

**STATE OF VERMONT
AGENCY OF ADMINISTRATION**

**BULLETIN No. 2.3
STATE VEHICLES
POLICY**

Issued By: Justin Johnson, Secretary of Administration

Effective Date: February 21, 2016

Issue Date: January 27, 2016

Supersedes: July 13, 2004

Table of Contents

SECTION 1 -- PURPOSE: 3

SECTION 2 -- AUTHORITY:..... 3

SECTION 3 -- POLICY: 4

SECTION 4 -- PROCUREMENT, RETENTION/REPLACEMENT, DISPOSAL, TITLE, REGISTRATION:..... 5

 SECTION 4-A -- PROCUREMENT 5

 SECTION 4-C -- DISPOSAL OF STATE VEHICLES 5

 SECTION 4-D -- TITLE, REGISTRATION, AND IDENTIFICATION 6

SECTION 5 -- OPERATION OF VEHICLES..... 6

SECTION 6 -- COMMUTING USE OF VEHICLES 7

 Section 6-A -- IRS Regulation for Commuting Use 7

 Section 6-B -- Taxable Fringe Benefit Policy..... 7

 Section 6-C -- Employee Commuting with State Owned Vehicles 7

SECTION 7 -- FLEET MANAGEMENT OPERATIONS..... 7

 Fleet Management - Motor Pool Vehicles 8

SECTION 8 -- INVENTORY & TRACKING OF THE STATE’S FLEET 8

 SECTION 8-A -- REPORTING AND RECORD KEEPING 8

SECTION 9 -- INSURANCE COVERAGE: ACCIDENT, THEFT AND/OR VANDALISM REPORTING 9

 Section 9-A -- Vehicle Accident 9

 Section 9-B -- Incidents of Theft and/or Vandalism 9

APPENDIX A – PERSONAL USE OF STATE VEHICLES 10

SECTION I -- PURPOSE:

The purpose of this bulletin is to govern the use of State-owned motor vehicles by (1) establishing standards relative to the purchasing and operation of motor vehicles, (2) establishing reporting standards, and (3) creating opportunities under Executive Order 15-12 (Climate Cabinet and State Agency Climate Action Plan).

SECTION 2 -- AUTHORITY:

Title 3, Section 217(a) – Authority of the Commissioner of the Department of Buildings & General Services:

<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=03&Chapter=009&Section=00217>

“No state department or agency, board, or commission, except the governor, the commissioner of the department of buildings and general services, or the commissioners of the departments of fish and wildlife and public safety for use of employees who are sworn law enforcement officers, may maintain or provide passenger vehicles subject to such exceptions as may be made by the commissioner of buildings and general services in circumstances where there is documented evidence of necessity based upon the requirements or conditions of individual state programs.”

Title 3, Chapter 9, Section 217(b) – Disposal of State-Owned Vehicles:

<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=03&Chapter=009&Section=00217>

The department of buildings and general services of the agency of administration shall dispose of all cars owned by the state except those cars which are determined by the secretary of administration to be necessary to the operations of individual state programs under subsection (a) of this section. All money which has been budgeted in any fiscal year for the maintenance of those vehicles and the proceeds from the sale of those vehicles shall be applied to the future replacement of the state fleet. Any unspent balance shall revert to the general fund.

Title 3, Chapter 9, Section 217 (c) – Low Emission Passenger Vehicles:

<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=03&Chapter=009&Section=00217>

At least 50 percent of the vehicles purchased annually by the commissioner shall be low emission passenger vehicles. (Added 1975, No. 118, § 62, eff. April 30, 1975; amended 1983, No. 158 (Adj. Sess.), eff. April 13, 1984; 1989, No. 210 (Adj. Sess.), § 42; 1995, No. 148 (Adj. Sess.), § 4(c)(2), eff. May 6, 1996; 2003, No. 121 (Adj. Sess.), § 44, eff. June 8, 2004.)

Title 3, Section 2222(a)(2) - Authority of the Secretary of Administration to issue policy:

<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=03&Chapter=045&Section=02222>

With the approval of the Governor, issue general policy statements and general rules and regulations applicable to the executive branch of the state government to implement executive orders or legislative mandate.

