transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA

Subsidized Motor Transport Handbook

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1. Definitions

Term	Definition
Assigned official kilometres	The number of official kilometres prescribed for a specific subsidized vehicle as approved and agreed to by the official in terms of the Z81 application form.
Benchmark	The vehicle category as approved by the end user department. An amount derived from the average price of vehicles within a specific category on RT57 vehicle procurement contract. Used by the end user department and finance service provider to calculate the capital and other allowances payable to the official.
Buy-up	An official that exercises the option of purchasing a vehicle of a higher category, engine size or benchmark value (in rand) than the benchmark approved by the Head of the Department of the relevant end-user Department. If the approved benchmark is a sedan the officials buy-up can be to a higher category sedan, a Light Delivery Vehicle, a Multi-Purpose Vehicle or a Sports Utility Vehicle.
CCGMT	Coordinating Committee of Government Motor Transport
Department	Means any State Department or institution utilizing the Subsidized Motor Transport Scheme also referred to as end user department.
Head of Department	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
LDV	Light Delivery Vehicle
MMS	Middle Management Service that is employed on salary levels 11 and 12 in terms of the Public Service Act 1994 (Act No. 103 of 1994 and the Correctional Services Act (Act No.111 of 1998)
MPV	Multi-Purpose Vehicle
National Credit Act	National Credit Act, 2005 (Act No. 34 of 2005)
New appointment	An official that have been appointed to serve in a position within a department that they have not previously served in.
New post	A position created within an end user department that was not previously filled by an official from that department.
Officer/ Official	A person who has been appointed on contract in terms of section 8 (1) (c) (ii) of the Public Service Act, 1994 (Act No. 103 of 1994)
PFMA	Public Finance Management Act No 1 of 1999
Responsibility manager	The accounting officers in terms of the Public Finance Management Act, 1999(Act No.1 of 1999) , Section 36;
Selected official utilisation period	The utilisation period selected by an official, in respect of the utilisation of a subsidised vehicle, subject to approval by the head of the Department;
Service provider/s	The private sector companies that will provide the finance, maintenance, insurance and administration for the Subsidised Transport Scheme within a contract issued by the State;

Subsidised motor transport/ Subsidized Vehicle	Motor transport which in terms of these instructions is to be utilised by an officer/ official;
SUV	Sports Utility Vehicle
Transport officer	The Departmental Transport Officer or any other official appointed by the head of the department to, inter alia, administer the department's subsidised transport.

2. An overview

2.1. Participation in the Subsidized Motor Vehicle Scheme can be approved by a department for the provision of a working tool to any official that qualifies for the use of a subsidized vehicle in line with the minimum qualifying criteria.

2.2. Departments should approve participation in the Subsidized Motor Vehicle Scheme based on it being practical, cost effective and the most efficient method of transport to be provided to an official for the execution of his/her duties.

2.3. The Subsidized Motor Scheme Handbook sets out the provisions of the following three schemes:

2.3.1. ***Scheme A*** In terms of Scheme A, government will contribute towards the capital, maintenance and insurance of the vehicle by paying these allowances to the appointed service providers and reimbursing the official on a fuel only rate for all official kilometres travelled.

2.3.2. ***Scheme B*** In terms of Scheme B, the official makes use of his/her private vehicle and will be reimbursed at an all-inclusive rate that includes maintenance, fuel, capital and insurance.

2.3.3. ***Scheme C*** In terms of Scheme C, government will contribute towards the capital and insurance of the vehicle by paying the allowances over to the appointed service providers. An official will be reimbursed for maintenance and fuel for official kilometres travelled.

3. Interpretation

3.1. Should any questions arise as to the interpretation of the contents of this Subsidized Motor Transport Scheme Handbook (hereafter referred to as The Handbook), they are to be referred to the National Department of Transport via the Provincial Transport Departments or the head offices of other national departments responsible for subsidized motor transport.

4. Delegation

4.1. Unless otherwise indicated, the Head of a Department may delegate any of the powers conferred upon them by these instructions to any other officer on the conditions that they so determine in writing.

4.2. All amendments and subsequent review of this Handbook and/or related outsourced contracts must be reviewed and ratified by the Coordinating Committee of Government Motor Transport in terms of its mandate.

4.3. Schedule 1 of this Handbook document can be amended by the Head of Department of the end user departments as and when required to do so to ensure optimal utilization of the subsidized motor transport scheme.

5. Purpose

This Handbook sets out the minimum requirements of the Subsidized Motor Transport Scheme, the management thereof and guidance for the approval of the utilization of a subsidized vehicle by an official.

Scheme A

1 Participation in the scheme

1.1 Provinces and Departments participating in the Subsidized Motor Transport Scheme A must participate in the National Contract for the procurement of vehicles as administered by National Treasury (Contract RT57). No vehicle that was not procured through the government vehicle procurement contract will be allowed to form part of the subsidized motor transport scheme.

1.2 To ensure the efficient management and transparency in the application of the allowances, as set out in the Handbook and to ensure auditable record keeping, provinces and departments can only utilize the subsidized scheme if they make use of the government payroll systems, Persal and Persol.

1.3 Where an officer's duties necessitate the official use of a motor vehicle and where the provision of a Subsidized Motor Vehicle is in the interest of the State, the allocation of a vehicle is left to the discretion of the Head of the Department. All reasonable, alternative means of transport are to be considered, taking into consideration the economic implications, practicality and the availability.

2 Provincial Policies and guidelines

2.1 It is the prerogative of each department to determine their requirements and limitations in terms of the subsidized motor transport Handbook by completing Schedule 1 to the Subsidized Motor Transport Handbook.

2.2 In respect of Provincial administrations or National or Provincial Departments, the attached Schedule 1 can be adjusted to cater for the requirements within the respective departments. Schedule 1 will need to be approved by the Head of Department or his/her delegate to ensure good governance and the unilateral application of the Handbook within a department.

2.3 Amendments to the Schedule 1 of the Subsidized Motor Transport Handbook can be done on an ad hoc basis by an end user departments as and when approved by the Head of Department or his/her delegate.

2.4 In addition to Schedule 1, Departments can develop their own internal policies or guidelines but such should not be in conflict with the contents of this Handbook.

3 Advisory Committee

3.1 The Head of the Department should appoint a committee to advise him/her with regard to the responsibilities conferred upon him/her under these instructions.

3.2 The committee can be a committee specifically appointed for the purpose of recommending and advising on subsidized vehicles or the functions of the subsidized vehicle committee can be added to that of an already existing committee within the department. This committee needs to be identified in Schedule 1 of this Handbook.

3.3 Minimum requirements of the committee

3.3.1 Minutes of all meetings will need to be taken and submitted to the Provincial or National Department of Transport, on request.

3.3.2 The meeting must be chaired by a Director-General or Director/Senior Manager or his/her delegate, as appointed in writing.

3.3.3 The Chief Financial Officer or his/her delegate must be represented at the committee.

3.3.4 The committee will appoint an individual or individuals to scrutinize all applications and documentation prior to the presentation of the application to the committee.

3.3.5 The Departmental Transport Officer needs to form part of the committee. Depending on the committee, the Transport Officer can attend the entire meeting or only for the discussion of the subsidized vehicle applications.

3.4 The function of the committee

3.4.1 To assist with validity of the application in terms of the Subsidized Motor Transport Handbook and prescripts, including vehicle utilization period and minimum kilometres.

3.4.2 To review all applications based on previous subsidized vehicles, history and utilization reports related to the specific applications.

3.4.3 To advise and make recommendations to The Head of the Department in terms of the applications.

3.4.4 To verify the applications in terms of the job description and/or of work plan and/or performance contract of the individual and the application of the vehicle.

3.4.5 To advise on the suitability of the type of vehicle required by the official such as a Light Delivery Vehicle (LDV) / Multi Purpose Vehicle (MPV)/ Sports Utility Vehicle (SUV) or sedan vehicle and the required engine size.

3.4.6 To advise on the economic implications and practicality of the subsidized vehicle.

3.4.7 To advise the Head of Department in line with Schedule 1 of the Subsidized Motor Transport Handbook.

3.5 Once the Head of Department has approved an application for a certain number of kilometres and a specific benchmark, these approvals can only be amended by the Head of Department or his/her delegate, due to the financial impact on the end user department.

3.6 Should the benchmark of the official be increased after the initial approval by the Head of Department, a letter signed by the Head of Department or his/her delegate needs to be supplied to all service providers.

4 Details stipulated within contracts

4.1 A subsidized vehicle can be approved for any official in full time employment of the State, on a fixed term contract or an official on probation, where the use of other transport is not practical, economical or available.

4.2 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 and is governed and managed in terms of this Handbook for subsidized vehicles.

4.3 Government retains the right to recover any cost incurred in the provision of a subsidized vehicle, should the vehicle not be utilized in line with the approved application for the official or the subsidized motor transport Handbook. By signing the Z81 vehicle application form, the official will enter into an agreement with the State for the utilization of the subsidized vehicle.

4.4 The State and the service providers shall stipulate at least the following in each contract with an official:

4.4.1 The insurance that shall be paid by the State

4.4.2 The maintenance payable by the State

4.4.3 The capital amount payable by the State in terms of the benchmark

4.4.4 The amount payable by the State for approved accessories

4.4.5 All other costs as prescribed in the National Credit Act, 2005 (Act No. 34 of 2005) well as the amounts relevant to the payment of Credit Life.

4.4.6 The amount payable by the official in terms of capital

4.4.7 Any additional amounts to be paid by the official for capital, maintenance and/or insurance in the event of a buy up.

4.4.8 Any additional amounts to be paid by the official for additional accessories fitted to the vehicle.

4.4.9 Handling of suspected misuse, abuse and wrongful application of a vehicle by the driver thereof.

4.4.10 The termination of the individual's contracts and/or the disposal of the vehicle.

4.4.11 The minimum number of kilometres to be travelled by the official

4.4.12 The capturing and submission of all log sheet data

5. Specific qualifying criteria

5.1. Where an official's duties necessitate the official use of a motor vehicle and where the provision of a Subsidized Vehicle is in the interest of the State, the applicant must complete the Z81 application form. Completing the Z81 on the online system of the RT68 finance service is preferable to reduce discrepancies between the actual vehicle ordered and to reduce the turnaround time of processing the applications. (Example attached as Addendum D)

5.2. An official will qualify for the Subsidized Scheme A if he/she travels for job related purposes a minimum of 105 000km over the selected contract period. The table below sets out the minimum official business kilometres to be travelled per annum to qualify for a specific contract period

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Contract period (Months)	Minimum Business Kilometres per annum
32	39 375 km
36	35 000 km
42	30 000 km
48	26 250 km
54	23 333 km
60	21 000 km

5.3. An official that qualifies for a shorter contract period, may select a longer contract period to accommodate the affordability of the vehicle with the same minimum required kilometres.

5.4. An official cannot select a shorter contract period unless they adhere to the required contract kilometres.

5.5. Any claims by an official that proves that they adhere to the minimum requirements of the subsidized vehicle Handbook will need to be provided. This can include:

5.5.1. In the event that the job description and/or performance agreement and/or work plan and responsibilities of the official remain unchanged, a record from the previous maintenance service provider in terms of kilometres travelled or the submission of a log sheet summary of the utilization of the previous vehicle.

