

VI. Vehicle Management

Vehicle Assignment

University vehicles may be assigned to those employees who travel the greatest number of official (non-commute) miles in excess of 10,000 miles per year. In specific cases, the Institution head may determine that the use of a vehicle is required for the efficient operation of an Institutional program regardless of the number of miles traveled. Assignments may not be made based on the seniority or classification of an individual. Vehicle assignments may be made based only on positions meeting the established criteria. Vehicles may not be assigned to individuals with driving records that indicate an inability to operate a vehicle in a safe and responsible manner. Assigned vehicles may not transfer with employees who move to another position.

Institutional heads shall continually evaluate the benefit of pooling Institution-owned vehicles to increase vehicle utilization and to promote flexibility of employee transportation. Assigned vehicles that are not in use must be made available for other employees requiring transportation for official business.

Institutions shall monitor their vehicle usage to ensure that all vehicles meet the required 10,000-official-mile minimum or other criteria and report the results to the University Fleet Administrator annually. The 10,000-official-mile minimum applies to vehicles assigned to individuals as well as to pooled sedans that regularly leave the campus. It does not apply to vehicles that are predominately used on campus that are used daily but accumulate minimal annual mileage.

Should an improper or inefficient vehicle assignment exist within an Institution, the University Fleet Administrator will notify the Institution that the vehicle should be reassigned. If the Institution does not resolve the improper or inefficient vehicle assignment after notification, the Fleet Administrator will initiate the reassignment or declare the vehicle surplus.

Vehicle Insurance

The State of Maryland is self-insured. Each year the University provides the State with an inventory of vehicles to be insured. Institutions are required to conduct vehicle-related insurance activities in accordance with current insurance policies and procedures.

Accidents must be reported within 24 hours to the Institutional Insurance Coordinator. Every University vehicle will be supplied with an "Accident Packet," which will include an accident worksheet. Each Institution will develop an Accident Packet to meet its specific needs.

The following is a summary of the current insurance coverage for State vehicles. The Institutional owner of the University vehicle (i.e., the department) is responsible for the first \$1,000 of loss (liability and/or physical damage) associated with any single occurrence. This summary is intended as a general guide; Institutional Insurance Coordinators can provide additional information related to specific situations.

STATE VEHICLES

- a. Liability (Damage to Other Vehicles, Property, and People)
For accidents that occur within the State of Maryland, there is a \$200,000 limit per claimant for a single incident or occurrence under the Tort Claims Act. The liability limit varies for accidents that occur outside the State of Maryland. Sovereign immunity is invoked for claims against the State and the employee driver for amounts above \$200,000.
The State does not waive its immunity for punitive damages, interest before judgment, combatant activities of the State Militia, and tortious acts of employees not within the scope of their duties or if the injury is made with malice, or gross negligence, or due to unlawful acts.
- b. Physical Damage (Damage to the University Vehicle)
Reimbursement is on an Actual Cash Value basis as determined by the State Treasurer's Office. Differences between the actual value and the replacement cost of the vehicle must be satisfied by the State agency owning the vehicle.
- c. Medical Payments and Personal Injury Protection (PIP)
Compensation for injury to employees is provided through the Workers' Compensation Program. The State does not provide medical payments or PIP coverage. An injured employee may be able to collect PIP benefits (+/- \$2,500) by filing a claim with his/her own personal automobile insurance company.
- d. Towing and Storage
The State provides coverage for towing and storage that are required due to a vehicle accident, subject to the \$1,000 deductible per occurrence.

- e. Uninsured and Underinsured Protection
The State does **not** provide protection for either of these types of coverage. The employee **may** file and receive benefits under his/her automobile insurance policy.

- f. Rental Car Coverage
The State does not provide reimbursement for car rental.

STATE VEHICLES – OUT-OF-STATE AND FOREIGN INSURANCE PROTECTION

- a. Liability (Damage to Other Vehicles, Property, and People)
Liability coverage is insured by the State Insurance Trust Fund. State vehicles driven to other states within the United States are covered. State vehicles being driven to foreign countries must notify the Underwriting Section, Insurance Division, State Treasurer's Office. Notification should include vehicle year, make, model, VIN (Vehicle Identification Number), license plate, driver, and dates of travel. Certificates of coverage evidencing \$300,000 are required to cross the border.
- b. Physical Damage (Damage to the University Vehicle)
Reimbursement is on an Actual Cash Value basis as determined by the State Treasurer's Office. Differences between the actual value and the replacement cost of the vehicle must be satisfied by the State agency owning the vehicle.

