Title: Fleet management

Type: Fiscal

Owner: Fiscal Systems Management Team (FSMT)

Effective date: April 7, 2020

Replaces or Supersedes: January 15, 2014, May 1, 2012

Guidance/requirement statement:

Purpose: This guidance outlines the process the Minnesota Pollution Control Agency (Agency) Operations Division follows in managing the Agency’s vehicle fleet. It covers all owned, leased, and/or rented vehicles/equipment and staff when driving on state business.

Scope: This guidance is not meant to supersede laws, rules, or regulations imposed by federal, state, or local government. Minn. Stat. § 16B.55 (https://www.revisor.mn.gov/statutes/?id=16B.55) guides the use of state vehicles and is the basis for this guidance. The Department of Administration’s Fleet Management Policy (http://www.mn.gov/admin/images/Fleet_Policy_Admin.pdf) provides guidance and requirements relating to “personal use of a state vehicle” and reporting for tax purposes.

Enforcement of this guidance is the responsibility of the Agency. It is the responsibility of division leadership to make employees aware of this guidance, guide and enforce this guidance, and take appropriate corrective action if necessary.

Background: The Agency’s vehicle fleet is a part of the Department of Administration’s fleet. The Agency is committed to achieving the fleet sustainability goals outlined in the Governor’s Executive Order 17-12 (https://www.leg.state.mn.us/archive/execorders/17-12.pdf). The Agency will demonstrate its commitment to reducing air pollution by selecting the most fuel-efficient and least polluting vehicles that meet the Agency’s needs.
Vehicle Acquisition

1. **Additions to the agency fleet** – All requests for additions to the fleet will be presented to the Fleet Manager with a written statement of justification for the acquisition and ongoing expense for the vehicle acquisition, including vehicle type, planned vehicle use, anticipated utilization rate, funding, alternative methods of transportation that have been considered, and the agency business need the vehicle will address.

   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, environmentally beneficial and cost effective. Proposed additions to the fleet must be recommended by the Fleet Manager and be approved by the Operations Division Assistant Division Director and FSMT.

2. **Vehicle replacement** – The agency works through the process established by the Department of Administration Fleet Services division to acquire vehicles. The Agency Fleet Manager will approve replacements. The Agency manages the costs associated with vehicle acquisitions and ownership. All equipment acquisitions are carefully examined and acquired in the most cost-efficient manner. Vehicles purchased by programs are part of the agency fleet that is managed centrally by the Agency Fleet Manager.
   a. **Normal replacement** – Routine replacement of existing agency owned/leased vehicles at the end of its expected life cycle. The replaced item is sent to surplus if owned or turned in to Fleet Services if leased.
   b. **Casualty replacement** – Premature replacement of agency vehicles may occur due to physical damage or mechanical failure not economically prudent to repair. Replacements due to mechanical failure will be examined for cause and possible vehicle, vehicle life cycle, or operational changes may be necessary to avoid future replacements.

3. **Vehicle type selection** – It is the intent of the Agency to purchase or lease the most fuel-efficient and least polluting vehicles available (e.g., hybrid, electric, etc.) that safely meet the Agency’s needs, use E85 (flex fuel) in all flexible fuel vehicles whenever it is reasonably available. It is the goal of the Agency to provide vehicles for employee use that are well suited for the work performed, but not exceed the needs for the intended use, as referenced in Minn. Stat. § 16C.135 (https://www.revisor.mn.gov/statutes/?id=16c.135). The Agency Fleet Manager works with the Fleet Services Division of the Department of Administration to develop an internal vehicle selector list each year that meets the Governor’s Executive Order, balances cost, fuel economy, standardization, employee safety, and vehicle emissions. Employee safety will be taken into account when acquiring vehicles by evaluating vehicle safety standards and ratings. Manufacturer ratings, including load carrying capacity, and trailer pulling capacity, will be followed when developing vehicle specifications for acquiring vehicles.

4. **Vehicle life cycle selection** – The Agency Fleet Manager in collaboration with the Department of Administration’s Fleet Services Division will identify the vehicle life cycle at the time of acquisition consistent with the planned use. This life cycle will include parameters for vehicle age as well as vehicle usage, take into account vehicle type as well as the work environment in which the vehicle will perform, and will be used in planning of vehicle replacement, as well as monitoring vehicle usage during the life of the vehicle. A life cycle will be established at the time of vehicle acquisition.

5. **Vehicle retirement/disposal** – Vehicles reaching the end of their life cycle will be reviewed for condition and purpose. Vehicles with useful life remaining may be extended for continued use or made available for seasonal and/or temporary use when appropriate, surplused through the Department of Administration’s Surplus Services, or returned to the Fleet Services Division in accordance with applicable laws, rules, and regulations.
6. **Vehicle financing** – The agency leases vehicles through the Department of Administration’s Fleet Services Division. The agency cost allocation plan funds vehicle leasing, vehicle rental, and vehicle maintenance. The agency will make cost-effective decisions when acquiring vehicles by considering vehicle rental, vehicle leasing, and vehicle ownership. All vehicles will be acquired in accordance with Minnesota state law. All purchasing laws, rules, and regulations will be followed. Vehicles acquired by programs for their exclusive use must be funded by the program.