5.5.2. In cases where no statistics of official kilometres are available due to the creation of new posts or a new appointment, the total projected official

assigned kilometres that the official shall undertake per month must be considered.

5.5.3. Log sheets of the utilization of a private motor vehicle or a vehicle provided by government for a continuous period of at least six months including those in where the official was a passenger must be provided.

5.5.4. In the areas where their jurisdiction is limited but the daily need to use the vehicles is needed; proof of daily utilisation supported by proof of the trip will be required. This criterion is based on the on-going utilisation compared to kilometres travelled and an official will need to make use of a vehicle for official purposes at least 15 days per month. The official will need to substantiate the claims for the utilization of the vehicle by submitting his/her job description and or performance plan.

5.6. In addition to the minimum requirements:

5.6.1. An official can only apply to partake in the subsidized motor transport scheme if they are in full time employment of the State.

5.6.2. In the event that a department opts to issue a subsidized vehicle to officials on probation, their PMDS reports will need to be submitted along with their application for a subsidized vehicle.

5.6.3. The official needs to be in possession of a valid driver's license or the nominated driver for a physically handicapped official needs to be in possession of a valid driver's license.

5.6.4. Every application for a Subsidized Motor Vehicle must be evaluated as a new application in terms of the job specification and/or work plan and/or performance agreement and responsibilities of the official irrespective of whether an official was issued with a subsidized vehicle previously.

6. Issuing of subsidized vehicles to Middle Management members

6.1. The Department of Public Service and Administration introduced the inclusive flexible remuneration package system for members of the middle management services (MMS) on salary levels 11 and 12, employed in terms of the Public Service Act of 1994 and the Correctional Services Act of 1998, with effect from the 1st of July 2005.

6.2. The provision for an official to structure for a motor vehicle allowance forms part of the officials remuneration package, whereas the Subsidized Motor Scheme is regarded as a work facility provision and hence needs to be treated separately.

6.3. Officials on Salary levels 11 and 12 that want to take part in the subsidized motor transport scheme can only do so once they have met the minimum qualifying criteria of the scheme.

6.4. Officials that take part in Scheme A of the Subsidized Motor Transport scheme will not be allowed to structure for a motor vehicle allowance but can structure their packages according to the other provisions that was made by The Department of Public Service and Administration.

6.5. Officials can only structure the salaries for a car allowance upon completion of the subsidized vehicle contract and once they have met all the obligations as set out in the Z81 application form.

7. Application for a subsidized vehicle

7.1. An official, who complies with all the specified qualifying criteria and wishes to be provided with a Subsidized Motor Vehicle for the performance of their official duties, should submit a Z81 application form to their department.

7.2. Official's needs to electronically complete the Z81 application form as provided on the website of the RT68 Finance service provider. This application will also set out the details of the contributions by the official and the State and needs to accompany the application of the official to the Subsidized Motor Transport Committee.

7.3. The application needs to be signed by the responsible Head of the Directorate and countersigned by the Chief Director or General Manager or higher ranking delegated official.

7.4. The following information shall be required in the initial application process:

7.4.1. The Z81 application form

7.4.2. The job description and/or the performance agreement and/or the work plan of the official

7.4.3. Utilization report of a previous subsidized vehicle, government owned vehicle or a private motor vehicle as ratified by his/her Senior Manager

7.4.4. Memorandum or motivation for the allocation of subsidized vehicle as supported by his/her Senior Manager.

7.4.5. The application must then be submitted to the Transport official responsible for compiling the application to the subsidized motor transport committee.

7.4.6. Upon approval of the Z81 application by the subsidized motor transport committee or the committee as specified by the Head of Department or his delegate in Schedule 1, the application form must be signed by the Head of Department or his/her delegate.

7.5. All applicants must submit the information as set out in Addendum A in addition to the Z81 application form once the application has been signed by the Head of Department.

7.6. The finance service provider shall assess the credit worthiness and the affordability of each individual application received to determine whether the finance will be approved for the official purchasing a Subsidized Vehicle under the Scheme.

8. Obtaining financing for a subsidized vehicle

8.1. The State will under no circumstances provide any official with any assistance in terms of financial warrantees or guarantees, should he/she not be able to qualify for finance for the Subsidized Vehicle.

8.2. It is the responsibility of the official to obtain finance through the finance service provider appointed by the State.

8.3. The financial approval for all vehicles will be done in line with the National Credit Act.

8.4. The transport officer or the State will not enter into any negotiations with the service provider on behalf of the official in terms of any affordability or negative Initial Test of Competence issues (ITC).

8.5. Should an application not be finalized and submitted to the finance service provider within a six month period, the application will need to be redone to ensure that the circumstances surrounding the application have not changed.

9. Responsibilities of the finance service provider

9.1. Verify the validity of all documentation supplied during the application process as set out in Addendum A

9.2. Ensure that all documentation approving the application and the actual vehicle orders are in place.

9.3. Be responsible for the financing and the purchasing of all Subsidized Vehicles though the RT57 Vehicle Procurement Contract.

9.4. Confirm the actual vehicle make and model ordered by the official prior to placing the vehicle order with the supplier on contract RT57.

9.5. Placing the vehicle order and confirm the receipt of the vehicle order by the RT57 service provider.

9.6. Confirm that the invoice as received from the RT57 service provider corresponds with the actual RT57 price as received from the National Department of Transport or National Treasury.

9.7. Re-allocate the vehicle, should the official not take delivery of the vehicle, in line with the agreed processes with the National Department of Transport.

10. Vehicle ordering considerations

10.1. Since all subsidized vehicles are purchased directly from the vehicle manufacturers, circumstances do not permit the change or cancellation of vehicle orders once these orders have been placed with the manufacturers.

10.2. Officials must consider affordability, personal preference and suitability of vehicles before the final quotation with the finance service provider is signed.

11. Failure to take delivery of a vehicle

11.1. An official signing a final order to purchase a subsidized vehicle will be liable for any cost incurred, should he/she fail to take delivery of the vehicle. The following exceptions will be applicable:

11.1.1. Where the official resigned from the employment of the department.

11.1.2. Where the official passed away.

11.1.3. Where an incorrect vehicle, which does not correspond to the vehicle order as signed by the official, was delivered.

11.1.4. Where the official cannot take delivery of the vehicle due to circumstances beyond his or her control as motivated to the Head of Department of the end user department, with the end user department confirming such in writing to the finance service provider.

11.1.5. When the official cannot obtain finance for the vehicle due to the quarterly escalation in price or as determined by the finance service provider in terms of the National Credit Act.

11.2. Authorization for a subsidized vehicle can be withheld from an official for a period of 24 months, if the official ordered a previous subsidized vehicle and refused to take delivery of the vehicle despite the vehicle corresponding to the vehicle order form as signed by the official.

12. Allocation requirements

12.1. The subsidized vehicle committee will make a recommendation to the Head of Department of the department for the approval of a specific benchmark vehicle in line with Schedule 1 of the Subsidized Motor Transport Handbook.

12.2. The benchmark values will be amended by the National Department of Transport on a quarterly or tri-annual basis based on the RT57 price adjustments as received from National Treasury.

12.3. The following will have to be taken into consideration when making recommendations for the procurement of a specific vehicle category:

12.3.1. The financial impact on the department

12.3.2. The nature of the official's duties and the type of terrain that the vehicle will be required for. (tar or gravel roads or off road)

12.3.3. The transportation of other passengers

12.3.4. The transportation of goods, the details and the regularity thereof.

12.3.5. The utilization of the vehicle with consideration to accessories such as tow bars, canopies and winches or any other accessories required to assist the official in executing his/her duties.

12.3.6. The most functional and practical vehicle

12.3.7. Approval must be granted in line with the Schedule 1 of the Subsidized Motor Transport Handbook as signed by the Head of Department of the department that the official is employed with.

12.4. Buy-up

12.4.1. The official can select any vehicle from the RT57 contract identified as a subsidized vehicle with the following considerations:

12.4.1.1. An official may under no circumstances purchase a sedan vehicle if the approved benchmark is that of a light delivery vehicle, a four-wheel drive vehicle, a Multi-Purpose vehicle or a Sports Utility Vehicle.

12.4.1.2. An official may purchase a light delivery vehicle, a four-wheel drive vehicle, a Multi-purpose Vehicle or a Sports Utility Vehicle where a sedan was approved. (Also referred to as a Buy-up).

12.4.1.3. An official may exercise the option of purchasing a more expensive vehicle other than the benchmark that has been approved by The Head of the Department. (Also referred to as a Buy-Up).

12.4.2. Any additional cost relating to the purchase of a more expensive vehicle will be borne by the official should financial approval be granted by the finance service provider appointed in terms of contract RT68 for the Financing of Subsidized Vehicles. This can include, but is not limited to additional cost for maintenance, insurance and capital.

13. Persons allowed to drive a subsidized vehicle

13.1. An official may not loan or permit any other official to make use of his/her subsidized vehicle for official purposes in his/her absence.

13.2. An official may be a passenger in his/her own subsidized vehicle. Should an insurance claim however arise, the official will be liable for the additional excess as stipulated where another person is driving the vehicle.

13.3. Any driver of a subsidized vehicle, whether the owner of the vehicle or someone that have been granted permission by the owner of the vehicle, must at all times have a valid driver's license.

14. Physically handicapped officials

14.1. Officials that are physically handicapped will need to indicate such in their application form. In addition all additional modifications or alterations they need on the vehicle and whether the vehicle need to have an automatic transmission or not needs to be indicated.

14.2. For officials that are physically handicapped, the benchmark of the cheapest vehicle with automatic transmission will be used unless the benchmark in that vehicle category exceed the price of the cheapest vehicle with automatic transmission, then the normal benchmark will be applicable.

14.3. The full cost of any additional non-standard equipment for physically challenged or disabled officials must be borne by the Department that the official is employed with.

15. Valid Driver's licence

15.1. For the remainder of the contract it will be the responsibility of the official to ensure that his/her driver's license is valid.

15.2. Any endorsements to the driving license of the official will need to be communicated to the transport officer by the individual.

15.3. Any loss that may be suffered by the State or its service providers due to the driver's license of the official not being valid or endorsed will be for the account of the official.

15.4. Should the driver's licence of an official be endorsed/ suspended for a period of time, the official can be withdrawn from the scheme by his/her department and all penalties as applicable for early withdrawals will be applicable.

16. Accessories

16.1. Approved accessories

16.1.1. Government will contribute 60% based on the approved subsidy towards any approved accessories.

16.1.2. Approved accessories will be approved based on the cost of a make and model as determined by the department.

16.1.3. The official can opt to fit a more expensive accessory that will fulfil the same function but will be held responsible for any additional costs.

16.1.4. Should an official's work terrain and conditions justify the installation of additional non-standard factory installed or approved accessories the Head of the Department or his/her delegate may approve the installation thereof as standard vehicle equipment.

16.1.5. Should a specified accessory be approved by the Head of the Department as a necessity for the official to execute his/her duties, the accessory will be 60% subsidized, based on the approved subsidy by government and in line with the make and model of the accessory as determined by the department.

16.1.6. All Subsidized vehicles must be fitted with a standard factory fitted or manufacture approved security system. The security system will be treated as an approved accessory and will be 60% subsidized.

16.1.7. All approved accessories as financed by the finance service provider will be maintained by the maintenance service provider as appointed in terms of Contract RT62 for the Maintenance of Subsidized Vehicles.