Title 23, Section 1110 [effective May 5, 2014] Prohibited idling of motor vehicles

<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=23&Chapter=013&Section=01110>

Title 29, Chapter 49, Section 903(a) - Purchasing authority:

<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=29&Chapter=049&Section=00903>

When any governmental agency is in need of any of the items mentioned in this chapter, the responsible officer thereof shall requisition therefor upon the Commissioner of Buildings and General Services, and the Commissioner of Buildings and General Services shall purchase the items by either advertising for bids or by letters of inquiry and the contract for those items shall be awarded to the person whose bid or quotation is in the best interest of the State. Subject to the provisions of subsections (b) and (c) of this section, the Commissioner of Buildings and General Services may reject any or all bids or quotations and with the approval of the Secretary of Administration procure items in such manner as may be in the best interest of the State

Executive Order #10-40 (issued as #15-12) -- Climate Cabinet and State Agency Climate Action Plan:

E.O. #10-40:

<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=03APPENDIX&Chapter=010&Section=00040>

E.O. #15-12: http://governor.vermont.gov/sites/governor/files/executive_orders/EO%2015-12%20Climate%20Cabinet%20and%20State%20Agency%20Climate%20Action%20Plan.pdf

SECTION 3 -- POLICY:

The policy governing the provision and use of state-owned motor vehicles is that official travel be performed safely and at the lowest cost to the state, with consideration given to low emission purchasing requirements.

State-owned vehicles are for **official business use only** and shall not be operated for personal use or commuting, unless the commuting is authorized in accordance with this Bulletin (see "Commuting Use of Vehicles" in Section 6 and Appendix A). Only State employees and State officials are authorized to operate State owned vehicles. Any passengers are to be on official State business.

Official travel by vehicle is to be accomplished in the **most cost effective method**, primarily through the use of State-owned vehicles, including Fleet Management Services lease and motor pool rental vehicles, whenever available.

Employees must consider options and costs before any State travel. A **trip calculator** provides guidance to evaluate options and the most effective method of travel. The trip calculator is located at:

http://bgs.vermont.gov/business_services/fleet/forms

Fuel cards assigned to State-owned vehicles and equipment shall be used in compliance with the State Fuel Card Policy. When a fuel card is assigned to a state-owned vehicle, it must be used to fuel that vehicle and only that vehicle. The Fuel Card policy is available at:

<http://bgs.vermont.gov/purchasing/forms>

Any State-owned vehicles that are granted **exemption from the Fleet Management Services program** by the Commissioner of the Department of Buildings and General Services must comply with this policy.

Departments permitted by statute to operate a State fleet or by an **exemption from the Fleet Management Services program** issued by the Commissioner of the Department of Buildings and General

Services, shall develop and maintain policies and procedures for the operation of State vehicles to include proper care and maintenance guidelines. Each policy shall also prohibit negligent operation and shall include a notice to operators of vehicles that violations of the procedures could result in disciplinary action.

SECTION 4 -- PROCUREMENT, RETENTION/REPLACEMENT, DISPOSAL, TITLE, REGISTRATION:

SECTION 4-A -- PROCUREMENT

Only the Commissioner of the Department of Buildings and General Services and those State departments or agencies, specifically authorized, may purchase State vehicles.

The State must purchase vehicles with the highest available fuel efficiency that is competitively priced in each respective vehicle class (e.g., passenger cars, light duty trucks, etc.) and that meet the performance specifications of the vehicle's intended use. Justification for vehicle selection must be retained by the purchasing department and/or agency. These performance standards should include consideration of vehicles that not only meet high fuel economy standards but also provide lower total emissions of greenhouse gases, criteria pollutants, and hazardous air contaminants.

Leasing of vehicles must be requested through the Department of Buildings and General Services for approval by the Secretary of Administration and will be subject to the same guidelines as for purchased vehicles.

All departments and agencies owning vehicles are responsible for recording their purchase in the State's asset management module system (VISION).

All new vehicles will be delivered to the Department of Buildings and General Services, Fleet Management Services and recorded in the fleet management database prior to pick-up by a State agency or department. This includes Fish and Wildlife vehicles and special design vehicles.

Exception: The Department of Public Safety and the Agency of Transportation will be responsible for receiving and recording their State-owned vehicles.

SECTION 4-B -- VEHICLE RETENTION AND REPLACEMENT

Retention of Motor Vehicles: The need for departmental vehicles will be subject to continuing review. Departments are expected to continually analyze vehicle usage vs. program requirements to justify retention of vehicles.

Replacement of Motor Vehicles: Replacement of state vehicles will be based primarily on the age, mileage, and general condition of the vehicle.

SECTION 4-C -- DISPOSAL OF STATE VEHICLES

The Department of Buildings and General Services shall be the sole agent for disposal of all state-owned vehicles in accordance with Title 3, Chapter 9, Section 217(b).

SECTION 4-D -- TITLE, REGISTRATION, AND IDENTIFICATION

Title -A: All state vehicles will be titled to the owning department with the first lien holder being the Department of Buildings and General Services. The titles will be retained by the Department of Buildings and General Services.

