



Fleet

Expenditure Reduction Plan

Minnesota Department of Administration
January 15, 2004

Issue Background

Expenditures on vehicles by state agencies received a great deal of attention by the media, taxpayers, state government officials, and the Legislature during 2003. In response, the Department of Administration collected a great deal of information from cabinet-level agencies on their use of these business tools. The information included a March 20, 2003, inventory of light-duty fleet and related expenditures, analysis on agencies' decision-making criteria for purchasing a vehicle, summary of purposes for vehicle use, and a list of appointee and non-appointee staff who are assigned vehicles for their primary use. This information was utilized in the creation of a baseline from which state agencies could begin to institute more meaningful expenditure management in these areas.

In addition to the information requested by legislators during the 2003 session, the 2003 State Government Finance Omnibus Bill (SS2003, Chapter 1) required the Department of Administration to work to reduce vehicle use that is not cost efficient. The department is working to fulfill this legislative requirement through implementation of a three-year, phased plan. At a minimum, this strategy will ensure that agencies and the enterprise are making smarter, more informed business decisions related to vehicles. Beyond better management, the Department of Administration believes that this plan can reduce state agency light-duty fleet expenditures a total of 5-percent by the completion of FY2006.

Legislative Requirement

Minnesota Session Laws 2003, 1st Special Session, Chapter 1, Article 1, Sec. 11, Subd. 2:

“The commissioner of administration, in consultation with heads of other executive agencies, must identify state agency: (1) telecommunication device usage; and (2) vehicle usage, that is not cost-efficient. The commissioner must implement policies to reduce usage that is found not to be cost-efficient. The commissioner must report to the legislature by January 15, 2004, on implementation of this section, including savings achieved by eliminating usage that is not cost-efficient.”

Background

State Fleet:

The “state fleet” in Minnesota consists of diverse equipment types including graders, tractors, mowers, trucks, vans, and automobiles. State-owned vehicles often have specialized communication equipment installed. These vehicles are spread throughout Minnesota and are under the control of individual agencies, boards, local governments, and educational institutions. The total size of the state fleet changes with seasonal needs, as well as with budgetary changes.

In March of 2003, the Department of Administration asked cabinet-level state agencies to report how many light-duty vehicles they own or lease as well as the amount that they spend annually on these vehicles. Light-duty vehicles were defined as automobiles, vans, sport utility vehicles, and light trucks. For FY2002, agencies reported spending a total of \$29 million on 6,646 light-duty vehicles.

When agencies evaluate a transportation need, purchasing a vehicle is one option. The factors that must be considered include anticipated mileage, necessary specialized equipment, cost of ownership, and availability of alternative transportation. Additionally, requiring employee use of personal vehicles for official State business on a regular basis raises issues related to labor contracts, insurance, and vehicle reliability.

The Department of Administration's Travel Management Division plays an important role in the State's management of fleet. TMD's primary services include:

- Fleet management consultation -- TMD's staff is available to state and local government agencies for limited consultation related to the management of passenger vehicles and light-duty trucks. This is an informal program for sharing best practices among Minnesota's state and local government agencies, establishing relationships, and encouraging cost-savings through intergovernmental cooperation.
- Assigned vehicle leases -- The assigned vehicle lease program offers vehicle leases in a manner similar to *private sector closed-end leases*, whereby the lessor (TMD) retains the future resale risk for each vehicle. Assigned vehicle leases are available to any State or local government agency.
- Accident management -- This function is a partnership between the Travel Management and Risk Management divisions at the Department of Administration. The accident management program assists drivers and fleet administrators in reporting accidents, coordinating the claims process, conducting subrogation, and restoring the vehicles to their original condition. This program is available for vehicles rented or leased from the Travel Management Division.
- Auction -- Vehicles rented or leased through TMD are sold through the Materials Management Division's public auction process. This service is available for vehicles from any State or local government agency.