16.2. Non-approved accessories

16.2.1. An accessory that has not been approved in terms of the conditions as set out above will be for the account of the official.

16.2.2. Should the official need finance in terms of the accessories as fitted, all arrangements thereof will need to be done by the official with the service provider appointed in terms of contract RT68.

16.2.3. The official may not fit any additional accessories to the vehicle that will in any way jeopardise the warrantee of the vehicle or that will incur any additional maintenance expenditure to the service provider as appointed in terms of government contract RT62 for the maintenance of subsidized vehicles.

16.2.4. Should there be any additional expenditure to a vehicle due to the fitment of a non-approved accessory; the cost thereof will be borne by the official irrespective of the fact that the accessories are financed by the finance service provider.

16.2.5. Non approved accessories are limited to 15% of the vehicle value during the finance application process.

17. Official utilization period

17.1. All officials applying for a subsidized vehicle will be required to utilize the subsidized vehicle for a 32, 36, 42, 48, 54 or a 60 -month period or 160 000 kilometres, whichever comes first.

17.2. Officials will be required to travel the minimum contracted kilometres as set out in the Z81 application form within the specified period.

17.3. To qualify for a 60% subsidy, and official will be required to travel a minimum of 105 000km for official business purposes over the specified contract period.

18. Annual assessment

18.1. The end user department will be required to manage the utilization of the subsidized vehicle. On an annual basis at least one physical inspection of the vehicle by the transport officer or his/her representative or as otherwise determined by the end user department as set out in Schedule 1 should be carried out.

18.2. This inspection should include the verification of the actual vehicle to the information loaded on that of the service providers as well as a comparison between the actual odometer readings and that of the last submitted log sheets.

19. Calculation of the utilization of the subsidized vehicle

19.1. A subsidized vehicle can be withdrawn from the scheme if an official has not travelled the minimum required kilometres within each year of utilizing the subsidized vehicle upon approval thereof by the Head of Department.

19.2. In the event that a vehicle is withdrawn from the scheme, the penalties for underutilization of the subsidized vehicle will be applicable.

20. Underutilization of a subsidized vehicle

20.1. Special provisions to waiver the applicable penalties can be made by a department at the discretion of the Head of Department.

20.2. The following possible mitigating circumstances must be considered prior to imposing the penalties on officials that are not utilizing their subsidized vehicle:

20.2.1. An official whose job description and responsibility has changed since the allocation of the subsidized vehicle.

20.2.2. Consideration of annual leave taken.

20.2.3. An official that, due to medical reasons was absent from work for duration of time and could not have utilized the subsidized vehicle.

20.2.4. Maternity leave

20.2.5. The official being involved in one or more motor vehicle accidents with the subsidized vehicle where the vehicle could not be used for an extended period of time, due to the repairs thereof.

20.2.6. When the vehicle was not available for a prolonged period, due to constant maintenance or repairs due to the unavailability of parts.

20.2.7. The limitation of kilometres travelled by subsidized vehicles due to the implementation of budget constraints within the department.

20.2.8. Any other reason as sufficiently motivated by the Department or the official of circumstance beyond the control of the official.

20.3. Should none of the mitigating circumstances as set out above be applicable, the following remedial action can be taken against officials not driving the required business kilometres:

20.3.1. The department can require the official to drive the outstanding kilometres after the contract period had lapsed Government will not contribute any amounts for the maintenance, insurance or capital of the vehicle. The official will only be reimbursed for fuel at the same rate as the subsidized vehicle that was initially approved by the end user department.

20.3.2. The official can be required to pay back the amount for shortage of business kilometres travelled based on the actual cost incurred by the department. For that purpose, the following formula should be utilized:

Formula for the calculation of amount to be paid back by the official

	Total maintenance cost for the contract period to date	
+	Total capital paid by government for the contract period to date	
+	Total insurance paid by government for the contract period to date	
=	Total cost to government over the contract period to date	
	Total cost to government over the contract period to date	
	Total kilometres as per the Z81 application required to date	
=	Total cost per kilometre to government	…….1
	Total kilometres as per approved application	
-	Total actual kilometres travelled by official	
=	Kilometres short travelled by official	…….2
	Total cost per kilometre to government	
x	Kilometres short travelled by official	
	Total amount to be paid by the official	

21. Business and private kilometres

21.1. For the purpose of the scheme, the following will be considered as business or official kilometres:

21.1.1. Any trip authorized by an official's supervisor in the execution of his/her duties.

21.1.2. When an official is required to work at a place other than his/her normal place of duty and travels directly from his/her normal place of residence directly to such other place it will be deemed as an official trip, provided that the distance deemed as official, shall be limited to the distance which it would have been, had the official travelled to such other place from his/her normal place of duty. The lesser distance of the official's normal place of residence **or** his/her normal place of work to the other place of duty will be deemed as official.

21.1.3. When an official is temporarily posted or seconded to a different base office other than his/her normal place of work, and travels directly from his/her normal place of residence directly to such other office it will be deemed as a private trip, provided that the distance deemed as private, shall be limited to the distance which it would have been had the official travelled to s his/her normal place of place of duty. Should the difference exceed the distance to the official's normal place of work, the difference shall be deemed as business kilometres.

21.1.4. Any trips undertaken related to the maintenance of the vehicle. This includes services, routine maintenance, tyre fitments etc.

21.1.5. The collection of a subsidized vehicle from the dealership at the time of delivery of the vehicle.

21.1.6. Any services, maintenance or accident related repairs to the vehicle as paid for by the appointed maintenance or insurance service provider as long as it is the closest recognised dealership/ service centre or as directed by the maintenance or insurance service provider.

21.1.7. Any kilometres travelled to renew the vehicle license disc.

21.2. The following trips for the purpose of the scheme will be deemed as private kilometres:

21.2.1. Any travel between the residence of the official or place of residence to their normal place of work.

21.2.2. Any travel from the official's normal place of work to their residence.

21.2.3. Any travel for the payment of any traffic fines.

21.2.4. Any other travel that is not for official business purposes.

21.2.5. Private kilometres, undertaken at the officials cost, should be reflected in the logbook as submitted to the Departmental Transport officer.

21.2.6. Should any discrepancies arise from the interpretation of private kilometres, it is the prerogative of the Head of the Department, or his/her delegate to adjudicate the circumstances of the claim and make the final ruling.

22. Increasing a benchmark

22.1. A department can request the maintenance service provider to increase the benchmark of the vehicle of the official. Such increases in the benchmark will need to be approved by the Head of Department of the Department or his/her delegate.

22.2. A copy of the approval will need to be supplied to the maintenance services provider, the finance service provider and the insurance service provider.

23. Official leaving the employment of the state

23.1. An official leaving the employment of the State has three options in terms of the outstanding amount owed to the finance service provider:

23.1.1. The official can make a once-off payment in respect of the outstanding amount owed to the finance service provider.

23.1.2. The official can refinance the outstanding amount owed to the service provider.

23.1.3. The official can dispose of the vehicle in consultation with the finance service provider to cover the outstanding amount owed to the finance service provider.

23.2. The State, upon receiving notification of the resignation of the official shall:

23.2.1. Calculate the outstanding kilometres the official has not travelled in terms of his/her agreement with the State for the period that the vehicle was utilized for. For this purpose, the underutilization formula will be used.

23.2.2. The amount as calculated of the underutilization of the vehicles is under no circumstances to be deducted from the pension payable to the official.

24. Monthly travel allowances

24.1. The monthly travel allowance schedule is split into two distinct parts:

24.1.1. Fixed cost element, which includes the monthly maintenance contribution, the annual insurance contribution and the monthly capital contribution, including the contract initiation fee, the monthly administration fee and a credit life insurance policy as calculated in terms of the approved benchmark by official's department, and the actual vehicle selection by the official.

24.1.2. Variable cost element is the fuel reimbursement that would be paid to the official.

24.2. Should an official exercise the option to purchase a more expensive vehicle other than the benchmark that was approved by the Head of the Department, the maintenance, insurance and fuel allowances will be limited to the approved benchmark. All additional costs will be borne by the official.

25. Reimbursement of fuel claims

25.1. The official will be reimbursed for fuel in terms of the approved vehicle benchmark in accordance with the official kilometres travelled and will be based on the rates as calculated by the National Department of Transport and distributed monthly. (Addendum B)

25.2. All reimbursement of fuel payments will be done in arrears and will be done through the government's payroll systems and administered by the contractor as appointed in terms of contract RT62.

25.3. The Head of Department can allow for the payment of fuel claims to be based on the actual vehicle driven by the official and not on the approved benchmark as per Schedule 1 of the subsidized motor transport scheme.

25.4. In the event that an official exercises the option to buy up, the official will be reimbursed on the petrol rates if a Petrol vehicle is driven, or reimbursed on the Diesel rate if a Diesel vehicle is driven.

26. Capital allowance calculation

The following will be applicable in the calculation of the benchmark and capital calculations:

26.1. The monthly capital allowances are based on the benchmark as calculated from contract RT57, the contract for the procurement of vehicles by the state.

26.2. The benchmark will be determined on a quarterly or tri-annual basis by calculating the average vehicle price per category as per the amendments in the vehicle prices on the RT57 vehicle procurement contract.

26.3. The base price of the vehicles as contained on RT57, including VAT and emission tax will be used in the benchmark calculation.

26.4. The benchmark will exclude approved accessories, pre-delivery services, delivery cost and registration cost.

26.5. The contribution of the State will be based on 60% of the benchmark value for the vehicle category approved for the official.

26.6. Any cost over and above the 60% contribution towards the approved benchmark by the State shall be for the account of the official.

26.7. In addition to the benchmark, the state will contribute 60% towards the contract initiation fee and the monthly administration.

26.8. The State will contribute 100% of the annual credit life insurance.

26.9. All of the above cost will be included in the calculation done by the finance service provider in order to calculate the affordability of the vehicle to the official.

26.10. If an official exercises the option to purchase a less expensive vehicle or a vehicle from a lower category than that which is approved by The Head of the Department, the monthly allowances will be based on the actual vehicle purchased or the benchmark of the lower category and the subsidy of 60% as approved by the end user department.

27. Maintenance allowance

27.1. To ensure that the subsidized vehicle remains in good condition and that the warrantees and guarantees remain valid, it is imperative that the vehicle is serviced according to guidelines as prescribed by the manufacturer and as set out in the vehicle's service manual.

27.2. It is the responsibility of the official to ensure that the vehicle is serviced at the time or kilometre intervals as set out in the vehicle's service books to ensure that the warrantees and guarantees of the vehicle remains intact.

27.3. The maintenance plan, as contracted for by government with a maintenance service provider (Contract RT62) will be used to maintain the subsidized vehicle in accordance to prescripts provided by the manufacturers as set out in

the owner's manual of the vehicle. This is intended to cover all cost in terms of normal wear and tear as set out in the vehicle owner's handbook.

27.4. Should a service plan be applicable to the specific make and model of vehicle that was purchased, the service plan will remain valid as prescribed in the guidelines provided by the manufacturer despite the provision of maintenance through contract RT62.

27.5. At no time shall officials be reimbursed for any maintenance undertaken on the subsidized vehicle. Official must under no circumstances pay for any maintenance of a subsidized vehicle.

