

# g-FleeT Management Trading Entity



## Annual Performance Plan

2019-2020



February 2019

## FOREWORD BY THE MEC

g-Fleet has demonstrated its continued commitment to provide Executive authorities and authorised public servants with fleet services that are accessible, predictable, comfortable, safe and secure. Its Strategic Plan emanates from the organisational changes, operational challenges and the audit opinion issued by the Auditor-General of South Africa.

The 2019/20 Annual Performance Plan (2019/20 APP) continues to align and support the key strategic priorities embedded in the Turnaround Strategy. g-Fleet's strategic goals in the 2019/20 financial year are to:

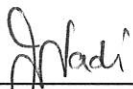
1. **Provide fleet management services that are effective, efficient and client focused.**
2. **Sustainable and well-governed organisation**

This plan reflects the performance targets for the 2019/20 financial year and associated budget for the Entity. It must be noted that g-Fleet is a self-sustainable Entity that generates adequate revenue to cover its operational and administrative costs.

The Annual Budget has been prepared on a conservative budget approach, with minimal adjustments that are based on inflationary increases. The focus of the 2019/20 APP will also be to ensure maximum collection and utilisation of its revenue to realise the objectives set out in the 2014-2019 Strategic Plan and this Annual Performance Plan. In addition, it shows how the Entity intends to meet these objectives while giving effect to the Strategic Plan developed (by the Management of the Entity) for the next three financial years.

The 2019/20 APP is developed in accordance with the relevant Treasury prescripts. The implementation of this APP will be timeously reported on by the Entity, to ensure that the planned interventions and objectives are achieved throughout 2019/20, resulting in a more efficient and effective Entity.

This APP will allow for the planning and execution of the Entity's mandate and I look forward to the report on the achievement of the objectives in the Annual Report to follow. I endorse the attached APP and indicate my support and commitment to ensuring its successful implementation in the 2019/20 financial year.



**DR. ISMAIL VADI**  
**MEMBER OF THE EXECUTIVE COUNCIL**  
**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT**

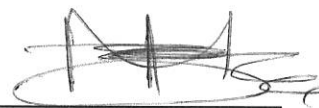
**DATE:** 28/02/2019

## Official Sign Off

It is hereby certified, that the g-Fleet Management 2019/20 Annual Performance Plan:

- Was developed by the management of g-FleetT under the guidance of the g-FleetT: Acting Accounting Officer, namely Mr. Makhukhu Mampuru.
- Was prepared in accordance with the current priorities of the Gauteng Provincial Government and the Gauteng Department of Roads and Transport.
- Accurately reflects the performance targets, which g-FleetT will endeavour to achieve given the resources made available in the Budget for 2019/20 financial year.

**Mr. Mbasa Ngumla**  
**Acting Chief Financial Officer**  
**g-Fleet Management**

**Signature:** 

**Ms. Noxolo Maninjwa**  
**Chief Executive Officer**  
**g-Fleet Management**

**Signature:** 

**Mr. Makhukhu Mampuru**  
**Acting Accounting Officer**  
**Gauteng Department of Roads and Transport**

**Signature:** 

**APPROVED BY:**

**Dr. Ismail Vadi**  
**Member of the Executive Council**  
**Gauteng Department of Roads and Transport**

**Signature:** 

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## PART A: Strategic Overview

### 1. UPDATED SITUATIONAL ANALYSIS

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To-date several initiatives have contributed to the development of a vast knowledge base that has been used in this strategic planning process. This includes work undertaken in support of the:

- The Sustainability Assessment, followed by
- The South African Fleet Industry Competitive Analysis;
- The g-Fleet Management Customer Satisfaction Research;
- The g-Fleet Turnaround Strategy and Implementation Plan and
- The Management Report and Audit Opinion issued by the Auditor-General of South Africa.

These initiatives have provided concrete information on developments in the fleet management industry in which the Entity operates. The Entity has taken a decision to be more customer focused, and to achieve this, the Entity is developing a new operating model. This contains the requirements for turning the organization around and includes a range of other issues pertaining to internal controls, systems and processes.

This APP draws extensively on this prior work and aims to build on this. The strategic overview highlights the organization's vision, mission, values and mandates as a way of demonstrating its priorities.

This document sets out what the Entity intends on achieving in the upcoming financial year and during the Medium-Term Expenditure Framework (MTEF) to implement its Strategic Plan. In addition, this document sets out the:

- Performance indicators and targets for each budget programs and sub-programs where relevant; and
- Quarterly breakdown of performance targets for the upcoming financial year.

The Entity's Budget Programmes, goal, strategic objectives, performance indicators and targets are therefore captured in three key planning documents:

- The Strategic Plan;
- The Annual Performance Plan and
- The Annual Budget.

#### 1.1 Performance delivery environment

Transport cost management means that the Entity will continue to monitor and respond to the needs of its client departments proactively. Due to the vast advances in modern means of communication, distances between people can be overcome using telephones, email, world wide web and broadband connections. This has reduced the need to travel from one point to another. However, there are times when it is necessary to physically move from one place to another to perform official duties to enable service delivery. Hi-tech contact is not always enough. In such instances, the Entity provides the transport means to move government officials from one place to another, through its fleet of vehicles. Current usage of vehicle includes transport of people, individually and as groups, and transport of light goods.

