



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT
OF
PUBLIC WORKS**

Policy Name	Subsidized Motor Transport Policy
The revision/ version of the Policy	03
Domain	Auxiliary and Records Management

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1. ACRONYMS AND ABBREVIATIONS

EA	Executive Authority
DTC	Departmental Transport Committee
HOD	Head of Department
MEC	Member of Executive Council

A handwritten signature in black ink, appearing to be 'A. H. H. H.', written in a cursive style.

2. INTRODUCTION

The subsidized Motor Transport Policy (Transport Circular No.5 of 2003) which came into operation on the 1st July 2003 shall determine the acquisition of Subsidized Motor Vehicles and will enable the HOD to use it as the principal Method of determining the allocation criteria on subsidized Motor Vehicles.

3. PURPOSE

The provision of a subsidized Vehicle to an Officer is deemed a work facility, which enables them to undertake essential and approved official journeys in those cases where the use of other available transport is neither practical nor economical. The concession to qualifying Officers to participate in the subsidized Motor Transport Scheme is not a service benefit but a work facility, which cannot be construed as a right.

4. AUTHORITY OF POLICY

This policy is authorized by the Executive Authority.

5. LEGAL FRAMEWORK

National Transport Policy no 5 of 2003
Provincial Transport Policy
Public Finance Management Act
Labour Relations Act (act 66 of 1995, as amended)

6. SCOPE OF APPLICATION

This policy, except where otherwise indicated, is applicable to all qualifying employees of the Department.

7. DEFINITIONS

In these instructions, unless the context otherwise indicated-

- a. **"assigned" official kilometers** means the number of official kilometers prescribed for a specific subsidized vehicle;
- b. **"capital remuneration"** means the State's contribution to the capital cost based on the purchase price minus the estimated resale value of a subsidized vehicle, payable in equal monthly installments for the duration of the selected official utilization period;
- c. **"department"** means the department or provincial administration
- d. **"head of department"** means the head of the department referred to in the Public Service Act, 1994 (Proclamation No. 103 of 1994, chapter 3.) and unless otherwise indicated, an officer to whom they have delegated their powers in terms of these instructions.
- e. **"officer"** means A person who has been appointed permanently, notwithstanding that such appointment may be on probation, to a post contemplated in section 8 (1) (a), and includes a person contemplated in section 8 (1) (b) or 8(3) (c) (ii);



- f. **"selected official utilization period"** means the utilization period selected by an official, in respect of the utilization of a subsidized vehicle, subject to approval by the head of the Department
- g. **"subsidized motor transport" or "subsidized vehicle"** means motor transport which in terms of these instruction is to be utilized by an officer;
- h. **"transport officer"** means the officer appointed by the head of the department to, inter alia, administer the department's subsidized transport
- i. **"service provider(s)"** means the private sector company that will provide the finance, maintenance and administration for the Subsidized Transport Scheme within a contract issued by the State;
- j. **"responsibility manager"** means the accounting officer in terms of the Public Finance Management Act "Act No.1 of 99, Section 36"
- k. **"benchmark Price"** means the set capital amount per category of vehicle for purchase purpose as amended by Department of Transport quarterly
- l. **"dte"** departmental transport committee



8. POLICY PRONOUNCEMENT

8.1 ALLOCATION CRITERIA FOR SUBSIDISED VEHICLES

- 8.1.1 Funds for payment of all allowances must be available on the budget of the Directorate concerned.

8.2. Who qualifies for a Subsidized Motor Vehicle?

- 8.2.1. Where an official's duties necessitate the official use of a motor vehicle and where provision of a subsidized vehicle is in the best interest of the State, economical and cost effective. All reasonable alternative means of transport and financial implications must be taken into account before submitting a request to the DTC.

NOTE: The allocation of a subsidized vehicle to an officer is a work facility which enables him/her to undertake essential and approved official journeys in those cases where the use of other available transport is not practical or economical. The concession to qualifying officers to participate in the subsidized motor transport scheme is not a service benefit but a work facility, which cannot be construed as a right. Rank does not matter in the allocation of a subsidized vehicle.

