



## POLICY DIRECTIVE

Policy:	<b>DOC 1.2.18 FLEET VEHICLE OPERATION AND MANAGEMENT</b>
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Signature/Title:	/s/ Eric Strauss, Director

### I. POLICY

The Department owns and leases motor vehicles for the purpose of conducting Department business. The Department requires all employees to comply with administrative rules, statutes, and policies governing the use and management of motor vehicles.

### II. APPLICABILITY

All divisions, facilities, and programs Department-owned and contracted, as specified in contract.

### III. DEFINITIONS (see Glossary)

### IV. REQUIREMENTS

#### A. Authorized Vehicle Use

1. The Department of Administration Risk Management and Tort Defense Division (RMTD) must approve, in advance and in writing, any exception to authorized drivers, passengers, and/or vehicle use as defined in this policy.
2. Authorized **drivers** of Department-owned or leased vehicles include:
  - a. Department employees conducting business on behalf of the state;
  - b. authorized passengers relieving drivers due to illness, fatigue, or other physical or mental incapacity;
  - c. aides for disabled employees subject to the prior written approval of the Department Director; and
  - d. independent contractors or temporary employment agency employees contracting with the state when a state employee is not available and subject to the prior written approval of the Department Director.
3. Authorized **passengers** of Department-owned or leased vehicles include:
  - a. Department employees, independent contractors, guests, or clients while conducting business on behalf of the state;
  - b. aides to employees with a disability with prior written approval of the Department Director;
  - c. persons rendering or in need of assistance during a medical or other life-threatening emergency;
  - d. offenders in transport currently under the care or supervision of the Department; and
  - e. nursing infants if the parent is an authorized driver or passenger as provided in the *Montana Operations Manual (MOM)*.
4. Authorized daily vehicle operation includes:
  - a. parking a vehicle overnight at the home of a Department employee in order to begin travel the next day;
  - b. obtaining food, necessities, and lodging while in travel status;
  - c. responding to medical or other life-threatening emergencies; and

- d. conducting after-hours personal business, recreation, or leisure within a 30-mile radius of the Department employee's lodging when required to stay overnight at a location other than the established work location.
5. Requirements regarding use of personal vehicles to travel on behalf of the state include:
  - a. Employees who require a vehicle must use a Department-owned or leased vehicle unless circumstances justify the use of a personal vehicle, prior written approval is obtained from a supervisor, and the *Personal Vehicle Use Authorization* form is completed.
  - b. Employees are not required to use personal vehicles and, in accordance with RMTD insurance agreements, are encouraged to use Department-owned or leased vehicles.
  - c. If Department-owned or leased vehicles are not available, reimbursement for personal vehicle use will be at the highest current rate determined by 2-18-503, MCA.
  - d. If a Department-owned or leased vehicle is available for use and/or the employee requests to conduct personal business while in travel status, reimbursement will be at the lowest current rate determined by 2-18-503, MCA.
  - e. When requesting or approving personal vehicle use, the following criteria apply:
    - 1) employees assigned a permanent vehicle for commuting will not be approved to use a personal vehicle;
    - 2) requests will be considered based on vehicle availability and/or the employees' desire to conduct personal business while on travel status; and
    - 3) employees requesting to use a personal vehicle regularly must obtain annual written approval from the Chief Financial Officer and the Department Director.
6. Administrators requiring offender use of state vehicles as drivers must develop written processes authorizing such use and receive prior written approval of the RMTD as required per ARM 2.6.203.

## B. Prohibited Vehicle Use

1. The following are prohibited while using a Department-owned or leased vehicle:
  - a. transporting unauthorized passengers;
  - b. when employee is not in travel status, personal business use, for example, shopping, medical appointments, lunch, and recreation;
  - c. attending wakes, funerals, or bereavement services, unless the deceased was a Department employee killed in the line of duty;
  - d. attending retirement functions;
  - e. operating a vehicle within 8 hours of consuming or while under the influence of alcohol, illegal drugs, or prescription drugs that affect the person's ability to operate a vehicle safely;
  - f. carrying or consuming an alcoholic beverage;
  - g. smoking, in compliance with 50-40-104, MCA, Montana Clean Indoor Act; and
  - h. using smokeless tobacco.