Title -B: The Department of Buildings and General Services does not retain the title and is not the first lien holder for vehicles owned by the Department of Public Safety or the Agency of Transportation.

Registration: All state vehicles will be registered through the Department of Motor Vehicles (DMV), and will have a State license plate, including vehicles loaned for driver education purposes. Registrations will be renewed every five years. DMV has granted the Department of Public Safety (DPS) an exception, whereby DPS may register DPS vehicles, excluding DPS undercover vehicles.

License Plates: State-owned vehicles are identified by their license plates.

All requests for standard vanity or undercover license plates require written approval from the Secretary of Administration through the Department of Buildings and General Services, with the exception of the Department of Public Safety.

License plates will not be shifted between vehicles unless the registration is transferred concurrently through the DMV process.

SECTION 5 -- OPERATION OF VEHICLES

Compliance with Laws: Operators will observe all federal and state laws at all times while operating a state vehicle. Penalties for any motor vehicle violation, while driving a State or personal vehicle, are the responsibility of the employee.

Handheld Electronic Devices: Beginning October 1, 2014, the use of a handheld electronic device – including a cell phone – is prohibited while driving on all Vermont highways.

Regardless of the type of vehicle being driven, the safest option is not to use an electronic device while driving. However, if employees will be using electronic devices, and in order to remain focused on the roadway while driving, it is important that drivers pair their phone and become familiar with operating the hands-free device before driving.

For more information regarding hands free compliance with the new law, please visit: <http://highwaysafety.vermont.gov/sites/vhsa/files/hands%20free%20device%20guide.pdf>

Smoking and picking up hitchhikers is strictly prohibited in all state-owned vehicles. Furthermore, **the transportation of alcoholic beverages is prohibited** except in the case of Department of Liquor Control employees and members of the State Police while conducting State business.

Seat Belts - All passengers will wear seat belts at all times when the vehicle is in operation.

Prohibited idling of motor vehicles – Any operator of a State-owned vehicle is required to comply with the State law on idling (see **23 V.S.A, Section 1110**).

SECTION 6 -- COMMUTING USE OF VEHICLES

Section 6-A -- IRS Regulation for Commuting Use

Employees' use of an employer-provided vehicle for commuting is considered "personal use" and is therefore a taxable fringe benefit income. Federal law requires employers, including the State of Vermont, to report all fringe benefit income to the IRS and the employee.

Employer-provided vehicles include state-owned or leased vehicles or those provided to state employees by a contractor in connection with a state contract. The IRS provides exemptions for use of employer-provided vehicles it defines as "qualified non-personal use vehicles." Two specific exemptions include:

- A) Law enforcement and fire vehicles; and
- B) Vehicles unsuited for personal use. (Pick-up trucks and vans are NOT exempt).

To calculate the value of the use of the employer-provided vehicle, the State of Vermont will determine the amount to be reported based on the then-current IRS publication.

Section 6-B -- Taxable Fringe Benefit Policy

Commuting use of state-owned vehicles will be reported as a taxable fringe benefit income through an employee's payroll and is subject to federal FICA taxes (Social Security taxes and Medicare taxes). The taxable income and FICA taxes deducted will be reported on the employee's annual Form W-2.

The detail Policy and Procedures specific to Taxable Fringe Benefits for Personal Use of State vehicles is included in this Bulletin as **Appendix A**.

Section 6-C -- Employee Commuting with State Owned Vehicles

State employees may take home a state-owned vehicle fewer than 12 times per year, with the prior approval of their appointing authority.

However, taking a state vehicle home in excess of 12 times per year requires the written approval of the employee's appointing authority and the Secretary of Administration. Requests must be submitted on the "**Employee Request to Take State Vehicle Home**" form, available at: http://bgs.vermont.gov/business_services/fleet/forms.

SECTION 7 -- FLEET MANAGEMENT OPERATIONS

Under the authority granted to the Commissioner of the Department of Buildings and General Services, the Fleet Management Services program will be responsible for the assignment, operation, insurance, disposal, and replacement of all State passenger vehicles and light duty trucks. Fleet vehicles include assigned/leased vehicles and motor pool rental vehicles. Exceptions may be granted by Commissioner of the Department of Buildings and General Services on a case-by-case basis.

