

Tasmanian Government Fleet Management

Fleet Management Handbook

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Tasmanian Government Fleet Management : Fleet Management Handbook

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Contact: Lisa Curtis, Principal Contracts Officer
Department of Treasury and Finance
Procurement and Property Branch
GPO Box 147
Hobart Tasmania 7001 Australia
Telephone: (03) 6166 4227
Email: Lisa.Curtis@treasury.tas.gov.au
Website: <http://www.contracts.tas.gov.au>

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Contents

- 1. Background 1**
- 2. Purchasing and Leasing of Vehicles 1**
 - 2.1 Purchase 1
 - 2.2 Leasing..... 2
 - 2.3 Buses 2
- 3. Policy and Guidelines for the allocation and use of Vehicles within State Service..... 2**
- 4. Contract Management 2**
 - 4.1 Fleet Manager’s General Duties and Undertakings 2
 - 4.2 Contract Manager’s Undertakings 2
 - 4.3 Agency’s Undertakings 3
- 5. Management and Administration of the Fleet..... 3**
 - 5.1 Monthly Invoicing..... 3
 - 5.2 Payment of Accounts 3
 - 5.3 Fuel Management..... 3
 - 5.4 Vehicle Servicing and Maintenance..... 3
 - 5.5 Registration..... 4
 - 5.6 Insurance 4
 - 5.6.1 Insurance Claims..... 4
 - 5.7 Accident Procedures..... 5
 - 5.7.1 Minor Accidents 5
 - 5.7.2 Major Accidents 5
- 6. Vehicle Acquisition 6**
 - 6.1 Vehicle Ordering 6
 - 6.1.1 Online Ordering..... 6
 - 6.2 Vehicle Delivery 7
- 7. Disposal of Vehicles 7**
 - 7.1 Return of Vehicles 7
 - 7.2 Inter Agency Vehicle Transfers 7
- 8. Reporting 8**
 - 8.1 General Reports 8
 - 8.2 Fringe Benefit Tax Reports 8

- 9. Advisory Services.....8**
- 10. Miscellaneous9**
 - 10.1 Forms9
 - 10.2 Fleet Manager Stickers9
 - 10.3 Traffic Infringements9

Any queries relating to this handbook should be directed to the Procurement and Property Branch, Department of Treasury and Finance:

Lisa Curtis
 Principal Contracts Officer
 Ph (03) 6166 4227

Lisa Kavanagh
 Principal Contracts Officer
 Ph (03) 6166 4230



1. Background

The Department of Treasury and Finance, through the Procurement and Property Branch, is responsible for the management of the Government's light vehicle fleet. Day to day management of the fleet is outsourced to an external fleet manager.

The current provider of Fleet Management services to the Tasmanian Government is LeasePlan Australia Limited. The contract commenced on 1 May 2010 for a three year period with an option to extend for two additional three year periods subject to satisfactory performance.

In appointing a professional Fleet Manager the government is looking to achieve the following:

- reduction in cost of repairs and maintenance;
- reduction in costs of overheads and administration;
- fleet rationalisation to achieve better utilisation and improved fleet selection;
- timely changeover of vehicles;
- management of other related functions;
- provision of timely and accurate information that will, in turn, increase Agencies' productivity; and
- negotiation of favourable terms for vehicle maintenance and disposal.

In addition to this Handbook (available at [Tasmanian Common Use Contracts - Fleet Management Agreement](#)) a mandated minimum set of safety standards have been developed to assist agencies in selecting motor vehicles. These standards have been developed by the Department of State Growth and are available at [Government Vehicle Fleet - Minimum Safety Standards](#). These policies may assist agencies with developing their own internal guidelines.

Agencies are responsible for ensuring that vehicles chosen are fit for purpose and meet their own occupational health and safety guidelines.

2. Purchasing and Leasing of Vehicles

2.1 Purchase

A Common Use Contract for the purchase of passenger and light commercial vehicles (V672 Contract) has been established by the Department of Treasury and Finance under which all government fleet vehicles are purchased.