In transporting people, there are instances where a vehicle is leased out over a long period to provide continued transport services. In short term leases, there could be a possibility of reducing cost even further without sacrificing efficiency.

Over the period ahead, government will take steps to modernise its outputs and take proactive steps to prevent corruption. Among key actions is to improve efficiency in public spending, eliminate wastage and improve spending and policy priorities. Further steps will also be taken to root out corruption.

The provision of fleet management services coverage will be extended to every client department, whilst considering each client department's ability to pay.

The ten pillars of Gauteng Provincial Government Priorities as outlined by the Premier at the State of the Province Address on 27 June 2014 are:

#### **Transformation**

- Radical economic transformation
- Decisive spatial transformation
- Accelerated social transformation
- Transformation of the state and governance

#### **Modernisation**

- Modernisation of the public service
- Modernisation of the economy
- Modernisation of human settlements and urban development
- Modernisation of public transport infrastructure

#### **Re-industrialisation**

- Re-industrialisation of Gauteng province
- Taking the lead in Africa's new industrial revolution

The following have been identified as applicable to the Entity: -

Re-industrialisation of the Gauteng Province, specifically the revitalisation of the township economy, within the context of its mandate of providing fleet services, the Entity will participate in the re-industrialisation of the township economy.

The Entity will endeavour to provide safe and efficient fleet services to client department's officials in a manner that supports Government's priorities. The Entity also recognises the critical importance of competency and capability of financial practitioners to the quality of governments' management of finances. In this regard a capacity-building model for the public-sector financial management has been developed and training of new and existing staff will continue over the period covered in this APP.

## **1.2 Organisational environment**

The organisational environment analysis as provided in the Strategic Plan, states that there has been much discussion and debate about the nature of the Entity's business. There are some who argue that the organisation provides transportation services, whilst others hold the view that the organisation provides a fleet management service. In its endeavour to ensure that the Entity provides an efficient and effective fleet management service, the Entity has developed a series of service standards that underpins the interaction with the various client departments.

The organisation provides total fleet management services to all Government Departments at National, Provincial and Local Spheres of Government. It provides its services in three other Provinces through Regional Offices.



## **2. REVISION TO LEGISLATIVE AND OTHER MANDATES**

There were no revisions to the mandates.

## **3. OVERVIEW OF ANNUAL BUDGET AND ESTIMATES**

### **3.1 Annual Budget Estimates**

During the Strategic Planning Session, the Annual Budget Estimates were determined at an overall as per economic classification which also included all capital projects. A conservative budget approach was adopted in line with the budget guidelines:

- Adequately provides for each business units' capital and current goods and services expenditure requirements.
- Includes revenue estimates for the MTEF period.
- Includes project estimates included in the budget per economic classification for the MTEF period.
- Enables the achievement of the Entity's pre-determined targets relating to providing fleet management services that are effective, efficient and client-focused and ensuring a sustainable and well governed organisation.

### **3.2 Expenditure trends linked**

g-Fleet operates as a Trading Entity in terms of the Public Finance Management Act of 1999 [Act 1 of 1999] aligned to business principles like that of a private fleet company, which is not profit driven however needs to ensure that it is financially self-sustaining. The Entity must be able to pay for all operational expenses through revenue generated from leasing of vehicles to client departments. The Entity does not receive any voted funds from the Gauteng Provincial Treasury.

The Entity is responsible for providing effective, competitive, efficient and reliable fleet services. The Entity acquire vehicles and lease them out to various client departments on short or long term basis. The services offered by the Entity are provided to National Departments, Provincial Departments and Municipalities. The buying and leasing of vehicles is based on the need by client departments. The Entity also provides for the maintenance of vehicles as well as tracking of vehicles.

A large percentage of the Entity's budget is allocated for acquisition of motor vehicles and spending goods and services. The goods and services budget comprises of budget for maintenance of vehicles, fuel, spares, accessories, tyres, e-tolls, vehicle registration and vehicle tracking.

The Entity acquires, on average, one thousand vehicles annually. Most of the acquisitions are replacements of old fleet and with some being new acquisitions. This trend of acquiring new vehicles is expected to continue in the 2019/20 financial year and is aligned to the sustainability and growth path of the Entity. Most of the vehicles are acquired through the RT57 Transversal Term Contract. The vehicle purchase price fluctuations are mainly due to currency exchange rates fluctuations. These inflationary anomalies are taken into consideration when developing the MTEF budget figures.

The Entity developed the Service Delivery Model (SDM) during the 2017/18 financial year. The SDM provides the transformation framework towards a developmental, modernised and innovative mode of service delivery by the Entity. It will directly contribute to a longer term and sustainable system for the delivery of a modernized, automated and client orientated mode of rendering government fleet services. The SDM informed the organizational diagnosis in terms of the current and proposed organizational configuration of the Entity and will continue to inform and transform the institutional capacity and capability of the Entity over the next coming years until the optimal mode of service delivery has been achieved. The overall aims are to improve efficiency, modernize the rendering of services in line with the standards that a city region deserves, provide value for money through optimal use of resources, eliminate duplications and reduce transaction times.

