



**State of Minnesota
Department of Natural Resources**

Title: DNR Fleet Policy

Bureau/Division Responsible: Facilities & Operations Support Bureau
Date Policy Established/Revised: January 14, 2004
Authorized by: DNR Operational Order number 111; Fleet Management
Approved by: Elaine Johnson

Policy Statement: The Department of Natural Resources fleet will be managed to provide safe, reliable and economical equipment that enables the effective accomplishment of natural resource program objectives.

I. Scope and Contents of Policy

This policy applies to the management, use and operation of all rolling stock equipment operated, owned, leased, or rented by the Department of Natural Resources.

This policy does not supersede laws, rules, or regulations imposed by federal, state, or local government.

Enforcement of this policy is the responsibility of the management of the Department of Natural Resources. Each organizational unit within the department 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.

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II Definitions

Casualty Replacement – replacement of a vehicle prior to reaching the end of the assigned life cycle, generally due to deterioration of physical or mechanical condition.

Department Fleet Manager – Facilities & Operations Support Bureau manager assigned responsibility for managing the departments' fleet and associated activities.

Emergency – For purposes of approving personal commutes in DNR equipment, is defined in Administration Policy number 99.1.

Emergency Vehicle – a vehicle equipped with auxiliary red and blue lights and a siren. MN Statutes Chapter 169 define an emergency vehicle and its use.

EPAct (Energy Policy Act of 1992 - U.S. Department of Energy). -- Requires certain fleets to acquire and operate alternative energy vehicles.

Fleet Expansion – the acquisition of a vehicle that will increase the fleet size.

FMVSS (Federal Motor Vehicle Safety Standards Act) --. Vehicles sold, modified and operated in the United States must comply with requirements of the National Highway Transportation Safety Administration, U.S. Department of Transportation.

FMCSR – (Federal Motor Carrier Safety Regulations) -- The National Highway Transportation Safety Administration, U.S. Department of Transportation requires specific licenses and drug and alcohol testing in certain circumstances. Drivers and operators of equipment must comply with specific inspection requirements.

Gross Axle Weight Rating (GAWR) – The value specified by the vehicle manufacturer as the load-carrying capacity of a single axle system measured at the tire-ground interface.

Gross Combination Vehicle Weight Rating (GCVWR) – The value specified by the manufacturer as the maximum loaded weight of the vehicle and the loaded trailer.

Gross Vehicle Weight Rating (GVWR) – The value specified by the manufacturer as the maximum loaded weight of a single vehicle.

Heavy Truck – a road licensed vehicle with a Gross Vehicle Weight Rating (GVWR) greater than 40,000 pounds.

Life cycle – the expected economic life of fleet equipment, usually in terms of age and use, or that optimizes utility, safety and reliability, while minimizing capital and maintenance costs. The optimal target life cycle for a pickup truck is 6 years and 90,000 miles.

Light Truck – a road licensed vehicle with less than a 15,000 pounds Gross Vehicle Weight Rating (GVWR) designed primarily for hauling cargo. Includes pickup trucks, SUV's, light service trucks, and cargo vans.

Light Vehicle – a road licensed vehicle with less than a 15,000 pounds Gross Vehicle Weight Rating (GVWR). Includes cars, vans, SUV's, , and some buses.

Medium Truck – a road licensed vehicle with a Gross Vehicle Weight Rating (GVWR) between 15,000 pounds and 40,000 pounds

Normal Replacement – Purchase of a vehicle to replace one that has reached the end of the assigned life cycle. The fleet size will not be increased

Off Road Utility Fleet – Motorized and self-propelled equipment designed to meet the utility needs of the department. Includes tractors, crawlers, mowers, ATV's, and snowmobiles.

Passenger Vehicle – A road licensed vehicle designed to primarily carry passengers. Includes cars, vans, and buses.

Payload Rating – The maximum allowable load (including the weight of the driver and all occupants) that the vehicle can carry based on all factory-installed equipment on the vehicle

Road Fleet - Road licensed self-powered vehicles. Includes cars, trucks, vans.

Rolling Stock – Land-operated equipment that is motorized, self-propelled and/or licensed and registered.

Seasonal Loaner – Department of Natural Resource (DNR) equipment used to meet the short-term peak seasonal needs of the department, usually in the spring, summer, or fall seasons. A seasonal loaner is a vehicle that has been replaced in the fleet but not yet sold and is redeployed for one (possibly two) seasons before being sold.

Trailer Towing Capacity – The value specified by the manufacturer as the maximum trailer weight that can be towed by the vehicle.

Trailers and Attachment Fleet – Equipment items designed to be used in conjunction with other fleet items, and are often utilized with multiple power heads (tractors, trucks). Includes trailers, some mower attachments, etc.

III. Operation of Equipment

A. Approved and Ethical Use

It is the objective of the Department of Natural Resources to operate equipment consistent with state law using the highest ethical standards. It is the intent of the department to present a public image that is above any ethical question.

1. Allowed Operators:

The Department of Natural Resources only authorizes State of Minnesota employees or other approved persons (see Exceptions below) 18 years of age or older with a valid driver's license to drive state vehicles. As required by specific equipment, only qualified employees who are appropriately licensed and are familiar and competent with the equipment to be used shall operate department vehicles and equipment.

All drivers of DNR equipment are required to sign a "Vehicle Use Agreement" (Appendix 3) and provide supervisors with their driver's license number and class. Commercial vehicle drivers are subject to drug and alcohol testing and must be registered as drivers before accepting such an assignment.

Exceptions: Interns, registered volunteers, employees of associated governmental organizations, and other agents of the state with a valid driver's license can drive when their action is deemed to be in the best interest of the state. A use agreement is required and such drivers must use the employee ID of their DNR "sponsor" to acquire fuel. Drivers who are not state employees must have a Vehicle Use Agreement signed by the DNR employee supervising their work. Drivers necessary for an emergency involving health and safety do not require a Use Agreement for that specific episode.

2. License Status, Moving Violations:

Whenever a driver of a state vehicle has their driver's license revoked, restricted, or suspended, the driver is required to notify his/her supervisor within five (5) days of the revocation, or before operating a state vehicle. Drivers are required to notify their supervisor of any moving violation that occurs while operating a state vehicle. DNR Commercial Drivers' (CDL) must notify supervisors of ALL moving violations, either on or off duty, state or personal vehicle. Neglecting to notify supervisor as indicated violates the terms of department vehicle use.

3. Permitted and Prohibited Uses of State Vehicles:

State equipment shall be used only for official state business. Incidental use, such as reasonable travel to and from lodging and meals when away from an employee's assigned work location, is approved. Additional clarification and definitions can be found in M.S. 16B.55 and Department of Administration (ADMIN 99.1). For purposes of approving commutes in DNR equipment, an emergency is defined as an event with a significant likelihood of occurring that day that could cause loss of life or significant loss of property.

Drivers must observe all ordinances and laws pertaining to the operation of motor vehicles. Drivers are responsible for safe operation of their vehicle. Drivers are personally responsible for paying any traffic or parking tickets received while operating state vehicles and equipment. (Note: Applicable law

and specific division policy govern use of law enforcement and other emergency vehicles.)

State vehicles may not be used to transport passengers unless those passengers are involved in official state business. Hitchhikers are not permitted in state vehicles, except in emergency situations when drivers are rendering assistance to disabled motorists or people in threat of danger.

The use of a vehicle by a driver that is under the influence of alcohol or drugs is strictly forbidden. The CDL standard of under the “influence” (.04) will apply to ALL drivers. Any such vehicle use will be considered a violation of work rules and may be grounds for disciplinary action up to and including discharge.

All drivers and all passengers must wear seat belts in all vehicles and other equipment that is so equipped. Passengers shall not be carried by equipment not designed for passenger use.

State equipment and trailers shall not carry loads that exceed the Manufacturers Gross Vehicle Weight Rating. Such loads could result in a loss of control or structural damage to the equipment.

Modifications or alterations to state vehicles that may affect the operational characteristics or manufacturer’s installed safety equipment are prohibited unless undertaken with the written consent of the Department Fleet Manager. Installation or modifications to hitches or towing systems must be as approved or directed by Regional Facilities and Operations staff. Modifications to state vehicles for personal reasons are prohibited.