7. **Vehicle utilization** – Monitoring vehicle utilization is a key component in cost-effective fleet management. Vehicle usage will be monitored 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.

8. **Vehicle markings** – All leased and owned vehicles will be clearly marked as State of Minnesota vehicles and all vehicle licenses will be identified as Minnesota state vehicle license plates as referenced in the Minn. Stat. § 16B.581 (https://www.revisor.mn.gov/statutes/?id=16B.581).

**Vehicle assignment**

1. All agency vehicles are shared and available to all agency staff and programs through the vehicle reservation system.

2. A pooled vehicle system is the most cost-effective and the preferred method for managing the agency’s fleet vehicles.

3. Agency vehicles may be assigned to programs upon request if the utilization meets the minimum usage requirements of 65% day utilization and/or 11,000 annual miles driven.

4. Vehicles that are assigned to programs must be made available to all Agency staff through the vehicle reservation system when the vehicle is not in use, i.e., vacations, extended leaves, out of season, etc.

5. Specialty or up-fitted vehicles (toppers, winches, etc.) that are unsuitable for use as pool vehicles due to efficiency and capital investment are considered to be program assigned vehicles. These vehicles are typically used by monitoring programs and emergency response staff.

6. Vehicles are not provided for traveling to and from work.

7. Vehicle assignments will not be made on the basis of status, tradition, or as a condition of employment.

**Vehicle operations**

1. **Liability insurance** – The agency fleet is insured through the Department of Administration, Risk Management Division for liability coverage.

2. **Compliance with State and Federal regulations** – It is the goal of the Agency to operate all vehicles safely and according to the applicable laws, rules, and regulations found on the Minnesota Department of Public Safety Driver and Vehicle Services webpage for Forms/Documents/Manuals located at https://dps.mn.gov/divisions/dvs/forms-documents/Pages/default.aspx. Fines and/or penalties resulting from improper use of a vehicle are the sole responsibility of the vehicle operator.

3. **Ethical use** – Minn. Stat. § 16B.55 (https://www.revisor.mn.gov/statutes/?id=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 an Agency vehicle for personal benefit is strictly prohibited. Unauthorized personal use of an Agency vehicle may be grounds for disciplinary action. All Agency employees will operate vehicles in an ethical manner, and will avoid...
the use of vehicles in a manner that may give the appearance of being unethical (e.g., stopping to conduct personal business, road rage, etc.). Only Agency employees are authorized to drive Agency vehicles. Only authorized persons or authorized persons of handicapped employees are permitted to ride in Agency vehicles. This includes volunteers, other state agencies or federal employees, and local units of government employees participating in state programs or functions (e.g., Agency Board members, Citizen Lake Monitoring Program, etc.).

4. **Use of personal vehicles** – All staff are expected to use state vehicles when traveling on state business and discouraged from using personal vehicles for state business. When a state or rental vehicle is not available and a personal vehicle is used to conduct state business, the Agency will reimburse an employee at the current federal IRS mileage reimbursement rate or as specified in the employee’s labor contract. If an employee is involved in an accident while using a personal vehicle on state business, the employee’s personal insurance is responsible for covering all damages and related costs. In most cases, the use of a state or rental vehicle will be more cost effective when business travel exceeds 100 miles; and the cost to the Agency is lower using a rental vehicle when compared to the personal mileage reimbursement standard. The use of personal vehicles to haul or tow equipment is prohibited.

5. **Equipment maintenance** – It is the goal of the Agency to keep all state vehicles maintained in safe operating condition. Vehicle operators will bring vehicle defects to the attention of their Fleet Coordinator. Safety related defects will be corrected prior to continued use of the vehicle. Staff experiencing ongoing vehicle repair issues or complex vehicle repair problems should contact the Agency Fleet Coordinator or Fleet Manager.

6. **Suitability for work use** – Vehicles will be used in a manner that is consistent with the intended use of the vehicle, which includes the appropriate size for loads being hauled and suitable for the work to be performed (i.e., use of mid-size car versus truck to attend meetings). Vehicles will be operated in accordance with the manufacturer ratings and guidelines including load capacity and trailer pulling capacity.

7. **Equipment inspections** – Programs with specialty vehicles or up-fitted vehicles are responsible for pre-trip inspections using the owner’s manual as a guide, for annual inspections of equipment to identify safety defects, and for ensuring repairs are completed in a timely manner.

8. **Accidents and incidents** – Drivers are responsible to report any accidents, incidents, and equipment damage to their manager/supervisor and regional office vehicle coordinator as soon as possible or within 24 hours.

9. **Out of state travel** – Any out of state travel requires the use of a rental vehicle through the state rental contract with Enterprise. Contact your Fleet Coordinator or the Agency Fleet Manager to set up a rental. Fuel cards for rentals are available from any agency fleet coordinator.

10. **Rental vehicles** – The agency uses rental vehicles for out of state travel and to meet seasonal and short term business needs. Contact your Fleet Coordinator or the Agency Fleet Manager for more information about rental vehicles. When requesting a rental vehicle, choose the most fuel efficient and cost effective option. The agency is fully insured through Enterprise. Enterprise will bill the agency directly for the rental.