Pursuant to the update of the Strategic Plan for Entity in November 2015 and approval in February 2016, management developed a Sustainability Plan that was approved in March 2017. The Sustainability Plan outlines the activities that needs to be implemented over a two-year period to ensure that the Entity remains sustainable. The interventions identified in the Sustainability Plan includes filling of vacant positions, investing in capital assets projects, that include renovations of the buildings and information technology enablement systems. The renovations of buildings include upgrade of the security controls as recommended by safety and security state agencies. The projects involved in Phase 2 are as follows: New Permanent Building, Head Office Building (Visitors Centre, Canteen Building LMV Workshops, Carports and Vehicle storage and VIP Covered Parking as per elemental estimate). As part of Sustainability Plan and digital transformation, the Entity is bench-marking and looking at modern ways to reduce and monitor fleet maintenance costs.

All tenders above R2 million are subjected to probity audits and are adjudicated in public by the Bid Adjudication Committee of the Department of Roads and Transport. The process seeks to ensure transparency and cements the implementation of a sound Supply Chain Management system that is fair, transparent and efficient.

The Entity launched Version 3 of the Fleet Information System effective from 1 April 2017. The Entity experienced some challenges with the roll out of the new Version. Some of the challenges were resolved by the system developer and the Entity continues to work with the Department of e-Government, Gauteng Department of Roads and Transport and the State Information Technology Agency to ensure that the system is functional. The Entity, through the Gauteng Provincial Treasury, is in the process of finalising the Market Research for the new Fleet Management System. The Entity will implement the identified and approved Information and Communication Technology Projects during the 2019/20 financial year.

The table below represents the Entity's MTEF budget:

## EXPENDITURE ESTIMATES

Programme	Audited Outcomes (Actual)			Main Appropriation	Adjustment appropriation	Revised estimate	Medium Term Expenditure Estimate		
	R'000	R'000	R'000				R'000	R'000	R'000
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
R thousand									
1. Administration	95 722	98 057	88 348	174 118	(85 581)	88 537	81 916	72 735	75 465
2. Operations	631 713	641 065	718 669	770 502	85 581	856 083	816 873	861 177	910 150
<b>TOTAL</b>	<b>727 435</b>	<b>739 122</b>	<b>807 018</b>	<b>944 620</b>	<b>-</b>	<b>944 620</b>	<b>898 789</b>	<b>933 912</b>	<b>985 614</b>

## EXPENDITURE ESTIMATES

Economic Classification	Audited Outcomes (Actual)			Main Appropriation	Adjustment appropriation	Revised estimate	Medium Term Expenditure Estimate		
	R'000	R'000	R'000				R'000	R'000	R'000
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
R thousand									
<b>Current Payments</b>	<b>419 207</b>	<b>397 857</b>	<b>446 651</b>	<b>505 570</b>	<b>(400)</b>	<b>505 170</b>	<b>540 989</b>	<b>563 946</b>	<b>595 372</b>
Compensation of employees	84 170	80 206	85 126	105 295	(5 859)	99 436	108 413	116 124	124 476
Goods and Services	335 037	317 651	361 525	400 275	5 459	405 734	432 576	447 822	470 896
<b>Payment for Capital Assets</b>	<b>308 228</b>	<b>341 265</b>	<b>360 367</b>	<b>439 050</b>	<b>400</b>	<b>439 450</b>	<b>357 800</b>	<b>369 966</b>	<b>390 243</b>
Buildings and other fixed structures	8 302	21 038	5 004	94 950	(80 430)	14 520	-	-	-
Software and other intangible assets	5 345	11 000	5 873	2 000	(600)	1 400	5 000	-	-
Computer Hardware	994	1 500	3 250	1 100	600	1700	1 000	400	350
Office Furniture	632	677	1 102	500		500	1 500	-	-
Acquisition of Motor Vehicles	291 945	308 000	335 762	333 000	87 840	420 840	350 000	369 250	389 559
Machinery and Equipment	1 010	50	4 376	7 500	(7 500)	-	300	316	334
Security projects	-	-	-	-	400	400	-	-	-
<b>TOTAL</b>	<b>727 435</b>	<b>739 122</b>	<b>807 018</b>	<b>944 620</b>	<b>-</b>	<b>944 620</b>	<b>898 789</b>	<b>933 912</b>	<b>985 614</b>



## REVENUE ESTIMATES

	Audited Outcomes (Actual)			Main Estimate	Adjusted estimate	Revised estimate	Medium Term Revenue Estimate		
	R'000 2015/16	R'000 2016/17	R'000 2017/18	R'000 2018/19	R'000 2018/19	R'000 2018/19	R'000 2019/20	R'000 2019/20	R'000 2020/21
R thousand									
Revenue from leases	682 638	819 583	760 000	836 000	-	836 000	850 000	892 500	937 125
Interest income	28 093	19 473	20 447	42 000	-	42 000	72 000	75 600	79 380
Government employee transport services	1 556	3 400	1 680	1 500	-	1 500	1 700	1 700	1 700
Revenue – Auctions	77 885	58 000	60 900	63 945	-	63 945	70 000	70 000	70 000
<b>TOTAL</b>	<b>790 172</b>	<b>900 456</b>	<b>843 027</b>	<b>943 445</b>		<b>943 445</b>	<b>993 700</b>	<b>1 039 800</b>	<b>1 088 205</b>

## PART B: Programme and Sub-Programme Plans

### 4.1 Strategic objective annual targets

#### Programme 1: Operational Management Services

This programme is responsible for providing fleet management services that are effective, efficient and client focused.

