

DAS Statewide Policy

SUBJECT: Statewide Fleet Management

NUMBER: 107-009-040

DIVISION: State Services Division, Fleet Administration

EFFECTIVE DATE: July 1, 2006

APPROVED:



**POLICY/
PURPOSE:**

Fleet Management: This policy sets standards for managing and operating State passenger motor vehicle fleets.

AUTHORITY:

ORS 283.310 -.395 "The Department of Administrative Services (DAS) shall control and regulate the acquisition, operation, use, maintenance and disposal of and access to motor vehicles used for State business, (pursuant to interagency agreements) by state, local, and federal government agencies and American Indian tribes.

OAR 125-155 "State Vehicle Use and Access."

Other applicable ORS grant statutory authority to certain agencies to own fleets.

**ADDITIONAL
REFERENCE**

- DAS Risk Management Policy at: <http://www.oregon.gov/DAS/Risk/index.shtml>
- DAS Statewide Fleet Administration Policy at: [State of Oregon: Motor Pool](#)
- Governor's Executive Order # 06-02 at: <http://governor.oregon.gov/Gov/pdf/eo0602.pdf>
- DAS Risk Form: Use of Personal Vehicle on State Business at: <http://www.oregon.gov/DAS/SSD/Risk/Forms1.shtml#travel>

APPLICABILITY:

All State Agencies

DEFINITIONS:

As used in this policy, unless the context requires otherwise, the following words, phrases, and abbreviations have the meanings listed in OAR 125-155-0010.

State Vehicle: A motor vehicle owned, rented, borrowed, leased, or otherwise under the possession and control of the State. It is licensed for highway use. A rental vehicle is a State vehicle if it is rented by a duly authorized employee at the cost of the State solely for official State business. A vehicle, owned by DAS and lawfully rented to a local government or other non-State entity, is not a State vehicle for purposes of these rules. For the purposes of these policies, motor vehicles include State-owned, leased, or otherwise controlled motor vehicles and the supplies, parts and equipment for the operation, maintenance, or preparing of such vehicles. Vehicles owned by state or public employees are not State Vehicles.

Light-Duty Fleet Vehicles: Passenger vehicles include the price agreement categories and/or any other passenger vehicle categories as determined by the State Services Division (SSD) Administrator. Categories include:

- Pickups (compact, 1/2 ton, 3/4 ton, and 1 ton)
- Passenger sedans (compact, intermediate, full-size)
- Passenger wagons (compact, intermediate, full-size)

DEFINITIONS (Continued)

- Mini vans (7 passenger)
- Passenger vans (12 passenger)
- Cargo vans
- Carryalls
- Sport Utility Vehicles (SUV)
- Specialty vehicles (Misc. Trucks, Handi-Bus, Step Van, Police)

State Fleet: A legislatively-authorized or recognized motor pool.

Cost Per Mile Calculation: The cost per mile calculation focuses on the costs associated with maintaining each agency's fleet vehicles, but excludes the cost of accidents. The cost per mile calculation shall be evaluated on a quarterly basis and shall include the following:

- Costs of tires, oil, fuel, batteries, and all other items associated with maintaining the vehicle;
- Costs of all internal mechanic labor, shop supervisor labor, and parts used to maintain the vehicle; and
- Costs for external labor and parts used to maintain the vehicle.

To calculate cost per mile, total all costs accrued during the quarter, then divide that figure by the total number of miles driven during the same quarter.

Agent: A person or legal entity appointed in writing by a State agency to perform specified work. An agent is not an independent contractor. Agents, paid or unpaid, are subject to the direction and control of the agency. An agency may not call people agents for the primary purpose of justifying their transportation in a State vehicle.

Duty Station: The location designated in writing by the agency from which an employee normally carries out his or her duties.

Employee: Any person employed by the State to do State business for whom the State withholds income tax, provides workers' compensation coverage, and pays the workers' compensation hour-tax. Under this definition, workers provided by a temporary employment services agency and Department of Corrections inmates are not employees.

Fleet Management Advisory Council (FMAC): Fleet management from all participating state agencies (assignment is at the discretion of the respective Agency Heads) whose collective purpose is to provide advice to the DAS Director on policies, procedures, and fleet operations of statewide significance.

DEFINITIONS (Continued)

Official State Business: Any activity directed and controlled by a State agency that advances the lawful policies and purposes of the agency. State law requires a narrow interpretation of this term. Therefore, agencies' policies and purposes are only those that are official, in writing, and within statutory authority.

