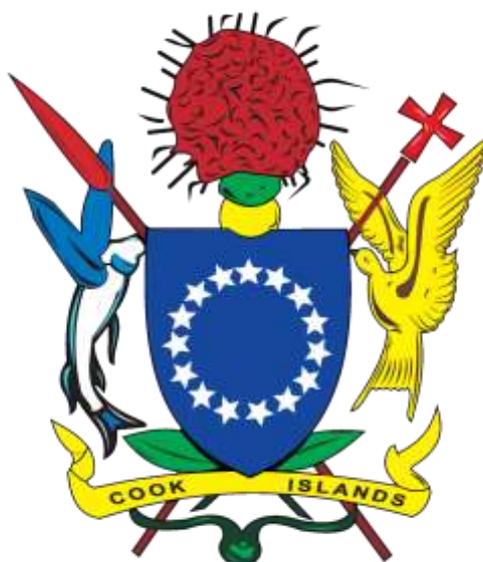

COOK ISLANDS GOVERNMENT

Government Fleet Management Policy



This policy was approved on 23rd January 2018

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ABBREVIATIONS

CDF	Capital Distribution Fund
CIG	Cook Islands Government
CIGFPPM	Cook Islands Government Financial Policies and Procedures Manual
GA	Government Automobile
IC	Infrastructure Committee
MFEM	Ministry of Finance and Economic Management
SOE	State Owned Enterprises
WOF	Warrant of Fitness

GOVERNMENT FLEET MANAGEMENT POLICY

I OVERVIEW

I.1 Authority

- 1.1.1 The policy is made pursuant to section 63 of the Ministry of Finance and Economic Management Act 1995-96 (MFEM Act), and any subsequent legislation that empowers MFEM to issue instructions to ministries and line agencies to ensure compliance with financial disciplines.

I.2 Application

- 1.2.1 This policy applies to all CIG agencies with the exception of State Owned Enterprises (SOE) due to the structure and the commercial nature of their businesses.
- 1.2.2 All Heads of Government Agencies must comply with this policy. Any breaches of this policy will be reported to the Public Service Commission or other relevant authority with oversight (e.g. Ministerial Offices).

I.3 Purpose

- 1.3.1 This policy is designed to ensure that all government motor vehicles are identified, procured, disposed, and transferred to support government operations, sustainability and provide optimal value for money.
- 1.3.2 To identify and maintain the most effective balance of fleet size, composition and utilisation to achieve the government operational requirements.
- 1.3.3 Encourage government agencies to consider environmental implications when procuring and disposing motor vehicles (This includes standardisation of motor vehicles, bulk procurement and disposal by Open Tender or Public Auction).
- 1.3.4 For the purposes of this policy, motor vehicles include, but are not limited to: *Sedans, Hatchbacks, Single and double cab trucks, SUV's, motorbikes, boats (size/style dependent), and boat motors.*

I.4 Funding

- 1.4.1 All purchasing must be made from the net total in the relevant Appropriation Act. This includes donor funded motor vehicles.
- 1.4.2 The operational costs of maintenance, servicing and repairs will be funded out of the agency's operating budget.
- 1.4.3 Depreciation on motor vehicles will be managed centrally by MFEM along with CIIC who is responsible for centralised management of all Crown assets.

I.5 Insurance

- 1.5.1 All Government agencies must ensure that a report on all motor vehicles, including their current value, is sent to MFEM annually for insurance purposes as per Part D, Section 4 – Financial Reporting Attachment I.

2 IDENTIFICATION

2.1 Mandatory Requirements

- 2.1.1 The following motor vehicle specifications are identified below for all Cook Islands Government motor vehicles. These specifications have been developed for motor vehicles for government official use only, to meet operational requirements.

Standard Motor Vehicle Requirements

Motor vehicle procurement requests must comply with standard motor vehicle requirements outlined below. Some agencies will not be eligible for some of the motor vehicle categories.

Motor Vehicle Categories	Category	Type and Model
PM, DPM, QR, Ministers and Diplomatic	Executive	Executive Car (e.g. Hyundai i40 or similar)
Office	Agency support	Small Car (Suzuki Swift or similar) Small Van (Suzuki APV or similar) Motorbike (Yamaha Crypton or similar)
Off-Road, 4WD, or workman Special Purpose Motor Vehicles (E.g. Police, ICI, Health, MoJ etc.)	Job Specific	To be determined on an agency basis

Approved Makes of Motor Vehicles:

The approved makes of motor vehicles are based on the ability for the vehicles to be serviced on island, availability of spare parts and a proven track record of reliability. Other makes may be included at a later date when reliability and availability of spare parts on Rarotonga are improved.

List of approved makes:

Toyota, Nissan, Honda, Suzuki, Mazda, Hyundai, Kia, Ford, Daihatsu, Daewoo, Mitsubishi, Yamaha, Isuzu, Kawasaki

2.2 Process

- 2.2.1 The size and composition of the “fleet of motor vehicles” for government (and each respective agency) will be determined through a consultative process with decisions made on the basis of functionality, financial prudence, reliability and sustainability. The consultative process may include Head of Agencies, Automotive Industry representatives and specialists. Any final decisions on size and composition of fleets will be made by Cabinet with advice from the Financial Secretary.
- 2.2.2 Any requests for changes to the approved list of motor vehicles must be submitted to MFEM during the formal budgetary process in line with Part B, Section I - Capital Expenditure. Agencies will have to justify the increase or replacement of motor vehicles, as part of the Budget process.
- 2.2.3 It should be made clear as to whether a motor vehicle is an additional inclusion to the approved list or a replacement

