

**State of Minnesota
Department of Commerce**

Fleet Management Policy

I. Definitions

- A. Addition to the Fleet** – 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** – total number of vehicles in the Department of Commerce fleet.
- E. Light truck** – any vehicle with a Gross Vehicle Weight Rating (GVWR) of 7,000 to 15,000 pounds, or a vehicle of less than 7,000 pounds that is designed primarily for hauling cargo. This definition includes pickup trucks, cargo vans, and some full-size passenger vans.
- F. Heavy Truck** -- any vehicle with a GVWR greater than 15,000 pounds that is designed primarily for hauling cargo.
- G. Normal Replacement** – replacement of a vehicle that has reached the end of the assigned life cycle, fleet size will not be increased.
- H. Specialty vehicle** – a vehicle (not an automobile), less than 7,000 pounds 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 Department of Commerce, and covers vehicles operated and owned/leased/rented by the Department of Commerce.

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

Enforcement of this policy is the responsibility of the Department of Commerce. 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.

III. Acquisition of Vehicles

A. Acquisition Criteria

The Department of Commerce 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.

The Department of Commerce does not assign vehicles on the basis of status, tradition, or as a condition of employment. Vehicles are assigned on the basis of need, as measured by the number of business miles driven, the type of equipment that must be transported, the type of field use necessitated by the job, or other qualifying use.

B. Additions to the Fleet

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

C. Normal Replacements of Fleet Units

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

D. Casualty Replacements of Fleet Units

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

Casualty replacements due to mechanical failure will be examined for the cause of the failure, and for possible vehicle type, vehicle life cycle, or

operational changes that may be necessary to avoid future casualty replacements.

Casualty replacements due to physical damage will be examined carefully because of the potential for liability expenses and workers compensation expenses. All casualty replacements will be reported to the Assistant Commissioner in charge of the Administration Division for possible further investigation.

The Assistant Commissioner in charge of the Administration Division 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 the department to supply vehicles for employee use that are well suited to performing the work to be accomplished. Employee safety will be taken into account when acquiring vehicles. The Department of Commerce will adhere to manufacturer ratings, including load carrying capacity and trailer pulling capacity, when developing vehicle specifications for acquiring vehicles. The Department will follow all applicable state and federal laws, rules, and regulations concerning vehicle-type selection. The Department will consider fuel economy and vehicle emissions when acquiring vehicles.

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 –
Minnesota Statute*

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

*Alternative Fuel Data Center – Fleet Information – U.S.
Department of Energy*

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

*EPA Act Fleet Information and Regulations - U.S. Department
of Energy*

The Department of Administration, Travel Management Division can help answer questions related to State of Minnesota and U.S. EPA Act requirements regarding vehicle acquisition.

F. Vehicle Life Cycle Selection

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

The Department of Commerce will establish a life cycle 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 the vehicle type and the work environment in which the vehicle will be used. This life cycle will be used in planning vehicle replacement and monitoring vehicle usage during the life of the vehicle.

G. Financing Considerations

The Department of Commerce will 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. Each division head must contact the Chief Financial Officer, before a vehicle is ordered, to ensure that appropriate consideration is given to all of the available financial options.

H. Agency Acquisition Approval Process

Each division head will approve all fleet expansions and all casualty replacements. Each division head will plan and approve all normally scheduled vehicle replacements.

I. Acquisition Process

The Department of Commerce will acquire all vehicles in accordance with Minnesota State law. The Department will adhere to all purchasing laws, rules, and regulations.

The Department of Administration, Materials Management Division can help answer questions concerning purchasing requirements.

Important Links to reference when acquiring vehicles:

<http://www.mmd.admin.state.mn.us/mn06000.htm>

Admin, Materials Management Division

IV. Operation of Vehicles

A. Compliance with State and Federal Requirements

The Department of Commerce will operate vehicles in accordance with the applicable laws, rules, and regulations of local, state, and federal government.

The Department will give special consideration to the operation of commercial vehicles. The Department will follow commercial vehicle laws, rules, and regulations. Employees should consult their immediate supervisor or the department Safety Office concerning licensing and/or operational questions regarding commercial vehicles.

Minnesota Statutes, Section 16B.55, prohibit 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 workstation 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.

Department of Commerce employees are required to operate all vehicles safely and according to applicable laws, rules, and regulations. Fines and/or penalties resulting from improper use of a vehicle are the sole responsibility of the vehicle operator.

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

B. Ethical Use

Department of Commerce employees are required to operate vehicles according to the highest ethical standards. Department employees must present a public image that is above any ethical question.