Replacement/Retention Criteria: When a light-duty vehicle's costs of continued operation approaches or exceeds the cost of replacement using a combination of these factors: non-attainment of minimum mileage, fuel costs, re-sale value, depreciation, emissions, maintenance costs, or inability of the vehicle to meet the needs/uses of state agencies. Vehicles in specific categories may be retained/disposed of at different mileage or age thresholds as determined by owning state agencies. These replacement/retention criteria may be used in instances when a combination of factors, some unquantifiable, are relevant towards making a decision related to retention or disposal of a state vehicle.

Total Cost of Ownership: Consists of: all operating costs (as defined in the Cost Per Mile Calculation above), the purchase cost, minimum re-sale/salvage value, all quantifiable costs associated with emissions, opportunity costs for other alternatives to vehicle ownership, and incidental-use costs (parking, variable costs associated with staff and facility, additional equipment).

Traction Devices Approved: Standard chain link or cable-type device for any tire that the tire manufacturer does not expressly prohibit chain or cable-type devices on. Agencies should employ the most effective devices which do not void seller or manufacturer warranties where possible.

GUIDELINES

- I. **ACQUIRING NEW VEHICLES.** Acquisition of Vehicles by Type of Fuel. State agencies with authority to own and operate light-duty vehicles shall:
 1. Purchase light-duty fleet vehicles based upon specifications as determined by the Fleet Management Advisory Council in this order:
 - a. Alternate-fuel or Hybrid vehicles meeting the United States Energy Policy Act (EPA) requirements. If not available, then:
 - b. Low-Emission (LEV) II standard gas vehicles. If not available, then:
 - c. Standard Gas Vehicles.
 2. Conduct a Total Cost of Ownership analysis to determine the best value purchase mix of vehicles to meet state agency operational requirements. This analysis may include use of an "optimizer" model or facsimile.
 3. Comply with all safety standards established by the United States Department of Transportation in the conversion, operation and maintenance of vehicles using alternative fuel.

GUIDELINES (Continued)

4. The Department of Administrative Services is the primary broker or acquisition agent for all State agencies, except those that are constitutionally exempt, that purchase or lease new passenger vehicles. DAS responsibilities include providing State agencies with the following services:
 - a. Assistance with developing vehicle specifications;
 - b. Coordination with DAS State Procurement to write appropriate bid documents; and
 - c. Oversight that assures State agencies comply with State Procurement guidelines when purchasing or leasing vehicles.
 - d. Financial models to assist agencies with decisions regarding assignment, resale, replacement and total cost of ownership.

5. Compliance with Federal Department of Energy Rules

Under the EPACT of 1992, 75% of each year's vehicle acquisitions for the State (September 1 – August 31) must be alternative fuel models as defined by US Department of Energy.

6. Approval to Purchase Sport Utility Vehicle

State ownership or use of an SUV will be based on the most cost effective vehicle capable of performing necessary agency functions. The DAS Director has issued a moratorium on the purchase/ownership of an SUV, with the intent of reducing SUV's in the state's inventory to minimal levels required to serve the public. SUV ownership or use will be limited to the following criteria:

- a. Necessary for law enforcement (law enforcement is defined in ORS 181.010); or
- b. Regularly driven off-road or on unimproved roads; or
- c. Where weather regularly creates road conditions where clearance becomes an issue as opposed to traction; and
- d. When documented with agency head approval.

Agencies wishing to obtain an additional SUV, either agency-owned, through DAS Fleet or private sector leased, must submit a written request from the agency head to DAS Fleet, a copy of which will be forwarded to the DAS Director, documenting the need and compliance with existing use criteria.

7. Purchase of Model Year 2009 and after Light-Duty Fleet Vehicles:

All state agencies shall comply with OAR Chapter 340-257-series.

II. REPLACEMENT AND DISPOSITION

1. Vehicle Replacement/Retention Thresholds

It shall be the goal for all Fleets to replace all light-duty fleet vehicles when the mileage reaches 110,000 miles, or at eight (8) years of age, or upon substantially attaining the Replacement Criteria defined above. Agencies may assign more specific replacement

mileage thresholds based upon historical costs, usage data, or other relevant facts.

GUIDELINES (Continued)

Agencies may retain vehicles past the replacement mileage or age thresholds if the operating condition and the safety features of the vehicle warrant continued usage of the vehicle.

