

24 July, 2003.

All Secretaries of Ministries,
Chief Secretaries of Provincial Councils,
Heads of Departments,
Chairmen of Statutory Boards, State Corporations, &
Fully Government Owned Companies.

Hiring /Renting of Vehicles and Purchase of Vehicles

1. This Circular rescinds the National Budget Circular No.108 of 31/03/2003.

2. Foreign Funded Projects:

In exercising the authority delegated to purchase vehicles for foreign funded projects in terms of paragraph 12 of the Public Finance Circular No.FIN/358(5) dated 06.09.2002, all Secretaries are requested to adhere to the following guidelines:-

- i. Negotiations should be conducted with donors to adopt the policy of hiring/renting of vehicles as stated in the Circular dated 10.11.2002 on "Hiring/rental of vehicles for the official use of public sector institutions" issued by the Ministry of Policy Development and Implementation in meeting the requirements of vehicles for foreign funded projects.
- ii. All vehicles required for the implementation of Foreign Funded Projects and for the use of Project Management Units have to be obtained on rent or on an operational lease.
- ii. If renting or leasing of such vehicles is not possible due to exceptional circumstances, procurement of vehicles under foreign funded projects is allowed, subject to the conditions given below;
 - (a) Approval for such procurement will be given by the Director-General, National Budget Department on the recommendation of the Director General, External Resources Department, subject to availability of donor funding. Applications for this purpose should be forwarded to the Director General, National Budget Dept. through Director General, External Resources Department, together with the duly perfected Form No. NBF 1/99 annexed to this Circular
 - (b) Foreign Aid Provision to meet the CIF cost of vehicles and Domestic Fund Provision for payment of duties and local charges should be available in the Annual Estimates.
 - (c) The number of vehicles required should be ascertained after a careful assessment of the needs, and procurement should be phased out depending on the time these vehicles are required.
 - (d) The cylinder capacity (cc) limit should be 1600 cc for cars, 2000 cc for jeeps and 2500 cc for double cabs.
 - (e) The name of the project and the address of the local office to which the vehicle is assigned should be painted on the body of the vehicle.

3. Hiring/Renting of Vehicles by Ministries, Departments and other Government Agencies (other than for Foreign Funded Projects)

The authority granted by the Circular No.MPDI/MPRD/Veh dated 11th October, 2002 issued by the Ministry of Policy Development and Implementation in this regard should be exercised adhering to the following limits.

Category of Officer	Maximum Cylinder Capacity (CC) (Petrol)
Secretary to a Ministry	1800 CC
Additional Secretary / Director General/ Other officers whose salary is equivalent to that of above/ Consultant (Local). Head of a Department Other Officer (other than Head of a Dept.) who is entitled to an assigned vehicle. Chairman of a Corporation/ Statutory Board Working Director of a Corporation	1600 CC

4. Procurement of Vehicles with Domestic Funds.

If a Ministry, a Department, a Statutory Board or a State Corporation has to purchase vehicles under exceptional circumstances by utilizing domestic funds, all such requests should be sent to the Director General, Department of National Budget together with the duly perfected form No. NBF 1/99 annexed to this Circular.

5. Cancellation of Previous Circulars.

The following Circulars issued by the Treasury on purchase of vehicles are rescinded:-

- (i) National Budget Circular No.81 of 06.01.1999.
- (ii) Public Finance Circular No. FIN 353(4) of 03.11.1999.
- (iii) National Budget Circular No.108 of 31.03.2003.

J.Charitha Ratwatte,
Secretary
Ministry of Finance.

Procurement of Vehicles – Approval of the Committee on Public Expenditure Control

Form No. : NBF - 1/99

1 Ministry/Department/Corporation

2 Requests – Type & No. of Vehicles

Category	No. of Vehicles	Type of Fuel	Engine Capacity	Passenger Capacity	Estimated Cost Rs.	Proposed User	Whether replacement or new purchase
Cars/Vans/Jeeps/Cabs		Petrol					
Cars/Vans/Jeeps/Cabs		Diesel					
Industry/Utility Vehicles							
Heavy Vehicles (passenger)							
Heavy Vehicles (Other)							
Three Wheelers							
Motor Cycles							

3 Reasons for request/s indicating the extent of island wide operations of the activities of the organization giving the locations of sub offices etc.

4 Expected source and mode of financing.

Please attach the copies of supportive documents if any

5 Fleet of vehicles available as at the date of the request, including the respective purchase during the current year, past five years and before (other year)

Category	Type of Fuel	Current Year	Number of Vehicles					Other Years	Vehicles obtained on Loan	Vehicles obtained on Hire	Total
			Respective Past Years								
			1	2	3	4	5				
Cars/Vans/Jeeps/Cabs	Petrol										
Cars/Vans/Jeeps/Cabs	Diesel										
Industry/Utility Vehicles											
Heavy Vehicles (passenger)											
Heavy Vehicles (Other)											
Three Wheelers											
Motor Cycles											

6 Assignment of Vehicles

Category	Type of Fuel	Pool Vehicles	Assigned to Staff Officers	Special Attachment	Given on Loan	Minister & his personal staff	User Visible	Total
Cars/Vans/Jeeps/Cabs	Petrol							
Cars/Vans/Jeeps/Cabs	Diesel							
Industry/Utility Vehicles								
Heavy Vehicles (passenger)								
Heavy Vehicles (Other)								
Three Wheelers								
Motor Cycles								

7 Details of vehicles disposed during the current year and the past four years

Category	Type of Fuel	Current Year	Respective Past Years				Total
			1	2	3	4	
Cars/Vans/Jeeps/Cabs	Petrol						
Cars/Vans/Jeeps/Cabs	Diesel						
Industry/Utility Vehicles							
Heavy Vehicles (passenger)							
Heavy Vehicles (Other)							
Three Wheelers							
Motor Cycles							

8 Details of vehicles on hire & loan (Reasons/ Ownership/ Period etc)

9 Please give a list of documents attached of required approvals etc., if any

10 Contact person and his telephone No. (to obtain further clarification, if required)

Recommended/Not recommend

Head of Department/Corporation
Date :

Secretary to the Ministry
Date :