment in a safe and responsible manner. All employees operating a state vehicle will remove the keys and lock the doors when the vehicle is left unattended.

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

DLI will keep all vehicles maintained in safe operating condition. Vehicle operators will bring vehicular defects to the attention of their immediate supervisors. Safety related defects will be corrected prior to use of the vehicle.

Vehicles are to be operated on the type and grade of fuel recommended by the manufacturer. To comply with Minnesota Statutes, Chapter 16C.135 at <http://www.revisor.leg.state.mn.us/stats/16C/135.html>, E-85 will be used in flexible fuel vehicles when reasonably available and the price is comparable to gasoline. Vehicle operators will use self-service fuel pumps, whenever available.

Drivers are provided with a fuel credit card for authorized purchases. Authorized fuel card purchases include fuel, windshield washer fluid, car wash (up to \$10) and one quart of motor oil, as needed. Drivers must immediately report lost or stolen cards to the Financial Services Buyer, and submit the required forms for replacement.

Smoking is prohibited in all state vehicles.

DLI employees shall not use cell phones while operating a motor vehicle in the conduct of state business. In the event of an emergency, drivers shall park the vehicle before calling for emergency assistance.

All vehicles owned/leased/rented by DLI will be clearly marked as State of Minnesota vehicles, unless specifically exempted from marking requirements by Minnesota Statutes, Chapter 16B.54 at <http://www.revisor.leg.state.mn.us/stats/16B/54.html> or otherwise approved by TMD. All vehicle licenses will be identified as Minnesota State Vehicle license plates pursuant to Minnesota Statutes, Chapter 16B.581 at <http://www.revisor.leg.state.mn.us/stats/16B/581.html> unless specifically exempted by Minnesota Statutes, Chapter 168.012 at <http://www.revisor.leg.state.mn.us/stats/168/012.html>.

### **Personal Use of State Vehicles:**

Minnesota Statutes, Chapter 16B.55 at <http://www.revisor.leg.state.mn.us/stats/16B/55.html> 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 a 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 or from the employee's residence only under the following circumstances:

- On a day on which it may be 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.

The personal use of a state vehicle under these circumstances requires the prior approval of the employee's Deputy/Assistant Commissioner.

DLI will comply with the state's policy on Personal Use of State Vehicles at [http://www.sema4.state.mn.us/html/doc/eng/webhelp/PAY0019/Reporting\\_Personal\\_Use\\_of\\_Employer\\_Provided\\_Vehicles\\_for\\_Tax\\_Purposes\\_Operating\\_Policy\\_and\\_Procedure.htm](http://www.sema4.state.mn.us/html/doc/eng/webhelp/PAY0019/Reporting_Personal_Use_of_Employer_Provided_Vehicles_for_Tax_Purposes_Operating_Policy_and_Procedure.htm). The value of the personal use of a state vehicle must be reported on the Employee's Biweekly Time Report

as earnings type CAR, and is included as wages as reported on the employee's W-2, Wage and Tax Statement form. The state withholds FICA, Medicare, federal and state taxes on the value of such use.

Personal items, property, and equipment generally shall not be transported in state vehicles, unless the personal item, property, or equipment is being utilized for job assignments. Items such as purses, briefcases, calendars, personal cell phones, and clothing/luggage (if traveling on state business overnight) are allowed.

### **Accidents/Theft:**

Safe vehicle operation is the primary preventive measure that can be used to help avoid accidents and injuries involving state vehicles. Vehicle operation involves a significant amount of potential liability. Vehicles will be insured for liability utilizing the program provided through the Department of Administration, Risk Management Division at <http://www.mainserver.state.mn.us/risk/index.html>.

The State of Minnesota is self-insured and is assigned the self-insured identification number A-1046 by the Department of Commerce, Insurance Division. This number is contained on the insurance information card that is maintained with each state vehicle. This card should be used as evidence of insurance for accident reporting purposes.

In the event of an accident or damage to a state vehicle, the driver must:

1. Call police and obtain emergency medical care for any injured people.
2. Secure the names and addresses of all injured persons and witnesses; owners and drivers, their driver's license numbers, insurance information, and license plate numbers of all vehicles involved.
3. Report the accident to TMD and the Financial Services Buyer immediately or on the first business day following the accident. If the vehicle was not in drivable condition after the accident, indicate where the vehicle has been towed.
4. Complete the Motor Vehicle Accident Report, filling in all information on both sides of the form. Submit the original report, signed by the driver, to the TMD office with a photocopy to the Financial Services Buyer.

Drivers are required to immediately report the theft of a state vehicle to local law enforcement, TMD, and the Financial Services Buyer.

### **Purchase and Long-Term Rental of Vehicles:**

DLI recognizes the significant initial cost associated with new vehicle acquisitions, and the commitment to ongoing costs that a vehicle purchase/lease represents. To manage this expense effectively, all vehicle acquisitions must be examined carefully.

DLI units with routine daily travel may determine that it is cost effective to acquire a state vehicle for the unit or individual employee use on a long-term basis. DLI employees may be

assigned a state vehicle if their average monthly travel in a given quarter is over 1,000 miles or is otherwise determined to be cost effective.