While TMD does provide important consultation services to all agencies and vehicles on a lease basis to some state agencies, many departments own their own fleet separate from TMD and each agency is ultimately responsible for their own "sub-fleet" of vehicles. This decentralization of fleet operations does offer some very strong benefits in that each agency is able to manage their particular fleet to best meet their agency mission. This also means that each agency has individual management policies and tracking systems.

Personal Use of State Vehicles:

Although personal use of state vehicles accounts for a relatively small percentage of the total utilization of state fleet, it is an area that has received particular attention by the media and the Legislature. A Department of Administration estimate indicates that out of \$29 million spent annually by agencies on their light-duty vehicle costs, personal use expenditures total approximately \$591,000.

Many questions surround the issue of personal use including employee ethics, cost effectiveness, federal tax requirements, and management control. Personal use of a state vehicle, other than the clearly defined commuting in statute 16B.55 is not allowed. Exceptions to this are defined in statute 16B.55, subdivision 5, and include certain vanpools, the State Patrol, and the Governor.

Use of state vehicles is governed by Minnesota Statute 16B.55. This statute clearly states that state vehicles are to be used only for state business, and may only be taken to the home of an employee within specific circumstances. "Personal use" is allowed if an employee meets one of three criteria: 1) they may

need to respond to a work-related emergency during “non-work” hours, 2) they are on extended assignment away from their permanent work site and they have a vehicle assigned to them, or 3) they need to travel for authorized state business away from their permanent work site and the number of miles traveled or the time it takes will be minimized if the employee brings the vehicle home before or after traveling to the place of state business. According to statute, these exceptions to the ban on personal use must be pre-approved by an agency head or their designee.

According to the federal government, commuting between an employee’s home and normal work location is considered to be personal use. Federal tax must be withheld if a State of Minnesota employee is using a state vehicle for commuting between their normal work location and their home. The Department of Finance has established a policy and procedure to comply with this requirement. Federal taxes, based on the federally defined value of the benefit, are withheld from employees who report commuting with state vehicles.

A Department of Finance report indicates that 675 employees reported commuting in FY 2003, accumulating a total federal taxable value of \$216,614. Employees must pay taxes on this benefit value. In most cases, however, actual commuting miles are not reported. The federal tax value is largely based on a per-trip basis (\$1.50 for a one-way commute), so this value is very likely understated. If average commuting distance were estimated at 15 miles one-way, the estimated value of commuting in FY2003 would be approximately \$591,000.

Methodology for Decreasing Expenditures

In order to ensure the best possible management of fleet and to ultimately reduce fleet expenditures by state agencies, the Department of Administration has already begun implementation of a comprehensive three-year plan. The goal of this strategy is ensure that decisions about fleet are made from a factual basis and to guarantee that state agencies are doing all that is possible to protect taxpayers’ investment in these business tools. By establishing standard policies across agencies, collecting meaningful information, analyzing what is and is not working, and taking appropriate actions, the Department of Administration believes that expenditures on fleet can be reduced by a total of five-percent by the end of FY2006.

The strategy being implemented by the Department of Administration has three main phases. The first phase of the strategy (September 2003-January 2004) was to work with cabinet-level agencies to develop standardized fleet management policies across the enterprise. The next phase, which is currently in process, is the development of an enterprise-wide fleet management database. For the first time in Minnesota state government, fleet management will be *virtually* centralized, allowing agencies to make better individual business decisions while significantly increasing centralized accountability. This database should be functional by spring of 2004. Once this database can be utilized to establish an accurate baseline for fleet numbers and expenditures (summer 2004), the Department of Administration will work with agencies to ensure that expenditures are reduced by up to five-percent by the end of FY2006.

