FLEET MANAGEMENT POLICY

Fleet Management Overview

It is the policy of ________________________ to safely operate company vehicles in adherence with all applicable laws and regulations. This fleet policy reflects the requirements and standards to effectively manage our fleet of company vehicles.

Fleet Driver

Only authorized individuals may drive a company vehicle. All drivers must meet minimum standards as established by applicable regulatory agencies, the company and its insurance provider. Authorization to drive a vehicle may be denied or revoked. Use of company vehicles is limited to official business and personal use is strictly limited and requires prior approval. Drivers and passengers must comply with all applicable laws and company policies. Drivers are responsible for paying all vehicle citations. Additionally, drivers are responsible for immediately reporting all accidents or any damage to company vehicles.

Special Certifications & Licenses

Depending upon the type of vehicle driven, special training and/or licensing may be required prior to vehicle use. Drivers may be subject to Department of Transportation (DOT) / Federal Motor Carrier Safety Administration (FMCSA) regulations. Additionally, select vehicles may require Commercial Drivers Licenses (CDL) for operation.

Commercial Driver License (CDL) Requirements

Only CDL drivers are permitted to drive the following types of vehicles or combination of vehicles. There is absolutely no exception to this policy and violations will result in immediate termination and potential prosecution of violation of federal law.

Any vehicle with a semi-trailer or trailer with two or more axles is a Class A CDL vehicle. This group also includes any combination of vehicle with a gross vehicle weight rating greater than 26,000 pounds, provided that the gross vehicle weight rating of the towed vehicle is in excess of 10,000 pounds.

Any Heavy Straight Vehicle with a gross vehicle weight rating greater than 26,000 pounds is a Class B CDL vehicle, as well as any vehicle towing another vehicle not in excess of 10,000 pounds.

Any vehicle that is designed to transport 16 or more passengers (including the driver) or is used in the transportation of materials classified as hazardous in the Hazardous Materials Transportation Act is a Class C CDL vehicle.

A driver with a CDL hired by the company must be drug tested prior to driving a company vehicle and may be subject to random testing. A driver receiving a CDL after employment is required to be drug tested prior to driving a company vehicle. The driver is responsible to ensure that the vehicle meets State and Federal regulations regarding permits, safety devices, equipment (e.g., pre-trip inspections) and loads prior to operating vehicle. The driver must also comply with all applicable State and Federal regulations.

Driver Minimum Qualification Standards

The following minimum standards are required for driver authorization:

- Must have a valid operator’s license;
- Must have minimum of two years licensed driving experience;
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- Must be 21 years of age (DOT & CDL);
- Must have an appropriate Medical Examiner’s Certificate (DOT & CDL);
- Must be capable of successfully passing a written rules examination;
- Must be capable of successfully passing a roadway driving test;
- Must not have more than 2 minor moving violations within the past 3 years;
- Must not have had any felony convictions within the past 7 years;
- Must not have had any DUI/DWI convictions within the past 3 years.

Exceptions to the minimum standards must be requested from Executive Management for approval. Approval of such requests will be documented and kept on file. All requests for exceptions to the minimum standards must be justified and validated.

Required Training

Drivers must be trained on each specific type of vehicle to be driven. The training is to be conducted by an authorized and qualified individual designated by executive management. That training must include, but is not limited to:

- Pre-Trip Inspections
- Location & Use of Vehicle Controls
- Emergency Equipment & Procedures
- Load Securement
- Safety Limitations (e.g. braking distances, turning radius, blind spots, etc.)
- Trailers & Attachments

The training is to be accompanied by a road test to ensure the driver has sufficient knowledge and understanding of safe vehicle operation. A Certificate of Driver’s Road Test should be issued upon successful completion. A copy of the certificate must be kept in the driver’s personnel file.

Drivers who have had less than 2 years of commercial driving experience must be paired with an experienced driver for a period of no less than 2 weeks to ensure vehicle acclimation.

Driver Disqualification

Authorized drivers are disqualified from operating a company vehicle if their driving record reflects any of the following conditions:

- 2 or more moving violations and/or at-fault accidents in the past 3 years;
- A DUI/DWI citation within 12 months;
-Suspension or revocation of driver’s license.

The violation occurs when the citation is issued, not when the final court decision is made. It is the responsibility of drivers to inform Dispatch when they have received a moving violation or have been involved with at-fault accidents. Any change in the status of a driver’s record resulting in disqualification or the failure to report such change may result in revocation of the privilege of driving a company vehicle and/or discipline up to and including discharge. Exceptions to this policy are subject to review by Executive Management and are final.

