
SECTION 18

GOVERNMENT VEHICLES

18.01 GENERAL

AUTHORITY: TREASURY BOARD

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

EFFECTIVE DATE: JUNE 2024

18.01 GENERAL

(1) PURPOSE

The following sets out Government's policy, procedures and guidelines for the acquisition and use of Government vehicles.

(2) GENERAL VEHICLE POLICY STATEMENT

The overall objective and intent of this policy is to assist Government departments in meeting their vehicle transportation requirements for business purposes, at minimal cost, concurrent with safety requirements and maximum efficiency. It is intended that the application of the policy and procedures comply with the requirements of the *Income Tax Act*.

Deputy Heads, administrators and employees involved with the use of Government vehicles share the responsibility of ensuring that transportation resources are managed within the spirit of this policy.

(3) 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.

(4) DEFINITIONS

For the purpose of Section 18 of the Manual, the following definitions shall apply:

- (a) "**Acquisition**" means the process of either purchasing, leasing or renting a vehicle for Government use;
- (b) "**Addition to the fleet**" means the acquisition of an additional vehicle which does not replace one which is being disposed of;

- (c) “**Administrator**” means the senior administrative officer of a department, Crown corporation, agency or commission;
- (d) “**Buy-out Option**” means the price quoted by the lessor to purchase the leased vehicle at the end of the lease term;
- (e) “**Departments**” mean departments, Crown corporations, agencies and commissions as set out in Schedules “A”, “B”, “C” and “D” of the *Financial Administration Act*;
- (f) “**Deputy Head**” means the Deputy Minister of a department or the Chief Executive Officer of a Crown corporation, agency or commission;
- (g) “**Disposal**” means the deletion of a vehicle from the fleet by sale, trade-in, write-off or other such similar means;
- (h) “**Employee**” means a person employed by Government or any agency thereof, excluding members of the Senior Compensation Plan;
- (i) “**Employer**” means the Government of Prince Edward Island as represented by the various Government departments;
- (j) “**Fleet Credit Cards**” means credit cards issued by The Supplier to Government departments for the specific purpose of purchasing fuel and other related supplies for the Government vehicles in accordance with the supply agreement;
- (k) “**Government Vehicles**” means vehicles owned, leased or rented by Government departments for the principal purpose of facilitating the conducting of Government business;
- (l) “**Insurance Program Manager**” is the Department of Finance staff person responsible for managing Government’s overall insurance program;
- (m) “**Leased Vehicle**” means a vehicle acquired from a supplier via an agreement to pay a regular monthly charge. The period covered is intended to be greater than six (6) months. Depending on the travel requirements, leases are normally for a three- or four-year term.
- (n) “**Personal Use**” means any travel, other than Government business, using a Government vehicle, which includes travel between an employee’s domicile and their primary place of work;
- (o) “**Purchase Price**” means the acquisition price of a vehicle before deducting any amount for trade-in allowance or deposit paid (e.g., selling price less applicable discounts plus cost of extended warranty, licensing and registration);

- (p) “**Rental Vehicle**” means a vehicle rented by Government for short periods not in excess of thirty (30) consecutive days;
- (q) “**Replacement**” means the acquisition of a vehicle to substitute for a vehicle which has been disposed of;
- (r) “**Short Term Lease**” means a vehicle which is acquired by Government for a period normally between thirty (30) days and six (6) months.
- (s) “**The Supplier**” means the company(ies) selected by the Employer through a tendering process to provide gasoline, diesel fuel, maintenance services and other miscellaneous vehicle supplies for the operation of government vehicles via fleet credit cards in accordance with a supply agreement between Government and the company(ies).
- (t) “**Total Lease Cost**” means the total lease costs that would be charged without any consideration for trade-in allowance or deposit paid.

(5) 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.