The selection of an appropriate vehicle type is an essential part of cost effective vehicle management. DLI will supply vehicles for employee use that are well suited to performing the work. Employee safety will be taken into account when acquiring vehicles.

A vehicle 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 consider vehicle type, as well as the work environment in which the vehicle will perform. The life cycle established will be used in planning of vehicle replacement, as well as monitoring vehicle usage during the life of the vehicle.

The Unit Manager will submit to the Deputy/Assistant Commissioner a written justification for the vehicle acquisition, including anticipated costs. This justification will include alternative methods of transportation that have been considered and cost justification for the ongoing expenses. The request must include the vehicle purpose, type of vehicle, any special equipment needed, and estimated annual mileage. If the vehicle will be assigned to an individual employee, include the employee's name on the request. The Deputy/Assistant Commissioner will approve/disapprove the request and submit to Financial Services.

Vehicles will be procured by the Financial Services Buyer in accordance with state purchasing policies and procedures at <http://www.mmd.admin.state.mn.us/mn06000.htm>. All financial options including vehicle ownership, leasing, or rental will be examined when acquiring vehicles. In most cases, DLI will rent a vehicle through TMD. The Buyer will complete and submit the Requisition for Leased Vehicle to TMD and notify the unit when the vehicle is available to be picked up. Any vehicles purchased by DLI will meet the alternative fuel requirements of the US Department of Energy at <http://www.ott.doe.gov/epact/> and <http://www.afdc.nrel.gov/fleet.shtml>.

Each driver of a long-term leased vehicle is responsible for recording all vehicle useage on the Daily Travel log. On the 25<sup>th</sup> of each month, the ending odometer reading must be obtained for entry into the TMD web site at <http://www.tmd.state.mn.us> by 3:00 p.m. on the last working day of the month. This web site will also notify units the appropriate time to schedule vehicle maintenance.

When a vehicle is replaced after reaching the end of its assigned life cycle, the vehicle type and use will be reviewed to ensure that DLI is selecting an appropriate vehicle, and utilization has been, and will continue to be, cost effective. The Unit Manager will authorize routine replacements of a comparable vehicle. Upgrading or significantly changing the vehicle type requires written justification and approval of the appropriate Deputy/Assistant Commissioner.

Vehicles reaching the end of their life cycle will be reviewed for condition. Vehicles with useful life remaining will be made available for short-term use when appropriate. DLI will follow all laws, rules, and regulations at <http://www.mmd.admin.state.mn.us/mn03000.htm> 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 .

Replacements of vehicles due to physical or mechanical condition prior to reaching the end of the assigned life cycle will be examined for cause and possible vehicle, life cycle, or operational changes that may be necessary to avoid future replacements of this nature.

### **Short-Term and Daily Vehicle Use:**

Vehicles rented by DLI units for long-term use may be available for use by DLI employees with short-term travel needs. A Unit Manager may require his/her employees to use a unit vehicle that is available for these short-term travel needs.

The Financial Services unit administers a control number (annual and daily) procedure to assure that employees are using the most cost-effective method when traveling by vehicle. Usually, using a state vehicle is the most cost-effective method. When a private vehicle is used for travel, mileage may be authorized for reimbursement to the employee at one of two possible rates (referred to as the higher or lower rate.) The rates are specified in the applicable labor agreement or compensation plan. The seven-county metropolitan area used in the control number procedure includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties.

Employees who are subject to the control number procedure, as defined below, must contact Financial Services to determine if a state vehicle is available. If a state vehicle is available, DLI may require the employee to use the state vehicle. If a state vehicle is not available, DLI may rent a vehicle for the employee's use through the state's contract vendor.

Control numbers are required for the following:

- *Employees inside the seven-county metro area* traveling more than 75 miles for a trip. If the employee does not obtain a control number from Financial Services prior to their trip and travels over 75 miles, mileage is reimbursed at the lower rate regardless of whether or not the number of miles was anticipated.
- *If it is not cost-effective (determined by Financial Services) to use a state vehicle OR a state vehicle is not available* the employee is issued a control number. This number is included on the SEMA4 Employee Expense Report so that mileage is reimbursed at the higher rate.

Control numbers are *not* necessary in the following circumstances:

- *If a state vehicle is available and the employee uses it* a control number is not necessary. This is because the employee is not permitted to claim expense reimbursement for private vehicle mileage.

- *An employee outside the seven-county metro area* who has short term/daily travel is not subject to the control number procedure. Mileage expense is reimbursable at the higher rate without obtaining a control number.
- *An employee inside the seven-county metro area* traveling less than 75 miles is not subject to the control number procedure and is reimbursed at the higher rate.
- *If a state vehicle is available and the employee does not use it* the employee is not issued a control number. However, his/her mileage is reimbursed at the lower rate.

*All employees inside and outside the seven-county metro area* are subject to the following procedure regarding long-term travel:

- Employees who, in a single quarter, average over 1000 miles per month in private vehicle use must contact Financial Services to determine the cost effectiveness of using a state vehicle. The lower rate of reimbursement applies to all employees who fail to contact Financial Services for a control number.

Financial Services will review private vehicle expense reimbursements and control number assignments to ensure conformance to all of the above requirements.