



PROVINCE OF KWAZULU – NATAL – ISIFUNDAZWE SAKWAZULU - NATALI

DEPARTMENT OF TRANSPORT
UMNYANGO WEZOKUTHUTHA

Enquiries : Miss A Singh
Extension : 2237
Reference : T6/17/P

**TO: ALL HEADS OF DEPARTMENT
ALL DEPARTMENTAL TRANSPORT OFFICERS
MEMBERS OF THE MOTOR TRANSPORT ADVISORY COMMITTEE**

**PROVINCIAL TRANSPORT MANAGEMENT (PTM) CIRCULAR NO 5 OF 2005: UPDATE ON
NATIONAL CONTRACTS PERTINENT TO OFFICIAL AND SUBSIDISED MOTOR TRANSPORT AND
TAX UPDATE IN RESPECT OF SUBSIDISED MOTOR TRANSPORT**

1. The attached correspondence received from the National Department of Transport dated 3 March 2005 is submitted for your information.
2. Kindly note that the Fleet management tender RT46 KV as mentioned under the 2nd bullet on page 1 is not applicable to this Province as a Provincial tender was awarded to Wesbank Auto in respect of managed maintenance for the Provincial Vehicle Fleet.
3. Your attention is also drawn to the Tax Update in respect of Subsidised Motor Transport which is effective from 1 March 2005 and can be found on page 2 of the attached informational letter.
4. Kindly ensure that the content of this circular is brought to the attention of all relevant officials within your Department.

A. Singh

For Head: Transport

2005/4/5

h: policies/circ/circ 2005/PTM Circular 5 of 2005.Update on national contracts pertinent to official and subsidised vehicles

MOTOR TRANSPORT SERVICES DIRECTORATE

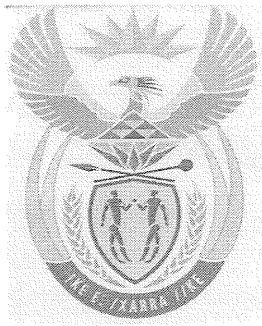
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Government Motor Transport

Reference: T118

3 March 2005

INFORMATIONAL LETTER no 1: ALL USER DEPARTMENTS

The following is an update of information of Government Motor Transport contracts.

CONTRACT UPDATES

With the implementation of Supply Chain Act, National Treasury has initiated a strategic sourcing initiative for all transversal contracts. All Government Motor Transport Contracts are transversal by nature. Therefore, all these contracts are subject to the strategic sourcing initiative and the current status is as follows:

- The insurance tender, RT214KV, with Glenrand MIB will be extended for at least three months to make provision for the new tender process.
- The Fleet management tender, RT46 KV, with FirstAuto for the administration of maintenance and fuel has been extended till September 2005.
- RT62 & RT68 – Financing and Maintenance of Subsidized vehicles will be advertised in the open market by the 1st week in April 2005. The new contract is anticipated to be in place by end May 2005 for implementation 1st June 2005.
- Bulk Procurement of Motor vehicles, RT57KV, with motor manufacturers is currently under tender evaluation. The new contract will be available during April 2005.

TAX UPDATE: Subsidized Motor Transport

- As advised by SARS, with effect from 1st of March 2005 all subsidized vehicle owners will be taxed accordingly:
 - 50% on the capital allowance
 - 50% on the maintenance allowance
 - 50% on the insurance premium
 - No tax will be deducted on the reimbursement of fuel

Andries Schoeman
Assistant Director
Government Motor Transport