
BEST-IN-CLASS FLEET POLICY

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(For information purposes only)

As a fleet manager, your aim is to run your fleet operation as economically and efficiently as possible. In many cases the reason a fleet operation is inefficient is the absence of a fleet policy which defines the company's and the driver's vehicle responsibilities.

The key to operating a successful fleet is to develop a best-in-class fleet policy to enable the fleet manager to run and maintain safe and productive fleet operations.

Eqstra Consulting looks at this issue and offers the following suggestions:

The purpose of a fleet policy is to set guiding principles ensuring that there is an understanding of the policies and procedures set by the company on the use of company vehicles and services.

A fleet policy gives all drivers one source of information related to their use of a company vehicle and as such should be clear and comprehensive.

Scope

The policy should clearly state the guidelines as well as who qualifies for a company vehicle and the employee's position regarding benchmark grading, i.e.

- a. *This policy applies to all company employees, management, contractors, student interns, volunteers, sponsorship vehicles and any individual delegated with the authority to make use of a company provided vehicle or services.*
- b. *This policy acts as reference guide for repercussions for the abuse or misuse of company vehicles and services.*
- c. *Eligibility of a company vehicle or service will be determined by operational requirements and the employee's position in the company, in accordance with the Company Vehicle Benchmark Grading or services as determined by the company*

A comprehensive fleet policy clearly defines the details of:

- Fiscal management and budget
- Vehicle/equipment assignment
- Out-of-jurisdiction and personal use
- Driver training and behaviour
- Accident and risk management procedures



- Fuel management
- Data management
- Preventive maintenance and repair procedures
- Utilization
- Vehicle/equipment specification, procurement, and replacement
- Vehicle/equipment disposal
- Vehicle registration, identification, and marking
- Vehicle idling.

Include procedures relating to the following:

Driver Responsibilities

Clearly summarize your driver's responsibilities i.e.

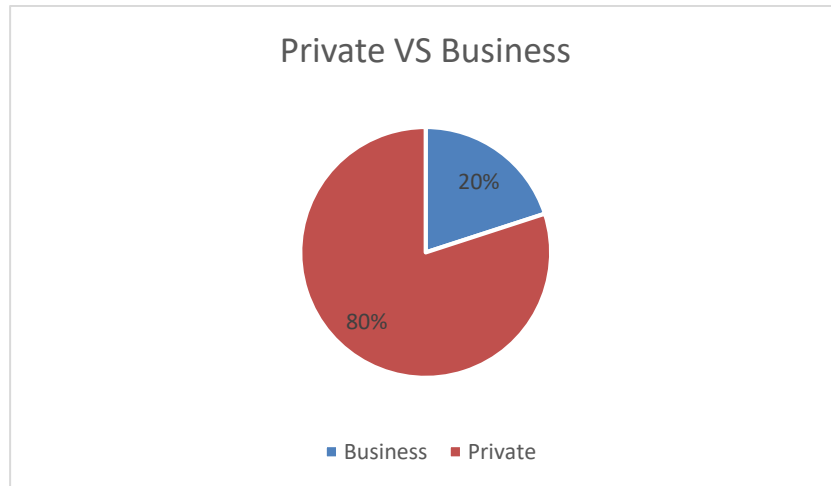
- All drivers must adhere to the rule and regulations provided by the company
- All drivers with allocated company vehicles must have a valid driver's licence and it must be aligned to the code of the vehicle driven
- Drivers without a driver's licence are not allowed to drive company vehicles
- Drivers are to ensure that a valid licence disk is always displayed
- Only the employee with an allocated vehicle should drive the vehicle. No third-party drivers are allowed.

Vehicle Care

- The vehicle will be covered for maintenance, tyres and repairs; fuel, oil and tolls; annual vehicle license renewals; vehicle insurance; tracking; roadside and accident assistance
- It is the driver's responsibility to ensure the vehicle is timeously serviced or repaired when required.

Company Vehicle Tax

- All drivers making use of company vehicles to/from work and home are subject to the payment of fringe benefit tax as legislated by the South African Revenue Service.



Vehicle Life Cycle Process

Clearly outline the company's acceptable life cycle in kilometres and age of the vehicle i.e.

"Fleet vehicles will be replaced at approximately 120,000 kilometres or after 36 months in service."

Outline Expectations for use of the Company Vehicles

Define the expectations for vehicle use by your drivers and define the consequences in the event that the policy is not followed. i.e.

"Failure to comply with the policy driver may face disciplinary hearing"

Restrictions

State vehicle restrictions such as:

- Transportation of flammable liquids
- Limited idling
- Transportation of hitchhikers
- Window tinting
- Banners and decorations
- Mounting any permanent devices. i.e. ignition interlock devices
- Towing



Driver Neglect

State what is considered neglect of the vehicle and what actions will be taken if a driver fails to maintain his or her vehicle. Include the following:

- Failure to keep the vehicle clean, inside and out
- Failure to complete required preventive maintenance
- Failure to comply with manufacturing recall requirements
- Failure to report an accident or incident
- Failure to repair the vehicle in a timely manner
- Failure to properly secure the company vehicle

Stipulate safety procedures and expectations

Protect drivers by creating a central source of information regarding the safe use of the company vehicle and procedures relating to:

- Drug and alcohol testing
- How to manage license suspensions
- Processes for reporting and managing accidents
- Insurance coverage
- How any telematics solutions work to evaluate the safety of drivers.

CONCLUSION

Professional fleet managers are responsible for carefully defining fleet policies and procedures to all employees including executive management. To be effective, fleet policies must be routinely updated and communicated. Implementing a fleet policy can be a challenge, requiring the support of employees, supervisors, senior management, human resources, and unions if applicable. Fleet policies and procedures should in fact be written with safety as the motivator, allowing end-users to become part of the process, since safety is everyone's job.

We suggest you follow these steps when drafting your fleet policy :

1. **Prepare and research.** Contact peers with similar organizations. Research the Web for relevant resources.
2. **Obtain staff support.** Bring together representatives from all relevant parties — drivers, technicians, supervisors, department managers, and union officials — for input on a rough draft of proposed policies and procedures.
3. **Write the policy document.** Use concise, easily understood language to explain procedures in detail, including operator eligibility, reporting procedures, driver training, vehicle collisions, personal use, seatbelt and cell phone usage, fuel management, maintenance and repairs, vehicle replacement, specification, purchase and disposal. Include consequences for non-compliance.
4. **Arrange a legal review.** An attorney representing the company should review the policy to ensure the document raises no legal issues.



5. **Review completed document.** Enlist a colleague's help to proof read and review the finished document before submitting to senior management.
6. **Distribute copies and implement.** Provide a printed policy book and/or post policies and procedures on your organization's Intranet site. Require drivers' sign-off, signifying they have read the document.
7. **Provide policy training.** Training should be provided to employees, supervisors, senior management, and human resources. Fleet policy training should be part of the orientation process for new employees and the fleet policy should be presented to current employees as refresher training on an annual basis, especially if changes or updates have been made.

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