27.6. Calculation of the maintenance allowance:

27.6.1. Government will contribute 100% of the maintenance premium for an official that procured a vehicle within the same vehicle category as approved by the end user department.

27.6.2. Should an official exercise the option to procure a vehicle in a lower or smaller vehicle category with a lower maintenance premium, the maintenance contribution by government will be 100% of the maintenance premium of the lower or smaller vehicle category.

27.6.3. Should an official exercise the option to procure a vehicle in a higher vehicle category than the category that was approved by the end user department, the official will be required to pay the difference between the premium for the approved vehicle category and that of the higher vehicle category.

27.7. The maintenance plan will be valid for the same period as that of the finance contract entered into by the official, not exceeding the maximum of 60 months or 160 000km, whichever comes first.

27.8. Should an official resign or the vehicle be withdrawn from the scheme, the maintenance as provided by the RT62 maintenance contract will automatically lapse.

28. Maintenance of the Subsidized Vehicle

28.1. Inclusions in the maintenance contract

28.1.1. The RT62 maintenance service provider is required to pay for all maintenance to the vehicle that is not included in the service or maintenance plan as issued by the manufacturers supplying vehicles to the State under contract RT57. A maintenance contract shall be for a period of 160 000km or 60/48/42/36 months whichever comes first.

28.1.2. The vehicle as it was ordered from the RT57 vehicle procurement contract will be maintained. This will include any factory fitted standard accessories that the vehicle was issued with or that was added on by the official that was either fitted by the manufacturer of the vehicle or has been financed as part of the finance agreement with the service provider of contract RT68 for the Financing of Subsidized Vehicles or has been approved by the end user department as a requirement for the official to execute his/her duty.

28.1.3. Any part of the vehicle that requires repairs, maintenance or replacement that was caused by normal wear and tear or extended use of the vehicle will be for the cost of the RT62 maintenance contractor.

28.1.4. Unless specified under the items excluded from maintenance or based on the inappropriate application of the vehicle or an act of negligence that necessitates the repairs, maintenance or replacements, the RT62 maintenance contractor will be required to maintain the vehicle in such a manner as to ensure that it's functional.

28.1.5. Repairs to any of the seats or safety belts will be required if the malfunctioning thereof in any way will endanger the driver or passengers of the vehicle.

28.1.6. All lights in the interior of the vehicle will be maintained. This includes all lights on the instrument panels and lights fitted inside of the vehicle. All lights and indicators will need to be maintained. This includes the replacement of light bulbs, light covers or the unit itself where required. Should the malfunctioning of the light be an electronic wiring fault or a malfunctioning switch it will need to be repaired by the maintenance service provider. The same will apply for brake lights even if such a light is mounted in the upper rear window.

28.1.7. The maintenance service provider will maintain all wiper blades, the wiper motor and any other mechanisms related to the wipers of the vehicle including switches. Should circumstances require the replacement of such a motor or any parts thereof, the cost will be for the maintenance service provider.

28.1.8. If the cruise control is a standard factory fitted device the system will be maintained by the maintenance service provider and any cost incurred in terms of the maintenance or repairs will be for the cost of the maintenance service provider.

28.1.9. All repairs to the 4x4 system or any part thereof will be paid for by the maintenance service provider unless abuse or incorrect application of the vehicle can be proven by the RT62 maintenance contractor and can be confirmed with an independent third party.

28.1.10. All approved accessories will be maintained by the maintenance service provider. This includes, but is not limited to tow bars, canopies, winches etc. or any part thereof that may malfunction.

28.1.11. The maintenance service provider will not be required to pay for any glass repairs unless such a repair is necessitated by the fact that the damage was caused due to a malfunctioning window, whether electric or manual. The repairs of the window winder or the electrical window mechanism will be paid for by the maintenance service provider as well as the actual fitment of the glass should it be required.

28.1.12. All other switches or buttons in the vehicle that has a functional value that ensures the safe and correct application of the vehicle will be maintained and repaired by the maintenance service provider. This can include the

mechanisms for the adjustments of side mirrors, electric windows, electric seat adjustment or manual seat adjustment, petrol cap opening devices, bonnet opening devices, door handles, locking devices etc.

28.1.13. The instrument panel as a whole will be maintained by the maintenance service provider. Should any part of the instrument panel require repair where the instrument panel itself is not functioning, there is an electrical or wiring malfunction or any repairs required to ensure that the instrument panel is accurate and fully functional, such repairs will be paid for by the maintenance service provider.

28.1.14. The refilling of air conditioner units will be paid for by the maintenance service provider. It will further include any cost for the repair of the unit, partial repair thereof or the replacement of the air conditioner motor or any other required part.

28.1.15. Any system in a vehicle that is required to ensure the visibility through the windows such as the defogging system on the rear windows as well as any possible systems for the windscreen will need to be maintained, repaired or replaced at the cost of the maintenance service provider as and when required.

28.1.16. Should an airbag deploy for any other reason than that of an accident or incident or if there is any indication that it might be malfunctioning the cost for the repair or replacement thereof will be for the account of the maintenance service provider.

28.1.17. The RT62 maintenance contractor shall be responsible for the factory fitted radio of the vehicle and any repairs required thereto. Should the official fit any other radio into the vehicle or modify the factory fitted radio system in any way, the cost therefore will be for the official.

28.1.18. Any damage or repairs required to the gearbox will be the responsibility of the RT62 maintenance contractor unless the cause of the damage requires otherwise.

28.1.19. The RT62 maintenance contractor shall replace a battery should the need arise. The system of the Contractor will need to make provision for the capturing of the serial numbers of these batteries to ensure that vehicle batteries are not swapped.

28.1.20. The maintenance service provider shall ensure that all repairs and maintenance to radiators is carried out, unless the cause of such damage is as a result of an accident or incident.

28.1.21. The maintenance service provider is responsible for the replacement of the clutch system should it be required. Should the replacement thereof be prior to the anticipated lifespan of the clutch system or the required replacement the official will be liable for paying an excess amount to have the clutch replaced.

28.1.22. The Contractor shall be responsible for any part or parts related to the wheels of the vehicle including bearings or any damage associated with bad road conditions.

28.2. Exclusions in the maintenance contract

The following is not the responsibility of the RT62 maintenance contractor. All cost related to any of these repairs would either need to be covered by the official or where required, the Insurance service provider in terms of contract RT58.

28.2.1. Driver abuse leading to abnormal damage.

28.2.2. Driver neglect that could have been avoided through care with the exclusion of engine damage.

28.2.3. Consequential damage caused by abuse, neglect or the continuous use of an already damaged vehicle.

28.2.4. Where the official in any way have altered the standard fittings to a vehicle without the approval of the maintenance service provider, the maintenance service provider can refute a claim even though it would under normal circumstances be covered under the inclusions in terms of maintenance.

28.2.5. The maintenance service provider will not be responsible for the repair of any sunroofs; switches related to the sunroof, structural damage or any other repairs related to the sunroof.

28.2.6. Any repairs required to a vehicle that was caused by an incident or accident that is related to the insurance on the vehicle.

28.2.7. Any repairs required to the radio of the vehicle due to additional modifications or fitments thereto will be for the account of the official.

28.2.8. Maintenance to all cosmetic fitments to the vehicle will not be required. This includes:

28.2.9. Repairs to interior mirrors of the vehicle, excluding the rear view mirror

28.2.10. Repairs to any upholstery or seats of the vehicle unless the damage to the upholstery is of such a nature that failure to repair it will endanger the driver or the passengers of the vehicle.

28.2.11. The repair of scratches to the body work of the vehicle, any fitted accessories or damage to the interior of the vehicle will be excluded unless it affects the functionality or endangers the driver or the passengers of the vehicle.

28.2.12. The repair of any rubbers or covers in terms of the gear lever, 4x4 lever or any other mechanism such as the indicator, wipers, and cruise control shall be excluded. Should the malfunction or breakage of any of the covers impair the use thereof the service provider will be required to pay for such a repair

28.2.13. Any scratches or breakage of the dashboard or other interior fitments, irrespective of it hampering the operation of the vehicle.

28.2.14. Any repairs to bull bars, nudge bars, anti-roll bars, and runners will not be covered by the maintenance service provider unless such was fitted as an approved accessory.

28.2.15. The maintenance service provider will not cover any accessory that is not an approved accessory by the user department, irrespective of whether it influences the functionality of the vehicle or not.

28.2.16. The maintenance service provider will not be required to pay for any glass repairs in terms of windows.

29. Tyres and tyre replacements

29.1. The RT62 maintenance contractor will make provision for 15 wheel alignments and wheel balancing per individual contract. This will exclude wheel alignments to be done during the fitment of tyres.

29.2. Category A vehicles will be allowed to fit 8 tyres for the duration of the contract and Category B, C and D vehicles 10 tyres.

29.3. The following will be applicable for the replacement of tyres on a subsidized vehicle:

29.3.1. Based on irregularities and inconsistencies the following will be applicable to officials changing the tyres of their vehicles

29.3.2. The same make and type of tyre will be fitted to the vehicle that the vehicle was delivered with. If the same make and type is not available, the RT62 maintenance service provider will authorize the fitment of tyres of a similar type.

29.3.3. The maintenance service provider will not pay for the fitment of specialized tyres such as Mud-terrain or All-terrain tyres if the vehicle was not delivered with these tyres already fitted to the vehicle.

29.3.4. An official will be allowed to fit specialized tyres upon the first replacement of tyres and pay the difference in the price between the specialized tyre and the tyres original or similar tyres that the vehicle was fitted with at the time of delivery. This will also be applicable for all subsequent changes in tyres

29.3.5. In order for the maintenance service provider to verify the details of the vehicle and that of the owner, the vehicle and the official must be at the fitment centre when the maintenance service provider is contacted.

29.3.6. Tyres will only be changed when a reasonable number of kilometres, determined based on the operating area of the vehicle, the type of vehicle and kilometres travelled since the previous fitment of tyres allows for it.

29.3.7. A new tyre will be fitted to the vehicle in the event of a tyre burst or where side wall damage occurs. Such a tyre shall form part of the tyres allocated to the official as part of the scheme.

29.3.8. Officials will not be allowed to take the old or removed tyres or tyre casings, when new tyres are fitted.

29.3.9. Officials are not to change any tyres fitted to their subsidized vehicle by the maintenance service provider, without prior authorization from the maintenance service provider, even if the official intends to pay for the fitment of such tyres.

29.3.10. In the event that any irregularity, possible fraudulent activity or inconsistencies be picked up by the maintenance service providers, additional information such as photographs etc. can be requested from the fitment centres or such tyres will need to be inspected by a representative from the maintenance service provider.

29.3.11. The maintenance service provider will repair any punctures to tyres should it not be necessary to replace the tyre.

30. Log sheets

30.1. All official trips undertaken with a subsidized vehicle needs to be authorized. This can be done by an official by filling in a pre-authorization form as determined or provided by the department, the submission of a pre-approved monthly or weekly work plan or any other method as agreed to between an official and the Head of Department or his/her delegated authority.

30.2. A log sheet, form Z79 is to be completed in triplicate by the official. The log sheet is to reflect all distances covered, both official and private. The original Z79 must be directed to the Departmental Transport Officer on or before the 7th of each month.

30.3. Officials can make use of an electronic log sheet submission, as long as it adheres to the minimum requirements as determined by the relevant end user department.