The following are the sub-programme of the structure:

- Permanent Fleet.
- Finance.
- Fleet Maintenance.
- Transport Support Services.

#### Strategic outcome oriented goal 1: Provide fleet management services that are effective, efficient and client-focused

Strategic Objective 1: Provide clients with reliable and cost effective fleet.							
PERFORMANCE INDICATORS	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2018/19	MEDIUM-TERM TARGETS		
	2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
Average age of fleet	4 years	3.4 Years	3.4 years	≤4 years	≤4 years	≤4 years	≤4 years
Percentage of vehicles auctioned	New KPI	New KPI	New KPI	80%	80%	100%	100%

#### Quarterly Targets

PERFORMANCE INDICATORS	REPORTING PERIOD	ANNUAL TARGET 2019/20	QUARTERLY TARGETS			
			1ST	2ND	3RD	4TH
Average age of fleet	Quarterly	≤4 years	≤4 years	≤4 years	≤4 years	≤4 years
Percentage of vehicles auctioned	Quarterly	80%	80%	80%	80%	80%

Strategic Objective 2: To provide quality and value-added client service by monitoring vehicle location and maintaining turn-around times of 20 days for services.							
PERFORMANCE INDICATORS	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2018/19	MEDIUM-TERM TARGETS		
	2015/16	2016/17	2017/18		2019/20	2020/21	2021/22
Percentage of in-service vehicles tracked.	80%	92%	93.6% (6230)	93%	93%	95%	95%
Average turnaround time for accidents repairs	New KPI	20 days	18 days	20 days	30 days	30 days	30 days
Average turnaround time for mechanical repairs	New KPI	20 days	18 days	20 days	15 days	15 days	15 days

#### Quarterly Targets

PERFORMANCE INDICATORS	REPORTING PERIOD	ANNUAL TARGET 2019/20	QUARTERLY TARGETS			
			1ST	2ND	3RD	4TH
Percentage of in-service vehicles tracked	Quarterly	93%	75%	90%	93%	93%
Average turnaround time for accidents repairs	Quarterly	30 days	30 days	30 days	30 days	30 days
Average turnaround time for mechanical repairs	Quarterly	15 days	15 days	15 days	15 days	15 days

## **Programme 2: Corporate and Financial Management**

This programme is responsible for ensuring a well-run organisation by designing and maintaining effective systems and processes that will result in optimal use of the Entity's assets in delivery of services.

The following are the sub-programme of the structures:

- Permanent Fleet.
- VIP and Pool Services.
- Finance.
- Information and Communication Technology.
- Corporate Services.

## Strategic outcome oriented goal 2: Sustainable and well-governed organisation

<b>Strategic Objective 1: Optimise return on investment. 2. Optimal use of the Entity's assets in delivery of services that is cost effective and yield return to ensure sustainability</b>							
<b>PERFORMANCE INDICATORS</b>	<b>AUDITED/ACTUAL PERFORMANCE</b>			<b>ESTIMATED PERFORMANCE 2018/19</b>	<b>MEDIUM-TERM TARGETS</b>		
	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>		<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Average Number of business days from delivery of vehicle to g-Fleet to active vehicle contract with client (lease vehicles only) (from Permanent Unit)	29 business days	23 business days	23 business days	20 business days	20 business days	15 business days	15 business days
Average percentage of rental days utilized for VIP self-drive vehicles.	71.94%	Average rental utilisation of 66.35%	Average rental utilisation of 55.05%	Average rental utilisation of 67%	Average rental utilisation of 50%	Average rental utilisation of 52%	Average rental utilisation of 54%
Average percentage of rental days utilized for Pool vehicles.	New KPI	New KPI	Average rental utilisation of 91.14%	Average rental utilisation of 67%	Average rental utilisation of 69%	Average rental utilisation of 71%	Average rental utilisation of 73%
Annual Tariff structure submitted to Provincial Treasury for approval	New KPI	Reviewed tariff structure submitted to Provincial Treasury for approval.	Memo has been submitted to Treasury	Submission of reviewed annual tariff structure for 2019/20 financial year for submission to Provincial Treasury for approval.	Annual Tariff structure for 2020/21 submitted to Provincial Treasury for approval.	Annual Tariff structure for 2021/22 submitted to Provincial Treasury for approval.	Annual Tariff structure for 2022/23 submitted to Provincial Treasury for approval.
Implementation of Sustainability Model	New KPI	Sustainability model has been developed and approved.	33% Partially achieved.	Phase 2 Implementation of Sustainability Model	Completion of Implementation of Phase 2 of the Sustainability Model		
Percentage decrease in average debtor's days	33%	22% (119 days)	Decreased by 2% (117 days)	20%	20% (Excluding amounts owed by clients that have submitted written payment arrangements)	25%	25%

