
SECTION 18

GOVERNMENT VEHICLES

18.02 ACQUISITION AND DISPOSAL OF VEHICLES

AUTHORITY: TREASURY BOARD

ADMINISTRATION: DEPARTMENT OF TRANSPORTATION AND
INFRASTRUCTURE
PROCUREMENT SERVICES,
DEPARTMENT OF FINANCE
GOVERNMENT DEPARTMENTS

EFFECTIVE DATE: JUNE 2024

18.02 ACQUISITION AND DISPOSAL OF VEHICLES

(1) PURPOSE

Government policy is to purchase all required vehicles through the Department of Transportation and Infrastructure (TI).

(2) APPLICATION

The application of this policy is referenced to the schedules of the *Financial Administration Act* (FAA) and applies as follows:

- Schedule “A” - Departments except the Legislative Assembly
- Schedule “B” - Crown corporations
- Schedule “C” - Education Authorities
- Schedule “D” - Commissions

except to the extent that their enabling legislation may incorporate alternate requirements such as Ministerial or Board Authority.

While this policy **does not apply** to the Legislative Assembly or Reporting Entities subject to alternate legislation, the **spirit and intent** of the policy should serve as a **guideline** for these entities in developing their own policies.

(3) POLICY

- (a) Ministers are provided with Government vehicles at the discretion of Executive Council.
- (b) Departments assessing the need for additional or replacement vehicles, should consider the following points to determine the most cost-effective options:
 - (i) the availability of other vehicles currently in the Government fleet;
 - (ii) the feasibility of a short-term lease/rental to accommodate peak periods;
 - (iii) the possibility of having an employee use their own vehicle and being compensated in accordance with Government’s travel policy;
 - (iv) the cost of continued maintenance of the present vehicle in comparison with the replacement costs;
 - (v) availability and feasibility of acquiring low-mileage, used vehicles; and
 - (vi) for Government policy on the use of energy-efficient vehicles, including the possible use of hybrid, plug-in hybrid (PHEV) or fully electric vehicles. Departments shall follow Section 18.10 - Vehicle Efficiency Guidelines of the Manual, unless an appropriate vehicle meeting the standard cannot be acquired.

While departments may, on occasion, identify additional vehicle requirements during the fiscal year, it is the responsibility of each department to assess its fleet requirements on an annual basis and to incorporate these requirements into its Vehicle Fleet Plan submitted to TI as part of the annual Capital budget process (see Attachment 18.02-I).

- (c) Treasury Board's vehicle acquisition policy is as follows:
- (i) As part of the annual Capital budget process, departments are to submit a Vehicle Fleet Plan to TI in the format set out in Attachment 18.02-I, documenting its current vehicle fleet, as well as planned acquisitions and disposals, by priority, for the coming fiscal year.
 - (ii) TI will consolidate the Vehicle Fleet Plans into a capital budget submission for approval by Executive Council.
 - (iii) Once the Capital Budget is approved, the TI Light Fleet Manager will produce a final acquisition plan and negotiate any final changes required with departments. This will include the planned time of acquisition once the new fiscal year begins.
- (d) The following changes require negotiation with TI and a joint submission to Treasury Board:
- (i) additions to the fleet in addition to the approved Vehicle Fleet Plan;
 - (ii) replacement vehicles which have not been budgeted;
 - (iii) reallocations of funding (special warrants/sequestrations) to accommodate unplanned acquisitions; and
 - (iv) vehicles intended primarily for the transportation of an employee expected to travel less than 30,000 kilometres per year on Government business.
- (e) Notwithstanding subsection (d) above, short-term leases or rentals (less than six months) may be acquired by departments provided that the department has made budgetary provision for such costs and does so within the following guidelines:
- (i) the Department confirms with TI that a suitable fleet vehicle is not available;
 - (ii) a minimum of three quotations are requested from recognized lessors or renters in a format similar to that set out in Attachment 18.02-III;
 - (iii) the specifications used are similar to those standard specifications for long-term vehicles and/or meet the minimum job requirements; and

- (iv) the vehicles are acquired from the lessor with the lowest evaluated bid. In cases of emergency or where the rental is for a short period of time (less than one month), the Department may make other arrangements keeping in mind the basic overall objective of this policy.