## C. Disciplinary Actions

1. Supervisors are responsible for monitoring employee vehicle use and taking appropriate disciplinary action for noted violations.
  - a. Employees who violate this policy, statute, or administrative rules are subject to disciplinary action up to and including discharge as provided in 2-17-421, MCA.
  - b. All Department employees, responsible for the periodic operation of a Department-owned or lease vehicle, or an employee who uses the employee's own vehicle for Department services, must sign the *Vehicle Use Agreement*. By signing this form, the employee agrees to abide by all conditions set forth within.

#### D. Agreements and Requirements

1. In order to operate a vehicle on behalf of the state, and to ensure employees meet driver requirements specified in statute and administrative rules, employees who are new or who transfer from another state agency must complete the *Vehicle Use Agreement* upon employee orientation and submit the agreement to Human Resources (HR).
2. In compliance with 61-5-103, MCA, Department employees possessing out of state driver's licenses must transfer or renew their driver's license in Montana within 60 consecutive days of residency.
3. HR will report driving record checks that reveal the accumulation of conviction points over 11 total points, as provided in 61-11-203, MCA, and may notify the employee's supervisor.
4. The Department will conduct random motor vehicle driving record checks on a random 8% quarterly basis for all Department employees.
5. Employees must use seat belts at all times and lock the vehicle when left parked.
6. While operating a Department-owned or leased vehicle, employees are strongly encouraged not to use cell phones or other mobile electronic devices while driving if the device is not already prohibited by local ordinance.
7. Employees using a Department of Transportation (MDT) State Motor Pool leased vehicle must be familiar with the MDT lease packet and all applicable rules and procedures governing vehicle use.

#### E. Vehicle Accident and Driver Reporting

1. Employees who have an accident while conducting state business resulting in injury or death of any person or property damage shall immediately give notice of the accident to the appropriate law enforcement entity in accordance with 61-7-108, MCA.
2. An employee who is involved in a vehicle accident or becomes aware of damage or vandalism to a Department-owned or leased vehicle must:
  - a. complete and submit the *Report of Incident* to the Fleet Management Unit (FMU) within 24 hours; and
  - b. notify the State Motor Pool if driving a leased vehicle reserved through State Motor Pool.
3. An employee involved in an accident in a Department-owned or leased vehicle that results in a claim or a citation will be required to attend a Distractive or Defensive Driving Course and will be subject to a current check of their motor vehicle driving record.
4. In accordance with ARM 2.6.205 and 61-11-203, MCA, employees authorized to operate a motor vehicle on state business who accumulate conviction points in a 36-month period must comply with the following:
  - a. if 5 or more conviction points are accumulated while driving a state vehicle or a personal vehicle for state business, the employee must report points to a supervisor within 10 days of conviction or forfeiture of bond;
  - b. if 12 or more conviction points are accumulated while driving any motor vehicle for any purpose, the employee must report points to a supervisor within 10 days of conviction or forfeiture of bond and may not operate a motor vehicle for state business until a certified safe driver course approved by the RMTD is completed and written approval to drive from RMTD and the Department Director is received;
  - c. if 15 or more conviction points are accumulated, the employee must complete training and reporting requirements listed above and may not operate a motor vehicle for state business until total points accumulated within a 36-month period are less than 12;

- d. if 18 or more conviction points are accumulated, the employee must complete the training and reporting requirements listed above and may not operate a motor vehicle for state business until 2 years have passed without accumulating conviction points; and
- e. if the employee fails to report convictions points within the structure detailed above, the employee is subject to disciplinary action up to and including termination.