## Quarterly Targets

PERFORMANCE INDICATORS	REPORTING PERIOD	ANNUAL TARGET 2019/20	QUARTERLY TARGETS			
			1ST	2ND	3RD	4TH
Average Number of business days from delivery of vehicle to g-Fleet to active vehicle contract with client (lease vehicles only) (from Permanent unit)	Quarterly	20 Business days	20 business days	20 business days	20 business days	20 business days
Average percentage of rental days utilized for VIP self-drive vehicles.	Quarterly	Average rental utilisation of 50%	Average rental utilisation of 50%	Average rental utilisation of 50%	Average rental utilisation of 50%	Average rental utilisation of 50%
Average percentage of rental days utilized for Pool vehicles.	Quarterly	Average rental utilisation of 69%	Average rental utilisation of 69%	Average rental utilisation of 69%	Average rental utilisation of 69%	Average rental utilisation of 69%
Annual Tariff structure for 2020/21 submitted to Treasury for approval	Annually	Annual Tariff structure for 2020/21 submitted to Provincial Treasury for approval.	-	-	-	Annual tariff structure for 2020/21 submitted to Provincial Treasury for approval.
Implementation of sustainability model	Annually	Completion of Implementation of Phase 2 of the Sustainability Model.	-	-	-	Completion of Implementation of Phase 2 of the Sustainability Model.
Percentage decrease in Average debtor's days	Quarterly	20% (Excluding amounts owed by clients that have submitted written payment arrangements)	20% (Excluding amounts owed by clients that have submitted written payment arrangements)	20% (Excluding amounts owed by clients that have submitted written payment arrangements)	20% (Excluding amounts owed by clients that have submitted written payment arrangements)	20% (Excluding amounts owed by clients that have submitted written payment arrangements)

<b>Strategic Objective 2: Engender organisational and culture change. 2. To build and maintain a healthy organisation with effective operations</b>							
<b>PERFORMANCE INDICATORS</b>	<b>AUDITED/ACTUAL PERFORMANCE</b>			<b>ESTIMATED PERFORMANCE 2018/19</b>	<b>MEDIUM-TERM TARGETS</b>		
	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>		<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Percentage of undisputed invoices paid within 30 days from receipt of invoice	90%	83%	88% (1 591 invoices paid within 30 days)	100%	100%	100%	100%
Audit Report from the Auditor General of South Africa	Disclaimer	Unqualified opinion	Unqualified opinion for the 2016/17 financial year	Unqualified audit for the 2017/18 financial year	Unqualified audit report from the Auditor General of South Africa for the 2018/19 financial year	Unqualified audit report from the Auditor General of South Africa for the 2019/20 financial year	Unqualified audit report from the Auditor General of South Africa for the 2020/21 financial year
Implementation of ICT Strategy/Plan	New KPI	ICT Strategy approved by the Head of Department	50% of phase 1 implemented	Phase 2 Implementation of ICT Strategy	2019/20 ICT Plan implemented.		
Percentage of maintenance expenditure on Gauteng township businesses (automotive)	3%	2%	5% (R6 286 398.55)	4%	5%	5%	5%

### Quarterly Targets

<b>PERFORMANCE INDICATORS</b>	<b>REPORTING PERIOD</b>	<b>ANNUAL TARGET 2019/20</b>	<b>QUARTERLY TARGETS</b>			
			<b>1ST</b>	<b>2ND</b>	<b>3RD</b>	<b>4TH</b>
Percentage of undisputed invoices paid within 30 days from receipt of invoice	Quarterly	100%	100%	100%	100%	100%
Audit Report from the Auditor General of South Africa	Annually	Unqualified audit for the 2018/19 financial year	-	Unqualified audit for the 2018/19 financial year	-	-
Implementation of ICT Strategy/Plan	Annually	2019/20 ICT plan implemented.				2019/20 ICT Plan implemented.
Percentage of maintenance expenditure on Gauteng township businesses (automotive)	Quarterly	5%	5%	5%	5%	5%



## 4.2 Reconciling strategic objectives with approved budget

**Table 4.2.1: Summary of payments and estimates by sub-programme: Administration**

Programme	Audited Outcomes (Actual)			Main Appropriation	Adjustment appropriation	Revised estimate	Medium Term Expenditure Estimate		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
R thousand	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2020/21	2021/22
1.Office of the CFO	-	14 723	10 769	8 891	-	8 891	9 199	8 443	8 912
2 Financial services	41 379	15 010	15 558	20 614	(4 691)	15 923	19 094	20 205	21 455
3.Office of the CEO	2 901	2 935	5 390	3 371	-	3 371	3 657	3 086	3 227
4.Corporate Services	51 442	65 388	56 631	141 242	(80 890)	60 352	49 967	41 002	41 871
<b>TOTAL</b>	<b>95 722</b>	<b>98 057</b>	<b>88 348</b>	<b>174 118</b>	<b>(85 581)</b>	<b>88 537</b>	<b>81 916</b>	<b>72 735</b>	<b>75 465</b>