In addition to passenger and light commercial vehicles, this contract also allows for large buses (21 to 25 seater), light trucks and ambulance vehicles to be purchased at government pricing, thus negating the requirement for agencies to go to tender.

It should be noted that vehicles clearly outside the scope of the V672 contract (eg: heavy duty vehicles such as trucks and motorcycles etc) must be purchased in accordance with the relevant Treasurer's Instructions.

Should an Agency representative wish to purchase a non contract vehicle or a model variant, they must first contact the Contract Manager who will advise the representative on the appropriate course of action.

Queries regarding the content of the website can be directed to the Contract Management Unit of Treasury on (03) 6166 4217.

2.2 Leasing

As a general rule, all passenger and light commercial vehicles utilised by agencies must be leased from Treasury through the Fleet Manager. However, should an agency have a unique set of circumstances necessitating the requirement to purchase a vehicle, it should contact Treasury for advice in relation to this matter.

2.3 Buses

Agencies have the option of either leasing or purchasing large buses and the decision is entirely at the agency's discretion. However, it should be noted that Treasury considers leasing of large buses to be a far more prudent option, particularly from an occupational health and safety and fleet management perspective.

Leasing will allow the buses to be put on specific replacement programs therefore potentially limiting the likelihood of maintenance issues arising as a result of buses being held for an excessive amount of time. In addition, fleet-managed buses are serviced on a regular basis and are changed over in a timely manner, therefore maximising vehicle safety.

3. Policy and Guidelines for the allocation and use of Vehicles within State Service

The Department of Premier and Cabinet has primary responsibility for administrative policy on the allocation and use of government motor vehicles. This policy can be viewed by clicking on the following link - [Department of Premier and Cabinet - Allocation and use of vehicles within the State Service](#)

4. Contract Management

The Fleet Management Contract between the Government and the Fleet Manager is a strategic whole-of-Government contract that applies to all vehicles leased to agencies or other authorised users in the Government's vehicle fleet.

Management of the Fleet Management Contract is undertaken by the Procurement and Property Branch of Treasury (the Contract Manager).

The purpose of this Handbook is to provide a high level overview in relation to the services provided under the Fleet Management Contract and to identify the responsibilities of agencies and vehicle users.

4.1 Fleet Manager's General Duties and Undertakings

The Fleet Manager must manage and monitor all vehicles constituting the vehicle fleet in accordance with the contract and with all due diligence, speed and care and all its experience and expertise as a fleet manager.

4.2 Contract Manager's Undertakings

The Contract Manager agrees to give reasonable cooperation and assistance to the Fleet Manager to enable the Fleet Manager to properly and effectively carry out all duties and obligations in connection with the provision of the services and other functions specified in the Contract, including implementing suitable practices and procedures where recommended by the Fleet Manager and agreed by the Contract Manager.

4.3 Agency's Undertakings

The Agency fleet manager will advise the Contract Manager whenever he or she identifies:

- any initiatives that their Agency has undertaken which may be beneficial to other agencies; and
- any less than satisfactory performance by the Fleet Manager.

5. Management and Administration of the Fleet

5.1 Monthly Invoicing

The Fleet Manager will issue to agencies on the 20th of each month a consolidated monthly invoice for fleet management fees, lease costs, fuel, servicing and other costs associated with the operation of vehicles leased by the agency. The invoice will provide a breakdown of costs for each of the agency's nominated cost centres.

Agency Responsibilities:

- ensure that cost centre changes are made as soon as practicable to ensure the provision of accurate invoices. Please note that cost centre changes can be made by an Agency Fleet Manager utilising the online system. Please contact the Fleet Manager to obtain further information and direction.

5.2 Payment of Accounts

Invoices are payable by Electronic Funds Transfer by the 20th of the following month – ie approximately a 30 calendar day payment term. Failure to pay by the required date may incur interest, in accordance with the Treasurer's Instructions.

Agency Responsibilities:

- ensure that invoices are paid within payment terms.