Additionally, DOT & CDL drivers may be disqualified if there is a change in their health status that disqualifies them according to federal guidelines. It is the responsibility of the driver to notify Dispatch of any changes to their medical conditions that may disqualify them from operating a DOT or CLD vehicle. DOT & CDL drivers must pass a medical examination conducted by a licensed healthcare professional every 2 years.
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Furthermore, drivers are disqualified if they test positive for a controlled substance, including illegal drugs, prescription medications that impair driver performance, and alcohol. Drivers have a responsibility to inform Dispatch when they are taking prescription medications that may impair their ability to safely operate vehicles.

Permitted and Prohibited Uses of Company Vehicles

The following policies govern the use of company vehicles:

- Use of a company vehicle must be for official company business only. Personal use associated with official business is strictly limited and should be approved prior to use.
- All drivers and passengers in company vehicles must comply with all applicable state laws.
- Seatbelts must be used by the driver and passengers at all times the vehicle is engaged. There is absolutely no exception to this mandate and violations are subject to immediate termination.
- Drivers are personally responsible for the cost of all traffic citations, parking tickets, locksmith calls for retrieving keys, etc.

Compliance with the company fleet management policy, state and federal laws is required of all drivers and passengers. No person may use a company vehicle, or permit the use of a company vehicle, in the following prohibited manners:

- Reckless driving or speeding;
- Participation in distracting activities, including, but not limited to:
  - Sending Text Messages
  - Reading Emails or Text Messages
  - Smoking
  - Eating
  - Reading of Maps or Directions
- Transportation of non-authorized individuals, including family members, friends, hitchhikers, etc.;
- Personal gain such as delivering goods and/or services;
- Modifications of vehicles or tampering with stickers, decals, etc.
- Transportation of animals or pets;
- Hauling loads that could structurally damage the vehicle or trailers;
- Improper use of trailer hitches and/or towing equipment;
- Use of radar detection devices;

Drivers may not operate company vehicles if they are impaired by fatigue, prescription medications, alcohol, drugs or any other condition. Any such vehicle use will be considered a violation of the fleet management policy and may be grounds for disciplinary action up to and including termination. Drivers of company vehicles who feel that their driving abilities may be impaired must cease operating the vehicle immediately. Employees who believe another employee is impaired have a duty to prevent that person from driving a company vehicle.

Employees are only to use cellular phones (including blue tooth and hands-free phones), two-way radios, etc. for official company purposes while operating vehicles. Conversations should be limited to avoid driver distraction. It is preferred that drivers find a safe location to pull vehicles off the road to use communication devices.

Additionally, it is the responsibility of the dispatcher and driver to assess roadway and climatic conditions to select routes that reduce risk exposures. Conditions to be considered include, but are not limited to:

- Inclement Weather (excessive rain, snow, ice, hail, sleet, strong wind, etc.)
- Narrow Bridges and Roadways
- Construction Zones & Damaged Roadways
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- Roadways with Poor Illumination
- Roadways Subject to Natural Debris (fallen tree limbs, rock slides, etc.)
- Roadways Subject to Excessive Fog
- Winding and Hazardous Roadways
- Bridges Subject to Ice
- Large Pedestrian Areas
- Areas Subject to Protests, Marches, Etc.

Personal Use of Company Vehicles

Drivers are not permitted to use a company vehicle for a personal purpose. The only exceptions to this rule are incidental stops. Examples include stops at a restaurant for a meal, an Automatic Teller Machine (ATM) or financial institution, urgent care or emergency room, gas station, convenience store, etc. Public perception of the company is influenced by how vehicles are operated and where they are seen in public. Vehicles should never be at locations perceived as inappropriate.

Company Vehicle Related Purchases

Purchases related to the operation of company vehicles should be authorized by a member of management, except for the routine purchase of fuel.

Motor Pool Vehicles

Motor pool vehicles may be made available to authorized employees. Motor pool vehicle operators are subject to the minimum driver qualification standards. Motor pool vehicles are not permitted for use overnight without prior approval from Executive Management.

Use of Personal Vehicles for Company Business

Privately owned vehicles may be used for official company business when authorized, but drivers are encouraged to use motor pool vehicles whenever feasible. The reimbursement rates and rules for use of an employee’s personal vehicle are defined separately from the Fleet Management Policy. Employees who use their personal vehicles for company business are responsible for accidents and incidents that may occur. The employee’s personal automobile liability and property damage insurance coverages are primary. In addition, the employee is responsible for any applicable insurance deductibles. The company’s hired and non-owned insurance coverages are secondary and only applicable once the limits of primary insurance are exhausted.

