



WHITE PAPER

Fleet policy

Executive summary

The fleet policy sets the tone for managing your company's fleet. An effective policy is comprehensive, easy to understand and enforceable. Many companies seek the help of a fleet management company to write a policy as well as monitor driver compliance, so that non-compliant behavior can be altered for the safe and responsible management of their fleets. Compliant drivers are vital to keeping fleet costs down and productivity up. If you already have a fleet policy in place, take the time to assess whether it is in fact creating a culture of drivers that comply with your company's policies.

A fleet policy should:

- Use clear, concise language with minimal industry jargon
- Include all information drivers need to properly operate their fleet vehicles
- Clearly state ramifications for non-compliance with the policy
- Limit company liability while ensuring the safety of drivers and passengers
- Be communicated effectively to employees

Components of a fleet policy

Employees need to be fully informed of your fleet program in order to be compliant. Your policy should cover all topics relevant to your fleet, including eligibility of drivers, vehicle selection and replacement, details about vehicle support services, instructions for day-to-day vehicle operation, and risk management procedures.

Driver eligibility

A fleet policy needs to define who is eligible for a company-provided vehicle and the criteria that are used to determine the eligibility. The type of vehicle for each level of eligibility may also be specified. You can use the following criteria to determine the appropriate vehicle for a specific job function:

- What is the average mileage driven for this job function?
- Is equipment carried in the vehicle? If so, what is the average weight?
- Is the vehicle part of a compensation package or a tool for the job?

Vehicle ordering and driver-paid options

Your fleet policy can include a brief explanation of the vehicle acquisition process, as drivers will receive more detailed instructions when it is time to order a new vehicle. If your company allows drivers to pay for an upgraded model or add features to the vehicle during the acquisition process, the policy should reflect this. Be sure to state whether drivers receive any return for the increased value of the vehicle at the time of resale.

Personal use

Companies should clearly state whether drivers are allowed to use their fleet vehicles for personal use. If allowed, detail any limitations on personal use and if drivers will be charged for personal use miles. Include the process for reporting miles and reconciliation of personal use transactions.

Some fleet policies allow other family members to use the company-provided vehicle. If this is the case, you may want to include the following stipulations:

- Obtain a motor vehicle record (MVR) check on the driver(s) before the vehicle can be driven by anyone else other than the employee.
- Specify that only in the case of an emergency is the vehicle allowed to be driven by a family member.
- Define who from the employee's family can drive the vehicle. Is it limited to the spouse or domestic partner? Does it include the employee's children? If so, is there an age limit?

Vehicle support services

Provide details on all available fleet services, so drivers know your expectations for day-to-day operation of their fleet vehicle, including:

- **Maintenance** – When and what maintenance services should be performed? As preventive maintenance and services vary by vehicle type, consider supplementary information to help drivers be in compliance with policy.
- **Fuel** – What type of fuel is allowed?
- **Extras** – Are car washes allowed? If so, how often?
- **Registration** – Who is responsible for completing this process?
- **Violations** – What are the consequences for violations such as parking tickets, moving violations or DUIs? Are there limits on multiple offenders?
- **Collisions** – What should drivers do in the event of a collision? Who is responsible? Be sure to distinguish between accidents when the driver is and is not at fault.

Contact information

In case of an emergency or for roadside assistance, as well as for general questions about the vehicle and any other fleet issues, the policy will need to provide instructions on who the driver should contact.

Vehicle replacement

Guidelines may be set for replacement of a vehicle. Drivers will need to know when to turn in their vehicles and how to order a new one. However, it is important to have some flexibility in this area to allow for fluctuations in the used car market. In some cases, it can be worth holding on to a vehicle past the stated mileage or months to increase its resale value.

Risk management

Your company's insurance policy and liability guidelines will help you formulate the safety and insurance portions of the fleet policy. Here are the basics:

- **Acknowledgement** – Have your drivers acknowledge that they have read the policy by signing the document. The acknowledgement should state that they have received the policy and understand their responsibilities as a fleet driver.
- **Record checks** – Run a motor vehicle record (MVR) check on all eligible drivers. The acknowledgement document should include a statement in which the driver gives the company permission to do an MVR check.
- **Personal belongings** – Inform drivers whether your company's insurance policy covers personal items if stolen from the company vehicle.
- **Crossing the border** – Can drivers take their vehicle into another country? Consult your corporate insurance policy for the answer to this question.
- **Use of electronics** – Clearly state guidelines for use of mobile devices like cell phones while in the company vehicle. Be sure that your risk and legal departments review this section of the fleet policy.

Compliance

Now that you have reviewed the components to include in your fleet policy, it is important to address how it will be monitored and how you will measure drivers' compliance with the policy. Tracking compliance is vital to managing fleet costs, enforcing the policies and getting the best resale value on used fleet vehicles. Your policy needs to define compliance with quantifiable measures. For instance, your fleet policy may state that drivers should get an oil change every 5,000 miles. Are you measuring whether or not your fleet's maintenance schedules are being followed? If a driver is overdue for an oil change, how do you let the driver know?

Wheels uses Driver Communications, an automated push-email tool, to notify drivers when their behavior does not follow policy, such as if they are overdue for preventive maintenance, using premium fuel or buying more fuel than needed for the miles driven. FleetView™, Wheels online fleet management tool, identifies and tracks non-compliant drivers and then communicates the desired behavior to them via the push-email tool. This automated system helps companies reduce the administration of enforcing fleet policy, lower their fleet costs and increase driver productivity.

Your fleet policy may clearly articulate who will handle infractions (e.g. the fleet manager, the driver's manager or human resources) and how they will be addressed. Having the facts at your fingertips is critical. If you have a tracking system in place that monitors how often a fleet vehicle receives preventive services, such as oil changes, you can be proactive in stopping non-compliant behavior before it becomes a problem or a liability.

Communications plan

Once you've developed your fleet policy, you will need a formal communications plan to introduce it to employees. Consider the following:

- Who are the stakeholders in the process that need to approve the policy before it is implemented?
- Who needs to be informed about the fleet policy? (e.g. drivers, executives, human resources, risk management, legal)
- What media will you use to communicate the details of the policy? (email, print copies, intranet, etc.)
- Who will employees contact when they have questions about the policy?
- Who administers the acknowledgement of the policy with employees?
- How will ongoing communications be handled? (e.g. changes to policy and measuring compliance)

Conclusion

Writing a fleet policy is no small task. Making sure the policy is easy to understand, covers all relevant topics, monitors compliance, and is enforceable is an involved process. While many companies may be able to write a fleet policy on their own, monitoring compliance may be cost-prohibitive. Fleet management companies like Wheels have the specialized resources and information systems in place to help companies monitor compliance and communicate with drivers on a regular basis. A strong fleet policy provides you with a solid foundation for managing your fleet effectively.

To learn more about developing a fleet policy for your organization, please contact a member of your Wheels Account Team or e-mail us at info@wheels.com.