Accidents or damage to equipment must be reported as per requirements in the DNR Safety Manual.

Installation or use of any radar-detection device in state vehicles is prohibited.

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

A discipline may have additional restrictions regarding equipment use.

4. Emergency Vehicles

MN Statutes Chapter 169 defines emergency vehicles. Only qualified operators may operate emergency vehicle lights and sirens, and in some cases the vehicle itself. All emergency vehicles must be operated safely. Fire response or any other emergency response, other than law enforcement, must obey all traffic rules and regulations, all signs and signals, and speed limits. Law enforcement response operations are constrained by a variety of statutes and policy. Personnel with emergency vehicle operation responsibilities need to be trained and knowledgeable of all such statutes and policies as prescribed by division management.

Each division operating emergency vehicles must develop, communicate, and operate those emergency vehicles under a divisional “Emergency Vehicle Policy” detailing qualified operators, training requirements, designated equipment, and operating circumstances and procedures ensuring proper and legal operation. Each division must communicate their Emergency Vehicle

Policy to the Assistant Commissioner and the Facilities and Operations Support Bureau Administrator.

5. Courteous Professional Behavior

Everyone shall safely drive and operate state equipment and always be considerate of others. Equipment and vehicle users will be prudent and sensible, employing all common legal practices while operating equipment and extending every courtesy to others on the roadways.

The Department of Natural Resource encourages drivers to lend assistance in an emergency or to someone in distress, if it can be done safely.

Employees should consult their immediate supervisor concerning any question of ethical or authorized use of state equipment.

B. Compliance with State and Federal Requirements

A variety of State and Federal statutes and regulations apply to equipment acquisitions, modifications, use, and disposal. This policy reflects the various statutes and regulations so as to ensure that the department consistently interprets statutes and regulations and is legal in its operations. It is the policy of the Department of Natural Resources to comply with all applicable statutes, regulations and rules. Therefore it is the responsibility of all department drivers, supervisors, and managers to ensure compliance with State and Federal statutes and regulations.. Among the legal requirements most pertinent to equipment are:

- Federal Energy Policy Act (EPAAct),
- State Statutes Chapter 16 and 169 stipulating acquisition of certain Minnesota made products (ATV's) and 4-cycle engine products (snowmobiles and outboard motors), bidding procedures, vehicle marking, emergency vehicles, sales, etc.
- Federal Motor Vehicle Safety Standards Act (FMVSS),
- Federal Motor Carrier Safety Regulations (FMCSR)

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 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 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/Reporting_Personal_Use_of_Employer_Provided_Vehicles_for_Tax_Purposes_Operating_Policy_and_Procedure.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.us/motorcarrier/commercial/cvo.html>

Office of Motor Carrier Services – Department of Transportation

Ethical misconduct will not be tolerated in the Department of Natural Resources. Each division will investigate suspected or alleged ethical misconduct with the assistance of the Natural Resources, Ethics Officer. Ethical misconduct will result in appropriate disciplinary action, up to and including discharge.

Important links concerning State employee ethics:

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

Code of Ethics for Employees in the Executive Branch - Minnesota Statute

C. **Vehicle Use**

The Department of Natural Resources intends to optimize use of equipment while keeping costs as low as possible and providing equipment necessary to meet program requirements. To that end, the department's fleet rate structure financially encourages sharing equipment. The department pools commonly used equipment at key locations to enhance availability. The department limits acquisition (owned or leased) of additional equipment to circumstances when existing departmental equipment is either fully deployed or located such that a proposed use is not economically prudent.

The department monitors use by submitting "monthly use reports" (MURs) on all major equipment types. Department managers regularly review use rates to ensure that they are meeting planned objectives.

D. **Vehicle Identification**

State statutes stipulate that department equipment, except some Enforcement units, be clearly marked. State statutes also stipulate vehicle-licensing requirements.

In all circumstances, the Department of Natural Resources marks vehicles consistent with state law, and appropriately licenses and registers equipment. Supervisors are responsible to ensure that any markings that deteriorate or are damaged, are promptly replaced.

Important links concerning vehicle markings:

<http://www.revisor.leg.state.mn.us/stats/16B/54.html>

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**

Employee and public safety is a high priority of the Department of Natural Resources. The safe operation of vehicles during DNR activities reduces or eliminates accidents and has a significant positive impact on the ability to accomplish natural resource work.

National or Minnesota Safety Council Certified “Defensive Driver” training is required of all DNR drivers.

1. Driver Responsibilities

The driver is the first line of defense against vehicular accidents. All drivers will:

- a. Obey all laws and safety rules while operating a vehicle and possess a valid and appropriate driver’s license for the equipment utilized.
- b. Ensure that all occupants of the vehicle are wearing a seat belt while the vehicle is in motion.
- c. Ensure that the vehicle is appropriate for the task and that any load is within the manufacturer’s rating for that vehicle.
- d. Inspect the vehicle and load before, during and after operations, and report any mechanical problems to the person responsible for the maintenance of that particular vehicle.
- e. Maintain full attention to operating equipment or driving vehicles, including:
 - o Limiting the use of cell phones (including hands free phones) and other two-way communication devices. (Operating a vehicle while using two-way communication device should only be done in emergency situations and/or to answer a call. A conversation extending longer than a minute must be conducted out of the traffic lanes.)
 - o Drivers may not consume food while operating vehicles.
- f. A driver must take at least a half hour break every five hours and stop after ten hours of driving in a given 24 hour period.
- g. Drivers must practice defensive driving at all times.

2. Managers and Supervisors Responsibilities

Managers and supervisors must:

- a. Complete appropriate equipment/vehicle operation background checks on prospective employees
- b. Ensure that each person who operates department-assigned vehicle has received a copy of this policy, signed the “Vehicle Use Agreement”, possesses a valid and appropriate driver’s license, and has participated in required driver training programs appropriate to the class of vehicle being operated.
- c. Disseminate and enforce rules and regulations governing the proper use of vehicles and reporting of vehicle accidents.
- d. Ensure that all drivers are trained in defensive driving techniques. The defensive driving training requirement must be met within 60 calendar days of the employee’s first day of work as a DNR employee.
- e. As necessary assign drivers and operators to attend training programs regarding the use of DNR vehicles and equipment.
- f. Manage equipment use so as to ensure that employees receive the proper equipment and operate it within manufacturers load ratings as described in this policy, Part III G. Suitability for Work.

3. Facility and Operations Support Responsibilities

The Bureau of Facility and Operations Support will:

- a. Ensure accurate and up-to-date rules, regulations and policies on proper and legal use of DNR vehicles are disseminated through the department.
- b. Manage the Vehicle Use Agreement for DNR Employees.
- c. Ensure that periodic maintenance is available and accomplished for each DNR vehicle so that equipment is safe and reliable for use.
- d. Administer Defensive Driving Programs to assist supervisors in ensuring that all employees who operate DNR vehicles have received training appropriate to their needs in a timely fashion. (Contact regional Facility and Operations Support supervisor or Safety Administrator)
- e. Perform analysis of all accidents so as to identify and take advantage of every opportunity to avoid future such accidents.
- f. Prepare options and suggestions for accident prevention.
- g. Manage the Commercial Driver License Drug and Alcohol testing program.

4. Human Resources Responsibilities

The Bureau of Human Resources will:

- a. Develop criteria and manage appropriate equipment and vehicle operation background checks for position applicant>

Important links for safe vehicle operation:

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

F. Fuel

The Fleet Program pays for fuel used by department rolling stock and equipment. The Fleet Program provides a fuel card for the purchase of fuel from private vendors. Bulk fuel is provided in select DNR locations. Users of fuel are required to report fuel use.

- Major fleet equipment fuel use is reported monthly by completing the “Monthly Use Report” (MUR)
- Fuel distribution from bulk tanks is listed on the tank log and reconciled to account for all fuel used. Leaks or other suspected losses are reported immediately. Logs are kept on site for a minimum of one year.
- Fuel use is subject to audit.

