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## நிதி, திட்டமிடல் அமைச்சு

### MINISTRY OF FINANCE AND PLANNING

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திகதி } 2010.12.07  
Date }

Budget Circular No. 150

Secretaries of Ministries  
Chief Secretaries of Provincial Councils  
Heads of the Departments  
District Secretaries  
Chairmen of Statutory Boards

#### Guidelines on Procurement of Vehicles for Government Agencies under the Financial Leasing Method

The Cabinet of Ministers in its meeting held on 29/09/2010 has granted approval for a recommendation contained in the Cabinet paper No.10/2238/404/122 dated 30/08/2010 for purchasing vehicles to government agencies under the financial leasing method. Accordingly, the following guidelines are issued in this regard.

1. Eligibility :

Ministries, Departments, Provincial Councils and Government agencies of which cost of vehicles are paid out of the Consolidated Fund will be authorized to purchase vehicles under this scheme. Priority will be given for replacement of vehicles which are economically non-viable and more than 10 years old, and also for rented vehicles.

2. Selection of Leasing Companies

The Department of National Budget (NBD) will negotiate with the Bank of Ceylon (BoC) and the People's Leasing Company; a subsidiary leasing company of People's Bank (PLC) on the terms and conditions of the leasing arrangement relating to purchase of vehicles. The NBD will select one of the above leasing companies which offers the most advantageous prices and conditions to the government according to the provision in para 3.3 of the procurement guidelines of 2006. The NBD will enter into an agreement with the selected leasing company for a period of one year.

3. Procedure for request of vehicles

Government agencies who are eligible under para 01 above, should submit the request by the Head of the agency with the recommendation of the Secretary of the respective line Ministry as



per Annex 01 of this Circular to the Director General of NBD along with all the other requested information.

4. Approval Procedure

The NBD will assess the vehicle application and grant approval for purchasing the vehicles from the selected leasing company under para 02 above. The government agency can then purchase the authorized vehicles from the specified leasing company as per NBD approval.

5. Types of vehicles

This leasing method is applicable to purchase the following types of Brand New vehicles as approved by the Department of National Budget.

- Motor Cars
- Vans/ Mini buses (Not exceeding 29 Seats)
- Cabs
- Utility Vehicles

6. Maximum Price ceiling for vehicles

Maximum price ceilings for assigned vehicles for each category of officers under the financial leasing method are given below. The given ceiling is the price excluding Excise (Special Provisions) Duty and Customs Duty as they will be waived off. Further government officers are entitled only for obtaining a petrol car as an assigned vehicle. Cabs and Vans are given as pool vehicles for field activities and the price ceiling of these will be decided by the NBD based on the existing market price.

Category of officers	Maximum market price excluding Customs & Excise Duties per vehicle Rs. Million
Secretaries to Ministries or officers in equivalent capacity	5.00
Additional Secretaries/ Director Generals/ District Secretaries / Chairmen of Boards or officers of equivalent capacity	4.00
Senior Assistant Secretaries/ Directors or officers of equivalent capacity	3.00
Coordinating Secretaries of Secretaries to the Ministries	2.50

7. Payment Procedure & Ownership

Immediately after obtaining vehicles from the leasing company as per the para 04 of this circular the Head of the government agency should inform to the Director General of the Department of National Budget through the respective line Ministry. Then the NBD will pay the value of the vehicle in 60 equal monthly installments to the leasing company on behalf of the government agency which purchased the vehicle under this method. In case of Provincial Councils the payment should be made by them directly to the respective leasing company.



The ownership of the vehicles will be transferred to the respective government agency immediately after obtaining the vehicle. The registration, insurance and maintenance of the vehicle will be the responsibility of the government agency which obtained vehicles under this scheme.

8. Disposal or termination of rental agreements

In the case where approval has been given for purchasing a vehicle on the basis of replacement, the replaced vehicle should be disposed of, within three months from the date of registration of the new vehicle. The sale proceeds of such vehicles should be remitted to the Consolidated Fund where as Provincial Councils should remit to their Provincial Council Fund as soon as possible but not later than 14 days. Meanwhile for rented vehicles the agreement should be terminated soon after obtaining the new vehicle.

9. Annulment of previous circulars

The method of purchasing of vehicles identified by the Sri Lanka Customs for auctioning in terms of the letter of the Secretary to the Treasury dated 04/06/2000 and permission for obtaining vehicles on rented basis under para 02 of the Ministry of Finance and Planning letter No. MF/TR/1/2003 of 28/03/2003 and para 02 of the Public Finance Circular No. 353/(5) dated 31/08/2004 and/or any other corresponding circular on the said matter is hereby rescinded.

10. Clarifications

Any clarifications on any issues related to this circular may be obtained from the Director General of Department of National Budget (Tel. 2484665) or Director Budget (Tel. 2484669)



**P B Jayasundera**  
**Secretary to the Treasury**

- Copy to :
1. Secretary to the President
  2. Secretary to the Cabinet of Ministers
  3. Auditor General

*Procurement of vehicles under the Financial Leasing Method*

1. Name of Ministry/Department/Agency:

2. Vehicle Request for : Replacement of an old vehicle / Termination of rented vehicle/ An addition to the fleet of vehicles

2.1. If a Replacement of an old vehicle:

Type of existing vehicle (car, van, Double cab etc.)	Vehicle No.	Year of Manufacture	Fuel Type (D/P)	Assigned/Pool vehicle	Reason for replacement

2.2 If a vehicle request is for increasing fleet of vehicles, reason for increasing:

.....

3. Existing fleet of vehicles of the department /Agency for which the vehicles are to be purchased

Types of vehicle (car, van, Double cab etc.)	Vehicle No.	Year of Manufacture	Fuel Type (D/P)	Assigned/ pool vehicle	Rented / Own vehicle of the Agency

4. Name of contact person and his/her Telephone No. ....

Recommended/Not Recommended

.....  
 Head of Department/ Agency  
 Date:

.....  
 Secretary for the Ministry  
 Date :