Fleet Management – Assigned Vehicles

Assigned vehicles are defined as vehicles assigned/leased to a department for their full-time use within the parameters of the Fleet Management policies and procedures. Information concerning the Fleet Management assignment/lease program may be found at:

http://bgs.vermont.gov/business_services/fleet/assignedvehicles

Fleet Management - Motor Pool Vehicles

Motor Pool vehicles are defined as vehicles that are rented on a daily basis, for use by State employees while conducting official State business. The policies, procedures, billing rates, rental locations, reservations, etc. for motor pool rentals may be found on the BGS Fleet Management website at: http://bgs.vermont.gov/business_services/fleet/motorpool

GO! Vermont Program: As with all state-owned vehicles, motor pool vehicles are for **official business use only** and shall not be operated for personal use or commuting. However, an exception is made for employees who are registered participants of “GO! Vermont” and experience an unexpected change of plans on a ride share day. “GO! Vermont” is a free resource program sponsored by the State of Vermont, Agency of Transportation. For purposes of this Bulletin, a registered participant of “GO! Vermont” is defined as a state employee registered with ConnectingCommuters.org [<http://www.connectingcommuters.org/>], and who shares a ride two days per week or more and who is eligible for the Guaranteed Ride Home benefit. In a case of unexpected plan change, a motor pool vehicle will be provided to the employee, if available, for the employee’s use in getting home, in accordance with “GO! Vermont” policies and procedures.

The **Agency of Transportation, in accordance with 19 V.S.A. §13(b)**, will be responsible for highway maintenance vehicles.

The **Departments of Fish and Wildlife and Public Safety, in accordance with 3 VSA, Section 217(a)**, will be responsible for vehicles used by sworn law enforcement officers within their respective departments.

SECTION 8 -- INVENTORY & TRACKING OF THE STATE’S FLEET

The Department of Buildings and General Services, Division of Fleet Management Services, in coordination with the Agency of Transportation and Department of Public Safety, will maintain the official inventory of all state owned vehicles.

SECTION 8-A -- REPORTING AND RECORD KEEPING

In addition to the required annual physical inventory, as part of the State’s fiscal close out, any department/agency that owns and operates vehicles will maintain records and report annually – by September 1 of each year – to the Department of Buildings and General Services Fleet Management Services program. Those records/reports will include, at a minimum: the year, make, model, acquisition cost, in-service date, registration information, assignment and location of the vehicle,

and annual operating/ maintenance costs. The record shall include annual miles driven and gallons of fuel used, for each vehicle in the State fleet, to enable the State to calculate energy usage/savings.

Twice annually (in June and December), each department/agency that owns and operates vehicles, must supply a current list, to the Secretary of Administration, through FMS, of all employees approved to take a State vehicle home for more than 12 days a year. After review, FMS will forward a copy of the approved list to the VTHR Payroll Division for verification of the employees' taxable benefit status.

SECTION 9 -- INSURANCE COVERAGE: ACCIDENT, THEFT AND/OR VANDALISM REPORTING

An insurance identification card naming the current carrier will be kept in each state vehicle.

Section 9-A -- Vehicle Accident

In the event of a motor vehicle accident involving damage ONLY to the state vehicle, the operator shall immediately report the accident to the owning department and to their supervisor (in the case of state police officers, to the shift commander).

If the damage to the vehicle exceeds \$500, **OR** if there is bodily injury to any person, **OR** if there is damage to any property other than the state vehicle, the operator shall also report the accident to the nearest law enforcement officer and the vehicle should not be moved from the spot of the accident until authority is granted by the investigating officer. The operator shall also complete the Office of Risk Management Automobile Accident or Loss Notice form and submit it through appropriate departmental channels to the Office of Risk Management – link to Risk Management: <http://aoa.vermont.gov/risk>

If a motor vehicle accident results in death, serious bodily injury, or serious property damage the accident should be reported immediately by phone to the Office of Risk Management in addition to the notifications and reports required above.

The Department of Motor Vehicles Report of a Motor Vehicle Accident form shall be completed and submitted to DMV whenever required by law.

If an employee is involved in an accident while operating a State vehicle for other than official or authorized use, the use of the vehicle may constitute grounds for disciplinary action. The employee may also be sued by the state or its insurance carrier to recoup all costs incurred by the state and its carrier as a result of the accident.

Section 9-B -- Incidents of Theft and/or Vandalism

State-owned property should be securely stored and the vehicle should be locked at all times when parked.

Employees should not leave personal property in state vehicles. The State is not insured for loss or damage to personal property left in state vehicles. Exceptions may be made by the Manager of Risk Management when it is in the best interest of the State.

If an incident of theft and/or vandalism occurs to a state owned vehicle, or property is stolen from a state-owned vehicle, report the damage/theft to the owning department.

APPENDIX A – PERSONAL USE OF STATE VEHICLES

[See following pages 1-8 of Appendix A]