

# Development Authority of the North Country Governance Policies



**Subject: Fleet Management Policy**

**Adopted: August 26, 2010**

**Resolution: 2010-08-03**

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# **Fleet Management Policy**

## **SECTION 1.0 SUMMARY**

This document establishes the Development Authority of the North Country's policy for the acquisition, maintenance, acceptable use and designation of Authority light duty, over-the-road vehicles, including autos, pick-up trucks and SUV's.

## **SECTION 2.0 PURPOSE & BACKGROUND**

The purpose of this policy is to establish criteria and procedures for the acquisition, maintenance, acceptable use and designation of Authority owned or leased vehicles. Use of the vehicle is a benefit granted by the Authority, subject to change at the direction of Authority management. This policy shall apply to all Authority employees authorized by DANC to use vehicles, and establishes a single policy to guide vehicle management practices.

## **SECTION 3.0 FLEET MANAGER**

A Fleet Manager will be designated by the Executive Director, and be responsible for the following:

1. Evaluate and recommend all vehicle procurement actions to the Executive Director, and direct authorized procurements
2. Review vehicle designations and use agreements
3. Establish and implement maintenance procedures
4. Identify surplus vehicles for sale or disposition
5. Maintain vehicle documentation, history and other records
6. Monitor direct and indirect fleet costs

## **SECTION 4.0 VEHICLE ACQUISITION**

- 4.1 The acquisition, designation and use of vehicles shall be based on an analysis of all available options for securing transportation. This analysis should reflect the statewide policy objectives of using the most economical means of transportation, acquiring vehicles in a cost-effective manner, and becoming more energy efficient and environmentally aware in accordance with the Federal Energy Policy Act (EPA Act), Executive Order No. 111 and Executive Order No. 142. All vehicles purchased by the Authority must meet California or 50-state emission standards.
  - A. **Light Duty Vehicles:** The purchase or lease of light duty vehicles (Class I – compact/subcompact sedans) will be focused on obtaining the most fuel efficient vehicles available on State Contract that will meet the operational needs of the users. Non-State contract vehicles will be considered only when necessary and upon proper documentation of same. The purchase or lease of larger vehicles, small trucks and 4-wheel drive vehicles will need to be fully justified in writing based on the following:

1. Service vehicle use requirements, if applicable
2. Significant off-road or undeveloped road travel in the course of job accomplishment
3. Significant winter time travel in areas that have high accumulations of snow
4. A significant need for simultaneous towing and passenger carrying capability
5. Additional passenger and/or cargo room is required and/or other special circumstances apply

**B. Acquisition Analysis:** Most vehicle acquisitions made by the Authority will be for the replacement of existing assets, however new (additional) vehicles will be purchased for the Authority when needed.

1. **Replacement Vehicles:** Vehicles may be eligible for replacement based on the following factors:
  - a. **Age:** When a vehicle is five or more years of age, it may be eligible for replacement.
  - b. **Mileage:** When a vehicle has accumulated over 130,000 miles, it may be eligible for replacement.
  - c. **Use:** Vehicles used primarily for on-road purposes may be replaced sooner than those used primarily for off-road purposes (i.e., landfill vehicles).
  - d. **Damage:** Vehicles that have been involved in an accident and damaged beyond repair may be eligible for replacement.
  - e. **Deterioration:** Once a vehicle deteriorates to the extent that it is no longer economically repairable, it may be eligible for replacement.
  - f. **Lease Expiration:** If applicable.
2. **New (additional) Vehicles:** New vehicles will be purchased only in support of new tasks. Prior to making any purchases of new vehicles, full consideration will be given to the ability to satisfy the new requirement via realignment of existing vehicles in the fleet.
3. **Lease vs. Purchase Analysis:** State Contract purchased and leased vehicles will be considered and, in most cases, unless other determining factors outweigh the cost vs. benefit, the lowest long-term cost option will be selected (three year minimum cost analysis period).

**4.2** In all cases, written justification for replacement or new vehicles will be prepared, along with justification of the specific vehicle selected, and a lease vs. purchase analysis, which will include a written analysis of appropriateness of vehicle type. If the lowest long-term cost option will not be selected, a written justification detailing other determining factors will be included with the analysis. Such justification will be prepared by the Fleet Manager and approved by the Executive Director.