30.4. All log sheets are only to reflect the kilometres that were travelled in one month and can under no circumstances contain the kilometres travelled in more than one month. Log sheets must be filled in from the 1st of the month to the last day of the month (28, 29,30th or 31st), in terms of Annexure C as amended from time to time.

30.5. It is the responsibility of the Head of the Department or his/her delegate to verify the utilization of the vehicle and to ensure that all entries thereon are accurate and legible. A log sheet summary sheet is to be completed by the Departmental Transport officer or his/her delegate who needs to submit it to the maintenance service provider in terms of government contract RT62.

30.6. The following signatures must appear on the Z79 and must be strictly controlled:

30.6.1. The signature of the official in whose name the vehicle is registered.
30.6.2. Signature of the Head of the Directorate or his/her delegate
30.6.3. Signature of the Directorate/departmental Responsibility Manager

30.7. The signing of the log sheet implies that the log sheet have been checked to ensure that trips as indicated on the log sheet has been undertaken with the subsidized vehicle in accordance with the monthly or weekly travel plan or per individual trip authority sheet or as otherwise managed and that all trips as undertaken were in the interest of the State.

30.8. The maintenance service provider in term of contract RT62, needs to submit to the end user department exception reports in terms of odometer and log sheet records for investigation and appropriate action in terms of the Public Service Act, compliance to this Handbook and the Public Finance Management Act.

30.9. Should only private kilometres been travelled during the month, or no kilometres at all, the log sheet should still be completed and submitted as set out above.

30.10. Copies of the log sheets are to be retained by the end user department for reference purposes.

30.11. All reports in terms of kilometres travelled, reimbursement amounts and utilization will be provided by the maintenance service provider in terms of contract RT62.

30.12. All kilometres travelled with a relief vehicle will need to be captured on a separate log sheet and retained in the Subsidized Vehicle file of the official.

31. Conditions with regard to the title deed (registration certificate) of the vehicle

31.1. The Title Deed of the subsidized vehicle reflects the finance service provider as appointed in terms of the National contract RT68 as titleholder and the subsidized vehicle owner (official) as owner. The official may only register the subsidized vehicle onto his/her name as titleholder and owner, when:

31.1.1. The full amount of the purchase price has been repaid by the official

31.1.2. The official has met the requirements for the utilization of the vehicle in terms of the kilometres travelled or the period as agreed to between the official and the state in terms of the Z81 application form.

31.1.3. Should there be any outstanding kilometres or amounts owed to the department, the vehicle registration papers will need to be provided to the end user department up to such a time that the official have met the requirements or paid the outstanding amounts.

32. Control measures and vehicle inspections

32.1. It is the duty of the official to exercise due care and diligence with regard to the custody and maintenance of the vehicle.

32.2. The vehicle is to be made available for inspection on request of the Transport Officer or any other authorised person at least once a year or as determined by the end user department as per Schedule 1.

32.3. As part of the inspection, the odometer reading of the vehicle will be compared to the actual log sheet submission by the official, the condition of the vehicle

and verification that all services and maintenance as prescribed by the manufacturer of the vehicle was met.

33. Risk Managers

Every department that partakes in the Subsidized Motor Transport Scheme must appoint a Risk Manager that should be responsible for the following:

33.1. Manage all risks associated with the Subsidized Motor Transport Scheme.

33.2. Analyse all identified risk areas and make recommendations to eliminate and reduce risks.

33.3. Provide a performance audit function to measure contract compliance of the service providers and the state.

33.4. Implement risk management measures and directives as issued by The Department of Transport.

33.5. Analyse all exception reports and implement appropriate operational actions to reduce or eliminate these identified exceptions.

34. Use of government workshops, stores and contracts

34.1. An official provided with a subsidized vehicle may not under any circumstances utilise the service of any Government Garage, Government-owned workshops, or any Government contracts, for the maintenance and operation of the Subsidized Vehicle with the exception of the RT57 vehicle procurement contract, the RT68 finance contract, the RT58 Insurance contract and the RT62 maintenance contract.

35. Fines administration

35.1. The official will be responsible for all traffic fines incurred.

36. Rules and regulations

36.1. These provisions, which are applicable to Subsidised Motor Transport, bind the official participating within the scheme.

36.2. Failure to comply with the provisions and, or instructions issued in respect of Subsidised Transport, will render the offending official liable to disciplinary action in terms of the Public Service Act.

36.3. In certain cases, the repossession or withdrawal of the concession in respect of the use of Subsidised Motor Transport may be enforced as sanctions to a disciplinary

37. Tax on monthly travel allowances

37.1. All allowances payable under the Subsidized Motor Transport Scheme shall be taxable in line with the requirements as set out by SARS.

38. Withdrawals and transfers of officials between departments

38.1. Normal withdrawal

38.1.1. Normal withdrawal of a vehicle is the withdrawal of the vehicle after the completion of the 36, 42, 48, 54 or 60 month contract period or 160 000 kilometres whichever comes first or in the event of an official resigning, passing away or being promoted.

38.1.2. The responsibilities of the RT62 maintenance service provider will terminate based on the 36, 42, 48, 54 or 60 months from the date of delivery of the vehicle.

38.1.3. The contract between the official and the RT68 finance service providers will terminate on the date of expiry of the contract once all repayments as specified at the time of the contract signature was done.

38.1.4. The vehicle will remain insured till the last day of calendar month in which the termination of the finance agreement was done.

38.1.5. All penalties outstanding to the department will need to be calculated at the time of withdrawal.

38.1.6. The finance, maintenance and insurance service providers need to be informed of normal withdrawals. Where possible such notification should be given three months in advance.

38.2. Pre mature withdrawal

An official can request for a vehicle to be withdrawn from the scheme prior to the expiry of the contract period under the following conditions:

38.2.1. If it can be proven that the vehicle has continuous mechanical breakdowns that cannot be resolved.

38.2.2. The Department withdraws the vehicle due to the underutilization of vehicle by the official after a minimum period of 32 months.

38.2.3. The official leaving the employment of the state.

38.2.4. Early retirement due to medical reasons.

38.2.5. Promotion of an official to the level of Director.

38.2.6. Promotion or transfer of the official to a position where a vehicle will not be required.

38.3. Notification of withdrawal

38.3.1. The Transport Officer needs to ensure that all service providers are informed in writing within a maximum of three months of any vehicle withdrawn from the scheme.

38.4. Transfers between Provinces and Departments

38.4.1. Should an official transfer from one department to another or from one Provincial administration to another, the Departmental Transport Officer of the department that the official resigned from and the official concerned must notify the service provider(s) immediately in writing.

38.4.2. The service provider shall be responsible for the transfer of the official's account to the new department and to the closest office of the service provider of the official's new region of operation.

38.4.3. The department where the official was transferred from will need to ensure that the subsidized vehicle file of the official is transferred to the new department within 30 days of the official's date of transfer from the department.

38.4.4. The new department where the official is employed may use their discretion to take over the subsidized vehicle upon the request and motivation of the official and the head of the directorate where the official will be employed.

38.4.5. Any approval for a vehicle to be taken over by the new department will need to be done by the Head of the Department or his/her delegate and in line with the internal processes of the department.

38.4.6. The new department will also have the option to adjust the benchmark of the vehicle, to align it with the applicable policies and guidelines within the new department.

38.4.7. An evaluation of the use of the subsidized vehicle will be done upon the date of transfer of the official from the old department and all penalties payable for the possible underutilization of the vehicle will be calculated. The payment of these penalties will be dependent on the prerogative of the department that the official resigned from should the official have been in possession of the subsidized vehicle for a period longer than six months.

38.4.8. Should the new department opt not to take over the subsidized vehicle, all allowances needs to be cancelled by the new department on the Persal/ Persol systems.

39. Insurance

39.1. Inclusion on insurance cover

39.1.1. All subsidized vehicles will be insured in line with the RT58 contract for insurance. This insurance will cover and include the following:

39.1.2. The insurance of the subsidised vehicle need to include amongst others, any factory fitted standard accessories that were either added on by the Official or fitted by the manufacturer of the vehicle, including those that have been financed as part of the finance agreement with the service provider of contract RT68 for the financing of subsidised vehicles or has been approved by the end user department as a requirement to enable the Official to properly execute his/her duties.

39.1.3. The insurance cover makes provision for covering the vehicle within the borders of the Republic of South Africa as well as outside of the borders of

the Republic including, Botswana, Namibia Lesotho, Mozambique, Swaziland, Zimbabwe, Malawi and Zambia.

39.1.4. Loss of or damage to the vehicle or spare parts caused by accidents or incidents;

39.1.5. Theft, hijacking and/or total loss;

39.1.6. Vandalism, explosions, riot damage, fire;

39.1.7. Falling objects (from buildings, other vehicles or otherwise);

39.1.8. Damage to third party property;

39.1.9. Liability to third parties resulting in death or injury to third parties;

39.1.10. Accessories as financed through the Finance Service Provider as appointed in terms of contract RT68 or as otherwise specified or declared.;

39.1.11. Hail, snow or any other damage caused by natural disasters termed as “acts of God”;

39.1.12. Towing and storage cost to the approved repairer;

39.1.13. Loss or damage caused by or in connection with war, civil war and/or martial law;

39.1.14. Loss or damage caused by, or in connection with, civil commotion, labour riots strikes and/or mutiny;

39.1.15. Loss or damage caused by or in connection with politically inspired uprising, riots and terrorism;

39.1.16. Radio/CD/Hands free car kits covered up to the specified limits in the event of loss.

39.1.17. The vehicle shall be insured for the full period that the vehicle forms part of the subsidised vehicle fleet of the State.

39.1.18. The vehicle will be covered for a period of 36, 42, 48, 54 or 60 months or 160 000km whichever comes first or until such a time that the finance agreement expires.

39.1.19. The cover for the last month of the contract shall be up to the end of the calendar month in which the official’s contract expires.

39.1.20. Windscreen cover, with the official paying the excess per event as determined by the National Department of Transport and the Service Provider.

39.1.21. Cover is required for any lost or stolen keys but will not include any broken keys or any part thereof such as remotes etc.

39.1.22. Passenger liability cover with a limit as determined through contract RT58

39.2. Exclusions from the insurance cover

39.2.1. All costs related to any of the following would need to be covered by the Official and will not be paid out of the fund.

39.2.2. A vehicle that is not roadworthy

39.2.3. Any misrepresentation, incorrect description, by the Official or individual that was driving the vehicle at the time of the incident/accident or time of total loss.

39.2.4. Should the Official or driver of the vehicle not be in possession of a valid driver's license or where the licence has been endorsed

39.2.5. The vehicle is used outside the borders of South Africa with the exception of Namibia, Botswana, Lesotho, Mozambique, Swaziland, Zimbabwe, Malawi and Zambia.

39.2.6. Items covered under the Road Accident Fund

39.2.7. Where the driver of the vehicle was driving under the influence of alcohol or drugs.

39.2.8. Damage to the wheels, rims, tyres and driving shaft of the vehicle that can be contributed to road conditions, such as potholes that was not caused by damage incurred during an accident.

39.2.9. Consequential damage unless covered under the provisions for non-standard insurance requirements.

39.3. Calculation in the event of total loss

39.3.1. In the event of a total loss, the RT58 insurance contractor shall calculate the amount payable out of the fund to either the official or the finance service provider based on:

39.3.2. The vehicle purchase price (Not RT57 price) and the market value needs to be used to calculate the percentage depreciation of the vehicle value up to the time of the total loss occurring.

