

PROVINCE OF KWAZULU-NATAL

SUBSIDISED VEHICLE POLICY

SCHEME B

1. An overview

Scheme B is a managerial option and the participation therein is left entirely to the discretion of Provinces or Departments (Head of the department).

As a result of escalating capital costs associated with purchasing Subsidised Vehicles and the increasing administrative burden of managing a fleet of Subsidised Vehicles a Province or department may choose the option to allow officials to utilise their own private vehicle for business related purposes. This is on the proviso that the official travels less than 21 000 official kilometres per year and do not qualify for a Subsidised Vehicle under Scheme “A”.

The official will be remunerated on the prescribed kilometre rates for actual business kilometres travelled that appear under “private on official” c/km.

The State shall not contribute towards the insurance and maintenance of the vehicle utilised.

No Scheme “B” vehicles shall be supplied or purchased through National contract RT 77.

2. Interpretation

Should any questions arise as to the interpretation of these instructions, they are to be referred to the National Department of Transport by the Head of the department. In the case of Provinces this is to be done via the Provincial Department of Transport.

3. Delegation

Unless otherwise indicated, a Head of a department may delegate any of the powers conferred upon him or her by these instructions to another officer on the conditions that he or she so determines.

4. Financing arrangements

The Service provider(s) shall make available vehicle financing to officials, completing between 6000 and 21000 official kilometres per year under this

scheme. The official may purchase a new or second hand vehicle, at the same interest rate offered under scheme “A”. Individual applications of officials will be credit vetted under this scheme before financing is made available.

The Service provider(s) is required to negotiate fleet discounts with a wide range of manufacturers/dealerships for the purchase of new or second-hand vehicles. The Service provider(s) on a periodic basis to officials shall supply details of the negotiated discounts.

The vehicle financing of second hand vehicles is also subject to a technical inspection by the Service provider(s).

When purchasing a new or second-hand vehicle a financial deposit is required by the Service provider(s) under this financing arrangement.

Please note that individuals will not be able to transfer existing vehicle/ motor loans to this source of funding.

Officials completing less than 6000 official kilometres per year may participate under this scheme using his or her own private vehicle. These officials shall not qualify for the negotiated financing arrangements available through the Service provider(s).

5. Official kilometre distance

“Private on official” tariffs as amended from time to time is only payable to officials on actual official kilometres travelled.

The payment is subject to the official completing a trip authorisation and travel plan pre-facto and the Responsibility Manager should approve it before an official trip is undertaken.