## F. Permanent Vehicle Assignments

1. An employee may request a permanent vehicle assignment by completing and submitting the *Request for Vehicle Assignment* to the employee's supervisor.
2. The administrator and Department Director may approve permanent vehicle assignments consistent with the Department's mission, division, or facility operational needs, and other Department and state policies.
  - a. Per 2-17-425, MCA, *Request for Vehicle Assignment* approvals must be submitted to the FMU who will forward the signed copy to the Governor's office.
3. Employees approved for a permanent vehicle assignment and employees sharing or benefiting from an employee assigned a permanent vehicle for commuting must submit a *State Vehicle Commuting* form to FMU to ensure compliance with federal requirements outlined in 26 CFR § 1.61-21(f)(3) and *IRS Publication 15-B (2009) Commuting Rule*.
4. An employee who is approved a permanent vehicle assignment to commute to and from a residence must meet one of the following:
  - a. the employee is a Department psychiatrist assigned to the Montana State Prison;
  - b. 24-hour vehicle use is specifically authorized by law as an elected or appointed official and vehicle use is part of a compensation package; or
  - c. the vehicle used is in effect the employee's worksite and the employee is assigned one of the following positions:
    - 1) field-based Probation and Parole officer;
    - 2) investigator assigned to Investigations; or
  - d. the employee's residence is less than 30 miles from the employee's worksite, job duties include on-call responsibilities for quick response to an emergency threatening life or property, employees in the position have responded to more than one emergency call in the past 6 months, and the exception is approved by the Department Director.
5. If an exception is provided, emergency response records must be submitted to the FMU to forward to the Department Director for review biannually.
6. A vehicle is in effect an employee's worksite when at least one of the following apply as necessary to the employee's job requirements and performance of duties:
  - a. use of a vehicle with safety and emergency response equipment (for example, police radio, bullet-resistant vest, weapon, first-aid kit, search kit, or security partition);
  - b. use of a vehicle during alternative work schedule hours to conduct work functions in a variety of geographic locations and the employee is not required to report to a specific location for assignments or work shifts; or
  - c. use of a vehicle to meet with, interview, or detain offenders; secure evidence such as contraband seized in performing position duties; conduct offender searches; or investigate Interstate placement, parole, or conditional release plans.

## G. Minimum Mileage Requirements

1. Department-owned and leased vehicles should be driven at least 10,000 miles annually.
  - a. For vehicles driven less than 10,000 miles in a fiscal year, a *Low Mileage Vehicle Exemption* form must be submitted to the FMU immediately following the conclusion of the fiscal year.
  - b. If a vehicle is driven less than 5,000 miles, written justification not containing any exemption listed in IV.H.2 below must be included.

2. The Department Director may exempt vehicles from the minimum mileage requirement if 3 or more of the following conditions are met:
  - a. the vehicle is used daily for tasks (for example, security checks, home visits, pickup, delivery);
  - b. the facility cannot access the State Motor Pool or agency vehicles;
  - c. liability or safety concerns render using a personal vehicle inappropriate;
  - d. storage of specialized equipment in the vehicle is required;
  - e. the vehicle is necessary for emergency response;
  - f. the vehicle is used to transport offenders;
  - g. an employee is not willing to use a personal vehicle for state business;
  - h. more cost-effective than reimbursement for use of a personal vehicle; or
  - i. the vehicle is used primarily for one of the following:
    - 1) travel on non-maintained roads;
    - 2) on facility property for maintenance, construction, or groundskeeping; or
    - 3) moving and distributing large items or a large quantity of items.
3. The FMU will forward *Low Mileage Vehicle Exemption* forms to the Department Director annually.
  - a. Vehicles found not to be exempt will be disposed of through the State Surplus Property Program.

#### H. Vehicle Purchases and Transfers

1. To determine the impact of a new or used vehicle purchase with regard to overall fleet mileage requirements, all requests for motor vehicle purchases must be submitted to the FMU, regardless of delegated purchasing authority.
  - a. The FMU will determine if the vehicle is exempt or non-exempt from mileage requirements and forward the request to the State Procurement Services Division or return it to the requesting agency as applicable.
  - b. New vehicles are purchased annually in conjunction with the State of Montana *Requisition Time Schedule*.
2. In accordance with 2-17-416, MCA, new vehicles purchased after January 1, 2008, must meet or exceed the CAFE standard unless an exemption is provided by the Department Director and the vehicle meets any of the following conditions:
  - a. used primarily in off-road use or for moving and distributing large items or a large quantity of items;
  - b. used for maintenance, construction, or groundskeeping;
  - c. has a manufacturer-stated seating capacity of more than six persons; or
  - d. utilizes alternative fuels.
3. Administrators requesting to retain or acquire an SUV or large utility vehicle (for leased vehicles, a class 04 or class 11 vehicle) must complete and submit an *SUV and Large Vehicle Justification* form to the FMU.
  - a. The FMU will forward the form to the Department Director to approve or deny the request.
4. The FMU must be notified prior to any transfer of a Department-owned or leased vehicle from one facility to another or from one party to another.