39.3.3. This % depreciation will then be applied on the initial RT57 purchase price of the vehicle to calculate the amount to be paid out in the event of total loss.

39.3.4. Any amount to be paid out must at least cover the financial shortfall of the Finance Service Provider.

39.4. Compulsory buy-up cover

39.4.1. In order to reduce the exposure of the government owned insurance fund, compulsory buy-up cover will be required by all officials that exercised the choice to purchase a subsidized vehicle of a higher category than the category approved by the end user department.

39.4.2. The amount for the buy-up cover will be collected by the RT58 insurance contractor on a monthly basis through the government payroll systems.

39.5. Optional Top-up cover

39.5.1. Top-up cover is available to officials on the subsidized motor transport scheme as an option.

39.5.2. The top-up cover will allow an official to insure the vehicle for the market value of the vehicle instead of the depreciated RT57 value.

39.5.3. The amount for the top-up cover will be collected by the RT58 Insurance Service provider on a monthly basis through the government payroll systems.

39.6. General

39.6.1. Officials that are involved in an incident or accident will have to pay an excess as may be amended on an annual basis. As set out in Addendum C.

39.6.2. An official will be able to claim back the amount equal to that of first excess in the event that the official was on an official business trip when the incident or accident resulting in the loss occurred.

39.6.3. Insurance premiums are to be collected on an annual basis by the RT58 Insurance service provider for the full financial year of 1 April to 31 March.

39.6.4. In the event that a contract is terminated during the financial year, the pro-rata reimbursement will be made to the end user department by the RT58 insurance contractor. This pro-rata reimbursement will not be made in the event that a claim was paid in respect of the specific vehicle.

39.6.5. Officials should request a cross border letter from the RT58 Insurance service provider in the event that the official will visit another country at least three working days prior to leaving

40. Relief transport

40.1. An official that was involved in an accident with a subsidized vehicle will be allowed to make use of the relief transport as provided by the insurance service provider. Where the vehicle was provided for through the RT58 insurance contract, the following will be applicable:

40.1.1. A vehicle will only be provided to an official where the subsidized vehicle is not drivable, the subsidized vehicle is a total loss or where the subsidized vehicle is under repair.

40.1.2. An official will receive a similar type of vehicle as the approved subsidized vehicle.

40.1.3. An official that drives a sedan vehicle as per the approved benchmark of the department will be allowed to make use of a basic 1400cc sedan with an air-conditioner and a radio.

40.1.4. An official that drives a Light Delivery Vehicle / Sports Utility Vehicle as per the approved benchmark of the department will be allowed to make use of a basic 2000cc LDV/SUV vehicle with an air-conditioner and a radio.

40.1.5. An official that utilizes the relief vehicle for official duties will be allowed to claim for business kilometres travelled under the rates as determined on a monthly basis by the National Department of Transport for Subsidized Scheme A vehicles.

40.1.6. Claims for official or business kilometres will need to be processed through the normal S&T processes of the end user department and not through the system provided by the RT62 maintenance service provider.

40.1.7. Transport Officer and the official will need to keep the records of all business or official kilometres travelled with a relief vehicle on the subsidized motor vehicle file of the official. These can be used to determine the utilization of the vehicle and, as possible consideration in the application processes for new vehicles.

40.1.8. Officials that are involved in an accident with the relief vehicle as provided, will be required to pay an additional excess as specified by the RT58 Insurance service provider.

40.1.9. A credit card will be required with regards to the excess. Officials not in possession of a credit card can request the service provider to make alternative arrangements.

40.1.10. The maximum number of days allowed for the utilization of the rental or relief vehicle is 21 days.

40.1.11. Officials need to return all relief vehicles with a full tank of fuel. Officials not returning the rental or relief vehicle with a full tank of fuel will be held liable for the cost of filling up the vehicle.

41. Utilization of government-owned or vehicles provided by government

41.1. Any official provided with a Subsidized Vehicle may not utilise a vehicle provided by the State, whether such a vehicle is State owned or provided for in terms of an outsourced agreement.

41.2. An official that has been allocated a subsidized vehicle may travel in a vehicle provided by government as a passenger should the subsidized vehicle not be available.

41.3. The State will not supply a relief vehicle or allow the official to make use of a vehicle as supplied by him/herself should the unavailability of the subsidized vehicle be due to a result of negligence by the official.

41.4. Government can make exceptions in terms of the provision of a vehicle in the following instances:

41.4.1. Should an official's duties temporarily change rendering his/her current Subsidized Vehicle unsuitable for the specific duties, a vehicle can be provided by government or by the individual should it be available.

41.4.2. In the event that an official made use of air transport and vehicle is required at his/her new destination of work.

41.4.3. Should the vehicle of the official be unavailable due to accident damage or major repairs, the official may be allowed to travel with a vehicle as supplied by government or a vehicle as supplied by the official in his/her individual capacity for a maximum period of 6 weeks should such a vehicle be available.

41.5. The following process is to be followed where an official is requesting a vehicle as provided by government or a supplied by him/herself:

41.5.1. A written request must be directed to the Head of the Department or his/her delegate.

41.5.2. The standard trip authorization procedures as applicable in the department is to be applied.

41.5.3. The Head of the Department or his/her delegate may approve such a request and allow an official to make use of a vehicle provided by government or by the individual for official purposes only to enable the official to perform his/her duties although a subsidized vehicle is allocated to the official.

41.6. Approval for utilizing a government vehicle or a vehicle as supplied by the official is subject to:

41.6.1. The official must still pay the subsidized vehicle instalment.

41.6.2. No official kilometres that are undertaken with the relief vehicle as provided by government or by the official are to be credited to the subsidized vehicles.

41.6.3. Any kilometres travelled by an official with an alternative vehicle supplied by the official can be claimed for under the tariffs applicable for private vehicles. These kilometres are not to be credited to the subsidized vehicle and the payment thereof will need to be done through the normal Substance and Travel (S&T) claims procedure within the department and not through the maintenance service provider. Any payments in this regard are subject to the approval of the Head of Department or his/ her delegate.

41.6.4. Any kilometres travelled with an alternative vehicle needs to be noted on the subsidized vehicle file of the official and needs to be taken into consideration during the application process for a new vehicle or when determinations in terms of underutilization of vehicles are made.

42. Garaging, Parking and Toll fees

42.1. Normal garaging

42.1.1. The cost of overnight garaging of the subsidized vehicle at the normal place of residence of the official are to be borne by the official.

42.1.2. The department at which the official is employed has no obligation to provide any official with parking at his/her normal place of work unless so prescribed in the departmental parking policy where applicable.

42.2. Ad hoc parking

42.2.1. Where an official has made use of ad hoc parking whilst on official duty, not at his/her normal place of work, the actual expenditure as incurred by the official will be reimbursed to him/her upon receipt of proof of payment to his/her department. The normal Substance and Travel (S&T) policy that is applicable within the respective department will need to be adhered to.

42.3. Toll fees

42.3.1. Should the official need to travel a route where a toll road is applicable, whether such toll is collected manually or electronically, the department shall reimburse the official the cost through the normal Substance and Travel (S&T) procedures applicable within the respective department for all business trips.

42.3.2. The State will not pay for any eTolling transactions where the officials did not fit an eTag or did not ensure that they qualify for the reduced or discounted tariffs by paying within the required time frame. The State will only reimburse an official on the discounted tariff.

43. Registration and licensing

43.1. The finance service provider, as appointed in terms of contract RT68, shall be the titleholder and will be responsible for the processing of the registration of the subsidized vehicle.

43.2. The official will be responsible for licensing the vehicle with the Local Licensing authority and the yearly renewal thereof.

43.3. All cost in terms of licensing and registration fees will be borne by the official.

44. Procedures

The service provider in conjunction with the State will provide the administrative procedures for the new Subsidized Motor Transport Scheme.

44.1. Maintenance and Insurance dispute resolution process

44.1.1. A dispute can arise between the official and the merchant undertaking work on the vehicle, between the official and the contractor or between the contractor and the merchant as to whether the official is responsible for the payment of the cost of the repairs.

44.1.2. Should the official be of the opinion that the damage to the vehicle was not due to abuse, wrongful application or negligence; the official can

request the service provider to follow the following dispute resolution process in order to resolve the matter.

44.1.3. The cause of the damage to the vehicle or part thereof needs to be established. This can include but is not limited to; neglect from the official, the wrongful application of the vehicle, a warrantee claim, poor workmanship on a previous service, damage resulting from an earlier accident or incident, parts failure or neglect from the merchant.

44.1.4. Depending on the cause of the damage, the responsible party will need to pay for the damage incurred. Should the contractor and the official or the merchant and the contractor not agree on the cause of the damage, the contractor shall at its cost appoint an independent third party in consultation with the official or the merchant to inspect the vehicle and establish the cause of the damage.

44.1.5. An official will be held responsible for the damage to the vehicle if possible warning signs such as warning lights on the instrument panel were ignored.

44.1.6. The entire process should be completed and the vehicle repaired within a maximum period of 5 working days.

44.1.7. Should the official or the merchant not be satisfied with the outcome or report from the independent third party, the official or the merchant could in consultation with the Contractor and at his or her own cost appoint another independent party to supply a report.

44.1.8. Should the second independent report be different from the first independent report, both the independent reports, the report from the merchant and that of the Contractor will be provided to The National Department of Transport for a final decision.

44.1.9. In extreme circumstances and depending on the cost of the repairs, The National Department of Transport can request one of its other service providers to inspect the vehicle or request a third and final independent report, of which the outcome will be final.

44.1.10. The Contractor will need to ensure that the process is monitored and that the official is continuously informed of the progress.

45. Emergency Services Vehicles

45.1. All emergency service vehicles, for example traffic vehicles must be clearly branded with the designated logo/decals as approved by the Province.

45.2. A subsidized vehicle cannot be used as an emergency response vehicle.

45.3. An official applying for a vehicle to be used within a traffic regulation or medical capacity must indicate it on the Z81 form with the requirement that a white vehicle is required with reference to the application of the vehicle.

45.4. A letter from the department stating that the vehicle will be utilized in such a capacity will need to be submitted along with the application for the subsidized vehicle.

45.5. All signage or lights, whether permanent or magnetic will be procured through the relevant department's normal supply chain procedures and will not be provided for in the vehicle application processes as administered by the contractor appointed in terms of contract RT68: Financing of Subsidized Vehicles.

45.6. The fitment of any lights or additional accessories will need to be done in such a manner as not to jeopardise the warrantee of the vehicle. The service provider appointed in terms of contract RT62 for the maintenance of subsidized vehicles will not be required to repair any vehicles where the damage is deemed to have been caused by the fitment of any non-standard accessories.

45.7. The official will be responsible for all cost related to the repair of the vehicle should the warrantee be forfeited due to the fitment of any non-standard accessories.

Scheme B

1. Overview

Scheme B can be utilized for officials that does not meet the minimum kilometer requirements of Scheme A.

2. Implementation

2.1. An official that wishes to partake in Scheme B will need to obtain formal approval from the Accounting Officer or delegated authority. Such an approval will need to include the vehicle category and engine size that is approved and the estimated kilometers to be travelled by the official. Such an approval will still be subjected to the normal authority per trip to be issued by the delegated authority.