5.3 Fuel Management

The Fleet Manager will be responsible for issuing and administering fuel card arrangements (including the payment of invoices) for the Vehicle Fleet, using the existing common use contract for Petroleum Products (Contract No P450).

The Fleet Manager will arrange for the issue of all fuel cards for each new vehicle prior to its delivery. Where no current contract supplier is available, an alternative fuel card must be provided.

Agency Responsibilities:

- immediately advise the Fleet Manager of lost, stolen or damaged fuel cards.

5.4 Vehicle Servicing and Maintenance

The Fleet Manager will manage the servicing, repair and maintenance of the Vehicle Fleet in accordance with the manufacturer's specifications and warranty requirements.

Agencies are reminded that failure to complete scheduled servicing on time can not only void the vehicle warranty, it may create a serious occupational health and safety risk, not only for the driver and any passengers, but also for members of the public. There could be

serious implications for an agency if it was ascertained that the failure to undertake regular maintenance was a contributing factor to a serious accident.

It is extremely important that the Agency ensures that maintenance is undertaken in accordance with the manufacturer's specifications and warranty requirements. Failure to do so may lead to the agency paying for additional "do and charge" maintenance before the vehicle is sold.

The importance of maintaining vehicles cannot be understated. Vehicles, where the overdue servicing exceeds 60 days, may be subject to an RACT inspection at the agency's cost and temporary removal whilst repairs and overdue maintenance/servicing is undertaken. The RACT will also be authorised to undertake random audits of Fleet vehicles for roadworthiness, and where vehicles are identified as being unroadworthy, the above will also apply.

Agency Responsibilities:

- ensure that vehicles are kept clean and tidy;
- ensure vehicles are serviced regularly according to manufacturer's specifications and service manuals are endorsed by the service provider;
- only use approved service centres for repairs and servicing;
- maintain logbooks; and
- ensure odometer readings are provided to the Service Station attendant when refuelling.

5.5 Registration

The Fleet Manager will ensure that all necessary registrations are obtained and kept in full force and effect.

Agency Responsibilities:

- ensure all permits are current and maintained by the Agency.

5.6 Insurance

Insurance cover is provided through the Tasmanian Risk Management Fund for all Government vehicles, both leased and agency owned. An excess applies for all incidents. The Fund contracts an Administration Agent (currently Jardine Lloyd Thompson Pty Ltd) for claims administration.

5.6.1 Insurance Claims

The Fleet Manager must do all things necessary to make and progress each claim to payment in accordance with the requirements of the Fund.

Agency Responsibilities:

- immediately advise the Fund Administration Agent and then the Fleet Manager of any accident that has occurred;
- **not** make any admission of guilt or responsibility, or make a promise or offer of payment or offer to settle regarding a casualty event or claim. All such issues or requests from third parties should be referred immediately to the Fleet Manager or Fund Administration Agent; and
- must not authorise any repairs unless approved by the Fund Administration Agent.

5.7 Accident Procedures

5.7.1 Minor Accidents

In the event of a minor accident (below the agency excess), the Agency must immediately advise the Fleet Manager. The Fleet Manager will then provide the Agency with authorisation to repair the vehicle via an “approved repairer”. Agencies should not repair a vehicle without the written consent of the Fleet Manager (which may be given via email).

Drivers should not admit liability for any incident.

Agency Responsibilities:

- immediately advise the Fleet Manager of any accident that has occurred; and
- ensure that any repairs to vehicles are undertaken by approved repairers and are authorised by the Fleet Manager.

5.7.2 Major Accidents

In the event of a major accident the driver should call the Fund Administration Agent – Jardine Lloyd Thompson Pty Ltd (on 6220 7420 during business hours and on 0409 178 321 after hours), which will arrange for the towing of the damaged vehicle.

The driver should adhere to the following guidelines:

1. **Do not admit liability.**
2. Ensure that any injured person is immediately attended to and medical attention if necessary is arranged.
3. Call the police and advise them of the accident. If the police do not attend the accident, then the driver must attend the most conveniently located police station within 24 hours to complete a self-reporting accident form.
4. Note all details of people and vehicles involved in the accident, including details of any independent witnesses, on the card provided in the glove box, such as:
 - makes of all vehicles involved;
 - all registration numbers;
 - all drivers’ names and addresses;
 - contact phone numbers (home and work);
 - owner’s names (if different to that of the driver);
 - insurance company names and policy numbers;
 - names and addresses of any witnesses; and
 - note the areas of accident damage to the vehicle.