- 8.2.2. To qualify for a Scheme A, the official is required to travel a minimum of 21 000 official kilometers per annum and is to remain in the scheme for a period of between 32 to 48 months. In cases where an official is required to travel in excess of 29000 official kilometers per annum, the Department should endeavor to provide an official vehicle.
- 8.2.3. To qualify for scheme B, the official's post must require travelling between 6000 and 21000 official kilometers per annum.
- 8.2.4. The financial position of an official must be taken into account when an application is considered. If an official cannot afford a subsidized vehicle, an official vehicle must be utilized. The net salary of an officer must not be less than twenty five percent after the deduction for the vehicle.
- 8.2.5. Vehicles approved under Scheme A must be purchased in terms of National Contract RT 57.
- 8.2.6. Vehicles approved under Scheme B will not be purchased in terms of National Contract RT 57.



9. TYPES OF VEHICLES TO BE ALLOCATED

9.1. THE TYPE AND SIZE OF VEHICLES TO BE ALLOCATED IS DETERMINED BY THE FOLLOWING:-

- I. The number of passengers to be transported on a regular basis.
- II. The nature of the equipment to be transported on a regular basis.
- III. The terrain and topography to be travelled on a regular basis.
- IV. Legislation, traffic and other policies, i.e. transportation of hazardous Chemicals.
- V. Affordability.

9.2. GUIDELINES FOR CATEGORIES OF PERSONNEL QUALIFYING FOR CATEGORIES OF VEHICLES.

- (a) Every qualifying employee shall be allowed to choose any vehicle as follows :
1. Sedan to a maximum engine capacity of 2.0. cc
 2. LDV to the maximum engine capacity of 3.0 cc 4 x 2
 3. Double cab to the maximum engine capacity of 3.0 cc 4 x 2
- (b) No 4x4's and kombis will be provided as subsidized vehicles.
- (c) Officials who wish to have vehicles in excess of the above limits must note that their capital remunerations and maintenance allowances as well as fuel allowances will be paid according to the benchmark as indicated in paragraph (a) above.
- (d) Officials who have outstanding debt with the Department do not qualify for subsidized vehicle until they settle the debt
- (e) Officials who are on ITC will be given three (3) months to settle their debt, failing which their application will be returned to the applicant and such re-submissions will be treated as new.

9.3 ACCESSORIES

Should an officer's work terrain and condition justify the installation of additional non-standard, factory –installed accessories, the Departmental Transport Committee may recommend to the service provider the installation thereof as standard vehicle equipment.

- a) If an officer's request for the installation of accessories as standard vehicle equipment is not approved by the Departmental Transport Committee then the officer may have these accessories installed on condition he/she pays the additional amount to the service provider, before taking delivery of the vehicle.
- b) A request for the installation of accessories as work facilities must be submitted together with the application for a subsidized vehicle.]
- c) The Departmental Transport Committee may consider the automatic qualification of non-standard, factory-installation accessories, as standard vehicle equipment for specific posts in Directorates where work terrain and conditions justify the approval thereof.



9.4 RESPONSIBILITIES OF ROLE PLAYERS

9.4.1 Applicant

(a). Application form Z81 (Annexure A) must be completed.

A certified copy of the following documentation must be attached to the application form:-

- I. Identification documentation
- II. Valid driver's license
- III. Latest salary advice

9.4.2. Application for installment finance must be completed (Annexure B)

- a) Name and address of nominated dealer and place where the vehicle must be delivered, must be stated.
- b) If an existing vehicle must be replaced, the estimated date when this vehicle will complete the assigned official kilometers/period must be stated.
- c) Once the service provider has approved the loan, an official must sign a contract.
- d) The vehicle must be registered with the service provider as titleholder and the official as owner.
- e) On delivery of the vehicle, the official is required to inspect it and complete and sign the release note issued by Wesbank.
- f) The officer must ensure that the release note is faxed from the dealership to the Wesbank office.
- g) The official must ensure that logsheets are correctly completed and submitted to the relevant Directorate, on or before the 7th of the succeeding month.
- h) The official must ensure that the original log sheets are legible to prevent them from being returned, which will delay payment of the allowances.

9.4.3. The relevant General Manager/ Snr Manager

After receipt of a request for a subsidized vehicle, the relevant Snr. Manager must ensure that:

- a) Funds are available to pay the relevant allowances.
- b) The duties of the officials are of such a nature that he/she requires the permanent use of a subsidized vehicle (Job Description, Annexure C).
- c) He/She is satisfied that the official will meet the minimum official kilometers required.
- d) He/She has no prior knowledge that the official will in the near future resign or retire.
- e) The vehicle requested is the most economical and suitable for the relevant conditions/post.
- f) He/she is satisfied that the official can afford a subsidized vehicle.
- g) The Departmental Transport Committee is informed of any change in the Job Description of the officer, which influences the proper utilization of the subsidized vehicle.
- h) The log sheet reaches the Departmental Transport Officer not later than the 7th of each succeeding month.
- i) If an official is appointed as Acting General Manager /Senior Manager, the letter authorizing such an appointment accompanies the application.