Economic Classification	Audited Outcomes (Actual)			Main Appropriation	Adjustment appropriation	Revised estimate	Medium Term Expenditure Estimate		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
R thousand	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2020/21	2021/22
<b>Current Payments</b>	<b>82 267</b>	<b>64 791</b>	<b>68 521</b>	<b>75 568</b>	<b>(5 641)</b>	<b>69 927</b>	<b>74 416</b>	<b>72 335</b>	<b>75 115</b>
Compensation of employees	23 531	31 437	31 788	40 502	(4 941)	35 561	38 796	40 413	42 909
Goods and Services	58 736	33 354	36 733	35 066	(700)	34 366	35 620	31 922	32 206
<b>Payment for Capital Assets</b>	<b>13 455</b>	<b>33 265</b>	<b>19 827</b>	<b>98 550</b>	<b>(79 940)</b>	<b>18 610</b>	<b>7 500</b>	<b>400</b>	<b>350</b>
Buildings and other fixed structures	5 474	21 038	5 004	94 950	(80 430)	14 520	-	-	-
Software and other intangible assets	5 345	8 500	5 873	2 000	(600)	1 400	5 000	-	-
Computer Hardware	994	994	3 250	1 100	600	1700	1 000	400	350
Office Furniture	632	677	700	500		500	1 500	-	-
Office Equipment	-	-	-	-	90	90	-	-	-
Security projects	-	-	5 000	-	90	90	-	-	-
Machinery and Equipment	1 010	50	-	-	400	400	-	-	-
<b>TOTAL</b>	<b>95 722</b>	<b>98 057</b>	<b>88 348</b>	<b>174 118</b>	<b>(85 581)</b>	<b>88 537</b>	<b>81 916</b>	<b>72 735</b>	<b>75 465</b>

**Table 4.2.2: Summary of payments and estimates by sub-programme: Operations**

Programme	Audited Outcomes (Actual)			Main Appropriation	Adjustment appropriation	Revised estimate	Medium Term Expenditure Estimate		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
R thousand	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2020/21	2021/22
1. Chief Operating Officer	1 532	2 849	1 690	1 770	(1 326)	444	1 677	1 787	1 904
2. Customer Management Services	10 920	6 441	11 367	12 257	-	12 257	11 886	12 432	13 174
3. VIP & Pool	16 457	15 825	16 213	20 958	550	21 508	21 421	22 460	25 559
4. Fleet Maintenance	98 633	86 373	119 218	157 492	(1 483)	156 009	169 737	179 198	189 187
5. Transport Support Services	200 275	214 673	226 862	236 786	--	236 786	252 733	266 047	280 822
6. Permanent Fleet	303 896	314 904	343 320	341 239	87 840	429 080	359 418	379 253	399 503
<b>TOTAL</b>	<b>631 713</b>	<b>641 065</b>	<b>718 670</b>	<b>770 502</b>	<b>85 851</b>	<b>856 083</b>	<b>816 873</b>	<b>861 177</b>	<b>910 150</b>

Economic Classification	Audited Outcomes (Actual)			Main Appropriation	Adjustment appropriation	Revised estimate	Medium Term Expenditure Estimate		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
R thousand	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2018/19	2019/20	2020/21
<b>Current Payments</b>	<b>343 014</b>	<b>333 065</b>	<b>378 130</b>	<b>430 002</b>	<b>5 241</b>	<b>435 243</b>	<b>463 858</b>	<b>491 611</b>	<b>520 527</b>
Compensation of employees	60 886	48 769	53 338	64 793	(918)	63 875	69 617	75 711	81 567
Goods and Services	282 128	284 296	324 792	365 209	6 159	371 368	396 956	415 900	438 690
<b>Payment for Capital Assets</b>	<b>288 699</b>	<b>308 000</b>	<b>340 540</b>	<b>340 500</b>	<b>80 340</b>	<b>420 840</b>	<b>350 300</b>	<b>369 566</b>	<b>389 893</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Computer Hardware	-	-	-	-	-	-	-	-	-
Office Furniture	-	-	-	-	-	-	-	-	-
Acquisition of Motor Vehicles	288 699	308 000	336 164	333 000	87 840	420 840	350 000	369 250	389 559
Machinery and Equipment	-	-	4 376	7 500	(7 500)	-	300	316	334
<b>TOTAL</b>	<b>631 713</b>	<b>641 065</b>	<b>718 670</b>	<b>770 502</b>	<b>80 890</b>	<b>856 083</b>	<b>816 873</b>	<b>861 177</b>	<b>910 150</b>

## PART C: Links to other plans

### 5. Links to the long-term infrastructure and other capital plans

Infrastructure Projects at the Entity relate to the planned Phase 2 Projects and Upgrade of Machinery and Equipment.