Vehicles are to use the type and grade of fuel recommended by the manufacturer. Regular unleaded grade fuel is the default standard.

Department staff must use self-service pumps, unless it is more economical to the state to use full service pumps.

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

G. Suitability for Work Use

The department expects operators to inspect equipment condition and ability to safely accomplish work tasks each day before starting work. As necessary, equipment should be inspected during work sessions. Unsafe conditions shall be immediately corrected and reported. The department will immediately remove from service any equipment deemed unsuitable or unsafe for operation. All department equipment must be maintained in a manner designed to eliminate mechanical failure as a cause of accidents.

Department equipment must be operated in accordance with the manufacturer ratings and guidelines consistent with the intended use of the vehicle. Typical manufacturer ratings include:

- Gross Vehicle Weight Rating (GVWR) – The value specified by the manufacturer as the maximum loaded weight of a single vehicle
- Gross Combination Vehicle Weight Rating (GCVWR) – The value specified by the manufacturer as the maximum loaded weight of the vehicle and the loaded trailer
- Payload Rating – The maximum allowable load (including the weight of the driver and all occupants) that the vehicle can carry based on all factory-installed equipment on the vehicle
- Trailer Towing Capacity – The value specified by the manufacturer as the maximum trailer weight that can be towed by the vehicle
- Gross Axle Weight Rating (GAWR) – The value specified by the vehicle manufacturer as the load-carrying capacity of a single axle system measured at the tire-ground interface

H. Maintenance and Repair

The Department of Natural Resources Fleet Program seeks to maintain and repair equipment in order to:

- Maintain a safe fleet,
- Ensure a reliable fleet,

- Protect the investment, and
- Protect the environment.

1. Preventative and Scheduled Maintenance

Equipment requires periodic inspection to discover safety defects and ensure reliable performance. Breakdowns and unscheduled repairs are costly, negatively impact departmental productivity, and represent unnecessary safety exposures. It is a basic premise of the DNR Fleet Program to invest in preventative and scheduled maintenance so as to avoid breakdowns and unscheduled repairs. A good maintenance program, aside from benefits while equipment is in-service, results in higher resale prices when equipment is sold.

Preventative and scheduled maintenance includes:

- Oil, filter, and lube every 3,000 miles or 3 months.
- A 10-point inspection, including tire rotation, every 6,000 miles. (Note: the inspection will specifically examine brake and tire condition).
- Requirements as recommended by manufacturers for other equipment.
- Periodic car washes (from 12 to 26 per year is considered reasonable and needed).

The 10-point inspection seeks to discover necessary preventative maintenance such as brake replacements (front from 30,000 to 50,000 miles) and tire replacement (from 40,000 to 70,000 miles). As soon as possible, these must be scheduled and accomplished.

2. Sound Environmental Management

DNR practices sound environmental management in all its maintenance and repair activities such as recycling oil, antifreeze, batteries, proper disposal of wastes, and use of nontoxic solvents. DNR will do business with vendor partners who practice sound environmental management.

3. Approvals and Reporting

See the Maintenance and Repair Policy and Procedures (Appendix 4) for specific information, but in general, repair costs exceeding \$300 must be pre-approved.

I. **Physical Damage**

DNR policy is to prevent accidents. It is the intent of the department to minimize physical damage and to repair damage when it occurs. Visible physical damage projects a negative image.

See the Accident Reporting and Inspection Policy and Procedures (appendix) for specific information, but in general all damage must be reported. General elements of the policy include:

Cost responsibility for repairs will be:

- Fleet is responsible for the 1st \$1000 in repair costs.
- The Unit of the driver is responsible for the 2nd \$1000 of repair costs.
- Fleet insurance is responsible for costs exceeding \$2000.

Exceptions to the above cost responsibility for repairs:

In consultation with the Assistant Commissioner, responsibility for cost of repairs to DNR equipment may be assessed to the operator's unit when:

- DNR policy or federal, state, or local law has been violated.
- Seat belts were not worn.
- Repetitive or gross negligence has occurred (an example might be two or more similar incidents in one year with same driver or location).
- The driver has not been trained in defensive driving.

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**

The Department of Natural Resources minimizes liability exposure by operating safe equipment in a responsible, legal manner. DNR Fleet equipment will be adequately insured to manage accidents that do occur.

1. Liability insurance - Rolling stock is managed by the Fleet Program and insured by Department of Administration, Risk Management Division for liability coverage.
2. Annual inspections, supplemented by daily walk-around inspections, of rolling stock identify equipment with safety defects.
3. Accidents and incidents are reported as required.

Important links for Risk Management Information:

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

Admin, State and Community Services, Risk Management Division

IV. **Equipment Assignments**

There are four types of equipment assignment made:

1. Permanent assignments
2. Equipment Pools (for short-term assignments)
3. Seasonal Pools
4. Temporary Re-assignment of equipment to meet urgent needs.

See the Equipment Assignments Policy and Procedure (appendix) for specific information.

V. **Acquisition Criteria and Equipment Type Selection**

The Department of Natural Resources manages costs associated with equipment acquisitions, and ownership. All equipment acquisitions are carefully examined and acquired in the most cost efficient manner.

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.

Division equipment plans are required and must be approved by the assistant commissioner in charge of the Bureau of Facility and Operations Support prior to acquisition of new equipment.

The department will manage acquisition to minimize initial investment costs. Applying frugal equipment standards, using state purchasing contracts and volume purchases will be the principle acquisition strategies to assure least possible cost while meeting program objectives. Exceptions to the standard are discouraged and will require specific approval. In some cases, processing expenses may be assessed to the requesting unit.

There are 3 types of acquisitions that occur:

A. Normal Replacement.

Routine replacement of existing department owned rolling-stock equipment at the end of its expected life cycle. The asset number and description of item being replaced must be identified. The replaced item, is turned in and either:

1. Sold
2. Re-deployed as a seasonal loaner.

B. Casualty Replacement.

Premature replacement of departmental rolling-stock because of either:

1. Physical damage not economically prudent to repair, or
2. Mechanical failure not economically prudent to repair.

Either situation requires investigation and analysis of the damage or failure so as to identify and take prudent measures to avoid future losses. Some mechanical failures may result in adjustments to life cycles to reflect durability experiences. The Fleet Program will determine the economic viability of repair.

Important Links for Replacement / Disposal of Vehicles

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

Admin, Material Management Division, Surplus Services

C. Expansion to the Fleet.

An expansion to the fleet occurs when no existing equipment is being replaced.

Proposed expansions to the fleet must be accompanied with

A revised division equipment plan adjusted to reflect the expansion and approved by the assistant commissioner in charge of the Bureau of Facility and Operations Support.

Turned in equipment not meeting the replacement criteria will be approved for replacement only if it is a casualty loss. Fully functional turned in equipment will not be replaced. Variations to this policy require specific justification and approval by the assistant commissioner.

All acquisitions, except emergencies, will take place during the departments' annual acquisition cycles. Note: see "Financing" regarding funding options for acquisitions.

D. Vehicle Type Selection

DNR managers and supervisors will select the least cost vehicle appropriate for the work to be performed. Standardized units must meet division requirements, assure employee safety, and comply with manufacturers rating recommendations for load carrying & towing capacity of vehicles and trailers. Applicable State and Federal guidelines will be the reference when considering options.

The department will acquire all passenger vehicles, except law enforcement vehicles, in configurations that will enable a credit under the Federal Energy Policy Act (EPAAct).

A division Fleet Plan provides a description of a division's fleet assets. Divisions will use the principles in the two paragraphs above when developing their fleet plans, so as to contain public expenditures while pursuing the public objectives of the division.

Important links to reference when acquiring vehicles:

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

Purchases of fuel and vehicles by state agencies – Statute

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

Alternative Fuel Data Center – Fleet Information

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

EPAAct Fleet Information and Regulations - U.S. Department of Energy

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

E. Equipment Life Cycles

Establishing a cost effective life cycle is essential to an efficient Fleet Program. A life cycle is the expected economic life of an equipment piece, usually in terms of age and use that optimizes utility, safety and reliability performance, while minimizing capital and maintenance costs. Durability, obsolescence, parts availability, and resale value are additional key factors that must be considered. The Fleet Program will make every reasonable effort to establish a cost effective range of life cycle options that offer pairings of age and use which match the departments great range of use conditions. Accurate identification of annual plan use is essential to successful life cycle planning.