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j) All applications of initial requests as well as any subsequent changes that affect the Memorandum of Agreement of the official must be recommended by the relevant Snr. Manager or General Manager.

9.4.4. The Departmental Transport Officer (DTO) Head Office)

- a) He/she must compile a submission and submit it to the Departmental Transport Committee (DTC) for consideration.
- b) On approval of the subsidized vehicle by the DTC, the DTO must forward the following documentation to the service provider:
 - I. A copy of an application form Z81
 - II. A completed application for financing
 - III. A certified copy of the applicant's identification document (ID)
 - IV. A certified copy of the driver's valid driver's license and
 - V. A certified copy of the applicant's latest salary advice.
- c) After a quotation for the vehicle has been received from the service provider and the Officer is satisfied with the quotation; the DTO must complete a vehicle order form and forward it to the service provider.
- d) The DTO must direct all queries regarding the purchase of vehicles directly to the service providers.
- (e) He/she must ensure that all logsheets are legible and submitted including nil returns, to Maintenance provider not later than the 7th day of the ensuing month.

9.5. ADMINISTRATIVE PROCEDURE FOR THE PROCESSING OF APPLICATIONS FOR SUBSIDISED VEHICLES

9.5.1. Action by applicant:

9.5.1.1 The applicant completes the application form for a subsidized vehicle (Z81) and the application form for financing and submits the said application forms with certified copies of the following documents to his/her Directorate:-

- a. Identity Document (ID)
- b. Valid driver's license
- c. Latest salary advice and

9.5.1.2. The applicant may request a provisional quotation for the vehicle he/she wishes to purchase through the Departmental Transport Officer. This will enable the officer to determine whether he/she can afford the requested vehicle or not.



9.6. Action by relevant Directorate.

9.6.1. The application of the official must be scrutinized and evaluated against the Following: -

- a. Availability of funds and
- b. The Job Description of the applicant, in order to ascertain the level of responsibility and type of work.

9.6.2. The application document and recommendation must be forwarded to the relevant Gen.Manager/ Snr Manager for consideration.

9.7 Action by the relevant Gen. Manager/ Snr. Manager

9.7.1. The Gen.Manager /Snr Manager must evaluate the application, make his/her recommendation and forward the application to the Departmental Transport Officer.

9.8 Action by the Departmental Transport Officer (DTO)

9.8.1. The DTO will act as secretary for the Departmental Transport Committee (DTC) and Compile a submission of the applications received, to the DTC for consideration.

9.8.2. The DTO will then inform the relevant Directorate and official of the DTC's decision.

10. ADMINISTRATIVE PROCEDURE WHEN THE APPLICATION HAS BEEN APPROVED.

10.1. Departmental Transport Officer (DTO)

The DTO will request a final quotation from the service provider and forward the quotation to the applicant for acceptance.

On acceptance of the quotation by the applicant, the DTO must complete the vehicle Order form and forward all documentations to the service provider for approval and Ordering of the vehicle.

10.2. Applicant/Officer

The applicant must sign a contract with the service provider.

11. ADMINISTRATIVE PROCEDURE WHEN THE VEHICLE IS DELIVERED

11.1. Departmental Transport Officer (DTO)

The DTO will inform the officer when the vehicle is available and arrange for payment of the insurance before the vehicle is handed over to the officer.



11.2. Applicant

- 11.2.1 Officials must inspect the vehicle before registration with the relevant local authority.
- 11.2.2 The applicant must ensure that the vehicle is registered at the relevant local authority with the service provider as the titleholder and the official as the owner.
- 11.2.3 When the official takes delivery of the vehicle, he/she must inspect the vehicle, complete and sign the release note.

12. DEFAULT

None compliance of this policy will result in premature withdrawal of subsidized vehicle.

13. INCEPTION DATE

The inception date of this policy is a day after the approval.

14. TERMINATION AND REVIEW CONDITIONS

The policy shall be reviewed as and when there are changes in the relevant legislation.

15. ENQUIRIES

Enquiries with regard to any matter relating to this policy will be directed to the Fleet Management Unit.

APPROVED BY



EXECUTIVE AUTHORITY

25/07/13
DATE