#### PROJECT ESTIMATES

No	Project Name	Municipality	Outputs	Outcome			Main Appropriation	Adjustment appropriation	Revised estimate	Medium-term estimates		
				R'000	R'000	R'000				R'000	R'000	R'000
				2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2020/21	2021/22
1	Permanent – Admin Block	Ekurhuleni		-	4 167	1 888	94 950	(80 430)	14 520	-	-	-
2	New Permanent Building	Ekurhuleni		-	3 000	510	-	-	-	-	-	-
3	Carports and vehicle storage	Ekurhuleni		5 345	2 692	457	-	-	-	-	-	-
4	Fleet Management System	Ekurhuleni		-	-	678	-	-	-	-	-	-
5	FIS upgrade			-	-	-	-	-	-	-	-	-
	New server			-	-	3 050	-	-	-	-	-	-
6	Client relation Management system			-	-	678	1 000	(600)	400	5 000	-	-
7	Key system Management			-	-	339	-	-	-	-	-	-
	Document Management system			-	-	2 374	1 000	-	1 000	-	-	-
8	Visitors Centre	Ekurhuleni		-	3 314	811	-	-	-	-	-	-
9	Security projects			-	-	5 000	-	-	-	-	-	-
10	Machinery & tools			-	-	4 376	7 500	(7 500)	-	2 800	716	684
9	VIP Covered Parking	Ekurhuleni		-	2 957	502	-	-	-	-	-	-
Total new and replacement assets				5 345	16 130	20 663	104 450	(88 530)	15 920	7 800	716	684
1	Canteen Building	Ekurhuleni		-	-	324	-	-	-	-	-	-
2	LMV Maintenance centre	Ekurhuleni		-	-	510	-	-	-	-	-	-
Total rehabilitation, renovations and refurbishments				-	-	834	-	-	-	-	-	-
GRAND TOTAL				5 345	16 130	21 497	104 450	(88 530)	15 920	7 800	716	684

## Annexure D

### Vision

(As included in the 2014-2019 Strategic Plan):

We Keep Government Service Delivery on the Move

### Mission

(As included in the 2014-2019 Strategic Plan):

We will achieve our vision by:

- Providing effective, competitive and efficient fleet services to government.
- Focusing on providing reliable fleet to meet client needs.
- Building and maintaining sustainable stakeholder relations.

### Values

(As included in the 2014-2019 Strategic Plan):

The core values applicable to the Provincial Government were revised and reflect as follows:

- Competence,
- Accountability,
- Integrity, and
- Responsiveness

### Strategic outcome oriented goals

Included in the 2014-2019 Strategic Plan:

#	Goals	Goal Statement
1	Provide fleet management services that are effective, efficient and client-focused	Provide reliable fleet and quality services to meet our client's needs in an effective and efficient manner.
2	Sustainable and well-governed organisation	Ensure a well- run organisation by designing and maintaining effective systems and process that will results in optimal use of the Entity's assets in delivery of services.

## Annexure E – Technical indicator descriptions

Indicator title	Average age of fleet
Short Definition	Passenger and light commercial vehicles that are new and in service on FIS. - (Excluding withdrawn and Board of Survey vehicles). New and in-service vehicles refer to vehicles that are available to be leased to clients or has been leased to clients
Purpose/Importance	To ensure that all vehicles provided to clients are reliable
Source/collection of data	New and in-service report (FIS): Proof of delivery (POD)
Method of calculation	The average of the ages of the passenger and light commercial vehicles: reporting date minus vehicle purchase date divided by 365 equals vehicle age. Vehicle age divided by the number of vehicles equals average age.
Data limitations	Unavailability of new and in-service report on FIS on date of reporting
Type of indicator	Output
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	Continues without significant changes.
Desired performance	Target is set at desired performance level
Indicator responsibility	Permanent Fleet Unit

Indicator title	Percentage of vehicles auctioned
Short Definition	Number of vehicles auctioned as a percentage of vehicles approved for disposal by the Head of Department
Purpose/Importance	To de-fleet vehicles that are unreliable, minimize maintenance costs and maximize return on investment
Source/collection of data	FIS All Status Reports and Report from the auctioneer
Method of calculation	Number of vehicles sold divided by number of vehicles approved by the Head of Department
Data limitations	FIS Downtime
Type of indicator	Input
Calculation Type	Cumulative
Reporting cycle	Quarterly
New indicator	New Indicator
Desired performance	Target is set at desired performance level
Indicator responsibility	Finance Unit

Indicator title	Percentage of in-service vehicles tracked.
Short Definition	Percentage of in-service vehicles to be tracked excluding vehicles that are exempt from being tracked, withdrawn including the list of vehicles earmarked for auction.
Purpose/Importance	Safeguard and monitor vehicles and ensure vehicles are traceable to ensure availability and on time delivery to clients
Source/collection of data	In service report (FIS) and tracking Report
Method of calculation	[Total number of in service vehicles that are tracked divided by the total number of vehicles that are in service, excluding vehicles that are exempt from being tracked, withdrawn including the list of vehicles earmarked for auction multiply by the planned target (in percentage) %
Data limitations	Unavailability of new and in-service report on FIS and tracking report from service provider on date of reporting.
Type of indicator	Input
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	Continues without significant changes
Desired performance	Target is set at desired performance level
Indicator responsibility	Transport Support Services Unit

Indicator title	Average turnaround time for accidents repairs
Short Definition	Average number of days taken to complete accident repairs administered in-house. These are vehicles that are reported directly to the Entity for repairs
Purpose/Importance	To provide quality and value-added client service by reducing down-time.
Source/collection of data	Accident repairs report
Method of calculation	Total number of working days taken for accident repairs divided by total number of vehicles repaired.
Data limitations	No limitation
Type of indicator	Input
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	Continues without significant changes
Desired performance	Target is set at desired performance level
Indicator responsibility	Fleet Maintenance Unit