The life cycle will be established at the time of equipment acquisition. The life cycle will include parameters for equipment age as well as usage. The established life cycle is used in planning of equipment replacement and to monitor equipment usage. New equipment types without established performance records relative to durability and repair histories may need their life cycles reset during the term. Such adjustments may go up or down.

The Fleet Program must re-examine existing equipment life cycles for consistency with current use and current life cycle strategies. Adjustments necessary to ensure a cost effective life cycle will be made. This will particularly be necessary for division purchased equipment being brought into fleet management. Out-of-life cycle equipment will need to be eliminated or replaced as necessary. Also, repair events should cause a re-evaluation of a piece or type of equipment's life cycle; see the "Maintenance and Repair" section for more information.

F. DNR Acquisition Approval Process

DNR requires divisions to have approved equipment plans that specify equipment assignments and types of equipment authorized. See DNR Acquisition Approval Process (appendix) for specific information.

G. **Contractions to the Fleet**

Contractions to the fleet are the inverse of expansions to the fleet. The practical approach to contracting the fleet is to dispose of the oldest and most worn items of a particular class of equipment so as to take full advantage of past investments. Divisions turning-in equipment prior to expiration of its life cycle must reassign that equipment within their division, before turning it into the Fleet Program life cycle. This approach will generally never be an issue for standardized equipment items. Divisions need to keep this “first-in, first-out” policy in mind when ordering expensive non-standard equipment.

The Fleet Manager may, in circumstances such as depressed market conditions, develop specific approaches to ensure that invested capital is preserved.

VI. Financing

A. **Legal authority**

Minnesota state statute 84.0856 stipulates that; *“The commissioner of natural resources may bill organizational units within the department of natural resources for the costs of providing them with equipment. Costs billed may include acquisition, licensing, insurance, maintenance, repair, and other direct costs as determined by the commissioner. Receipts and interest earned on the receipts shall be credited to a special account in the state treasury and are appropriated to the commissioner to pay the costs for which the billings were made.”*

The expenses incurred in acquiring and operating any kind of equipment are significant. Costs are of two basic types, fixed and variable.

- Fixed costs consists of capital costs, insurance, tax, licensing, administrative, and other costs incurred whether the equipment is used or not. Fixed costs vary with the type of equipment and over time. Over time fixed costs typically are 75% of the ownership burden.
- Variable costs consist of fuel, maintenance and repair, and other costs that are incurred in portion to the amount of use a piece of equipment gets.

The department’s fleet rate and billing system shall fairly and equitably distribute costs among the users of the equipment. The department will ensure rates are reflective of incurred costs and are adjusted annually to match market conditions. The Fleet Manager will annually recommend rate modifications to the Fleet Committee. The Fleet Committee may accept the recommendations as proposed, or recommend additional options be considered. The Assistant Commissioner and the Facilities & Operations Bureau Administrator will set the annual rate.

It is the department’s objective to provide flexible, practical and affordable financial mechanisms for acquiring equipment. Options for financing acquisitions include fleet financing, divisional program funds, GSA, gifts, confiscations, or leasing. “Upfront” or

prepaid fleet expenses for division programs may result in offsetting fleet credits defraying financing costs..

As necessary, the Fleet Program will finance a portion of acquisitions by borrowing through the Department of Administrations' "Master Lease" program. It is an objective of the Fleet Program to minimize financing costs and eventually wean itself from the need to finance acquisitions.

The Facilities and Operations Support Bureau of the department will review vehicle acquisition proposals and equipment plans with organizational units to ensure that the appropriate financing options are engaged.

B. Program Financing

The rates set for equipment fund all anticipated direct costs associated with providing equipment to the operating units of DNR. The rate includes replacement costs if the department uses the equipment through its expected life cycle. Revenue from equipment rates and loans develops capital to purchase equipment. The Fleet Program spends these accrued balances for equipment as directed in an approved equipment replacement plan.

C. Upfront Funding

DNR encourages a frugal approach to equipment acquisitions and planning ahead to minimize costs. There are situations where upfront funding may prudently offset future capital costs. See Upfront Funding interim policy, procedures and form in appendix for more specific information.

D. Gifts

The department may accept gifts on behalf of the state. If a gift is a piece of equipment, or money that is contingent on acquisition of equipment, that equipment will be acquired by and enrolled in the fleet management program. User rates will be calculated based on life cycle, replacement cost, fixed cost and operating cost considerations. An appropriate acquisition value will be credited against monthly invoices until the value is exhausted. Expenses beyond the value of the credit allowance will be paid from the unit to which the equipment is assigned. In all other respects gifts will be managed as upfront funding of an investment in equipment. When the department assumes ownership of confiscated equipment it will be managed as a gift. See III, G, 3.

E. Leasing

Equipment leasing may be appropriate under some circumstances. The Facilities and Operations Support Bureau is delegated the authority to negotiate and sign leases of this type on behalf of the Department of Natural Resources. When circumstances indicate that an equipment lease is appropriate, the lease will be negotiated and leasing agreements signed only by an authorized representative from the Fleet Program.

Sporadic short-term passenger car rental (1 to 5 days,) that is incidental to employee business travel will be managed as an employee travel expense and is not subject to FOS pre-authorization.

If a DNR unit requests a lease that unit will pay all leasing costs. These costs may be directly billed to the requesting unit or routed through FOS. Other costs born by the department due to the lease will be assessed to the requesting unit. (see attached DNR Leasing Policy and Procedures working draft).

**MINNESOTA DEPARTMENT OF NATURAL RESOURCES
OPERATIONAL ORDER NUMBER 111**

October 2002

SUBJECT: FLEET MANAGEMENT

CONTACT: Department of Natural Resources
Facilities and Operations Support Bureau Administrator
500 Lafayette Road - Box 16, St. Paul, MN 55155-4016

SUPERSEDES:

- Op Order 1; Vehicle Accident Reporting and Related Procedures
- Op Order 5; Use of State Vehicles
- Op Order 32; Annual Rating of Self-Propelled Vehicles
- Op Order 44; Policy and Procedures for Ordering Supplies and Equipment
- Op Order 45; Inventory of DNR Property, Licensing & Registrations of Equipment, etc.
- Op Order 46; To Establish Rental/Use Rates for Department owned Equipment
- Op Order 52; Equipment Maintenance and Repair
- Op Order 73; Department Equipment Panel
- Op Order 74; Equipment Turn-in Policy

PURPOSE

To establish policies and procedures for the operation of the Department of Natural Resources (DNR) Fleet Management Program

AUTHORIZATION

The Commissioner's Office has established a Fleet Committee to assist and provide guidance to the department in regard to the management and utilization of rolling-stock equipment*.

BACKGROUND

The Fleet Committee is charged with the responsibility to develop plans and policies to ensure the department's Fleet Program provides for the transportation and equipment needs of the department efficiently, effectively, and safely. The Department of Natural Resources Facilities and Operations Support Bureau is responsible for developing and implementing the department's Fleet Program consistent with Fleet Committee direction and for monitoring and evaluating program results.

COMMITTEE MEMBERSHIP

The fleet committee consists of members selected by the Commissioner's Office to reflect a department-wide broad cross section of the department's divisions and bureaus. The committee will select a chairperson who will hold the position for at least 12 consecutive months.

COMMITTEE RESPONSIBILITIES

A portion of the committee's work is to oversee the development of a fleet manual that will formalize fleet policies and procedures so as to assist and guide all DNR Staff in utilizing and carrying out the Fleet Program. The fleet manual will address policies and procedures designed to ensure rolling-stock equipment is available and appropriately, safely, and effectively used by Departmental employees. The Fleet Committee will approve fleet policies as they are developed.

FLEET MANUAL CONTENT

The fleet manual will consist of policies approved by the Fleet Committee and/or the Assistant Commissioner for Administration. Each policy will identify the approval date, revised date (as applicable) as well as who approved the policy.