2.2. An official will make use of their own private vehicle and will be reimbursed on private rates for business kilometers travelled on a pre-agreed engine size and vehicle category as approved by the end user department.

2.3. The engine size and vehicle category does not need to correspond to the actual vehicle that the officials is making use off. In the event that the official is making use of a vehicle where the rate of the actual vehicle is lower than that of the approved vehicle, the department will reimburse the official on the lower rate.

2.4. An official making use of Scheme B may utilize a government vehicle as and when required with the relevant approvals from a delegated authority.

2.5. There is no age or kilometer restriction on a vehicles being utilized by official. It is the responsibility of the official to ensure that the vehicle is maintained, reliable and good running order.

2.6. Government will not assist any official partaking in Scheme B with any guarantee as may be required by a financial institution in the event of an official purchasing a new vehicle.

2.7. An official partaking in Scheme B cannot procure a vehicle from the RT57 vehicle procurement contract as utilized under Scheme A.

2.8. Officials partaking in Scheme B will need to adhere to the normal prescripts as implemented within their departments for claiming for official business kilometers travelled on the Private Rates as published by the Department of Transport.

2.9. The official will need to ensure that they have comprehensive business vehicle insurance. The cost for all maintenance, licensing fees, vehicle registrations and any costs incurred due to accident damage will be for the account of the official.

2.10. Officials need to ensure that their vehicles comply with the provisions of Road Traffic Legislation in terms of license and roadworthiness.

3. Private and official kilometers

3.1. For the purpose of Scheme B, the following will be considered as business or official kilometers:

3.1.1. Any trip authorized by an official's supervisor in the execution of his/her duties.

3.1.2. When an official is required to work at a place other than his/her normal place of duty and travels directly from his/her normal place of residence directly to such other place it will be deemed as an official trip, provided that the distance deemed as official, shall be limited to the distance which it would have been, had the official travelled to such other place from his/her normal place of duty. The lesser distance of the official's normal place of residence or his/her normal place of work to the other place of duty will be deemed as official.

3.1.3. When an official is temporarily posted or seconded to a different base office other than his/her normal place of work, and travels directly from his/her normal place of residence directly to such other office it will be deemed as a private trip, provided that the distance deemed as private, shall be limited to the distance which it would have been had the official travelled to s his/her normal place of place of duty. Should the difference exceed the distance to the official's normal place of work, the difference shall be deemed as business kilometers.

3.2. For the purpose of Scheme B, the following will be considered as private kilometers and cannot be claimed by the official:

3.2.1. Any trips undertaken related to the maintenance or accident repair of the vehicle. This includes services, routine maintenance, tyre fitments etc.

3.2.2. The collection of a vehicle from the dealership at the time of delivery of the vehicle.

3.2.3. Any kilometers travelled to renew the vehicle license disc.

3.2.4. Any travel between the residence of the official or place of residence to their normal place of work.

3.2.5. Any travel from the official's normal place of work to their residence.

3.2.6. Any travel for the payment of any traffic fines.

3.2.7. Any other travel that is not for official business purposes.

3.3. Should any discrepancies arise from the interpretation of private kilometers, it is the prerogative of the Head of the Department, or his/her delegate to adjudicate the circumstances of the claim and make the final ruling.

3.4. Should any of the above instructions be in conflict with any Instructions as issued by National Treasury from time to time, the latter will prevail.

Scheme C

1. Overview

Scheme C is to be implemented within entire departments once an application for the department was approved by the Department of Transport.

2. Implementation

2.1. Scheme C operates under the same conditions as Scheme A, with the only exception that the maintenance is paid to the official per business/official kilometer travelled and not in a monthly allowance to the RT62 Maintenance Service provider.

2.2. An end user department that makes use of Scheme C will be required to administer the reimbursement of fuel and maintenance per kilometer. (Scheme A rate + Scheme C rate = amount to be reimbursed per official kilometer)

2.3. The official will be responsible for all maintenance of the vehicle and needs to ensure that the vehicle complies with the provisions of Road Traffic Legislation.

3. Private and Official Kilometers

3.1. Private and Official/ Business kilometers as under Scheme A will be applicable.

Schedule 1 to the Subsidized Motor Transport Handbook

Province _____

Department: _____

1. Purpose

1.1. This Schedule 1 to the Subsidized Motor Transport Handbook will be used to ensure the management of the subsidized scheme according to the unique requirements of the end user department. It will specify how the department will apply the Handbook where the requirements of the end user departments was not uniform.

1.2. A signed copy of this Schedule 1 to the Subsidized Motor Transport Handbook needs to accompany the application of every individual to the finance contractor on RT68.

2. Approval and Delegation of Powers

2.1. In terms of this Handbook, and the responsibilities conferred onto the Head of Department (as referred to in the Public Service Act, 1994, Proclamation No. 103 of 1994, chapter 3), and unless otherwise indicated, for the purpose of the management of this Handbook will delegate the following official to manage and carry out all functions conferred upon the Head of Department though this Handbook.

Name _____

Surname _____

Designation _____

Persal number: _____

2.2. The Head of Department or the official as delegated in terms of Schedule 1 of the Subsidized Motor Transport Handbook will be advised on all subsidized vehicle matters by the following committee within the department: (Please indicate by using an “X” in the corresponding box)

Bid Adjudication Committee:	
Subsidized Motor Transport Committee:	
Other:	

2.3. If “other” was selected, please indicate the name of the committee that will approve and advise on subsidized vehicles

_____

2.4. he committee as referred to will at least need to be chaired by the following rank of official or designation:

_____

(Specific designation or rank of official/officials, such as Deputy Director General: Corporate Support etc.)

2.5. A list of the committee members and/or their delegations needs to be attached to Schedule 1 of the subsidized motor transport Handbook.

3. Other departmental determination in terms of the subsidized motor transport Handbook:

3.1. Buy ups and related reimbursements

In the event that an officials procured a vehicle from a higher category as allowed for in the Handbook, the department will reimburse the official for fuel on: (Please indicate by using an "X" in the corresponding box)

The official will be reimbursed for fuel on the actual **benchmark as approved** by the department during the application process for the subsidized vehicle	
The official will be reimbursed based on the rates applicable to the actual vehicle that was procured.	

3.2. Management of vehicles

Notwithstanding the fact that the department can request an official to make their subsidized vehicles available for inspection as and when required by the department, an official will need to make his/her subsidized vehicles available for inspection at least once per annum. The department as part of the management of the subsidized vehicle will inspect the subsidized vehicle of each official within the department at least: (Please indicate by using an "X" in the corresponding box)

Once per annum	
Twice per annum	
Once a quarter	

The Department will evoke the following measure where officials failed to meet the requirements in terms of the minimum number of kilometres that needs to be travelled, where no mitigating circumstances can be taken into account by the department: (Please indicate by using an "X" in the corresponding box)

Officials will be required to drive back all outstanding kilometres, with the official only being reimbursed on the subsidized fuel rate	

The official will be required to pay back or make arrangements to pay back the amounts as owed to the department in line with the underutilization formula as contained in the Subsidized Motor Transport Handbook	
An official will be given the option of either paying back the amount owed to the department in line with the underutilization calculation as contained in the Handbook **or** to drive the outstanding kilometres at the reimbursement rate for fuel as applicable to the subsidized vehicles.	

For completion by the Head of Department

Signature: _____

Designation: _____

Date: _____

For completion by the official delegated by Schedule 1 of the Subsidized Transport Handbook

Signature: _____

Name: _____

Surname: _____

Designation: _____

Persal/ Persol number: _____

Date: _____

Addendum A

1. Documentation required for submission to the finance service provider:

   1.1. A copy of the signed Schedule 1 of the Subsidized Motor Transport Handbook for the department that the official forms part of.

   1.2. Affordability calculation as provided by the finance service provider also referred to as the affordability calculator

   1.3. Signed Z81 application from by the Head of Department of the department as completed on the online system of the RT68 finance contractor

   1.4. Vehicle order form

   1.5. Bank finance application form including a breakdown of the household income and expenditure

   1.6. Identity document

   1.7. Certified copy of a valid driver's license (back and front)

   1.8. Proof of residence

   1.9. Last two salary slips

   1.10. Three months validated bank statements

   1.11. Foreign nationals to supply – working permit, valid contract for full finance period, passport

2. Information required for departmental application process

   2.1. A certified copy of the applicants ID

   2.2. Certified copy of the official's driver's license.

   2.3. The latest salary advice

   2.4. The kilometre and daily utilization of a government owned vehicle, or a vehicle provided to government through an outsourced contract for at least a period of six months and/or the kilometre utilization of a privately owned vehicle for approved official service for a period of six months. *(Continuous period of six months)*

   2.5. The total projected official assigned kilometres that the official shall undertake per month, which would be subject to changing circumstances that may occur.

   2.6. Foreigners in the employment of the department will need to submit a valid international driver's license and a certified copy of their passport.

   2.7. A letter or copy of the previous Subsidized Vehicle Contract indicating the expiry date of the previous subsidized vehicle contract.

2.8. A copy of the work plan or performance agreement needs to be submitted along with the application. Out of the work plan and/or performance agreement is should be clear that the official requires to travel to execute his or her duties.

2.9. Proof of residential address

Addendum B

THE DEPARTMENT OF TRANSPORT
Enquiries: Tel: 012 309 3697
Email: mhlopeT@dot.gov.za, Fax: 012 326 1969

Reference: T118

2 July 2014

TO: All heads of departments
Accounting officers

TARIFFS FOR THE USE OF MOTOR TRANSPORT

1. Amendment No 7 of 2014 of the Annexure to Transport Circular No 1 of 1977 (Transport Handbook on Tariffs for the use of Motor Transport) as amended; and (Private)

2. Amendment of Annexure B of the instructions with regard to the new Subsidized Motor Scheme (Subsidized Scheme A and C).

As a result of the fluctuation of the fuel price on the 2nd July 2014 the following tariffs are consequently amended from the 1st July 2014.

Please note:

- **Private rates include fuel, maintenance, capital, insurance and depreciation.**
  These rates are to be used by all individuals making use of their own motor vehicle transport, including individuals whom structured for car allowances and all officials partaking in Scheme B of the Subsidized Motor Transport scheme.
- **Subsidized Scheme A rates are only inclusive of fuel.**
  There rates are to be used by all officials taking part in Scheme A of the Subsidized Motor Transport scheme where government contributes towards the capital, insurance and maintenance of the vehicle.
- **Subsidized Scheme C rates are only inclusive of maintenance.**
  These rates are to be used by all officials taking part in Scheme C of the Subsidized Motor Transport scheme. This rate needs to be added to the rate in Scheme A to determine the rate of reimbursement in cents per kilometre.