At the first opportunity, the driver should accurately complete a Motor Vehicle Claim Form available on line at the Tasmanian Risk Management Funds Web site (Motor Vehicle Accident Claim [Form](#)) and forward it immediately to the Fund Administration Agent (address details indicated on the Accident Claim Form).

Agency Responsibilities:

- ensure that the driver **does not admit liability** and the above guidelines are followed; and
- ensure that an accurately completed Accident Claim Form is forward immediately to the Fund Administration Agent (address details indicated on the Accident Claim Form).

6. Vehicle Acquisition

The Fleet Manager will advise agencies six months in advance of when vehicles are due to be replaced. The Fleet Manager will advise on the appropriate lease term taking into account advice and policies on lease terms as advised by the Contract Manager.

6.1 Vehicle Ordering

The Fleet Manager is responsible for advising agencies on lease and vehicle selection and placing orders with the relevant dealer.

6.1.1 Online Ordering

An online ordering system is available for use by all Agency Fleet Managers and other relevant personnel. The online ordering system allows agencies to better manage their ordering processes without the reliance on a paper based system. The online system provides the ability to track orders easily and to review an audit log of approvals.

Agency Fleet Managers are required to adhere to all relevant authorisation processes when ordering vehicles.

Agency Responsibilities:

- ensure all relevant policies are considered, such as the Government's Vehicle Safety Policy and Climate Change Policy, when selecting a vehicle;
- ensure that they consider the purpose and use of the vehicle, whole-of-life costs, resale value, maintenance costs, fuel consumption and supplier lead time when ordering a new vehicle to ensure that the most appropriate vehicle is selected and available;
- must complete an online Vehicle Requisition Form (and have this authorised by a relevant signatory) and submit this order to the Fleet Manager at least three months prior to the scheduled vehicle replacement date, or the date required for the new vehicle;
- must not directly pre-order vehicles from the supplying dealers or request the vehicle to be held. Any queries in respect of ordering vehicles must be referred to the Fleet Manager in the first instance;
- the Authorised Signatory for the Agency must ensure that the Vehicle Requisition Form is in accordance with the Government's policy for the allocation and usage of the fleet vehicles, and that the nominated lease term reflects the actual usage of the vehicle being replaced;
- responsible for advising the Fleet Manager of any amendments to authorised signatories;
- must advise the Fleet Manager of any additional options fitted after purchase; and
- must indicate, at the time of ordering a replacement vehicle, if it wishes to pay out any loss incurred on the sale of the vehicle to be replaced.

6.2 Vehicle Delivery

The Fleet Manager must ensure that the supplying dealer delivers all new vehicles directly to Agencies and that a representative of the dealer collects any terminating vehicle at the same time.

Agency Responsibilities:

- must refer any queries in respect of vehicle delivery to the Fleet Manager in the first instance;
- must carefully inspect the new vehicle in the presence of the representative of the supplying dealer to ensure that the vehicle is free from apparent defects and that all options and accessories are supplied and fitted in accordance with the vehicle requisition;
- if the vehicle is satisfactory, an Acceptance Certificate must be signed and dated by the Agency and provided to the dealer at the time the vehicle is delivered; and
- if the vehicle is unsatisfactory in any way, delivery should not be accepted and the Fleet Manager must be advised immediately.

7. Disposal of Vehicles

7.1 Return of Vehicles

The Fleet Manager must monitor the age of each vehicle and notify the relevant Agency in sufficient time to enable the return of each vehicle at the end of its nominated term. The preferred policy position is 3 years or 60 000 kilometres. Once the appropriate lease term is established, agencies will be required to replace the vehicle at the end of that term regardless of the kilometres travelled. Lease term extensions may be possible in exceptional circumstances, but will not be automatic. Requests for lease extensions will be considered on a case by case basis. (see Annexure A)

7.2 Inter Agency Vehicle Transfers

No vehicle transfers will take place between agencies unless prior approval in writing is provided by the Contract Manager.