3 PROCUREMENT

3.1 Mandatory Requirements

- 3.1.1 Motor vehicle procurement will be based on the Standard Motor Vehicle Requirements and in line with agency approved lists.
- 3.1.2 All motor vehicle procurement will be considered in line with government's strategy for renewable energy, thus preference will be for electric vehicles, provided that the Standard Motor Vehicle Requirements still apply.
- 3.1.3 Where Budget allows, motor vehicles shall be replaced every five years or 100,000km, whichever comes first.
- 3.1.4 Motor vehicles purchased for Government purposes should be brand new, or in the case of specialist/heavy motor vehicles, at least reconditioned. Motor vehicles with a reputation for poor reliability and safety standards will be avoided.
- 3.1.5 All government agencies must ensure that all Motor Vehicles used by the agency be registered as a Government vehicle, regardless of its funding source - i.e. whether purchased through government or donor funds.
- 3.1.6 All motor vehicles procured under this policy must have a GA... license number plate or other relevant plate as identified in the Standard Motor Vehicle Requirements. It is an offense to change the GA... license plate for any purpose before disposal.
- 3.1.7 Exceptions are made to section 3.1.5 of this policy for the cases of official motor vehicles, such as:
 - a) the Prime Minister ("PMI"),
 - b) the Deputy Prime Minister ("DPM"),
 - c) the Head of State ("QR"),
 - d) protocol motor vehicles for the hosting of foreign dignitaries ("VIP..." & "MFAI"),
 - e) Cook Islands Government motor vehicles owned in overseas jurisdictions (will comply with the domiciled country's licensing requirements).
- 3.1.8 Specifications for price, size, type, efficiency, model, and quality of government motor vehicles purchased should be considered in meeting the agency's needs.

3.2 Process

- 3.2.1 All motor vehicle purchases should comply with the Purchase and Sale of Goods and Services Policy.
- 3.2.2 Motor vehicles purchased using funds from the Capital Distribution Fund (CDF) must be procured in compliance with the process laid out in Part B, Section 14 – Unallocated Capital Funding, unless advised otherwise by the Financial Secretary.
- 3.2.3 If a motor vehicle is to be purchased for a Capital Project, it may be added to the agency's entitlement, however will be treated as a project asset subject to the same rules of disposal at the conclusion of the project.
- 3.2.4 Motor vehicles acquired by donor funds/grants should also comply with this policy.
- 3.2.5 For motor vehicles that are purchased as part of a project and/or purchased outside of the approved list of motor vehicles, once that project has been complete, the agency must pass this information on to MFEM for consideration. This may result in a recommendation to dispose, transfer or include into existing vehicle list. Note that this includes any motor vehicles that are donated or funded by development partners.

- 3.2.6 Warranties should be provided with all motor vehicle purchases. In the event that it is not, negotiations with retailers for a reduced price, should take place, especially for those purchased for the Pa Enea.

4 DISPOSAL OF MOTOR VEHICLES

4.1 Mandatory Requirements

- 4.1.1 Before any vehicle is replaced the agency must return the old vehicle to MFEM for disposal. Motor vehicles in the Pa Enea will remain on their respective islands for disposal during the next government-wide Open Tender.
- 4.1.2 MFEM will dispose of old motor vehicles as required to maximize resale value and returns to the Crown.

4.2 Process

- 4.2.1 For all motor vehicle disposals please refer to Part B, Section 10 – Disposal of Fixed Assets of the CIGFPPM as well as the Cook Islands Government Purchase and Sale of Goods and Services Policy.
- 4.2.2 Bulk disposals may occur when required, in the form of a government-wide Open Tender or Public Auction that will be managed by MFEM.
- 4.2.3 The standard time for replacing a government motor vehicle is 5 years of service or 100,000km, whichever comes first. However, there may be circumstances in which motor vehicles may be replaced sooner, such as excessive maintenance, repair costs or age of vehicle. In determining the motor vehicle replacement criterion the following factors should be considered:
- a) maintenance costs of motor vehicle (increased maintenance costs will need to be verifiable)
 - b) alignment with depreciation guidelines for government motor vehicles
 - c) kilometres travelled
- 4.2.4 Valid justifications must be provided to MFEM should agencies request to replace their motor vehicles earlier. Requests must be verifiable.
- 4.2.5 If an agency wishes to change the specifications of a motor vehicle they wish to replace, they must provide a thorough justification through the Budget process.
- 4.2.6 On disposal, all Government motor vehicles must have their government license plates removed before they are passed onto the buyer. Motor vehicles must be de-registered as a government vehicle and have ownership transferred to the buyer.

5 TRANSFER OF MOTOR VEHICLES

5.1 Mandatory Requirements

- 5.1.1 Before any motor vehicle is replaced the agency must return the old motor vehicle to MFEM for transfer.

5.2 Process

- 5.2.1 For all Government motor vehicle transfers please refer to Part B, Section 12A of the CIGFPPM – Asset Transfers to Other Crown Entities.

6 NON-COMPLIANCE WITH THE POLICY

6.1 Non Sanctioned Procurement

- 6.1.1 Any vehicle that is procured outside the guidelines prescribed in the policy, may be transferred (according to need) as per section 6.2.1 of this policy (Part B, Section 12A of the CIGFPPM) or disposed of if deemed unnecessary.

6.2 Non Sanctioned Disposal of Motor Vehicles

- 6.2.1 Any vehicle sold outside the guidelines prescribed in this policy, proceeds from that sale will be returned to the Crown. The head of agency responsible for this breach will be reported to relevant authorities for appropriate disciplinary action and can be penalised for breach of the MFEM Act.