## SECTION 5.0 VEHICLE DESIGNATION

- 5.1 The Executive Director shall not be assigned a permanent vehicle, but shall have unrestricted use of fleet vehicles.
- 5.2 Certain on call response employees may be designated long term use of vehicles as authorized by the Executive Director. Such designations will be considered only to the extent that the primary work tasks for each of these employees continue to be to service multiple Authority and customer facilities throughout the region, and provide emergency response thereto. All on call response employees must first execute a Vehicle Use Agreement (attached). The Fleet Manager will review, on a monthly basis, the use of all vehicles, including an analysis of underused vehicles, and will implement adjustments in the designation of vehicles in order to optimize mileage allowed under the terms of the vehicle lease.
- 5.3 The taxable value of use of an employer provided non-exempt<sup>1</sup> vehicle is subject to income and Social Security/Medicare taxes and must be reported as income on an employee's W-2 Statement. *The Authority will not withhold Federal tax; however, State, Local, and Social Security/Medicare taxes must be withheld. The amount is not considered salary for the purposes of computing retirement benefits.* An employee provided with an Authority vehicle to drive to and from work for valid business reasons in accordance with this policy shall report the value of the personal use (commuting) for taxable purposes for the period from November through October for each year. The report shall be made by the employee completing and signing the appropriate Authority form. **All report forms must be submitted to the Authority Finance office no later than November 15<sup>th</sup>, or W-2 Statements will have to be held and corrected W-2 Statements reissued.**

An employee using an Authority vehicle is subject to taxation on the value of commuting under the following circumstances:

1. On the days he or she commutes to his or her official work station to perform substantial duties at the official work station.
2. If an employee travels to a field location (other than the official work station) which is in the general area of the official work station, the first trip of the day is considered a commute.

There are two methods contained in the Internal Revenue Code to determine the taxable value of personal use of the Authority provided vehicle, but because Authority employees are prohibited from using the vehicle for personal purposes under this policy, they may only use one method, the "Special Commuting Rule," for the reporting. Under the "Special Commuting Rule" commuting is currently valued by the IRS at \$1.50 each way (\$3.00 per round trip) for each day the vehicle is used for commuting. Such amount shall be adjusted per IRS guidelines as appropriate.

- 5.4 **Motor Pool Vehicles:** All other vehicles shall be considered motor pool vehicles. All drivers must comply with vehicle use guidelines and will sign a Vehicle Use Agreement. The Fleet Manager will review, on a monthly basis, the use of all pool vehicles, including an analysis of underused vehicles, and will implement adjustments as required. A vehicle manager at each location will be named for each motor pool vehicle to ensure compliance with these policies and effective utilization. The vehicle manager will serve as the point of contact for the Fleet Manager.

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<sup>1</sup> The Authority has no vehicles which are exempt under the Code at the time of this revision.

- 5.5 On November 15<sup>th</sup> of each year and as part of the annual budget process, the Fleet Manager will provide a detailed fleet spreadsheet, which will include: vehicle description (year, make, model), own or lease, lease expiration, lease number, monthly payment, vendor, miles allowed per lease vehicle, actual miles per vehicle, acquisitions and elimination of vehicles, number of alternative fuel vehicles in the fleet, number of vehicles with specialized alterations, Division, driver, and make recommendations to the Executive Director for acquisition or elimination of vehicles.
- Also, as part of the annual budget process, the Fleet Manager will review any underused vehicles and provide a written justification for retaining any vehicles with annual mileage under 10,000.

## SECTION 6.0 VEHICLE USE

### 6.1 Vehicle Use Guidelines:

- A. All drivers must have a fully executed Vehicle Use Agreement approved by their Division Manager and on file with Human Resources; have a New York State driver license, and any necessary endorsements. A driver license must be current and not under suspension.
- B. Drivers must comply with all traffic laws and regulations and are liable for any penalties resulting from violating traffic laws and regulations that are caused or incurred by his/her operation of a vehicle (e.g., speeding or parking tickets).
- C. Those employees that are required to operate a DANC vehicle must attend a Defensive Driving course offered by DANC as required by the Authority's Health and Safety Manual.
- D. All vehicles will be used for official Authority business only. Only those passengers and/or materials necessary to conduct this business will be transported. It is the shared responsibility of the Fleet Manager, managers, supervisors, and employees to ensure that vehicles are used properly. The misuse of a vehicle may result in appropriate disciplinary action.
- E. Employees shall keep a log book recording days traveled, mileage, and other information as prescribed by the Fleet Manager.
- F. Except for landfill vehicles, which may receive on-site fuel and/or maintenance, all vehicles are provided a Wright Express fuel card with an assigned PIN number. **All** purchases of fuel, maintenance and other items needed for the operation of a fleet vehicle, and for emergency repairs (ex. flat tire) will be made using **only** the Wright Express card. Only in an emergency situation where the repair shop does not accept the Wright Express card, may vehicle maintenance be secured with a personal credit card or cash; however, to the extent possible, employees shall contact the Fleet Manager or immediate supervisor before emergency repairs are completed. All purchases must be accompanied by a proper receipt; payment for purchases not accompanied by proper documentation will be the responsibility of the operator. Procedures for purchasing fuel require the operator to enter a PIN number and current mileage. The Fleet Manager will review Wright Express monthly statements to verify specific transaction information including, but not limited to: date, time, location, amount, and type of each purchase. In addition, detailed fleet management transaction reporting, such as the average mileage of vehicles or the frequency and timing of purchases will be monitored to assist the Fleet Manager in evaluating employee compliance with this Policy and scheduling maintenance. Use of the Wright Express fuel card for personal vehicles is not authorized, and may result in revocation of the vehicle use benefit, or other disciplinary action as appropriate.