NON-OWNED VEHICLES

- a. Under Contract
Under Contract Vehicles include those vehicles used by Maryland State agencies but owned by outside interests such as U.S. Government, Counties, and Municipalities. The user should get a Certificate of Insurance from the Agency owning the vehicle. There may be cases when both the vehicle owner's coverage, and the State coverage will apply. The coverage provided is the same as described above.
- b. Leased Vehicles
Leased Vehicles include those vehicles that are owned by others and leased (rented) to the State on a long-term basis (usually 30 days or more). In virtually every situation, the lessor will require commercial insurance with minimum limits. Prior to entering into an agreement, the State of Maryland Department of Budget and Management should be contacted. Negotiation with the lessor concerning the acceptance of State coverage is possible. If favorable negotiation is not possible, insurance must be purchased and charged to the State agency.
- c. Rented Vehicles
Rented Vehicles include those vehicles owned by others and rented to the State on a short-term basis (usually a few days).

The State provides the same protection as described in STATE VEHICLES – LIABILITY regardless of whether the vehicle is rented within or outside the State.

The rental company requires that the renter (State agency or employee) be responsible for most accidental damage to their vehicle. This provision is included in the rental contract. In order to waive this provision and make the rental company responsible, an addendum is required. This addendum is called “Collision Damage Waiver.” The State has elected to provide this coverage; therefore, employees should not sign or agree to the “Collision Damage Waiver.” When signing the rental agreement, employees should read all of the provisions and include their name, department name, and “State of Maryland.”

d. Privately Owned Vehicles Used on State Business

The State provides liability (only) coverage for all privately owned vehicles driven by authorized persons on State business. See STATE VEHICLES – LIABILITY for coverage information. The State does not provide medical payments or PIP coverage. An injured employee may be able to collect PIP benefits (+/- \$2,500) by filing a claim with his/her own personal automobile insurance company.

Always notify both the Institutional Insurance Coordinator and your family automobile insurance agent of all incidents or accidents. Failure to notify both could jeopardize your legal status in related claims and lawsuits.

Currently, there is no liability protection provided by the State for claims resulting from the operation of a privately owned vehicle by a State employee while on State business outside the borders of the State of Maryland. You are compensated on a mileage basis – this compensation considers insurance expense. Your personal automobile insurance policy may provide coverage. If the claim is filed in Maryland, the Tort Claims Act may apply (this action is unusual). The State does not provide Physical Damage protection for privately owned vehicles. The employee’s automobile insurance policy must provide coverage.

Vehicle Procurement

Departments must project the frequency of use and the number of miles a vehicle will be driven to ensure that it is cost effective to purchase a vehicle. In some cases, it may be more cost effective to utilize a vehicle that is part of an Institutional pool or to reimburse mileage to employees who use their private vehicles for University business.

The procurement of standard University automobiles, light trucks, and vans is usually limited to approved models. Minor changes for specific vehicle requests may be approved by the Institutional Fleet Coordinator based on needs and budgetary considerations. The University Fleet Administrator will coordinate purchases of other classes of vehicles as warranted to most efficiently service the needs of the University System of Maryland. Some institutional officials may be eligible for non-standard University vehicles in accordance with State specifications.

Vehicle purchase requests must take into consideration the most economical, most fuel efficient, and lowest emissions vehicles available in a particular model year that meet the operational needs and policy requirements of the Institution (e.g., EPAAct, COMAR). In addition, the Institution must consider safety issues, federal warnings, and commercial driver's license requirements when selecting vehicles.