Employees who use their personal vehicles for company business are required to provide the company with proof of insurance coverage with the minimum limits of liability:

- $50,000 Per Injury
- $100,000 Per Occurrence
- $25,000 Property Damage

It is recommended that applicable employees secure higher limits of liability coverage.

Accident Notifications

Drivers are responsible for immediately reporting all accidents or any damage to company vehicles to Dispatch. Reports must also be made to local law enforcement personnel as necessitated by the outcome of the incident. The following should occur in the event of an accident involving another motorist:
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1. Immediately contact Dispatch or a member of Management.
2. Contact the nearest law enforcement agency.
   a. Obtain the resulting case number and/or police report.
3. Photograph the accident scene and resulting damages.
4. Obtain relevant information required from involved parties:
   a. Full Name & Address
   b. Driver's License Number & Issuing State
   c. Name of Insurance Company and Policy Number
   d. Contact Information (Phone Numbers, Emails, Etc.)

Failure to report accidents involving other motorists is subject to immediate termination, unless the driver and passengers (as applicable) are incapacitated. Employees involved in motor vehicle accidents are subject to workers' compensation indemnification if the resulting injuries are compensable. Additionally, drivers involved in accidents involving injuries are subject to post-accident substance abuse tests. Positive confirmatory results are subject to termination.

Vehicle Maintenance Policies

Management will develop and maintain a preventive maintenance program and procedures for fleet vehicles. Fleet vehicles, including motor pool vehicles where applicable, must be serviced and maintained according to factory recommendations. All warranty work must be conducted by an authorized dealer or mechanic. Recalls must be observed and corrected by an authorized dealer or mechanic upon notification. Oil changes should be conducted every 3K to 5K miles, depending on the vehicle. All vehicle fluids and basic mechanics are to be inspected at the time of oil changes with corrections made as necessary. It is the responsibility of Dispatch to monitor vehicles and coordinate routine maintenance and repairs in a timely manner. Dispatch shall obtain approval from Executive Management for extensive mechanical and vehicle body repairs.

Dispatch Responsibilities

Dispatch is responsible for educating drivers and enforcing the components of the Fleet Management Policy. In addition, Dispatch is responsible for:

- Investigation of citizen driver complaints;
- Investigation of accidents and incidents;
- Ensuring drivers maintain proper qualifications;
- Submitting requests for policy exceptions;
- Maintaining accurate inventory of all company vehicles;
- Ensuring vehicles are properly licensed and adhere to federal and state regulations;
- Issuing driver assignments;
- Coordinating vehicle maintenance and repair;
- Monitoring vehicle usage;
- Inspecting secured loads;
- Maintaining vehicle and driver records.

Load Securement

It is the responsibility of the driver to safely transport secured loads. The driver and at least one additional qualified individual must inspect loads to ensure they are secure prior to departing the vehicle lot. Dispatch is ultimately accountable for the securement of all transported loads.
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Records Management

Rigorous record keeping and substantiation are required to ensure compliance with all applicable laws and regulations.

The following records must be maintained in the respective vehicle file:

- Vehicle Manuals & Factory Documents
- Accident Reports & Photos of Damage
- Travel Logs or Mileage Reports
- Receipts and Reports for all Maintenance & Repairs

The following records must be maintained in the respective driver file:

- Employment Application
- Reference Checks
  - 3 Year Inquiry for All DOT & CDL Drivers
- Copy of Driver’s License(s)
- Copy of DOT Medical Certificate (As Applicable)
- Copy of Motor Vehicle Record
  - Annual Review for DOT & CDL Drivers
  - Annual Certificate of Violations for DOT & CDL Drivers
- Copy of Written Rules Examination
- Certificate(s) of Driver’s Road Test
- Copy of Personal Automobile Insurance (As Applicable)
- Accident & Law Enforcement Reports (As Applicable)
- Driver Qualification Exceptions by Executive Management
- Warnings of Policy Infractions

Policy Infractions

Management is ultimately accountable for fleet management. Drivers are responsible for the safe operation of individual vehicles as assigned. Minor violations, those that would likely not contribute to property damage or injury, are subject to documented written and/or verbal warnings. Major violations, those that could result in property damage or injury, are subject to written warnings. Willful violations, those that are repeated documented infractions are subject to written warnings and/or suspensions without pay. Serious violations, those that are immediately hazardous to life, health or property are subject to suspensions without pay and/or termination. As outlined in this policy, the following infractions are subject to immediate termination:

- Use of a CDL required vehicle by an unauthorized driver.
- Failure to wear seatbelts, including passengers.
- Failure to report accidents involving other motorist, unless incapacitated.
- Positive controlled substance, including alcohol, confirmatory tests.