Standardized fleet policies:

In the autumn of 2003, the Department of Administration worked with cabinet-level state agencies to develop standardized fleet management policies. Agencies were required to work within the context of a mandatory outline, but allowed to develop their policies independently in order to ensure that their individual

business needs were addressed. These policies were intended to be the central clearinghouse of information for agency staff and management related to fleet expenditures or usage. All applicable state statute, federal laws, state policies, and other important resources are deliberately incorporated into the policies. Beyond existing regulations, the policies were also required to address key management criteria related to:

- Acquisition of vehicles,
- Vehicle type selection
- Vehicle life-cycle selection
- Financing considerations
- Acquisition approval process
- Personal use of state vehicles
- Ethical use of state vehicles
- Vehicle utilization
- Vehicle markings
- Safety
- Fuel choice
- Maintenance/mechanical repair
- Physical damage
- State liability
- Replacement/disposal of vehicles

After receiving the required outline and working with Department of Administration staff, agencies submitted drafts of their policies. Department of Administration staff reviewed each of the policies for appropriateness and to ensure that each addressed all required outline elements. **All agencies complied with the requirements.** The agency policies are posted on the Department of Administration's website: <http://www.admin.state.mn.us/fleet.html>.

Preliminary development of an enterprise-wide fleet management database:

The Travel Management Division, with assistance from the Office of Technology, is developing an enterprise-wide fleet management database. Steps taken to date include:

- Agency needs assessment
- Business and systems requirements gathering activities involving key fleet agencies
- Research around industry offerings and systems already in use within agencies
- Vendor demonstrations of usability and system feature sets.

A vendor has tentatively been selected and negotiations are underway for system licensing and installation. This database should be operational by late spring of 2004, when agencies can begin entering their specific information. Enterprise-level reports will be available shortly thereafter.

The database is intended to provide improved fleet management at an agency and enterprise level. In many cases, this database will give agencies a much-improved tool when compared to the systems they are currently using. The savings agencies will realize from this system through better and more automated fleet management will outweigh any costs to agencies for the use of this new database. Additionally, this

database will centralize fleet information management of the State's fleet in unprecedented ways. Key *enterprise* questions that will be addressed by the database include:

- How many vehicles are owned or leased by each agency?
- What type of vehicles does each agency operate?
- Where and how were vehicles acquired (TMD, private dealership, etc.)?
- How many vehicles at each agency have special equipment? What type of equipment?
- How much does each agency spend on operating costs, fuel, maintenance, etc.?
- How many vehicles are due for replacement in each agency?
- Are agencies maximizing the usage of vehicles they operate? (Which vehicles are meeting, and not meeting, established operating efficiency goals?)
- How many allowable "personal/commuting" miles are employees traveling each year in each agency? What are the costs associated with this usage?

Strategy to address personal use of state vehicles:

A work group was formed in December of 2003 to review the issue of personal use and make recommendations for potential change. This group consisted of representatives from the Departments of Administration, Finance, and Employee Relations.

The work group recognized personal use of state vehicles is an issue that needs improved management. However, it was also agreed that the recommendation should be phased to get a better understanding of the real scope of the issue before a final solution is determined. The group's position was that a final solution should be based on what is discovered in the steps leading to that point. This phased approach requires that the first steps provide meaningful enterprise-wide information about commuting usage. The suggestion was for Admin to begin requiring reporting of personal use by all state agencies. This requirement will be in conjunction with the roll-out of the centralized fleet information system.

Under this plan, all vehicles will be equipped with a log. The majority of state agencies already log mileage, but this log will be standardized across the enterprise and require specific noting of personal mileage. This log must account for all vehicle use. On a monthly basis, agencies will be required to tally the number of federally defined 'personal' miles logged in their vehicles and enter that information in the central fleet management database. Personal use data would then be reported back to agencies annually with an accurate determination of value. Agency heads would be asked to acknowledge that this expense was legitimate through a commissioner/agency head signature.

This reporting system will track and monitor personal use trends. Managers will receive important information that can flag significant changes in personal use or discrepancies between payroll and fleet data. Additionally, tracking actual miles driven on a personal use trip allows the real cost of that trip to be calculated. Currently, the only accounting for this use is drawn from IRS formulas that tend to undervalue the cost to the agency. Providing this information will give agency heads a realistic understanding of the impact personal use of state vehicles has on their budgets. Finally, requiring annual sign-off by agency heads on their department's personal use statistics will generate increased agency accountability and an incentive to decrease personal use of state vehicles.

