

FUEL FOR THOUGHT

Weighing the pros and cons of on-site vs. off-site filling programs



By MICHAEL WAGNER, CSP, ASM

One of the greater challenges to operating a fleet of vehicles and equipment is managing a company-established fuel program. There are many options, opinions and requirements to consider, but ultimately you have to determine what is the most practical, efficient and effective solution for your organization.

Here we will cover some of these considerations; the pros and cons to different fuel management options; and ways to deter internal and external theft.

Fueling options

With the equipment being used today, there are many options and alternative fuels that should be considered when developing a solid fuel management program. Equipment and vehicles

commonly operate on diesel and gasoline fuels, and some companies utilize CNG (compressed natural gas), LNG (liquid natural gas), propane and, more recently, hydrogen power. The latter are not common but should be included in your fleet fuel strategy if you use them.

While electric and battery-powered tools, equipment, and vehicles are newer to snow and ice operations, you must also think about electric power supply as a source of fuel. Because this utilizes different resources and strategies, we won't focus on that here.

Given the many fueling options, begin by analyzing which is best for your operation: on-site or company property fueling systems; off-site fueling stations or public stations; the use of fuel cards, purchase/credit cards; or vendors that can manage your cards, drivers, vehicles, and accounting/financials. It is important

to compare your options, so you can weigh the pros and cons of each.

On-site fueling

On-site fueling allows you to be more efficient in fueling vehicles, equipment, auxiliary tanks, etc. You can monitor and reduce the amount of time drivers stop at gas stations to fuel up, which takes time out of their day and often turns into longer or more frequent breaks that may be avoidable.

Another benefit is managing spending and transactions, reducing theft, and knowing the type, quantity and quality of fuels you are purchasing. Being able to manage these processes and products in-house gives you more control over your vendor selection and fuel consumption.

With the pros come tremendous responsibilities and transparency for the organization that must be followed. Establishing on-site fueling is a massive capital expenditure that can become an



PURCHASE CARDS VS. FUEL CARDS

Both card options provide benefits as part of a fuel management strategy, but you must select the option that best fits your organization's needs:



Fuel cards limit users to fuel purchases. You can set limits on the types of fuel that can be purchased, designate which stations can be used, how many transactions are allowable, and dollar limits.



Purchase cards allow users to purchase more than fuel, including windshield washer fluid, DEF (diesel exhaust fluid), oils, car washes and more from convenience stores.

extensive and time-consuming process. It will require personnel to manage the software; tank inspections; delivery; regulatory requirements; and local coding and permitting. There are also federal fueling regulations from the IRS, EPA, OSHA, etc. And you must ensure personnel are trained properly to prevent possible injuries, spills or regulatory violations.

Off-site fueling

The pros: Off-site fueling is fantastic for organizations that don't have the personnel to manage complex software that focuses on fuel transactions, costing and product tracking.

These programs can include the use of fuel or purchase cards with large fuel retailers or station chains. Another option is to select card providers that administer all functionality. These businesses manage vehicle and driver lists, reporting, budgeting, transactions, and fuel consumption. An

additional benefit is that they track and identify theft quickly, which can help lock down cards and deactivate use. Activity such as card skimming and card theft can be curbed more quickly through built-in features, which takes a lot of manual work if you are doing it through reading reports and transaction lists.

Another benefit is that there is no requirement to inspect fuel tanks or to fund high capital expenditure projects, and they give personnel the flexibility to fuel at different locations and regions so that they can keep moving and working while not having to search for a fueling station. Many purchase cards can be used at thousands of fueling stations around the country, so there is no lack of quick and efficient resources.

The cons: You may lose out on tremendous discounts that will only be offered if you are purchasing and managing your own fuel.

If the credit cards are being used at many different fueling stations, you

are more at risk of card skimming, and theft increases greatly.

Some companies have difficulties with personnel stopping at gas stations frequently for fuel, snacks, restroom breaks, and just breaks in general. Managing personnel time becomes challenging when they can fuel up anywhere in the region and stop further away from office locations where they aren't visible.

It can be administratively challenging to disburse cards and authorize purchases, and this can quickly become frustrating if you don't have dedicated office personnel to manage these processes.

Summary

As you can see from the brief considerations in this article, there is much to consider when determining how to manage your fueling program.

I recommend contacting vendors of both systems and having in-depth discussions to determine feasibility and benefits, as well as what option fits your organizational needs. There is no one-size-fits-all strategy. You will need to work with others inside the organization to create a strategy, budget, implementation plan, and monitoring plan to create an effective solution. **SB**

Michael Wagner, CSP, ASM is Director of Operations at Designscapes Colorado Inc. Contact him at 303-328-5554 or mwagner@designscapes.org.

TIPS TO FIGHT OFF FUEL THEFT

- 1 Use on-site fueling or purchase cards to regulate fuel purchases and consumption limits through assigned transaction limits, daily limits, dollar limits, geographical limits, etc.
- 2 Individually assign cards and access to help identify theft points or suspicious activity.
- 3 Have specific personnel responsible for fueling vehicles and equipment to help manage the accountability and authority for fuel purchasing.
- 4 Use lockable fuel caps and padlocks with designated access to individuals.
- 5 Be aware of smart technology and real-time alerts from fueling stations, credit cards and pump devices.
- 6 Utilize fleet software that connects to fueling software, which can provide deeper analyses on consumption and miles driven or hours operated.