- G. Because of the potential safety risks involved and to ensure compliance with State law, the use of hand-held mobile phones while operating an Authority vehicle, is prohibited. Hands free phones and communication devices can be used while operating a DANC vehicle.
- H. A vehicle will never be operated by an individual when under the influence of drugs or alcohol. Also, possession and/or use of alcohol, illegal drugs or other intoxicating substances in a DANC vehicle are strictly prohibited.
- I. The carrying of firearms and other weapons in a DANC vehicle is prohibited, with the exception of special situations at the SWMF which may require the use of a firearm to euthanize injured and/or nuisance wildlife. (Refer to the Health & Safety Manual for further details).
- J. A DANC vehicle is considered an extension of the workplace. As such, smoking in the vehicle is prohibited.
- K. When an employee is in official travel status, the employee is on official business. Employees in travel status are permitted to use Authority vehicles for transportation to home, eating places, and other places for reasonable necessities and amenities incidental to a field trip or other official business. An Authority vehicle may be taken home the day prior to and the last day of a planned trip when waiting to obtain or prematurely returning a vehicle would result in inefficient use of human or fiscal resources.
- L. All Authority vehicles are required to have official license plates and logos, except as may be authorized by the Executive Director.

## **6.2 Selection of Authority/Private/Rented Vehicle Support:**

The most cost-efficient means of vehicle transportation will be used whenever possible. Initial consideration will always be given to the use of an Authority vehicle whenever one is available.

If it is determined more cost-efficient or if use of an Authority vehicle is inappropriate, with the manager's approval, employees may choose to use their personal car. If an Authority vehicle is not available or is inappropriate and the employee chooses not to use their personal vehicle, use of a rental vehicle is authorized with prior approval of the manager. Managers should use sound fiscal management principles when determining if employees use an Authority vehicle, their own vehicles with reimbursement, or a rental vehicle. The goal of this policy is to be cost-efficient yet flexible given the specific circumstances.

Exceptions to the use of a DANC vehicle include:

1. Employees with physical disabilities or who have a documented medical condition requiring use of a personal or specially equipped vehicle.
2. Manager approval of the use of a privately owned vehicle or rental vehicle when use of an Authority vehicle would likely raise the perception of misuse of public assets or be counterproductive such as during an investigation.
3. Manager approval of the use of a privately owned vehicle or rental vehicle when use of an Authority vehicle would present an unwarranted and counterproductive hardship on the employee (e.g., employees traveling from an end-of-day meeting which would require backtracking to pick up a personal vehicle from a work location).

4. The Authority may not dedicate a vehicle to specific individuals except in extraordinary circumstances approved by the Executive Director, and the use of such vehicle shall strictly be for carrying out Authority duties.

**6.3 Parking Authority Vehicles:** It is the policy of the Authority that all vehicles shall be parked at official Authority facilities except those vehicles designated to employees per Section 5.0.

**6.4 Vehicle Misuse:** The unauthorized and/or inappropriate use of a vehicle is considered misuse and includes the following:

1. Use of the vehicle for personal gain
2. Transportation of family or friends in support of non-work related activities
3. Loaning of the vehicle to a non-DANC employee

The unauthorized or inappropriate use of an Authority vehicle or any violation of this policy may result in the revocation of Authority vehicle use privileges and may subject an employee to formal disciplinary actions.

## **SECTION 7.0 VEHICLE PREVENTATIVE MAINTENANCE**

The Fleet Manager is responsible for overseeing the routine service and maintenance of all vehicles. Vehicle service and maintenance will be performed per factory recommendations specific to each manufacturer and vehicle. Drivers of Authority vehicles will report mileage on a monthly basis to the vehicle manager at each division. The vehicle manager will record the mileage in a computerized maintenance program. The computerized maintenance program is pre-programmed for vehicle preventative maintenance based upon mileage. On a monthly basis, the vehicle manager will generate a report listing what, if any, service or maintenance needs to be performed. The maintenance program will then generate a work order, which is forwarded to the driver of the vehicle. The driver of the vehicle then performs the service or maintenance on the vehicle and returns the receipt or invoice to the vehicle manager, who enters the information into the computerized maintenance program. The Fleet Manager tracks any and all service and maintenance through both the maintenance system and the Wright Express monthly invoice. The Fleet Manager will review mileage on each vehicle on a monthly basis and submit a copy of the mileage report to the Deputy Executive Director and Comptroller monthly. The monthly mileage report will determine which, if any, vehicles should be rotated to ensure maximum vehicle utilization. The Fleet Manager will notify any driver who is not performing scheduled maintenance as required, and follow-up until in compliance.