Existing policies and operational orders (Equipment Accident Reporting, Annual Inspection Reporting, Vehicle Use) will be incorporated into the new manual, as well as references to existing laws, statutes, rules that are pertinent to DNR equipment and use. The attached draft index provides the basis for the manual's content.

COMMUNICATION PROCESS

The manual will be posted on the DNR intranet for all employees to access. Significant policy changes will be communicated via e-mail to "DNR All."

Meeting minutes will be distributed to committee members, with subsequent distribution within their unit.

COMMITTEE PROCESS

The fleet committee will meet no less than six (6) times a year with a monthly meeting needed during peak activity such as review of rates and replacement program.

* Rolling-stock equipment is defined as: land-operated equipment that is motorized/self-propelled and/or licensed/registered.

Signature:

Allen Garber, Commissioner

Date: October 31, 2002



State of Minnesota
 Department of Natural Resources
 Fleet Policy

References:

<http://www.dps.state.mn.us/dvs/DLTraining/DLManual/ManualLangChoice.htm>
 Department of Administration Policy (ADMIN 99.1).

MN Statute 16B.55 attached:

<http://www.revisor.leg.state.mn.us/stats/16B/55.html>

SEMA4 Operating Policy and Procedure Manual Number PAY0019 form, "Instructions to Employees for Reporting Personal Use of Employer-Provided Vehicles."

16B.55 Use of state vehicles; compensation for use of personal vehicles.

*Subdivision 1. **Definition.** For purposes of this section, "state vehicle" means a vehicle owned or leased by the state or loaned to the state.*

*Subd. 2. **Prohibited uses.** A state vehicle may be used only for authorized state business. A state vehicle may not be used for transportation to or from the residence of a state employee, except as provided in subdivision 3.*

*Subd. 3. **Permitted uses.** A state vehicle may be used by a state employee to travel to or from the employee's residence:*

(1) 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;

(2) 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;

(3) 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; or

(4) if the employee is authorized to participate in a ridesharing program established by the commissioner pursuant to section [174.257](#). Use of a state vehicle under this subdivision requires the prior approval of the agency head or the designee of the agency head.

*Subd. 4. **Personal vehicles.** No state employee shall be compensated by the state for use of a personal vehicle for travel between the employee's residence and the state work station to which the employee is permanently assigned, except pursuant to a collective bargaining agreement negotiated under chapter 179A or a compensation plan adopted by the commissioner of employee relations under section [43A.05](#). A collective bargaining agreement or compensation plan may only provide for this compensation in cases in which an employee is called back to work during hours when the employee is not normally working.*

*Subd. 5. **Exclusions.** Subdivisions 2 to 4 do not apply to the van pooling program established in section [16B.56](#), to a ridesharing program established by the department of transportation, to a trooper employed by the state patrol, or to use of a state vehicle by the governor or lieutenant governor.*

*Subd. 6. **Vehicle operating procedures.** The commissioner shall set operating procedures for use of state vehicles. These operating procedures are not subject to the Administrative Procedure Act.*

HIST: 1984 c 544 s 60; 1986 c 444; 1988 c 613 s 14,15; 2001 c 7 s 9

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DATE: February 22, 1999

TO: Agency Heads

POLICY & PROCEDURE Admin 99.1

FROM: Scott R. Simmons

Acting Commissioner

SUBJECT: Procedures Governing Use of State Vehicles

1. 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.
2. 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 and from the employee's residence under the following circumstances:
 - o 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.
 - o 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.
 - o 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.
3. 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.
4. Unauthorized personal use of a state vehicle may be grounds for disciplinary action.
5. Agencies providing an employee with a state vehicle should also provide the employee with a copy of the SEMA4 Operating Policy and Procedure Manual Number PAY0019 form, "Instructions to Employees for Reporting Personal Use of Employer-Provided Vehicles."
6. 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.

Minnesota Department of Natural Resources

Vehicle Use Agreement

Date _____

Driver's Name _____

Discipline _____

Work Location _____

Region _____

Driver's employee ID number _____

- Driver is:
- Minnesota State employee
 - Student Worker
 - Intern
 - Registered Volunteer
 - Other;

- 18 years of age or older
- 17 years of age***supervisors must complete and sign attached addendum**

Explain _____

The following individuals and entities may have access to the information you provide according to the Minnesota Government Data Practices Act: Employees and officials of the State of Minnesota and Department of Natural Resources whose work assignments reasonably require access to the information.

Driver's license number _____

License class _____

State of issue _____

I attest that my driver's license is valid and current, and I agree to notify my supervisor of any changes in the status of my driver's license. I agree to operate DNR equipment within the guidelines established by M.S. 16b.55 and DNR policies.

Driver's signature _____

Date _____

The above listed driver has shown me his/her driver's license as indicated above, and I request that they be listed as an active DNR driver.

Supervisor's signature _____

Date _____

Supervisors: Distribute copies as follows:

1 copy retained in supervisory file.

1 copy forwarded to your Regional Facilities & Operations office so that the fuel authorization number can be activated. (This copy will forwarded to Human Resources for inclusion in personnel file.

1 copy of 17 year-old driver addendum to Regional Discipline Manager (as appropriate)

17 Year-old Driver Addendum

State and Federal Child Labor laws restrict employer's use of youth in tasks that involve driving. Federal law prescribes that whichever is most restrictive, applies.

This U.S. Department of Labor website has information:

<http://www.dol.gov/esa/regs/compliance/whd/whdfs34.htm>

- 16 year-olds are **NOT** able to drive in any circumstance.
- 17 year-olds can drive, but **ONLY if all** of the following requirements are met:
 - a. The driving is limited to daylight hours;
 - b. The 17-year-old holds a State license valid for the type of driving involved in the job performed;
 - c. The 17-year-old has successfully completed a State approved driver education course and has no record of any moving violation at the time of hire;
 - d. The automobile or truck is equipped with a seat belt for the driver and any passengers and the employer has instructed the youth that the seat belts must be used when driving the vehicle;
 - e. The automobile or truck does not exceed 6,000 pounds gross vehicle weight;

The driving may not involve:

- a. Towing vehicles;
- b. Route deliveries or route sales;
- c. Transportation for hire of property, goods, or passengers;
- d. Urgent, time-sensitive deliveries;
- e. Transporting more than three passengers, including employees of the employer;
- f. Driving beyond a 30 mile radius from the youth's place of employment;
- g. More than two trips away from the primary place of employment in any single day to deliver the employer's goods to a customer (other than urgent, time-sensitive deliveries which are prohibited);
- h. More than two trips away from the primary place of employment in any single day to transport passengers, other than employees of the employer;
- i. and, Such driving is only occasional and incidental to the 17-year-old's employment. This means that the youth may spend no more than one-third of the worktime in any workday and no more than 20 percent of the worktime in any workweek driving.

I have read the above restrictions and I agree to these restrictions.

Driver's signature _____

Date _____

I have read and agree to the above restrictions and have ascertained that this youth has no moving violations. Vehicles at this site that this employee is authorized to drive are:

Asset number	Vehicle Type	Year	Make	Model	GVWR

Supervisor's signature _____

Date _____



Title: DNR Rolling-Stock Equipment Leasing

Effective Date: June 1, 2003

Approved by: Fleet Committee

Purpose:

Establish DNR policy and process for leasing rolling-stock equipment.

Applies to:

All rolling-stock in DNR, as indicated in Operational Order number 111. Rolling-stock equipment is defined as: land operated equipment that is motorized/self-propelled and/or licensed/registered. Includes: passenger vehicles, trucks, tractors, riding mowers, ATV's, snowmobiles, trailers, etc.

Short-term rentals (5-days or less) of passenger vehicles in conjunction with business travel are NOT subject to the pre-authorization requirements of this policy.

Objective:

1. To orient customers with equipment needs towards utilizing the most cost effective and appropriate approach to meeting those needs. In most circumstances, that will be utilizing existing departmental equipment.
2. To develop the process for managers and supervisors to identify and fulfill needs.
3. To manage and account for leased rolling-stock equipment so that leases are cost effective for the customer and the Fleet Program recovers operating costs associated with the lease.