2. Disposal:

State vehicles that are deemed to have reached the end of their efficient life cycle as defined in the Replacement Value above shall be disposed of according to State law. Vehicles scheduled for disposal will be sold through DAS SSD Surplus Services or public/commercial auction as approved by the DAS State Services Administrator. If provide for within current interagency or intergovernmental agreement, agencies may transfer, sell, or otherwise trade state-owned vehicles.

III. EFFICIENT AND ECONOMICAL USE OF STATE VEHICLES

1. Minimum Mileage Requirement (ORS 283.313):

State-owned sedans and stations wagons must meet a minimum monthly mileage requirement. Vehicles not achieving the monthly mileage threshold as averaged over a designated six-month period may be subject to sale.

The minimum monthly mileage threshold is determined by the calculation of:

$(D + I + FO) \div (R - VO - G)$, defined as follows:

D = Average monthly depreciation cost per vehicle

I = Average monthly insurance cost per vehicle

FO = Fixed overhead cost per vehicle

R = Private vehicle mileage reimbursement rate

VO = Variable overhead cost per mile

G = Average fuel cost per mile

The values used for this calculation are based on DAS Statewide Fleet Administration data.

Agency heads must submit exemption requests for vehicles not meeting the minimum mileage requirement to the DAS Statewide Fleet Administration each year. The requests will be reviewed and recommendations made to the DAS Director. The DAS Director will make the final determination with regard to granting exemptions. Exemption criteria for DAS Director approval include any vehicle that is or has:

- a. Accommodation/equipment for transportation of persons with disabilities, or at-risk riders,
- b. Susceptible to internal or external damage by its riders,
- c. A dedicated vehicle for a federally-mandated program or paid for by other than state funding, documented daily use, regardless of mileage during the measurement period,
- d. The only vehicle available per building/office,
- e. Equipped with specialty equipment not readily available in employee-owned or privately leased vehicles (two-way radios, rider restraint systems, special lighting, siren or sound systems, or other equipment meeting this category as determined by the SSD Administrator.

GUIDELINES (Continued)

2. Most Cost-Effective Transportation:

Agencies are responsible for using the most cost-effective means of transportation for their employees. For most travel required, this is accomplished by using state vehicles assigned to agencies. Agencies should, to the maximum extent possible, use state-owned/operated vehicles that are either permanently assigned or available through the daily rental fleet. If a state-owned/operated vehicle is not available, using the criteria below, agencies may authorize the use of and reimburse for private car mileage.

- a. Upon determination by the agency management that no suitable state-owned/operated vehicle is available for use, which may include considerations related to the duration, distance, route of the required travel, or work to be performed, agency management may authorize use of an employee's private vehicle for official state business travel.
- b. Prior to authorizing official state business travel in a private vehicle, the employee and manager shall sign a Use of Personal Vehicle on State Business Form (link on the front page of this policy and attached). Agencies may adopt procedures to implement this requirement on a one-time or recurring basis.
- c. Reimbursement for official state business conducted using a private vehicle is subject to requirements and limitations as set forth in Oregon Accounting Manual (OAM) Policy 40.10.00.PO.112.
- d. Travel by privately-owned vehicle to and from other mode of travel (air, other ground/vehicle, rail, marine, transit) is not subject to this policy.

IV. VEHICLE USE AND STORAGE

1. No person shall drive, operate or use, authorize or permit any person to drive, operate or use, any motor vehicle as defined in ORS 283.305 for any purpose except for Official State business as defined in ORS 283.305 and by rule of the Oregon Department of Administrative Services.

See OAR Chapter 125, Division 155 for details and examples of authorized uses that are based on the vehicle's type and employee's travel status.

2. The State's vehicles shall be stored at sites owned, leased, or controlled by the State except during travel or the conditions listed in these rules. When practical, a State vehicle at a home, hotel, or motel shall be parked off the public street in a reasonably secure setting.

An agency may allow a State vehicle to be parked at home when a task or trip requires a driver to depart early or return late that it is impractical to pick up or return the vehicle to State parking on the same day. The agency must do a cost-benefit analysis before long-term assignment of a vehicle to a home. The analysis must consider the costs and risks of daily travel to the home, the frequency of call-outs, parking risks, any salary savings, and other factors. The analysis should weigh reasonable alternatives such as the cost of reimbursing private vehicle mileage. An agency may allow an employee to park a State vehicle at home when one of the following conditions requires and it is to the benefit of the State to provide:

GUIDELINES (Continued)

- a. The driver's home is his or her official duty station from which he or she engages in virtually full-time fieldwork away from the office or motor pool.
- c. It will clearly reduce State paid time to permit a driver to park a State vehicle at home while on temporary assignment away from the duty station.