If a vehicle transfer is approved the new agency will be responsible for any future profit or loss on that vehicle irrespective of the length of time that vehicle is in service unless otherwise approved by the Contract Manager.

Agency Responsibilities:

- ensure that the vehicle is returned in roadworthy condition;
- ensure that all scheduled servicing has been completed;
- ensure where practicable that any bodywork repairs, apart from fair wear and tear, have been completed. If accident repairs are unable to be completed prior to the return of the vehicle advise the Fleet Manager and complete the relevant insurance forms to allow the repairs to be completed prior to disposal;
- ensure that the surrendered vehicle is returned at the same time that the replacement vehicle is collected unless otherwise approved by the Contract Manager in writing, (which includes via email);
- ensure that any request for a lease extension is made at least two months prior to the expiry of the current lease term;

- ensure that when a vehicle is returned to the supplying dealer the manufacturer's handbook, service manual, owner's manual, spare keys, jack, spare tyre, driver information guide and fuel card are present;
- ensure that all other accessories supplied with the vehicle are returned, unless prior approval for the transfer of accessories is provided by the Contract Manager in writing, (which includes via email); and
- confirm the status of the vehicle being disposed and sign a Vehicle Surrender Report indicating the agency's agreement of the vehicle condition.

8. Reporting

8.1 General Reports

The Fleet Manager must provide agencies and the Contract Manager with appropriate monthly reports, together with any other ad hoc reports on a timely basis.

Agency Responsibilities:

- ensure that the Fleet Manager is advised of any changes relating to vehicles (eg driver, location, cost centres etc) to maintain the accuracy of data for the purposes of meaningful reporting. Please note this is only applicable to those agencies that do not undertake their own cost centre changes.

8.2 Fringe Benefit Tax Reports

At the request of agencies, and for an additional fee per vehicle per month, the Fleet Manager will assist agencies to manage their Fringe Benefit Tax (FBT) obligations through the provision of reports and associated advice.

Agency Responsibilities:

- ensure that odometer readings are maintained and, where necessary, log books kept to ensure reports are accurate and provide accurate information on which FBT decisions can be made.

9. Advisory Services

Where requested by an agency or the Contract Manager, the Fleet Manager must interpret and provide advice on fleet performance.

The Fleet Manager is expected to be proactive in providing advice to Agencies and the Contract Manager on actions and strategies that will improve the efficient and effective utilisation of vehicles and/or reduce the costs to Agencies and the government.

Agency Responsibilities:

- to regularly meet with the Fleet Manager to discuss the day to day running of the fleet and the possibility of obtaining further efficiencies.

10. Miscellaneous

10.1 Forms

The Fleet Manager must make available to agencies the following approved forms:

- Vehicle Requisition Form (On line);
- Acceptance Certificate;
- Vehicle Surrender Report;
- Vehicle Transfer Form; and
- Motor Vehicle Accident Claim Form.

All forms must be approved by the Contract Manager prior to distribution.

Agency Responsibilities:

- ensure that all forms are completed correctly and in a timely manner and forwarded to the relevant contact.