All vehicle acquisitions (including new, used, and leased) must be approved by the Institutional Fleet Coordinator before the Institution may enter into a contract or make use of a vehicle. The use of rental vehicles for travel must be approved in accordance with University System of Maryland travel policy. The Institutional Fleet Coordinator must approve vehicle purchase requests from State or University standard specifications prior to procurement to ensure that funds are authorized and that the request is appropriate and in accordance with policy. Vehicle specifications/requests not in accordance with approved standard specifications must be approved by the University Fleet Administrator prior to procurement. In addition, Institutions must provide written justification to the University Fleet Administrator prior to procurement of vehicles in the SUV (Sport Utility Vehicle) and executive sedan categories. Institutional Fleet Coordinators can provide information about which vehicles fall into these categories.

License Plates for University Vehicles

University vehicles are to be identified with a State Government (SG) license plate. The use of unmarked license plates is permitted for the following types of vehicles:

- a. Vehicles used on a frequent basis in undercover law enforcement assignments
- b. Vehicles used by other personnel in the performance of their official duties, wherein identification of such vehicles would not be in the best interest of the Institution

Institutions must request unmarked license plates by providing justification to Motor Transportation Services for review at the time application is made for new license plates or for renewal. After an affirmative review, Motor Transportation Services will forward the request to the Department of Budget and Management for approval. Upon approval, Motor Transportation Services will file the required information with the Motor Vehicle Administration.

Vehicles utilizing State Government license plates are currently exempt from vehicle registration fees; however, title fees do apply. Motor Transportation Services can provide information on current fees. The Institution must present the Manufacturer's Certificate of Origin, an Application for Certificate of Title, and an Application for License Plates or Transfer of Plates to the Motor Vehicle Administration for processing. Title fees are the responsibility of the using Institution as are any fees associated with undercover vehicles or other vehicles not identified by a State Government license plate. All vehicles bearing an SG license plate are considered to have a permanent registration. Vehicles displaying unmarked license plates must renew the registration annually.

Disposal and Replacement of Vehicles

Disposal of Institutional vehicles must be approved in advance by the Institutional Fleet Coordinator, and the Institution must submit a disposal notice to the University Fleet Administrator for all disposals including vehicles, trailers, etc.

All Institutional Fleet Coordinators must ensure that vehicles are clean (inside and outside) prior to being offered for sale. All logos must be removed from vehicles prior to disposal.

If an Institutional vehicle is damaged beyond repair as a result of misuse or gross negligence, the operator may be required to make restitution. Restitution will be limited to the amount of the then current wholesale value of the vehicle as reported in the *National Auto Research Black Book Used Car Market Guide, Maryland Edition*. The employee having made such restitution will then be entitled to the damaged vehicle.

Vehicle replacement criteria are determined by the University Fleet Administrator. Current replacement guidelines are as follows:

- a. The vehicle accumulates 100,000 miles on or before the anticipated replacement date, or
- b. The Institutional Fleet Coordinator determines that a particular vehicle is beyond its useful life.

Maintenance and Repair

Some Institutions have in-house maintenance and repair facilities. Departments should utilize in-house maintenance and repair at institutions that have them. Local repair facilities may be used when the type of service required is not available in-house. Institutional Fleet Coordinators should also be aware of current State Maintenance Agreements that may be of use when in-house facilities are not available.

Vehicle Inspection

All Institutions must have a formal bi-annual inspection program for all University vehicles to ensure that vehicles are clean, properly equipped, maintained, and in good condition. Requirements include the following:

- a. The Vehicle Inspection Report must be completed at the time of inspection.
- b. Inspection records must be maintained by the department to which the vehicle is assigned.
- c. Inspection records must be retained for the life of the vehicle and be available for audit.
- d. Should unsatisfactory conditions be found during the inspection, they must be corrected within seven days, and such action must be recorded on the inspection form.

The mandatory State safety inspection should be provided by Motor Transportation Services or Institutional in-house maintenance and repair facilities unless one is not available. Outside vendors are not authorized to perform these State safety inspections on University vehicles when in-house maintenance and repair facilities are available.

Gasoline and Oil

Whenever possible, vehicles should use gasoline and oil obtained at the Institution's central facilities. It is also possible to obtain gasoline at other State fueling locations at prices below those offered by commercial filling stations. When drivers refuel at a commercial filling station, the driver must exercise care to select a station that offers an economical price. The driver must select an appropriate fuel as recommended by the manufacturer and use self-service facilities whenever available. Drivers are encouraged to utilize the credit card specified by their Institution for the purchase of gasoline.