Other circumstances caused by State business in which home garaging will clearly reduce direct costs of the agency.

V. MARKING STATE-OWNED VEHICLES

State-owned automobiles or trucks shall be marked, in plain lettering of a readable size, with the name of the owning or operating agency, followed by the words "State of Oregon." Rear window placement is permitted when Driver and Motor Vehicle Services (DMV) Division rear vision standards are met.

1. Justification for Unmarked Vehicles. Subject to the approval of the DAS SSD Administrator, vehicles owned or operated by State agencies, may be unmarked when used by State agencies for the following purposes:
 - a. *Undercover Criminal Investigations.* Vehicles used for undercover criminal investigation activities by or in support of law enforcement agencies may be unmarked and need only bear such license plates as are required on privately-owned vehicles.
 - b. *Vehicles Operated by Judicial Department Judges.* With specific written approval of the Chief Justice, these vehicles may be unmarked.
 - c. *Vehicles Operated by Statewide Elected Public Officials.* For reasons of personal safety, and upon specific written request by the agency official, agency head (or delegate), to the SSD Administrator, these vehicles may be unmarked.
 - d. *Vehicles statutorily exempt from marking.*
 - e. *Vehicles assigned to executive management* personnel who in the course of official state business routinely incur threats to their personal safety.
 - f. *Vehicles rented or leased* by DAS for purpose of supplementing fleet inventory.
 - g. *Vehicles privately-owned and used* for official state business travel.
2. Unmarked Vehicles – Procedure for Exemption:
 - a. Under this policy and unless otherwise constitutionally exempt, agencies which request approval for exemption from marking shall make the request in writing to the SSD Administrator. The request shall be signed by the agency head or delegate, Chief Justice, or appropriate elected official. The written request shall include the following information:
 - Names and/or titles of the authorized drivers, title of the organizational section/program performing the undercover/investigatory work, and a description of the specific intended uses of the vehicle;
 - Reasons for the requested exemption; and
 - Duration of the exemption.

GUIDELINES (Continued)

- b. Agencies with unmarked vehicles shall initiate action to change from unmarked to marked conditions when the original intended use of the vehicle changes or when the duration of the exemption has expired.
 - c. Agencies must request approval for an unmarked vehicle whenever an existing unmarked vehicle is replaced or exchanged. Unmarked licenses are not automatically issued for replacement or exchange vehicles.
 - 3. Other Markings Authorized on State Vehicles. No unauthorized stickers, signage or placards of any type are allowed on State owned vehicles. Additional markings of a state vehicle wherein recognition is critical to support a program or public safety plan require approval from the DAS State Services Division Administrator.

VI. VEHICLE MAINTENANCE AND CARE

- 1. Preventative Maintenance:
 - a. Agencies shall refer to the manufacturer's manual and establish maintenance schedules (within the warranty guidelines), for each vehicle in their motor pool.
 - b. Maintenance schedules shall include, but not be limited to manufacturers' recommendations for:
 - Chassis lubrication;
 - Oil change;
 - Filter replacement; and
 - Any other recommended replacement schedule.
 - c. Agencies shall be responsible for acquiring vehicle services and replacement parts at the lowest possible cost and/or value to the State. Agencies shall also ensure that purchases and record keeping comply with State laws and Generally Accepted Accounting Principles.
 - d. Passenger motor vehicle fleets may be serviced at the DAS Motor Pools or by authorized vendors.
- 2. Day-to-Day Maintenance Guidelines:
 - a. Drivers should perform routine vehicle care every day, trip, or week. Daily maintenance includes:
 - Keeping the interior of the vehicle clean and free of litter.
 - Check air pressure and inspect the tires daily. The maximum load rating of the tires is marked on the tire sidewall. This rating should not be exceeded. The manufacturer loading instructions for the vehicle should be followed.
 - Regularly checking engine oil & transmission.
 - Inspecting under the vehicle for fluid leaks.
 - Checking the vehicle frequently for body damage and reporting to owning agency.
 - Assuring that seat-belt systems and safety equipment are fully operational.
 - b. Emission control systems must be functional and in good repair at all times.