The department will avoid any use of vehicles that may give the appearance of being unethical. Employees should consult their immediate supervisor and/or the department Ethics Officer concerning any questions in this area.

Unethical/improper use of a state vehicle is misconduct and will not be tolerated in the Department of Commerce. Each division will investigate suspected or alleged misconduct with the assistance of the Human Relations Director. 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 Utilization

Monitoring vehicle utilization is a key component in cost effective fleet management. Each division within the Department of Commerce will routinely monitor vehicle usage to ensure vehicles are being utilized in a cost-effective manner consistent with expectations established at the time of vehicle acquisition.

D. Vehicle Markings

The Department of Commerce will clearly mark the vehicles it owns or leases as State of Minnesota vehicles, unless specifically exempted from marking requirements by state law. All vehicle licenses will be identified with Minnesota State Vehicle license plates unless specifically exempted by state law.

Important links concerning vehicle markings:

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

Central Motor Pool Establishment – Minnesota Statute

<http://www.revisor.leg.state.mn.us/stats/16B/581.html>

Distinctive Tax Exempt License Plates – Minnesota Statute

<http://www.revisor.leg.state.mn.us/stats/16B/581.html>

Vehicles exempt from tax or license fees – Minnesota Statute

E. Safety

Department of Commerce employees will operate vehicles safely. Vehicles will be operated in accordance with all traffic laws, rules, and regulations. Vehicles will not be operated in any fashion that may endanger any person or property. All occupants of a Department of Commerce vehicle are required to wear seatbelts. Questions concerning safe vehicle operating practices may be addressed to the division head in charge of the vehicle.

Important links for safe vehicle operation:

<http://www.dps.state.mn.us/dvs/DLTraining/DLManual/DLManual.htm>

Minnesota Drivers License Manual – Department of Public Safety

F. Suitability for Work Use

Department of Commerce employees will use vehicles in a manner consistent with the intended use of the vehicle. Vehicles will be operated in accordance with manufacturer ratings and guidelines, including load capacity and trailer pulling capacity. Employee safety and public safety are primary considerations in determining vehicle operation practices.

G. Fuel

Department of Commerce employees will operate vehicles on the type and grade of fuel recommended by the manufacturer. E85 will be used in flex fuel vehicles when it is reasonably available and the price is comparable to gasoline.

Regular grade gasoline is recommended for use in nearly every gasoline-powered vehicle operated by the Department. Department employees will fuel Department vehicles from self-service fuel pumps, and will follow the safety instructions posted on the fuel pump.

Questions concerning fuel can be directed to the Travel Management Division.

Important Links for Fuel Purchasing:

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

Purchase of fuel and vehicles by state agencies – Minnesota Statute

H. Maintenance / Mechanical Repair

It is an objective of the Department of Commerce to keep all vehicles maintained in safe operating condition. Employee safety and public safety are prime considerations in making vehicle maintenance and repair decisions.

Vehicle operators will bring vehicular defects to the attention of their immediate supervisor. Safety related defects will be corrected prior to use of the vehicle.

Weights and Measures Division employees are required to maintain assigned vehicles according to the Division's preventive maintenance program. Employees are required to follow all maintenance instructions from the fleet maintenance supervisor.

Divisions experiencing complicated vehicle repair problems may contact the Department of Administration, Travel Management Division for assistance in resolving these issues.

I. Physical Damage

The Department of Commerce intends to operate vehicles that present a positive image of the Department to the public. The Department also intends to promote safe work practices.

Physical damage to a vehicle often results from unsafe work practices. Incidents involving physical damage to vehicles must be reported to the Division head, and the Assistant Commissioner in charge of the Administration Division for investigation.

Physical damage exceeding \$500 will be reported to the Risk Management Division. The Risk Management Division will assist the division that owns or operates the vehicle with necessary reporting, repair, and subrogation procedures.

Important links for Risk Management Information:

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

Admin, State and Community Services, Risk Management Division

J. State Liability

The Department of Commerce intends to operate vehicles safely. Employee safety and public safety are very important to the department. Safe vehicle operation is the primary preventive measure to help avoid liability-related vehicle expenses.

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

Important links for Risk Management Information:

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

Admin, State and Community Services, Risk Management Division

V. *Replacement / Disposal of Vehicles*

A. Retirement / Disposal

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

When retiring vehicles from service, the Department of Commerce will follow appropriate laws, rules, and regulations concerning disposal of state property. This may include making surplus vehicles available for use by other departments, divisions, or governmental units.

Important Links for Vehicle Disposal:

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

Admin, Material Management Division, Surplus Services