Andries Schoeman

For DIRECTOR-GENERAL: TRANSPORT

July-2014

Category A: **Sedans**
Station Wagons

PETROL VEHICLES

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 1250 CC	253,5	89,6	30,9
1251 - 1550	315,9	104,5	32,4
1551-1750	345,8	113,1	38,7
1751-1950	405,1	124,7	46,4
1951-2150	416,2	127,1	55,1
2151-2500	494,2	155,1	64,1
2501-3500	606,7	162,4	74,3
Greater than 3500	690,8	178,6	101,2

July-2014

Category A: **Sedans**
Station Wagons

DIESEL VEHICLES

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 1250	236,1	73,2	29,8
1251-1550	305,1	89,2	36,9
1551-1750	323,8	87,6	42,3
1751-1950	340,4	94,4	52,0
1951-2150	385,9	96,5	55,4
2151-2500	451,7	107,7	69,1
Greater than 2500	576,6	120,3	86,3

July-2014

Category B: **Light Delivery Vehicles**
Single Cab 4x2
Extended Cab 4x2

PETROL

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 1250	227,7	114,6	25,1
1251-1550	287,4	122,7	31,8
1551-1750	296,6	131,5	32,1
1751-1950	351,0	139,0	33,0
1951-2150	391,4	175,0	37,4
2151-2500	407,1	186,3	41,8
2501-3500	425,0	189,2	41,8
Greater than 3500	495,7	211,9	49,7

July-2014

Category B: **Light Delivery Vehicles**
Single Cab 4x2
Extended Cab 4x2

DIESEL

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 1250	259,6	89,8	30,7
1251-1550	315,3	91,4	35,2
1551-1750	362,2	97,5	38,8
1751-1950	367,0	137,3	45,8
1951-2150	390,2	141,6	46,4
2151-2500	415,0	163,5	47,7
2501-3500	477,2	170,1	50,9
Greater than 3500	558,2	231,3	51,9

July-2014

Category C: **4x4 Light Delivery Vehicles**
All Double Cabs
4x4 Single/ Extended Cabs

PETROL

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 2000	369,5	157,6	32,8
2001 to 2500	423,8	189,3	40,5
2501-3500	485,1	210,7	40,4
Greater than 3500	552,3	226,4	50,8

DIESEL

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 2000	378,7	150,7	49,0
2001 to 2500	448,6	166,9	47,7
2501-3500	500,3	171,9	53,4
Greater than 3500	569,1	207,1	87,0

July-2014

Category D: **Multi Purpose Vehicles**
Sports Utility Vehicles
Crossover vehicles

PETROL

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 1550	340,3	122,5	38,8
1550-1950	368,1	125,7	48,5
1951-2150	424,4	138,0	52,5
2151-2500	498,4	165,9	57,4
2501-3500	619,1	180,4	68,7
Greater than 3500	694,4	210,7	72,8

DIESEL

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 2150	453,2	122,0	56,2
2151-2500	565,4	145,6	62,9
2501-3500	604,4	164,8	69,6
Greater than 3500	692,6	191,4	90,2

July-2014

Category F: **Motor Cycle**
Scooter

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 250	131,5	N/a	N/a
Over 250	186,3	N/a	N/a

Addendum C: RT58 Insurance Excess structure

Claim within a three year period	1st Claim	2nd Claim	3rd Claim	4th Claim	5th Claim
Owner of the vehicle	R1,500.00	R2,500.00	R3,500.00	R4,500.00	R5,500.00

Additional excesses payable by the official	
If any other person other than the owner was driving the vehicle at the time of the incident of accident	R1,500.00
If driven by any person other than the official who is under the age of 25	15% of the claim with a minimum of R5,000.00
Driven by any person (over the age of 25) other than the official whose driver's license is valid for a period less than 3 years	10% of the claim with a minimum of R3,000.00

Windscreen replacement claims	1st Replacement	2nd Replacement	3rd Replacement
Excess payable	R200,00	R400,00	R600.00
Windscreen Repair	No excess will be charged for the repair of a windscreen		

Headlamp per unit	R200.00
Excess on hired or relief vehicles	R2,500.00

Limitations of cover	
Car keys	10% of claim or R250, whichever is greater
Radio cover	Limited to R3,000.00 (if not standard/factory fitted)
Passenger liability cover	Limited to R2,500,000.00
Medical expense limit	R5,000.00 per person, R100,000.00 per event

Addendum D: Z81 Application form

APPLICATION FOR THE PROVISION OF SUBSIDISED TRANSPORT

File/Application No.:_____

BRANCH/DIVISION/DIRECTORATE:_____

NB: THIS APPLICATION MUST BE PROPERLY COMPLETED BEFORE A REQUEST FOR SUBSIDISED TRANSPORT WILL BE CONSIDERED

Part A To be completed by the official who requires the vehicle.

Part B To be completed by the Head of the Division/Directorate in which the applicant is employed.

Part C To be completed by the Departmental Advisory Committee and the Head of Department in terms of General Department of Transport Delegation.

PART A

1.) PARTICULARS OF APPLICANT

I,

_____

(FULL NAMES AND SURNAME)

serving as an official within the Department of _____ and having the rank of, apply to be allocated a Subsidized Motor Vehicle for the execution of my duties. The following further particulars in connection with my application are submitted:

1.1) I D No. (Book of Life): _____

1.2) Driver's License No: _____

1.3) PERSAL/PERSOL No: _____

1.4) My period of continuous service in the Department/Administration dates from _____ to the present time. The date of appointment to my present post is _____

1.5) My headquarters are at _____

1.6) My postal address is _____

_____

2.) DUTIES OF APPLICANT, WHICH REQUIRE THE USE OF A VEHICLE

2.1) My duties are briefly as follows: _____
_____
_____
_____

2.2) Nature of the service for which a Subsidized Motor Vehicle is required: _____
_____
_____
_____

2.3) The types of roads and the general state thereof to be traversed are as follows: ___
_____
_____
_____

2.4) Nature and mass of equipment and/or baggage to be conveyed: _____
_____
_____
_____

2.5) Number of official passengers who will normally have to be conveyed: _____

2.6) The average monthly official distance to be traveled is estimated at _____ km's.

2.7) The average number of days per month on which the vehicle will be used for official business is, _____

2.8) I am unable to make use of local, official or public transport for the above-mentioned trips for the following reasons: _____
_____
_____

2.9) The vehicle is necessary to provide an existing/new/additional service. ***(Delete words not applicable).***

3.) VEHICLE CURRENTLY IN USE

3.1) The following are particulars of the vehicle (if any) which is now being used for the service:

a) Make: _____ b) Model:_____
c) Type: _____ d) Year of manufacture: _____
e) Engine swept volume ____ cm³ f) Odometer reading _____km's
g) Ownership of vehicle: Subsidized/Private/Official "Pool"/Official assigned to ____
_____* ***(Delete words not applicable).***
h) Official distance traveled (if Subsidized Vehicle) _____km.
i) Registration number of vehicle _____

4.) VEHICLE REQUIRED

4.1) Particulars of the vehicle required:

a) Make: _____ b) Model: _____
c) Type: _____ d) Engine swept volume _____cm³
e) Choice of colour 1.)_____2.) _____
3.)_____4.) _____
f) Extras: Gear-Lock and Sealing of Odometer _____
_____
_____
_____
g) Is a deposit going to be paid on delivery? _____ Amount: _____
h) Dealership to which vehicle is to be delivered:_____
_____
_____

5.) DECLARATION BY APPLICANT

I accept that should a new vehicle have to be purchased for me, the Department/Administration and not I will negotiate the purchase with the supplier. I declare that the information furnished in this application is correct and true. I declare that I am conversant with and fully understand the requirements and conditions of the Department/Administration's Subsidized Vehicle Scheme and that I accept them. I also accept that these requirements and conditions may be changed by the National/Provincial Department of Transport, representing the State, from time to time without prior reference to myself.

I declare that the Subsidized Vehicle will be used to carry out my normal duties, which may necessitate the carrying of personnel, equipment, tools, etc. The vehicle will also be used on all types of roads, both blacktop and gravel.

In addition I declare that I am in a position to carry out my financial obligations under the scheme.

I accept that ownership of the Subsidized Vehicle remains with the State's appointed service provider(s), and ownership of the vehicle shall transfer to me subject to the conditions as set out in the Subsidized Handbook document paragraphs 12 and 17.

I accept that should I leave the service of the State whilst there is still a debt outstanding on my Subsidized Vehicle or should my vehicle be prematurely withdrawn from official service, I shall be liable for the settlement of the full balance of the debt, as determined by the service provider(s), and no allowances will be paid to me.

Should I elect a bigger and/or more expensive vehicle than that which is regarded as the smallest functional vehicle for the service, and provided that it is available on National Contract RT77, I will pay the difference between the purchase price plus VAT on the more expensive vehicle and the purchase price plus VAT on the smallest functional vehicle. I will also be responsible for the monthly payment of the difference in the maintenance and capital allowance between the smallest functional vehicle and the more expensive vehicle. The service provider(s), may, at its discretion, request a deposit for the difference between the purchase price of the elected vehicle and the purchase price of the more expensive vehicle for which I functionally qualify for.

According to my Department/Administration's policy, I qualify for a vehicle with an engine capacity of _____cm^3.
I am aware that I will be paid the rates applicable to the class (cc) of vehicle for which I functionally qualify, and that I will be required to travel 60% official kilometers of the total kilometers traveled over the contract period.

I elect to operate the vehicle over _____ months.

I elect to operate the vehicle on Scheme " ".

Certified copies of my ID, driver's license and salary slip are attached.

SIGNATURE OF APPLICANT: _____

DATE: _____ **SIGNED AT: _____**

PART B

I have scrutinized the properly completed application. To the best of my knowledge the statements and information furnished therein are correct.

The applicant affirms that he/she is conversant with and fully understands the State's Subsidized Vehicle Scheme.

After careful investigation and consideration, I am satisfied that approval of the application will be more advantageous to the State than the use of Government-owned transport.

I have no reason to believe that the applicant will leave the Government Service within the next 32 months or that he/she will in the near future be transferred to a post, which do not necessitate the permanent use of a Subsidized Motor Vehicle. I further undertake to inform the Departmental Transport Officer when the applicant leaves the employment of the State before the completion of the contractual period.

The vehicle, which is being applied for, is the smallest functional vehicle for the service and complies with the policy of this Department/Administration. ***(Delete if not applicable)***.

The official distance considered necessary for the applicant to perform his/her duties effectively is
_____ Km's per annum.
The official qualifies for a vehicle of type, _____ with an engine capacity
of _____cm^3.
I confirm that funds are/will be available for the payment of the allowances.

_____ _____

SIGNATURE OF HEAD OF DIRECTORATE **RANK/POSITION**

_____ _____

DATE **SIGNED AT**

PART C

CERTIFICATE BY DEPARTMENTAL ADVISORY COMMITTEE

1. The committee met on _____/_____/20_____ and considered the foregoing File/Application no,_____ submitted by, _____for the allocation of a Subsidized Motor Vehicle, and had the following comments to make:

   i) Revert application to Directorate Head for:
   a) Completion and recommendation of Part B
   b) Clarification of the following aspects:
   _____
   _____
   _____

   ii) Recommended subject to the following:

   a) Qualifies up to _____ cm^3, with a maximum benchmark price of (category) (cc), _____

   OR

   iii) Not recommended due to: _____
   _____
   _____

_____ _____

SIGNATURE OF CHAIRPERSON **DATE**

APPROVAL BY HEAD OF DEPARTMENT

In terms of General Delegation of Authority this application is approved, with the following conditions:

1. Utilization period of _____ months.
2. Assigned fuel and maintenance allowances for a vehicle with an engine capacity of, _____ (cc), and vehicle benchmark of _____ will apply.
3. Scheme "___" is to apply.

_____ _____

HEAD OF DEPARTMENT **DATE**