#### I. Maintenance and Repairs

1. The FMU will send designated responsible parties a *Vehicle Condition Report* annually to complete and return to the appropriate fleet staff by May 1 to evaluate the current condition of each Department-owned vehicle.
  - a. Fleet staff located at Montana State Prison (MSP) and Montana Correctional Enterprises (MCE) are responsible for collection and review of reports pertaining to vehicles under respective division responsibility.

2. Vehicle operators must ensure that Department-owned or leased vehicles are clean, mechanically maintained at all times, and not operated with any defect or problem that would prevent safe operation.
3. The administrator will assign an individual to ensure non-exempt vehicles have a functional odometer or employ an alternative method for tracking mileage and maintenance.
4. The Department utilizes maintenance intervals consistent with manufacturer's recommendations and has management information systems in place to ensure maintenance is completed as required.
5. Preventive maintenance (PM) is performed on vehicles as a part of a scheduled maintenance program performed at regular intervals based upon manufacturer's recommended standards and vehicle driving conditions.
6. Department-owned or leased vehicle repairs, maintenance, and vehicle-related purchases that are not part of a PM schedule or emergency must be pre-approved by submitting a *Department-Owned Vehicle Repair* form to the FMU or individuals designated at MSP or MCE to maintain the fleet, as applicable, in accordance with the following:
  - a. if estimated cost is over \$300 and not performed by Motor Vehicle Maintenance (MVM), the form must be submitted to the FMU;
  - b. if estimated cost is over \$1,000 and performed by MVM:
    - 1) on an MSP or MCE vehicle, the form must be submitted to the corresponding fleet staff; or
    - 2) on a vehicle not under the supervision of MSP or MCE, the form must be submitted to the FMU.
7. Emergency repair is permissible if:
  - a. a Department-owned vehicle breaks down after normal business hours,
  - b. immediate vehicle use is necessary,
  - c. a reasonable alternative is not available; and
  - d. the FMU, MSP, or MCE fleet staff, as applicable, is notified of the repair costs the next business day.
8. The assigned driver or responsible party should contact the dealer and check the vehicle owner's manual before scheduling repairs that may be covered under warranty.
  - a. Warranty repairs must be performed by an authorized dealer.
  - b. Warranty repair information must be submitted to the FMU for entry in the AgileAssets database.
9. Vehicle maintenance and repairs:
  - a. conducted by MVM must be entered on a monthly basis into the AgileAssets database by the FMU or a staff member at MSP or MCE licensed as an authorized user of AgileAssets; or
  - b. not conducted by MVM and not obtained by using a WEX card will be entered into the AgileAssets database by the FMU.

## J. Vehicle Disposal

1. Department-owned vehicles may not be transferred, sold, traded, or otherwise disposed of without written authorization of the Department of Administration, General Services Division, Surplus Property Program in accordance with ARM 2.11.201.
2. Department vehicles will be disposed of and processed as surplus through the Surplus Property Program according to the following:
  - a. individuals designated at MSP or MCE to maintain the fleet will manage the disposal of vehicles under respective division responsibility that are wrecked, in need of costly repairs, or stored for parts and will notify the FMU upon removal from operation; and

- b. remaining divisions, facilities, and programs will submit a written request for disposal to the FMU.

#### K. Insurance Coverage

1. The Department will consider age, use, and retail value of vehicles when determining liability or comprehensive/collision coverage.
2. Employees who are approved to use a personal vehicle for Department business must use personal insurance coverage and are responsible for deductibles and co-insurance payments.
3. The Department will participate in the RMTD Automobile Insurance Premium Discount Program by completing all requirements and documentation required and ensuring that 5% of Department employees complete defensive driving, or other equivalent training, sponsored or approved by RMTD on an annual basis.