## **SECTION 8.0 UNSCHEDULED MAINTENANCE**

The Fleet Manager will be notified immediately by the driver of the vehicle of the need for unscheduled maintenance, including recalls, warranty work, general body repair or tire wear, and vehicle modifications or accessories. The Fleet Manager will assess the unscheduled maintenance and make the determination as to where and when repairs will be made. Generally, maintenance is performed in-house or is authorized through a purchase order.

## **SECTION 9.0 EMERGENCY MAINTENANCE**

For emergency repairs, the vehicle shall be driven or towed to a secure location. If emergency repairs are required, employees shall contact the Fleet Manager or immediate supervisor

before emergency repairs are completed. Minimum essential vehicle repairs may be accomplished using the Wright Express Card. Only in an emergency situation where the repair shop does not accept the Wright Express card, may vehicle maintenance be secured with a personal credit card or cash.

## **SECTION 10.0 OPERATOR RESPONSIBILITY**

All drivers of a DANC vehicle are responsible for the proper care of the vehicle. The following operator care procedures will be followed:

1. Drivers will ensure that the engine coolant and oil levels are maintained at the proper level. The lights, wipers, belts and transmission fluid will be checked and corrective action taken as needed.
2. Tire pressure will be checked and properly maintained.
3. When needed, drivers will change flat tires, if possible, or make arrangements to have them changed. Tire replacement must be pre-approved by the Fleet Manager before purchase. Tire purchases will be at the nearest OGS contract facility. Exceptions will be on an emergency basis only.
4. Drivers will be responsible for completing scheduled maintenance as required.
5. Warranty issues will be reported to the Fleet Manager and scheduled for repair at the nearest dealer facility.
6. Annual New York State vehicle inspections must be performed at the SWMF site.
7. Drivers will be responsible for keeping the vehicle clean.

## **SECTION 11.0 VEHICLE ACCIDENT REPORTING PROCEDURES**

**Vehicle Accident Reporting Procedures:** The Operator of any DANC vehicle involved in an accident will ensure the incident is reported as outlined in the Health & Safety Manual. An Accident Report Form, copies of which will be kept in each vehicle, shall be completed and filed within 24 hours of the incident.

Revision/Review Approval Date: April 10, 2007  
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Revision Date: December 3, 2009; Resolution No. 2009-12-10  
Revision Date: August 26, 2010; Resolution No. 2010-08-03

**Attachment 1**

**FLEET MANAGEMENT POLICY**

**Vehicle Use Agreement**

(Reference Resolution No. )

I have been approved to drive an Authority vehicle and acknowledge and understand the following terms and conditions:

1. The Authority has made this vehicle available for my use for the performance of my official duties only and the subject vehicle may not be used for personal business.
2. Unauthorized use of the assigned vehicle may result in the revocation of vehicle privileges and cause me to be subject to appropriate disciplinary measures.
3. I have received and read the Procedures for Reporting the Value of Personal Use of Employer Provided Vehicles (Section E.3. – applicable to Authority provided vehicles).
4. I am responsible for the proper care of this vehicle. I will maintain the vehicle pursuant to the Fleet Management Policy.
5. At no time will non-Authority passengers be traveling in my Authority vehicle with the exception of work related matters and emergencies.
6. I have a valid New York State driver license for the vehicle I will be operating. If my license ever becomes suspended, revoked, or restricted, I will notify my manager immediately and I realize that my vehicle privileges may be impacted.
7. I understand that I am required to attend a Defensive Driving course provided by the Authority.

The undersigned acknowledges the above statements:

\_\_\_\_\_  
Employee Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor:

\_\_\_\_\_  
Supervisor's Name

\_\_\_\_\_  
Date

**Attachment 2**

**ACTUAL STATEMENT OF PERSONAL USE  
FOR AUTHORITY PROVIDED VEHICLE**

(November 1 – October 31)

**Submit to Authority Accounting Department no later than November 15<sup>th</sup>**

EMPLOYEE NAME: \_\_\_\_\_

SOCIAL SECURITY NUMBER: \_\_\_\_\_

**SPECIAL COMMUTING RULE**

\_\_\_\_\_ X \$1.50 = \_\_\_\_\_  
ACTUAL NO. TRIPS COMMUTING                      TAXABLE FRINGE BENEFIT AMOUNT

\_\_\_\_\_  
EMPLOYEE SIGNATURE

\_\_\_\_\_  
DATE

Reporting Year Ending: October 31, \_\_\_\_\_

Please use this actual personal mileage use as my estimate of personal mileage use for next year. \_\_\_Yes  
\_\_\_No