Lack of improvement, or increased personal use may warrant the implementation of additional managerial control at an enterprise level. These controls may include a requirement that agencies submit an annual plan for all positions that will be routinely allowed personal use, along with the anticipated expenses resulting from this use. This planning step, coupled with the actual expenses calculated at the end of the year will mandate even more accountability for personal use. Another possible option could be requiring employees to reimburse the state directly for personal use costs. However, this approach would be controversial and very likely require legislation along with bargaining with employee labor organizations. If personal use of state vehicles is not controllable through the initial reporting measures, these methods may be a logical step toward minimizing personal use of state vehicles.

Result

The Department of Administration has decided to pursue a comprehensive long-term solution for addressing the issues of fleet management and personal use of state vehicles. This strategy is intended to achieve real savings for state agencies over the next two fiscal years and into the future. Instead of gathering information on the results of our efforts thus far, the Department is in the process of implementing an enterprise fleet management database that will vastly improve management of the state's fleet and provide enterprise information on an ongoing basis. The Department will continue to work with the Legislature as this strategy moves forward.

ATTACHMENT A

Fleet Management Policy Outline

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ATTACHMENT B

State of Minnesota Department of Administration Fleet Management Policy

I. Definitions

A. Addition to the Fleet – the acquisition of a vehicle that will increase the fleet size

B. Automobile – passenger car or station wagon

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

D. Fleet Size – the total number of vehicles in the fleet

E. Light truck – any vehicle 7,000 to 15,000 pounds Gross Vehicle Weight Rating (GVWR) and vehicles of less than 7,000 pounds that are designed primarily for hauling cargo; includes pickup trucks, cargo vans, and some full-size passenger vans

F. Normal Replacement – replacement of a vehicle that has reached the end of the assigned life cycle, fleet size will not be increased

G. Specialty vehicle – a vehicle (not an automobile) less than 7000 pounds Gross Vehicle Weight Rating (GVWR), designed for primarily transporting people; includes passenger mini-vans, most sport utility vehicles (SUVs), and some full-size passenger vans

II. Scope

A. Application of the Policy

This policy applies to the Department of Administration, and covers vehicles operated and owned/leased/rented by the Department of Administration.

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, and can viewed be at: <http://www.tmd.state.mn.us/referenc/admin991.html>

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

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.

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 budget area 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 cause and possible vehicle, 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 as potential exists for liability expenses as well as workers compensation expenses. All casualty replacements will be reported to the department Safety Office for possible further investigation.

All casualty replacements will be approved by the Assistant Commissioner in charge of the budget area.

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. Manufacturer ratings, including load carrying capacity

and trailer pulling capacity, will be followed when developing vehicle specifications for acquiring vehicles. All applicable state and federal laws, rules, and regulations will be followed concerning vehicle type selection. Fuel economy and vehicle emissions will be taken into account 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.ott.doe.gov/epact/>

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

The Travel Management Division can help answer questions related to State of Minnesota and/or U.S. EPA 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.

A life cycle will be established at the time of vehicle acquisition. This life cycle will include parameters for vehicle age as well as vehicle usage. This life cycle will take into account vehicle type as well as the work environment in which the vehicle will be used. This life cycle will be used in planning of vehicle replacement as well as monitoring vehicle usage during the life of the vehicle.

G. Financing Considerations

It is an objective of the department to make cost effective financial decisions when acquiring new vehicles. Financial options including vehicle rental, vehicle leasing, and vehicle ownership will be examined when acquiring vehicles. Divisions planning vehicle acquisitions must contact Financial Management and Reporting before the vehicle is ordered to ensure that appropriate consideration is given to all of the available financial options.

H. Agency Acquisition Approval Process

Assistant Commissioners will approve (signature approval) all vehicle expansions to the existing fleet as well as all casualty replacements. Division Directors will approve (signature approval) all normally scheduled vehicle replacements to the existing fleet.