Background:

DNR has needs for a great variety of rolling-stock equipment and has made significant investments in such equipment. Full utilization of existing DNR equipment will enable the department to meet needs as well as capitalize on investments made.

The Fleet Program is responsible for managing departmental rolling-stock and providing access to equipment to meet departmental needs. Fleet provides fuel to virtually all departmental motorized equipment and liability insurance coverage for all rolling-stock.

Among the potential avenues available to meet user needs are the following:

1. Short-term assignment from "Regional Pool" (daily, weekly, monthly assignment).
2. Loan of equipment from existing Permanently assigned fleet (typically negotiated between "owner" and "borrower".)
3. Seasonal assignment from "Seasonal Loaner Pool" (typically previously replaced equipment).
4. Permanent assignment of DNR Fleet equipment.
5. Loan (lease) from other agencies.
6. Lease equipment.

DNR users will usually experience lowest costs by following the above sequence to meet their needs.

- Utilizing “Regional Pool” equipment or borrowing from others will be the most economical approach for users that have low and/or sporadic use.
- Users with seasonal short-term needs can generally most cost-effectively meet these needs by utilizing the “Seasonal Loaner Pool”.
- Users with high use and/or specific availability requirements would most effectively meet their needs with permanently assigned equipment. An approved “Equipment Plan” is required for permanently assigned equipment.

Items 5 and 6 (loan from other agencies or formal lease) can be cost effective when:

- existing DNR equipment is not available (or within reasonable transport distance),
- need is sporadic,
- emergencies.

Items 5 and 6 often result in expenditure obligations (typically fuel, liability insurance, maintenance and damage coverage) beyond the direct costs of the loan or lease. It is economically prudent that the department manage these occurrences. Approval is necessary (see attached “lease request form), as well as reporting of use (Monthly Use Reports) and fuel inputs.

Process:

Action Steps	Responsibility
1. Identify equipment need, and desired approach to meeting need. If users’ needs are met from “Regional Pool”, loan from existing Permanently assigned fleet, or “seasonal loaner pool”, no additional formal process or approval is necessary. If need is unmet, proceed to step 2.	Requesting Discipline
2. If need has been, or is expected to be, for two years or more, prepare cost analysis of permanent equipment assignment versus leasing, including all costs such as transportation, insurance, fuel. If need is shortterm, proceed to step 5.	Requesting Discipline
3. Review and revise cost analysis as appropriate, and advise Discipline on most cost-effective approach, considering a) expected duration of assignment, and b) potential to re-deploy.	Regional FOS Supervisor
4. Examine cost analysis and alternatives: If Permanently assigned equipment is sought, seek modification of discipline “Equipment Plan” and pursue acquisition of equipment (see “Equipment Planning” policy). Proceed accordingly. If leased equipment is sought, complete “Leased Equipment Request” form, and forward to Regional FOS Supervisor thru Regional Discipline Manager.	Requesting Discipline
5. Review lease request and attempt to meet need from “Regional Pool” or “Seasonal Loaner Pool”. If successful, process is complete. If unsuccessful, coordinate with requester any modifications to specifications, prepare list of appropriate DNR rolling-stock equipment and return to requesting unit.	Reg. FOS Supervisor
6. Contact owners of appropriate DNR rolling-stock equipment to determine availability and negotiate arrangements to borrow the equipment. If successful in making arrangements for loan of DNR equipment, process complete. If unsuccessful, proceed to step 7.	Requesting Discipline

Action Steps	Responsibility
7. Return "Lease request form" to Regional FOS Supervisor, updated with results of search.	Requesting Discipline
8. Review search results. If warranted, negotiate with applicable Regional Managers equipment needs and/or loans as appropriate. If negotiations are successful, process is complete. If unsuccessful, proceed to step 9.	Regional FOS Supervisor
9. Review request, coordinate with requesting Regional Discipline Supervisor to resolve issues. - approve request if DNR equipment is not available. - seek assistance as necessary.	Reg. FOS Supervisor
10. Assist the Discipline in preparation of bid package and/or lease including transportation to and from the site and physical damage coverage options. Process requisition as per procurement policy and award contract.	Reg. FOS Supervisor
11. Arrange for liability insurance, physical damage insurance if desired and fuel card. Notify leasing discipline of results. Provide cost estimates to the Discipline.	Reg. FOS Supervisor
12. Use of leased rolling-stock equipment is recorded on MUR including fuel use. Vendor is paid according to contract. At termination of lease the MUR and summary of lease payments including any physical damage assessment is forwarded to Regional FOS Supervisor.	Leasing Discipline
13. A summary of lease costs including the lease, damage assessment, fuel, insurance and transportation is prepared and an invoice for appropriate Fleet Program charges is sent to the leasing unit.	Reg. FOS Supervisor
14. Discipline pays invoiced Fleet Program charges into the Fleet account	Leasing Discipline

DNR Request to Lease Rolling-Stock Equipment

<p>1. Assignment Information</p> <p>Region _____ Discipline _____ Location (station) _____</p>	<p>2. Account Information:</p> <p>Fund _____ Org code: _____ Sub-Org code: _____ Appr Code _____ Rpt. Cat. Code _____ Activity code: _____ Project: _____</p>												
<p>3. Equipment type:</p> <p><input type="checkbox"/> Tractor engine / PTO (circle one) horsepower _____ drive type (2X4/4X4) _____ cab type _____</p> <p><input type="checkbox"/> Truck GVWR _____ drive type _____ cab type _____</p> <p><input type="checkbox"/> Other: describe: _____</p>	<p>4. Timeframe for use:</p> <p>1st choice; begin _____ end _____ total time: _____</p> <p>2nd choice; begin _____ end _____ total time: _____</p> <p>3rd choice; begin _____ end _____ total time: _____</p>												
<p>Is it necessary that possession be continuous? _____ Yes _____ No</p> <p>If Yes, will use exceed 30 hours per week? _____ Yes _____ No</p>													
<p>EQUIPMENT ACCESSORIES REQUESTED: Describe any options, features, and/or auxiliary equipment necessary. _____</p>													
<p>Who and where in DNR have you contacted for borrowing existing DNR equipment (attach additional sheet if necessary):</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Location: _____</td> <td style="width: 33%;">Person: _____</td> <td style="width: 33%;">Response: _____</td> </tr> <tr> <td>Location: _____</td> <td>Person: _____</td> <td>Response: _____</td> </tr> <tr> <td>Location: _____</td> <td>Person: _____</td> <td>Response: _____</td> </tr> <tr> <td>Location: _____</td> <td>Person: _____</td> <td>Response: _____</td> </tr> </table> <p>If you have inquired with any vendor(s) who has the equipment you are looking for list name and phone number. _____; Phone number _____</p>		Location: _____	Person: _____	Response: _____	Location: _____	Person: _____	Response: _____	Location: _____	Person: _____	Response: _____	Location: _____	Person: _____	Response: _____
Location: _____	Person: _____	Response: _____											
Location: _____	Person: _____	Response: _____											
Location: _____	Person: _____	Response: _____											
Location: _____	Person: _____	Response: _____											
<p>Have you leased such equipment in the past at this location? _____ Yes _____ No</p> <p>From this vendor? _____ Yes _____ No If Yes, when? _____</p>													
<p>What is your estimated use miles / hours (circle one) for this equipment?</p> <p>_____ Per Day _____ Per Week _____ Per Month</p>													
<p>What is your estimated lease cost for this equipment?</p> <p>\$_____ Per Month \$_____ Per Week \$_____ Per Mile or hour</p>													
<p>What is the estimated fuel, insurance, and transportation (including labor) charges?</p> <p>Fuel: \$ _____ Insurance: \$ _____ Transportation: \$ _____</p>													
<p>Agreement and Approvals</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">Area/Park Supervisor _____</td> <td style="width: 30%;">Date _____</td> </tr> <tr> <td>Discipline Regional Supervisor: _____</td> <td>Date _____</td> </tr> <tr> <td>Regional FOS Supervisor _____</td> <td>Date _____</td> </tr> </table>		Area/Park Supervisor _____	Date _____	Discipline Regional Supervisor: _____	Date _____	Regional FOS Supervisor _____	Date _____						
Area/Park Supervisor _____	Date _____												
Discipline Regional Supervisor: _____	Date _____												
Regional FOS Supervisor _____	Date _____												



Title: Equipment Planning

Effective Date: April 17, 2003

Approved by: **WORKING DRAFT**

Policy Statement: Each DNR Division/Bureau is required to have an Equipment Plan that describes the mix and deployment of “rolling-stock” equipment.

