Minnesota Department of Corrections

Policy:	**104.4616**	**Title: Obtaining New and Replacement Vehicles**
Issue Date:	**7/26/16**	
Effective Date:	**8/2/16**	

AUTHORITY: Applicable labor agreements and compensation plans
Department of Administration policy and procedure #99.1

PURPOSE: To identify requirements and restrictions on the acquisition and use of state-owned vehicles.

APPLICABILITY: Minnesota Department of Corrections (DOC); department-wide

POLICY:

A. Department fleet vehicles, whether owned or leased, are acquired and managed in a cost-effective and responsible manner. Comply with the Executive Order 11-13, which requires the department to:
   1. Reduce fuel usage by 50%;
   2. Utilize vehicles capable of operating on cleaner fuels whenever practical;
   3. Increase the use of renewable transportation fuels; and
   4. Ensure that when reasonably possible all on-road vehicles purchases
      a) Use cleaner fuels as defined by Minn. Stat. § 16C.135, subd. 1; or
      b) Have fuel efficiency ratings that exceeds 30 miles per gallon for city usage or 35 miles per gallon for highway usage.

B. Employees must follow the guidelines kept in the state vehicle in the event of a car accident. If the license plates are missing from the state vehicle, facility employees must provide immediate, written notification to their vehicle coordinator; all other employees must provide immediate, written notification to the office services supervisor in central office. The facility vehicle coordinator or office services supervisor in central office must notify law enforcement of the missing license plates.

DEFINITIONS:

Accident - any circumstance that causes equipment damage or injury to the operator, passenger, or pedestrian.

Agency fleet administrator – employee designated to coordinate fleet policies.

Department Account – a specific unit/location account set up with the Department of Administration's fleet and surplus services division.

Department Fleet Coordinator – employee's assigned to coordinate fleet activities including fleet cards within the established Department Accounts set up with Admin fleet and surplus services division.

Addition to the fleet - the acquisition of a vehicle that increases the fleet size.

Automobile - passenger car or station wagon.

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

Commercial motor vehicle - a vehicle or combination over 26,000 pounds; a vehicle designed to transport 16 or more passengers including the driver; or when transporting hazardous material requiring placards.

Fleet size - the total number of vehicles in the fleet.

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.

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

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.

PROCEDURES:

A. Vehicle selection and assignment:

1. Vehicle assignments are not made on the basis of status, tradition, or as a condition of employment. Instead, vehicles are assigned on the basis of need, as measured by the number of business miles driven or other qualified use.

2. A permanent assignment of a vehicle to an employee or unit may be appropriate if it is resource-efficient, if the average monthly mileage exceeds 1,050 miles, or if the division assistant/deputy commissioner determines that it is a cost-effective or public safety measure.

3. The assignment of state vehicles must be reviewed annually.

4. Department fleet vehicles, whether owned or leased, are acquired and managed in a cost-effective and responsible manner and comply with the Executive Order 11-13 which requires the department to:
   a) Reduce fuel usage by 50%;
   b) Utilize vehicles capable of operating on cleaner fuels whenever practical;
   c) Increase the use of renewable transportation fuels; and
   d) Ensure that when reasonably possible all on-road vehicles purchases
      1) Use cleaner fuels as defined by Minn. Stat. § 16C.135, subd. 1; or
      2) Have fuel efficiency ratings that exceeds 30 miles per gallon for city usage or 35 miles per gallon for highway usage.

5. When a vehicle is replaced, the vehicle type and use must be reviewed to ensure the department is selecting an appropriate vehicle, and utilization has been, and will continue to be, cost-effective. Upgrading or significantly changing vehicle type or option level requires written justification.

6. Selection of an appropriate vehicle type is an essential part of cost effective fleet management.

a) It is an objective of the department that vehicles supplied for employee use are well suited to performing the work needing to be accomplished.
b) Employee safety is considered when acquiring vehicles.
c) Manufacturer ratings, including load carrying capacity and trailer pulling capacity, must be followed when developing vehicle specifications for acquiring vehicles.
d) All applicable state and federal laws, rules, and regulations must be followed concerning vehicle type selection.
e) Fifteen-passenger vans must not be purchased for use within the department.

7. A life cycle must be established at the time of vehicle acquisition.
   a) The life cycle includes parameters for vehicle age, as well as vehicle usage and must take into account vehicle type and the work environment in which the vehicle will perform.
   b) The life cycle must be used in planning vehicle replacement and in monitoring vehicle usage.

8. Financial options including vehicle rental, vehicle leasing, and vehicle ownership must be examined when acquiring vehicles. The institution finance director and or department fleet coordinators reviews vehicle acquisitions with budget managers to ensure the appropriate consideration is given to all available financing options.