Acquisition Process

All vehicles will be acquired in accordance with Minnesota state law. All purchasing laws, rules, and regulations will be followed. Admin, 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 will operate vehicles in accordance with laws, rules, and regulations set forth by the local, state, and federal government.

Special consideration will be given to the operation of commercial vehicles. Commercial vehicle laws, rules, and regulations will be followed. Employees should consult their immediate supervisor or the department Safety Office concerning licensing and/or operational questions regarding commercial vehicles.

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.

It is an objective of the Department of Administration to operate all vehicles safely and according to the applicable laws, rules, and regulations. Fines and/or penalties resulting from improper use of a vehicle are the sole responsibility of the vehicle operator.

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

It is an objective of the department to operate vehicles using the highest ethical standards. It is the intent of the department to present a public image that is above any ethical question.

All department employees will operate vehicles in an ethical manner. 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.

Ethical misconduct will not be tolerated in the Department of Administration. Suspected or alleged ethical misconduct will be investigated by each division with the assistance of the Admin, Ethic 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 Utilization

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

D. Vehicle Markings

Vehicles owned or leased by the department will be clearly marked as State of Minnesota vehicles unless specifically exempted from marking requirements by state law. All vehicle licenses will be identified as Minnesota State Vehicle license plates unless specifically exempted by state law.

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

It is an objective of the department to 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. Seatbelts are to be worn by all occupants. Questions concerning safe vehicle operating practices may be addressed to the department Safety Office.

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

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

G. Fuel

Vehicles are to be operated on the type and grade of fuel recommended by the manufacturer. E85 will be used in flex fuel vehicles when it is reasonably available and the price is comparable to gasoline.

Regular grade gasoline is recommended for use in nearly every gasoline powered vehicle operated by the department. The department will use self-service fuel pumps.

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 Administration 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.

Divisions experiencing ongoing vehicle repair issues, or complex vehicle repair problems may contact the Travel Management Division for assistance in resolving these issues.

I. Physical Damage

It is an objective of the department to operate vehicles that present a positive reflection of the department to the public.

It is also an objective of the department to promote safe work practices. Physical damage to a vehicle often results from unsafe work practices. Incidents involving physical damage to vehicles are to be reported to the department Safety Office for potential further investigation.

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

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

It is the intent of the Department of Administration to operate vehicles safely. Employee safety and public safety are very important to the department. Safe vehicle operation is the primary preventive measure that can be used to help avoid incurring liability-related vehicle expenses.

Vehicle operation involves a significant amount of potential liability. Vehicles will be insured for liability utilizing the program provided through the Risk Management Division. The Risk Management Division will assist divisions in handling vehicular-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 will be made available for seasonal and/or temporary use when appropriate.

It is the intent of the department to follow the laws, rules, and regulations concerning disposal of state property when retiring vehicles from service. This may include making surplus vehicles available for use by other divisions, agencies or governmental units.

Important Links for Vehicle Disposal:

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

Admin, Material Management Division, Surplus Services

VI. Travel Management Division

A. Agency Support

It is the intent of the Department of Administration to assist other State of Minnesota agencies with fleet management activities. The Travel Management Division (TMD) provides this assistance. TMD offers long term vehicle rentals and fleet services for agencies desiring assistance.

TMD will provide fleet management expertise to customer agencies in an effort to help these agencies best utilize vehicles acquired through TMD. TMD will work with customer agencies in choosing an appropriate vehicle for the work intended, establishing an appropriate life cycle for each vehicle, and monitoring usage throughout the life of the vehicle. TMD will assist customers in keeping their vehicles in good running order while minimizing vehicle out-of-service time.

Recognizing that responsibility for carrying out agency fleet policy belongs to each agency, TMD will, to the best of its ability, assist customer agencies in carrying out their individual fleet management policies.