(4) PROCEDURES

(a) Submissions to Treasury Board:

In support of the annual Vehicle Fleet Plan submitted for Treasury Board approval in accordance with subsection 3(c), the submission should include the Department's requirements, possible options (if any), budgetary impact and recommendation. A completed copy of the Vehicle Request Forms (see Attachment 18.02-II) for all acquisitions and short-term rentals anticipated for the coming fiscal year, shall be enclosed with the submission.

- (b) Except for short-term rentals, all requests to acquire Government vehicles are to be approved by the Deputy Head or delegated officer and forwarded to TI. TI will determine whether a suitable vehicle is available in the fleet.

- (c) Requests to acquire vehicles are to be submitted using the Vehicle Request Form (see Attachment 18.02-II). The information requirements on the Vehicle Request Form will consist of the following items where applicable:

- additional or replacement vehicle;
- year, model and approximate mileage on trade-in vehicle;
- expiry date of current lease;
- assigned driver;
- type of vehicle requested (see specifications section);
- intended use: pool or assigned;
- estimated annual kilometers (Government and personal);
- period for which vehicle is required;
- date required; and
- contact person in the Department and their telephone number.

- (d) Procurement Services will periodically issue a bulk tender for vehicles requested by TI/departments. TI will advise departments in advance of the dates of such tenders and it will be the responsibility of each department to ensure that requests for vehicles are included in TI's tender request by the deadline date.

Tenders for vehicles will normally not be issued more than three times a year and the onus is on the Department to plan acquisitions well in advance, which would normally be for the Capital Budget in the Fall of the year. Tender and delivery times may vary depending on vehicle market supply and the specifications required for the tender. TI will make its best effort to tender and acquire approved vehicle additions in a timely and efficient manner.

- (e) The tender results will be provided by Procurement Services to TI, which will confirm purchases with the departmental contacts and, after consultation, tenders will be awarded in accordance with the *Procurement of Goods Act* and Regulations.
- (f) In exceptional circumstances (such as vehicle write-off due to an accident), vehicles may be acquired immediately through TI, rather than waiting for the next scheduled bulk tender.
- (g) It is the responsibility of TI, in consultation with the departments and reporting entities, to ensure that the vehicle(s) provided by the dealer meets tendered specifications and is free from obvious defects at the time of delivery from the dealer.
- (h) It is the responsibility of departments to advise TI of the quality of service provided by the dealer in relation to the acquired vehicle.

(5) SPECIFICATIONS

Government vehicles must have adequate size and capabilities to carry out the intended Government business in an efficient manner and provide an acceptable level of safety to employees. The vehicles are not intended to carry additional options (frills) and/or unnecessary capacity. Departments may have special requirements that they can fund from their departmental budgets.

The following are general types of passenger cars and light trucks for various job requirements. Detailed information on vehicles sold on PEI for each of the following types is available from TI. Detailed information includes specifications relating to make, model, engine type (internal combustion, hybrid, electric), number of cylinders, engine size (litres), wheelbase (mm), tire and wheel size (mm), Transport Canada's estimated fuel consumption, mileage range and, in the case of trucks, cargo capacity and payloads.

Departments which may be interested in acquiring a used vehicle will follow the general/standard specifications for new vehicles and must consult with the TI Light Fleet Manager prior to purchasing. Mileage, remaining warranty and age, should all be considered when this option is being considered or when developing used vehicle specifications previous to tendering. Vehicles that are, or previously have been, damaged or that the TI Light Fleet Manager has deemed to have excessive mileage, will not be considered.

THE FOLLOWING SPECIFICATIONS ARE UPDATED AS FOLLOWS:

(A) Type 1: Subcompact Car

Intended use is primarily for on-road transportation for one or two people where the nature of the travel is frequent trips of relatively short distance.

(B) **Type 2: Compact Car**

Intended use is primarily on-road transportation of one to four people on a regular basis and estimated annual usage of less than 40,000 kilometers on Government business.