Policy Statement:

Each DNR Division/Bureau is required to have an Equipment Plan that describes the mix and deployment of “rolling stock” equipment.

Scope and Purpose:

To enable Department managers to determine standards and deployment of equipment types so as to optimize equipment efficiencies in regard to their resource management mission while minimizing costs. An equipment plan will enable units to be responsible for and accountable for their equipment decisions.

Background – The Department of Natural Resources requires a mix of equipment to accomplish its mission of managing natural resources. Investments in equipment are substantial and generally of long-life. Equipment investments must be periodically renewed, and it is economically prudent to plan such expensive and long-term investments. An Equipment Plan assembled by Discipline will enable the Department to more efficiently and effectively deploy equipment.

Planning Process -

- Discipline drafts plan; Plan is worksite specific.
- FOS staff will provide technical assistance.
- Regional RMT (Operations Managers for Central Office) review of Discipline Equipment Plans is oriented to identify and optimize equipment sharing opportunities.
- Discipline reviews comments and adjusts plan as appropriate. Presents to Fleet Committee for approval.
- Fleet Committee recommends approval or modification.
- Discipline Director and FOS Bureau Administrator resolve any remaining issues.
- Unresolved issues are referred to Assistant Commissioners' for Operations and Administration for resolution.

Elements and Standards of Equipment Plans -

- The Equipment described will include **all** “Rolling Stock” type equipment needed. Rolling Stock is defined as all land operated equipment that is either licensed or self-propelled with a driver. It includes **all** Fleet-type items, including tractors, ATV's, snowmobiles, riding mowers, etc., regardless of Fleet designation or ownership.
- New acquisitions in accordance with the approved plan would not require any review beyond Regional Supervisor (Ops Manager for Central Office).
- Changes to Equipment plans would require approval as indicated above.

- Short-term (less than 3-months) leases would not require plan approval, other than Regional FOS Supervisor signature indicating existing Departmental equipment is not available/suitable to meet the need.
- Fleet management program staff will be responsible to develop a “template” to guide Disciplines in Equipment planning.

Equipment Planning Guidelines:

Equipment planning will most effectively be accomplished from a Discipline perspective, who best know the job applications for which the equipment will be used. With Discipline planning, however, it will be necessary to balance specific worksite/management unit needs with system-wide needs. Balancing competing needs will be essential.

A discipline equipment plan must identify the worksites/management units of the particular discipline and the mix of rolling stock* equipment that the discipline seeks to have deployed. The discipline plan must consider and recognize budgetary constraints as it is being prepared by discipline management. The draft plan, once completed and signed by the Division Director and Fleet Committee Representative, must be reviewed by Regional Management Teams (Operations Managers for Central Office), with the objective of identifying possible sharing/pooling opportunities not previously grasped. Such opportunities will be identified, recorded, and considered by discipline management prior to forwarding the plan to the Fleet Committee for approval. The Fleet Committee will consider any unresolved opportunities identified by RMT’s (or Ops Mgrs.), as well as apply an analysis of the plan from a broad interdisciplinary perspective and an assessment of compatibility with overall established Fleet goals. The Fleet Committee will either accept the plan as proposed, or request modification before approval.

Should issues remain unresolved at the Fleet Committee level, the FOS Administrator and Discipline Director will attempt resolution. Unresolved issues at this level will be referred to the Commissioners’ Office.

Once approved, the equipment plan will contain the goals that the department will strive for as equipment is replaced each year. Discipline supervisors ordering new equipment must do so as per the plan.

It is anticipated that equipment needs will evolve, as will equipment availability and economics. A department supervisor proposing a change in a discipline equipment plan should begin the process within the discipline’s management structure, with a timeframe such that the new proposed plan has completed RMT (or Ops Mgr.) review prior to consideration at the August Fleet Committee meeting. Such a new plan needs to clearly identify the changes proposed.

Initial Equipment plans need to have completed RMT (or Ops Mgr.) review and be available for Fleet Committee consideration at the August meeting. Fleet Program staff will be required to develop a plan format for Fleet Committee consideration at the ____ meeting. The format must be in an electronic format utilized by the majority of the department, such as EXCELL.

***Rolling Stock:** Land operated motorized and/or licensed equipment, whether in the Fleet, Travel Mgmt., private lease or non-fleet departmentally owned. Includes all: cars, vans, suv’s, trucks, tractors, riding mowers, dozers, snow groomers, trailers. Note: Short-term non-recurring leases of less than 3-months are not necessary to be identified in the equipment plan, but must be reported annually....

EQP/Equipment Planning.doc

Maintenance and Repair Policy

The Department of Natural Resources Fleet Program seeks to maintain and repair equipment in order to

- maintain a safe fleet,
- ensure a reliable fleet,
- protect the investment, and
- protect the environment.

1. Preventative and scheduled maintenance

Equipment requires periodic inspection to discover safety defects and ensure reliable performance. Breakdowns and unscheduled repairs are costly, negatively impact departmental productivity, and represent unnecessary safety exposures. It is a basic premise of the DNR Fleet Program to invest in preventative and scheduled maintenance so as to avoid breakdowns and unscheduled repairs. A good maintenance program, aside from benefits while equipment is in-service, results in higher resale prices when equipment is sold.

Preventative and scheduled maintenance includes:

- Oil, filter, and lube every 3,000 miles or 3 months.
- A 10 point inspection, including tire rotation, every 6,000 miles. (Note: the inspection will specifically examine brake and tire condition).
- Requirements as recommended by manufacturers for other equipment.
- Periodic car washes (from 12 to 26 per year is considered reasonable and needed).

As a result of the 10 point inspection, such items as brake replacements (front) from (30,000 to 50,000 miles) and tire replacement (from 40,000 to 70,000 miles) will be discovered, scheduled and accomplished economically at either a DNR repair facility or a contract vendor.

2. Sound environmental management

DNR will practice sound environmental management in all its maintenance and repair activities such as recycling oil, antifreeze, batteries, proper disposal of wastes, and use of nontoxic solvents. DNR will utilize vendor partners who practice sound environmental management.

3. Approvals and reporting

No approval is necessary to perform preventative scheduled maintenance (oil, lube, etc.), inspections, or routine repairs of less than \$300. Vehicle user/operators that have discovered defects are expected to bring such defects to the attention of their immediate supervisors. The supervisor will assure safe, timely, efficient repair of the unit by contacting the FOS regional service center for discussion of repair options and approval as necessary. Emergency and other repairs are considered to be pre-approved (up to \$300).

Repair needs exceeding 40% of the value of the asset will require additional analysis beyond the region before repairs can be approved.

- Repairs costing 40% to 59% of the current value of the item will require Fleet Manager review, analysis, and approval. Replacement may be the more prudent option.
- Repairs costing 60% or more of current value will generally result in disposal.

Current value will be determined by straight-line depreciation, using mileage, as well as age, in the calculation.

Equipment with cumulative repair and maintenance expenses exceeding 120% of acquisition value will generally be cycled out of DNR when faced with a significant repair requirement (greater than \$300).

4. Reporting

All fleet repairs and expenditures (greater than \$15.00) require an ERR (Equipment Repair Report) so that expenditures can be tracked. Invoices for expenditures less than \$15.00 (car washes, etc.) simply need the asset number and description of the purchase on the invoice. ERR's and invoices need to be forwarded to the Regional FOS service center in a timely manner to ensure prompt vendor payments. Late invoices will be returned to division management for payment (using fleet codes).

Users experiencing performance problems with equipment or vendor service difficulties should alert their regional FOS supervisor or the fleet manager to the problem. Problems do occur, and it is the Department's objective to resolve them and ensure equipment is safe, reliable, and economic.