Important Links for Agency Fleet Management Support

<http://www.tmd.state.mn.us/>

Admin, State and Community Services, Travel Management Division

ATTACHMENT C

Commuting Costs (estimated)

Agency	Reporting Methodology						Total			
	Commute			Cents/mile		Lease Value		All Methods		
	# Empl	Amount *	Estimated Cost to State **	# Empl	Amount	# Empl	Amount	# Empl	Amount	Estimated Cost to State **
Agriculture	8	\$1,282.50	\$4,617.00		\$0.00		\$0.00	8	\$1,282.50	\$4,617.00
Barbers Board	1	\$54.00	\$194.40		\$0.00		\$0.00	1	\$54.00	\$194.40
Commerce	3	\$1,509.00	\$5,432.40		\$0.00		\$0.00	3	\$1,509.00	\$5,432.40
Economic Security	13	\$2,787.00	\$10,033.20		\$0.00		\$0.00	13	\$2,787.00	\$10,033.20
Trade & Econ. Devpt.	1	\$6.00	\$21.60		\$0.00		\$0.00	1	\$6.00	\$21.60
Labor & Industry	2	\$403.50	\$1,452.60		\$0.00		\$0.00	2	\$403.50	\$1,452.60
Iron Range Resources & Rehab.	2	\$60.00	\$216.00		\$0.00		\$0.00	2	\$60.00	\$216.00
Mn State Colleges & Univ.	14	\$5,623.50	\$20,244.60	15	\$18,909.27		\$0.00	29	\$24,532.77	\$39,153.87
Lottery	13	\$4,500.00	\$16,200.00		\$0.00		\$0.00	13	\$4,500.00	\$16,200.00
Gambling Control Board	1	\$270.00	\$972.00		\$0.00		\$0.00	1	\$270.00	\$972.00
Employee Relations	7	\$66.00	\$237.60		\$0.00		\$0.00	7	\$66.00	\$237.60
Governor's Office	3	\$700.50	\$2,521.80		\$0.00	4	\$2,833.93	7	\$3,534.43	\$5,355.73
Mediation Services	10	\$1,671.00	\$6,015.60		\$0.00		\$0.00	10	\$1,671.00	\$6,015.60
State Auditor	1	\$66.00	\$237.60		\$0.00		\$0.00	1	\$66.00	\$237.60
Revenue	1	\$678.00	\$2,440.80		\$0.00		\$0.00	1	\$678.00	\$2,440.80
Teachers Retirement Assoc.	2	\$4.50	\$16.20		\$0.00		\$0.00	2	\$4.50	\$16.20
Health	1	\$3.00	\$10.80		\$0.00		\$0.00	1	\$3.00	\$10.80
Human Services	13	\$2,917.50	\$10,503.00	1	\$259.88		\$0.00	14	\$3,177.38	\$10,762.88
Public Defense Board	1	\$301.50	\$1,085.40		\$0.00		\$0.00	1	\$301.50	\$1,085.40
Tax Court		\$0.00	\$0.00		\$0.00	1	\$303.65	1	\$303.65	\$303.65
Military Affairs	1	\$270.00	\$972.00		\$0.00		\$0.00	1	\$270.00	\$972.00
Public Safety	66	\$26,631.00	\$95,871.60	4	\$554.41		\$0.00	70	\$27,185.41	\$96,426.01
Corrections	72	\$17,892.00	\$64,411.20	30	\$8,716.43	22	\$40,862.83	124	\$67,471.26	\$113,990.46
Natural Resources	129	\$2,512.50	\$9,045.00		\$0.00		\$0.00	129	\$2,512.50	\$9,045.00
Water & Soil Resources Board	7	\$177.00	\$637.20		\$0.00		\$0.00	7	\$177.00	\$637.20
Transportation	<u>226</u>	<u>\$73,788.00</u>	<u>\$265,636.80</u>		<u>\$0.00</u>		<u>\$0.00</u>	<u>226</u>	<u>\$73,788.00</u>	<u>\$265,636.80</u>
	598	\$144,174.00	\$519,026.40	50	\$28,439.99	27	\$44,000.41	675	\$216,614.40	\$591,466.80

* Amount - valued at \$1.50 per one way commute

* Estimated Cost to State - one way 'commute' estimated to be 15 miles at \$.36 per mile