(C) **Type 3: Mid-Size Car**

Intended use is primarily on-road transportation of two to four people on a regular basis and/or estimated annual usage of 40,000 kilometers or more on Government business.

(D) **Type 4: Full-Size Car**

Intended use is for transportation of four or more people, estimated annual usage of 40,000 kilometers on Government business or where the job requires such a vehicle.

(E) **Type 5: Luxury Car**

Normally only available to Ministers or in special circumstances approved by Treasury Board.

(F) **Type 6: Small Pickup Truck (less than Half-Ton)**

Light duty trucks which are commonly classified as less than the standard ½-ton vehicle. Intended primarily for employees whose job requires the transport of tools, light equipment or light, bulky cargo on a regular basis.

(G) **Type 7: Half-Ton Pickup Truck**

Intended for work/service vehicles and/or employees who are required to travel on rough terrain and carry heavy loads. Departments must specify whether four-wheel-drive is required and provide valid reasoning to support the requirement.

Note: Departments requesting **extended** cab trucks versus **regular** cab trucks are reminded that Revenue Canada's *Definition* and personal-use *Tax Formulas* for these particular vehicles are different.

(H) **Type 8: Mini Van - Cargo**

Light-duty vans intended for employees whose job requires the transportation of tools, light equipment or light cargo on a regular basis.

(I) **Type 9: Mini Van - Passenger**

Similar to Type 8, but where vehicle has a seating capacity of seven (7) and is intended to transport passengers (employees, clients, etc.) for at least part of the time.

(J) **Type 10: Cargo Van - Full Size**

Intended for work/service vehicles and/or the transportation of cargo which requires protection from the elements or a level of security which cannot be easily assured in an open vehicle.

Additional options may be requested for special circumstances with supporting documentation.

(K) **Type 11: Passenger Van - Full Size**

Similar to Type 10, but where the vehicle is intended to transport passengers (employees, clients, etc.) at least part of the time. The number of passengers and the amount of other cargo would determine where a full-sized or mini van would be required.

(L) **Type 12: 3/4-Ton Truck**

Intended for work/service vehicles with a towing capacity up to 14,000 pounds.

Note: Departments requesting **extended** cab trucks versus **regular** cab trucks are reminded that Revenue Canada's *Definition* and personal-use *Tax Formulas* for these particular vehicles are different.

(M) **Type 13: 1-Ton Truck**

Intended for work/service vehicles with a towing capacity up to 38,000 pounds and are intended for the transportation of moderately heavy equipment or materials. Reasonable specifications are to be provided by the Department.

(N) **Type 99: Other**

All other types of vehicles such as large trucks, fire trucks, buses, etc. are included in this type.

In completing the Vehicle Request Form (see Attachment 18.02-II), the vehicle type code **must** be used (Column 1). Additionally, when Departments present their annual Vehicle Fleet Plan, kilometres travelled for each vehicle requested must be included.

For jobs which require considerable off-road driving and/or require vehicles with special capabilities (e.g., four-wheel drive, etc.), the Departments should request

vehicles with the necessary specifications. For vehicles not listed in the above categories, the specifications should be attached to the Vehicle Request Form and referenced as “Other” (Type 99) vehicle.

(6) DISPOSAL OF VEHICLES

- (a) Government-owned vehicles may be disposed of either by trade-in on the acquisition of a replacement vehicle or by public auction. TI authorization is required prior to the disposal of any Fleet vehicles.
- (b) Departments will advise TI of any vehicles which become surplus to their needs. This would normally be part of a department’s annual Vehicle Fleet Plan. TI will arrange for reassignment of the vehicle to any department which may require such a vehicle, if such transfer is deemed to be cost-effective to Government.

(7) VEHICLE INSURANCE

Insurance will be provided by the Risk Management and Insurance Section.

(8) INTERPRETATION

In cases where an interpretation is required, such should be referred to the Department of Transportation and Infrastructure which will make an interpretation or refer the matter to Treasury Board if a Board decision is deemed necessary.