Accident Reporting and Inspection policy

DNR policy is to prevent accidents. It is the intent of the department to minimize physical damage and to repair damage when it occurs. Visible physical damage projects a negative image.

Damage to equipment must be reported on the "Equipment Damage Report" within [REDACTED].

Cost responsibility for repairs will be:

- Fleet is responsible for the 1st \$1000 in repair costs.
- Division of driver is responsible for the 2nd \$1000 of repair costs.
- Fleet insurance will pay for costs exceeding \$2000.

Inspections to assess condition will be completed and reported annually and/or any time a change in assignment occurs. Damage that has been unreported will be paid by the division to which the equipment is assigned. Other than the inside of pickup boxes, body damage beyond normal "wear-and-tear" is defined as dents and/or scratches that expose bare metal or result in broken surfaces.

In consultation with the Assistant Commissioner, responsibility for cost of repairs to DNR equipment may be assessed to the responsible division when:

- DNR policy or federal, state, or local law has been violated.
- Seat belts were not worn.
- Repetitive negligence has occurred (two or more times in one year with same driver or location).

DNR, in conjunction with Department of Administration, Division of Risk Management, will undertake subrogation of all accidents where it is reasonably likely that the other party will bear responsibility. The Division of Risk Management will represent the department in all legal proceedings resulting from use of DNR fleet equipment.

Equipment Assignment Policy

- A. Permanent assignments
Permanent assignments of equipment are made to locations consistent with approved division equipment plans. Division equipment plans are approved on the basis of reasonable expectations of meeting useage requirements and/or that the application is sufficiently demanding, such as emergency firefighting equipment, that the equipment needs to be available regardless of actual annual useage. Frugal selection of equipment meeting department standards is the norm.

- B. Equipment Pools (for short-term assignments)
Equipment pools of commonly used equipment items are established at each Regional Headquarters and Central Office and are operated by the Facilities & Operations Support Bureau Regional Supervisor. The FOS supervisor manages the pool to ensure that the mix of equipment and scheduling best meet customer needs, while “breaking even” as regards costs.

The Regional FOS Supervisor will also establish pool equipment at those collocated sites where customer needs and interest are such that the pool will pay for itself. Staff interest at the site will need to be sufficient that leadership is available to ensure that:

- Pool vehicles are kept reasonably clean.
- Pool vehicles are serviced as per schedule.
- Potential sharing conflicts are reasonably resolved.
- Regional FOS staff are notified of maintenance or repair issues that need to be addressed.

- C. Seasonal Pools
Seasonal pools are operated by Regional FOS Supervisors from each of the regions. Seasonal pools typically consist of previously replaced equipment that is retained for one (or possibly two) seasons to meet the peak seasonal needs of the department. The seasonal pool typically consists of light vehicles.

A smaller fleet will require additional effort at prioritization equipment assignments, particularly seasonal loaner assignments. Division Regional Managers will identify and prioritize by March 1st of each year the seasonal loaner needs of the division within the region and the timeframes needed. Regional FOS Supervisors will assemble the prioritized requests by March 15th of each year and match requests with equipment available. It will be expected that Regional FOS Supervisors will mesh timeframes such that a seasonal loaner vehicle will meet multiple needs whenever feasible. Assistance of the Regional Director will be requested to assist in sorting out priorities when insufficient equipment exists to meet seasonal needs. At times, it may be possible and necessary to balance priorities and available equipment among regions. The Facilities & Operations Support Bureau Operations Manager will be responsible for ensuring that balance among the regions is accomplished as much as possible.

- D. Re-assignment to meet urgent needs
Re-assignment of equipment to meet urgent needs will at times be necessary. A prolonged severe fire season is an example. A Division Regional Manager will look first to underutilized equipment within his/her region/division. The FOS Regional Supervisor will then be engaged as necessary, and will access equipment as indicated below:

- Seasonal loaner equipment available.
- Permanent equipment that is underutilized and available.

If the above strategies do not result in equipment needs being met, the Regional Director will be engaged to assist in identifying and reassigning:

- Permanent equipment that is being utilized, but has a lower priority assignment.

Equipment needs as yet unmet at this point will be referred to Central Office Divisional Management to consider pulling in equipment from division assignments in other regions.

Equipment needs that are unmet after the above approaches have been exhausted, will be referred to the Fleet Manager, who may:

- Seek equipment from other agencies, including DOT, Travel Mgmt, Military Affairs.
- Lease equipment.

DNR Acquisition Approval Process

1. Approval Required

a. Equipment Planning

Every operating unit must complete an equipment plan. Plans may be reviewed and modified at any time. However, an approved equipment plan is required before replacement or expansion of the units equipment compliment may go forward. The Directors or the Administrators designee may submit equipment plans to FOS. It will be assumed that the head of the unit has approved any plan submitted. (see Equipment Planning working draft in appendix).

a. FOS Review and Recommendations

During annual equipment replacement planning, FOS will review equipment plans and analyze all pertinent utilization and cost data. The bureau will develop formal recommendations for the organizational units based on this analysis. Each unit will be provided ample opportunity to work with the bureau to assure that their equipment needs are met.

Final bureau recommendations will be directed to the Assistant Commissioner.

b. Approvals

Equipment Plans: Organizational unit equipment plans will be reviewed and approved by the Assistant Commissioner, the Deputy Commissioner or the Commissioner. The FOS final equipment plan recommendation form will have signature blocks for the division or bureau, FOS and the Assistant Commissioner.

Planned Acquisitions: Acquisitions that are on-plan and consistent with the presumed agreement embodied in the plan may be acquired by FOS without further approval.

Off-plan Acquisition: If a unit proposes an acquisition that is off the plan or inconsistent with the agreement represented by the plan, the acquisition must be approved by the director or administrator, have an accompanying FOS recommendation, and a signed approval by the Assistant Commissioner. Off plan acquisitions must be incorporated into the units equipment plan as soon as possible.

2. Documentation of approval statement

a. Equipment Plans and signed final equipment plan recommendations are the principle documentation for on-plan acquisitions.

A series of inter-office memos that provide a clear chain of approval and document analysis and recommendations through the Assistant commissioner is required for off-plan acquisitions.

Upfront Funding Policy

Organizational units may provide initial funding for an equipment purchase, up to the acquisition value. DNR Fleet Management may apply a direct credit for a unit wishing to fund the acquisition cost of a new piece of equipment. Units that fund replacement equipment purchases will enjoy the direct financial benefit from doing so.

There are stipulations required to assure compliance with state statute, accurate application of the credit and transaction tracking.

- a. Funding from a DNR unit is limited to the new investment values of equipment. Upfront funding cannot be applied to long term operating costs. The Maximum amount of funds that can be credited is the cost of the acquisition; the minimum credit is 50% of acquisition cost.
- b. Funding must be applied toward the initial purchase of a piece of equipment at the time it is being brought into the fleet management system. Funding cannot be applied to an already managed piece of equipment.
- c. A credit will be applied to the piece of equipment on the operating units fleet management invoice. This credit will be used to offset the unit's fleet charges.
- d. Equipment rates will be established and annual adjustments made in the normal fashion. Borrowing between units is unimpaired and the usual charges are applicable. Borrower charges are applied to the owner as a credit, it is possible that the owner's credit may actually increase in size during heavy borrowing periods.
- e. In the event that the equipment is turned in as surplus by the DNR unit prior to the credit amount being exhausted, the remaining credit will not be refunded, transferred or reapplied but will be absorbed by Fleet Management and used for the benefit of the entire fleet.
- f. When the credit is exhausted, a balance due will appear on the operating units invoice.
- g. Transfer of funds must be complete before any credit may be applied.

It is possible that unanticipated high participation in upfront funding could result in a structural shortage of funds to pay operating cost when revenue declines during the credit period. FOS will monitor participation activity, and may need to limit this option to assure adequate operating capital.

Equipment that has not been enrolled in the fleet management program that is due to be enrolled will be evaluated for residual initial investment value. In cases where a residual value of more than 50% of the acquisition value remains, an upfront funding credit may be applied. (see Upfront Funding interim procedures and form in appendix).