10.2 Fleet Manager Stickers

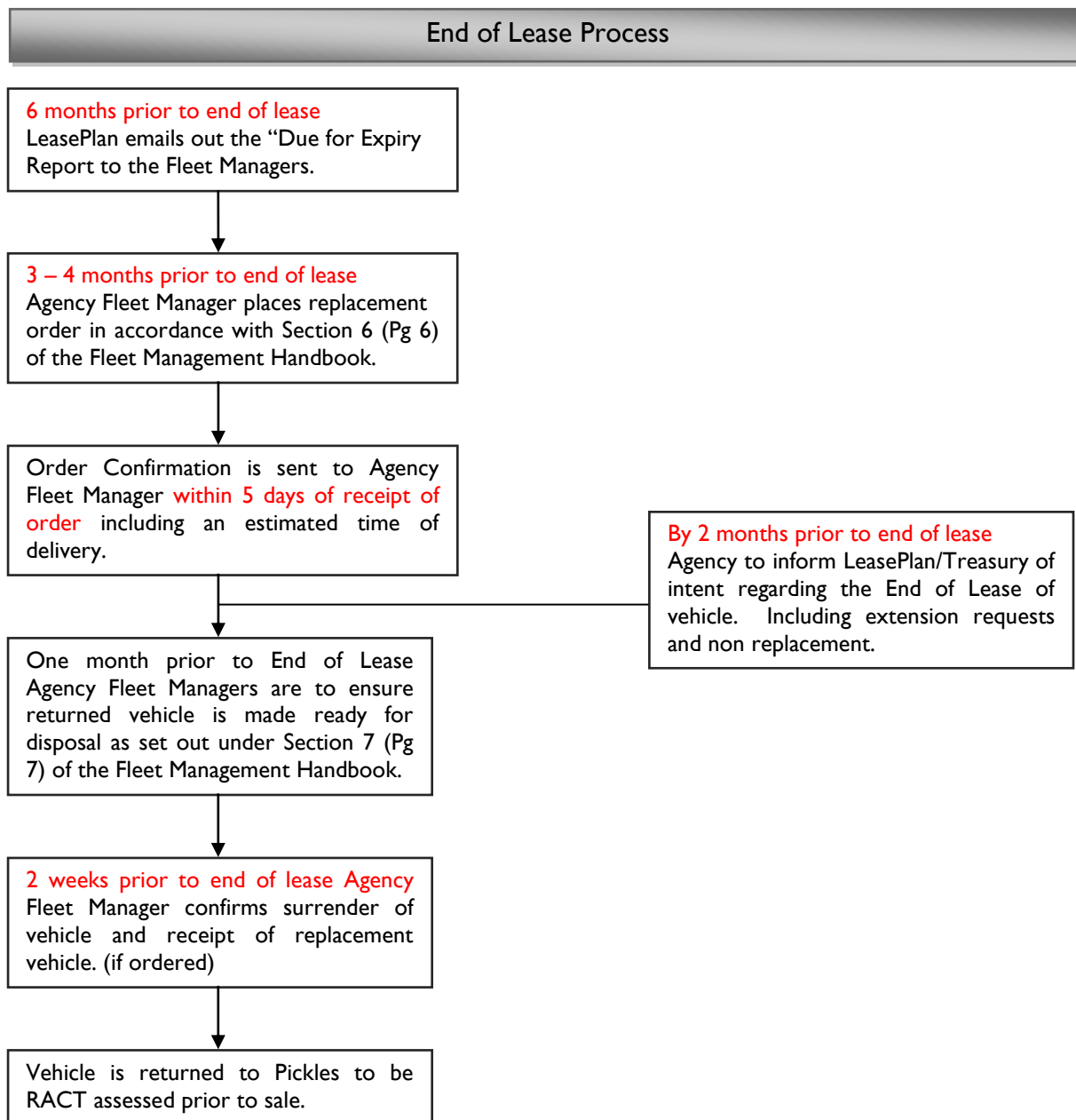
The Fleet Manager must not place any advertising or identification material on any vehicle unless the Contract Manager has given prior approval in writing.

10.3 Traffic Infringements

All traffic infringement notices will be forwarded to the Fleet Manager, in the first instance. The Fleet Manager is responsible for sending these to the relevant agency, and for keeping records of infringements incurred by drivers.

Agency Responsibilities:

- required to keep adequate records to enable them to identify who was driving any operational vehicle at a particular point in time; and
- ensure that drivers pay any infringement fines within the required time.



The following communication will also be made (if not already):

1. Due for service report sent – monthly
2. Overdue for service report sent – monthly
3. Due for replacement report sent – monthly
4. Overdue for replacement report sent – monthly
5. Phone calls made to the Fleet Manager regarding servicing – monthly.