

**Bureau of Mediation Services
Fleet Management Policy –
Automobiles, Specialty Vehicles, and Light Trucks
1/14/2004**

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 Bureau of Mediation Services (BMS) and covers vehicles operated and owned/leased/rented by BMS. This policy is not meant to supersede laws, rules, or regulations imposed by federal, state, or local government. Admin Policy 99.1 (Procedure Governing the Use of State Vehicles) remains in effect.

Enforcement of this policy is the responsibility of the BMS. It is the responsibility of Agency management 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 BMS 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.

- 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 alternatives methods of transportation that have been considered and cost justification for the acquisition and ongoing expense. The 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 BMS 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 Deputy Commissioner 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 do 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 Deputy Commissioner for possible further investigation. The Deputy Commissioner will approve all casualty replacements.

- E. Vehicle Type Selection -** Selection of an appropriate vehicle type is an essential part of cost effective fleet management. It is an objective of BMS to supply vehicles for employee use that are well suited to performing the work needing 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.

- F. Vehicle Life Cycle Selection -** Establishing an appropriate life cycle is an essential part of cost-effective fleet management. BMS 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 perform. 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 BMS 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. The Accounting Officer of this Agency will review vehicle acquisitions with Agency management to assure the appropriate consideration is given to all available financing options.

H. Agency Acquisition Approval Process – The Commissioner will approve (signature approval) all vehicle expansions to the existing fleet. The Deputy Commissioner will approve all casualty replacements and 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.

IV. Operation of Vehicles

A. Compliance with State and Federal requirements – BMS 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 the BMS Travel Coordinator concerning licensing and/or operational questions regarding commercial vehicles. It is an objective of the BMS 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 – It is an objective of BMS to operate vehicles using the highest ethical standards. It is the intent of BMS to present a public image that is above any ethical question. All Agency employees will operate vehicles in an ethical manner. BMS will avoid any use of vehicles that may give the appearance of being unethical. Employees should consult their immediate supervision concerning any questions in this area.

C. Vehicle Utilization- Monitoring vehicle utilization is a key component in cost effective fleet management. BMS will monitor vehicle usage on an ongoing basis to ensure vehicles are being utilized in a cost effective manner consistent with expectation established at the time of vehicle acquisition.

- D. Vehicle Markings** – Vehicle owned or leased by BMS 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.
- E. Safety** – It is an objective of BMS to operate vehicle 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 the any person or property.
- 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 and public safety are to be primary considerations when determining vehicle operational practices.
- 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 in for use in nearly every gasoline powered vehicle operated by BMS. BMS will use self-service fuel pumps. Questions concerning fuel can be directed to the Travel Management Division.
- H. Maintenance / Mechanical Repair** – It is an objective of the BMS to keep all vehicles maintained 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 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 BMS to operate vehicles that present a positive reflection of BMS to the public. It is also an objective of BMS to promote safe work practices. Physical damage to a vehicle often results from unsafe work practices. Incidents involving physical damage to vehicle are to be reported to the BMS Travel Coordinator or immediate supervisor 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. For vehicles on loan/lease from the Travel Management Division, all damage must be reported to Travel Management Division.
- J. State Liability** – It is the intent of the BMS to operate vehicles safely. Employee and public safety are very important to BMS. 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

Admin Risk Management Division. The Risk Management Division will assist Divisions in handling vehicular related liability expenses.

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 BMS 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 agencies or governmental units.