#### L. Fueling Cards

1. Employees authorized to operate a state vehicle must read the *MOM Fuel Card Policy 1-0790.00* and sign the *Fuel Card Use Employee Agreement* form acknowledging responsibility for fuel card use.
2. A Wright Express (WEX) fuel card will be assigned to each vehicle to be used by drivers when fueling a **Department-owned vehicle**.
  - a. All Department vehicles will be assigned a PIN that must be used when fueling the vehicle.
3. **State Motor Pool vehicles** will be fueled using a WEX fuel card requiring that the driver enter a MDT-assigned PIN issued to the vehicle and not a specific PIN issued to the employee.
  - a. Employees using WEX fuel cards must follow the *MDT General Lease Operator Requirements* when fueling vehicles or purchasing other vehicle-related items.
4. In compliance with *MOM Fuel Card Policy 1-0790.00*, the Department will maintain internal controls on fuel card use that include:
  - a. a limited number of transactions during a time period (for example, day, month, week);
  - b. a limited dollar amount per transaction;
  - c. a limit on merchant category codes; and
  - d. a required odometer reading at the point of sale (for example, gas station).
5. Fuel cards assigned to Department-owned vehicles may only be used for purchases of petroleum products, new tires, tire and tube repair, automated car washes, maintenance items, and labor for services.
  - a. Vehicles must be fueled using the least expensive grade from self-service pumps.
  - b. Fuel card receipts for items other than fuel must be submitted monthly to the FMU with the *State-Owned Vehicle Monthly Report*.
6. Department employees must report lost or stolen fuel cards to the FMU.
7. Designated responsible parties will ensure that cards assigned to a vehicle that is transferred, sold, or surplus, will be cancelled immediately.

#### M. Bulk Fuel Tank Use

1. The Department will use state term contracts in compliance with the *MOM Bulk Fuel Policy 1547* to purchase fuel for bulk tanks.
  - a. If term contracts are not available, the Department will purchase fuel in accordance with 18-4-304 and 18-4-305, MCA.
2. The Department will maintain physical and internal controls on bulk tank use including:

- a. installation of a bulk tank fuel dispensing meter and fuel card device;
- b. gates or fencing around bulk tanks to limit access;
- c. reconciling vehicle log books and/or monthly reports against bulk tank transaction logs or WEX monthly transaction statements; and
- d. comparison of the bulk tank fuel gauge against the monthly transaction log or statement.

#### **N. Fuel Transaction Review**

1. Fuel transactions will be reviewed monthly and on a random basis to determine appropriateness of transactions in comparison to employee work hours and locations, duties, and normal expenses.
  - a. Criteria may include date and time of transaction, number of transactions per vehicle and/or employee, merchant and/or location information, and odometer readings.

#### **O. Vehicle Use Reporting**

1. In accordance with 2-17-422, MCA, the Department will:
  - a. maintain operating history records for motor vehicles under control of the Department including the purchase price of the vehicle and the items of expense incurred in the operation of the vehicle; and
  - b. prepare a complete summary of the operating cost and history record of all state-owned vehicles for each fiscal year.
2. To maintain adequate records, equipment purchased for a vehicle must be:
  - a. reported to the FMU; or
  - b. entered in the AgileAssets database.

#### **V. CLOSING**

Questions about this policy should be directed to Financial Services or Human Resources.

#### **VI. REFERENCES**

- A. *26 CFR, 1.61-21(f)(3) Internal Revenue Service Regulation*
- B. *Title 2, Chapter 17, Part 4, MCA; §§ 2-18-503; 18-4-304; 18-4-305; Title 19; 50-40-104; 61-7-108; 61-11-203, MCA*
- C. *ARM 2.6.201-214; ARM 2.11.201*
- D. *Volume 1, Chapter 1-0500; Montana Operations Manual; Volume 111, 3-01-1; Montana Operations Manual; 1-0500, MOM; 1-0790.00, MOM; 1-0795.00, MOM*

#### **VII. FORMS**

- DOC 1.2.18 (A) Department-Owned Vehicle Repair*
- DOC 1.2.18 (B) Fuel Card Use Employee Agreement*
- DOC 1.2.18 (C) Low Mileage Vehicle Exemption*
- DOC 1.2.18 (D) Report of Incident*
- DOC 1.2.18 (E) Request for Vehicle Assignment*
- DOC 1.2.18 (F) Personal Vehicle Use Authorization*
- DOC 1.2.18 (G) State-Owned Vehicle Monthly Report*
- DOC 1.2.18 (H) Vehicle Use Agreement*
- DOC 1.2.18 (I) State Vehicle Commuting*
- DOC 1.2.18 (J) SUV and Large Utility Vehicle Justification*
- DOC 1.2.18 (K) Vehicle Condition Report*