GUIDELINES (Continued)**VII. SMOKING IN STATE VEHICLES**

Smoking is not permitted in any state-owned light-duty fleet vehicle. Owning agencies shall place non-smoking stickers in all state-owned light-duty fleet vehicles to ensure that all vehicle occupants are aware of this policy.

VIII. RECORD KEEPING REQUIREMENTS

1. Agencies shall maintain records on each vehicle under their control. Records shall include:
 - a. Vehicle inventory, including license plate number, year, make, model, unit description, class type, primary storage location, mileage, in-service date, fuel type, fuel consumption, fuel cost, acquisition cost and depreciated value.
 - b. Complete and accurate maintenance information, including work performed, replacement parts, and associated costs.

Vehicle maintenance and repair records must be retained by the last-owning agency for four (4) years after transfer, sale, or disposition and will not accompany the vehicle, regardless of how it is transferred, sold, or disposed of.

IX. REPORTING REQUIREMENTS

1. Compliance Examination/ Biennial Fleet Review.

At least biennially, the Oregon Department of Administrative Services shall examine compliance with rules adopted pursuant to ORS 283.340 by state agencies owning vehicles. The department shall submit biennially to the Joint Legislative Audit Committee a management report on state-owned motor vehicles that includes:

- a. Summaries of agency compliance examinations, with specific emphasis on non-complying state agency fleets;
 - b. Numbers of motor vehicles, listed by model and by state agency;
 - c. Mileage utilization of motor vehicles, listed by state agency;
 - d. Operating cost per mile of motor vehicles, listed by state agency; and
 - e. Recommendations for increasing motor vehicle utilization, for decreasing the overall motor vehicle population and for absorbing non-complying state agency fleets into the motor pool. [1993 c.335 §11]
2. State and Federal Reporting Requirements. State agencies shall maintain records and provide DAS Statewide Fleet Administration with information necessary for the annual reporting requirements identified in ORS 283.337, "Reports to Department of Environmental Quality and Department of Energy."
 3. Annually, upon request, agencies owning vehicles shall provide information to DAS Statewide Fleet Administration for purposes of providing an annual report to the Department of Environmental Quality and the Department of Energy. At a minimum, the following information shall be provided:
 - a. The number of vehicles acquired that are capable of using alternative fuel;
 - b. The number of vehicles converted from the use of gasoline to the use of alternative fuel;

GUIDELINES (Continued)

- c. The quantity of each type of alternative fuel used; and
 - d. Any other information required by the Department of Environmental Quality, DAS Statewide Fleet Administration, and the Department of Energy, including the annual emissions of smog and greenhouse gasses for each agency.
4. Agencies owning motor vehicles shall provide, upon request, information to DAS Statewide Fleet Administration for purposes of completing annual state and federal alternative-fuel vehicle, fuel inventory, and emissions reporting requirements.
5. Agencies owning motor vehicle shall provide, upon request, information to DAS Statewide Fleet Administration and the U.S. Department of Energy for purposes of completing the annual Federal Department of Energy Information Administration EIA-886 Report relating to alternative fuel vehicles owned.

X. VEHICLE FUELING

State-owned fueling facilities must be used whenever possible. In considering overall costs on a long-term basis, state-owned fueling facilities provide bulk-priced fuels at the lowest cost to the state. Several state Motor Pools provide access to fueling on a 24-hour basis for state employees. DAS Motor Pools can only be dispensed by state employees or public employees authorized access under a cardlock agreement with the State. Self-serve by public entities is prohibited. The fueling system is activated by a fuel credit card and is issued with the vehicle.

XI. USE OF STATE FUEL CREDIT CARD (Retail or Cardlock)

- 1. The State fuel credit card is honored by major gasoline companies throughout the United States.
- 2. Drivers must immediately report the loss of any State fuel credit card to the assigning agency.
- 3. Use of the State fuel credit card at retail locations should be kept to a minimum. Use it only when state fuel sites are not available or during emergencies. When the card is needed to purchase fuel and oil, purchase only sufficient quantities to ensure arrival at the Motor Pool destination. Use of the fuel credit card to pay for emergency repairs shall be determined by the assigned agency per occurrence.
- 4. Agencies shall develop controls in the issuance and usage of these cards based upon the requirements of each agency. Authorization procedures, education, agency policies, and audits similar to other purchase cards should be implemented by using agencies to ensure proper financial controls are in place.