B. <u>Acquiring a new lease or increasing the agency fleet</u>: all new vehicle acquisitions and leases must be examined carefully due to the significant initial cost associated with vehicle acquisitions and the commitment to ongoing costs that a vehicle purchase or lease represents.

1. The budget activity manager must submit a Request for Purchase of a State Vehicle form (attached) and route it for appropriate signatures.
   a) All new leases or fleet additions require approval by the respective division assistant/deputy commissioner.
   b) The Request for Purchase or Lease of a State Vehicle includes detailed anticipated costs, alternatives that have been considered, and cost justification for the acquisition and ongoing expense.
   c) The original fleet request form is kept by the department fleet coordinators and a copy is attached to the EIOR.

2. If purchasing a vehicle, once the Request for Purchase or Lease of a State Vehicle is approved, the budget manager or designee completes an electronic inter office requisition (EIOR) for the purchase of the vehicle.
   a) The approved Request for Purchase of a State Vehicle and associated documentation must be attached to the EIOR.
   b) EIORs that do not have appropriate documentation attached are not processed.

3. If leasing, once the Request for Purchase or Lease of a State Vehicle is approved, the budget manager or designee submits the approved form to the department fleet coordinator for submission to Department of Administration Fleet Services Division.
   a) The budget manager or designee is responsible for completing an EIOR to set up a blanket purchase order to cover lease costs.
   b) The approved Request for Purchase or Lease of a State Vehicle must be attached to the EIOR.

C. Obtaining a Replacement Vehicle or Renewing a Lease: all replacement vehicle acquisitions and lease renewals must be examined carefully due to the significant initial cost associated with vehicle acquisitions and the commitment to ongoing costs that a vehicle purchase or lease represents.

1. When a vehicle is replaced, the vehicle type and use must be reviewed to ensure the department is selecting an appropriate vehicle, and utilization has been, and will continue to be, cost-effective.
   a) The budget manager in charge of the budget area must review vehicle replacements.
   b) The vehicle being replaced must be identified on the EIOR submitted for the new vehicle.

2. Casualty replacements due to mechanical failure must be examined for cause and possible vehicle, vehicle life cycle, or operational changes that may be necessary to avoid future casualty replacements.
   a) Casualty replacements due to physical damage are examined carefully as potential exists for liability expenses, as well as workers compensation expenses.
   b) The assistant or deputy commissioner in charge of the budget area must review and sign, if approved, all casualty replacements.

3. Vehicles reaching the end of their life cycle are reviewed for condition.
   a) Vehicles with useful life remaining are made available for seasonal and/or temporary use when appropriate.
   b) It is the intent of the department to follow the laws, rules, and regulations concerning disposal of state property when retiring vehicles from service.
   c) This may include making surplus vehicles available for use by other divisions, agencies or governmental units.

4. Upgrading or significantly changing vehicle type or option level requires justification, particularly in instances where greener options that are available are not selected.

5. Purchase or lease of the same type and option level of replacement vehicles requires the completion of the Request for Purchase or Lease of a State Vehicle form but does not require the approval of the assistant/deputy commissioner.
   a) The department fleet coordinators keep the original Request for fleet Purchase and lease forms.
   b) The original fleet request form is kept by the department fleet coordinators and a copy is attached to the EIOR.

6. If purchasing a replacement vehicle, once the Request for Purchase or Lease of a State Vehicle is approved, the budget manager or designee completes an electronic inter office requisition (EIOR) for the purchase of the vehicle.
   a) The EIOR must contain information of the vehicle that is being replaced.
   b) The approved Request for Purchase of a State Vehicle and associated documentation must be attached to the EIOR.
   c) EIORs that do not have appropriate documentation attached are not processed.

7. If renewing a lease, once the Request for Purchase or Lease of a State Vehicle is approved, the budget manager or designee submits the approved form to the department fleet coordinator for submission to Department of Administration Fleet Services Division.

a) The budget manager or designee is responsible for ensuring that a funds are encumbered to cover lease costs.
b) If a new encumbrance is required, the approved Request for Purchase or Lease of a State Vehicle must be attached to the EIOR.

INTERNAL CONTROLS:

A. Requests for Purchase or Lease of a State Vehicle are kept by the appropriate department fleet coordinator.

B. Requests for Purchase of a State Vehicle are retained in EIOR.

REVIEW: Annually

REFERENCES: Policy 104.4615 "Use of State Vehicles"
Policy 103.041, "Commercial Driver's License"

SUPERSESSION: Policy 104.4616, "Obtaining and Operating State Vehicles" 3/31/15.
All facility policies, memos, or other communications whether verbal, written, or transmitted by electronic means regarding this topic.

ATTACHMENTS: Request for Purchase or Lease of a State Vehicle (104.4616B)

/s/
Deputy Commissioner, Facility Services

Deputy Commissioner, Community Services