Indicator title	Average turnaround time for mechanical repairs
Short Definition	Average number of days taken to complete mechanical repairs administered in-house. These are vehicles that are reported directly to the Entity for repairs
Purpose/Importance	To provide quality and value-added client service by reducing down-time.
Source/collection of data	Mechanical repairs report
Method of calculation	Total number of working days taken for mechanical repairs divided by total number of vehicles repaired.
Data limitations	No limitation
Type of indicator	Input
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	Continues without significant changes
Desired performance	Target is set at desired performance level
Indicator responsibility	Fleet Maintenance Unit

Indicator title	Average number of business days from delivery of vehicle to g-Fleet to active vehicle contract with client (lease vehicles only) (From Permanent Unit)
Short Definition	Average Number of business days from the date of delivery of vehicles to g-Fleet to the date the vehicle contract is activated on FIS (lease vehicles only)
Purpose/Importance	The Entity optimizes billing on purchased vehicles by ensuring that vehicles are allocated to clients within a reasonable timeframe.
Source/collection of data	1) New and in-service FIS report: Proof of delivery document, Invoice, Manufacturer vehicle certificate. 2) Active vehicle contract: FML Quote, manual vehicle contract, notice of vehicle collection, driver's license, Z186.
Method of calculation	The average networking days of the difference between the purchase date and the vehicle contract start date: e.g. contract start date minus purchase date divided by the number of vehicles. Days will be deducted for delays beyond the control of the entity such as the unavailability of tracker devices by service provider, Admin blocks on e-Natis, damages/theft and/or losses to vehicles as well as after-sale fitments such as branding and blue-lights. The calculation is inclusive of lease (permanent) vehicles delivered from the start of the financial year and the contracts activated during the financial year.
Data limitations	Unavailability of In-service report from FIS on date of reporting.
Type of indicator	Input
Calculation Type	Cumulative
Reporting cycle	Quarterly
New indicator	Continues without significant changes
Desired performance	Target is set at desired performance level
Indicator responsibility	Permanent Fleet Unit

Indicator title	Average percentage of rental days utilized for VIP self-drive vehicles.
Short Definition	Calculation of daily utilization of VIP available fleet. Available excludes vehicles under mechanical, accident repairs and vehicles withdrawn and earmarked for auction and other conditions outside the control of g-Fleet Management.
Purpose/Importance	To ensure that the Entity's assets are optimally utilized to generate revenue
Source/collection of data	1) Utilization of VIP and Pool vehicles FIS Report. 2) Client request letter, driver's license, Z186, vehicle check out/in manual contract form.
Method of calculation	Average number of days that VIP self-drive vehicles were rented out, divided by the total number of days VIP self-drive vehicles were available for use x 100 to calculate the percentage.
Data limitations	Unavailability of Utilization of VIP and Pool vehicles FIS report
Type of indicator	Input
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	Continues without significant changes
Desired performance	Target is set at desired performance level
Indicator responsibility	VIP and Pool Services Unit

Indicator title	Average percentage of rental days utilized for Pool vehicles.
Short Definition	Calculation of daily utilization of Pool available fleet. Available excludes vehicles under mechanical, accident repairs and vehicles withdrawn and earmarked for auction and other conditions outside the control of g-Fleet Management.
Purpose/Importance	To ensure that the Entity's assets are optimally utilized to generate revenue
Source/collection of data	1) Utilization of VIP and Pool vehicles FIS Report. 2) Client request letter, driver's license, Z186, vehicle check out/in manual contract form
Method of calculation	Average number of days that Pool vehicles were rented out, divided by the total number of days Pool vehicles were available for use x 100 to calculate the percentage.
Data limitations	Unavailability of Utilization of VIP and Pool vehicles FIS report
Type of indicator	Input
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	Continues without significant changes
Desired performance	Target is set at desired performance level
Indicator responsibility	VIP and Pool Services Unit

Indicator title	Annual tariff structure for 2020/21 submitted to Gauteng Provincial Treasury for approval
Short Definition	Submission of the reviewed lease tariffs structure for 2020/21 financial year to Gauteng Provincial Treasury
Purpose/Importance	To ensure sustainable Entity through correct pricing
Source/collection of data	Copy of the submission submitted to Gauteng Provincial Treasury for approval
Method of calculation	N/A
Data limitations	No limitation
Type of indicator	Input
Calculation Type	Non-Cumulative
Reporting cycle	Annually
New indicator	Continues without significant changes
Desired performance	Target is set at desired performance level
Indicator Responsibility	Office of the Chief Financial Officer

Indicator title	Completion of Implementation of Phase 2 of the Sustainability Model
Short Definition	Entity's Sustainability Model to be implemented
Purpose/Importance	To ensure a sustainable Entity
Source/collection of data	Approved 2019/20 Sustainability Plan Projects
Method of calculation	N/A
Data limitations	No limitation
Type of indicator	Input/output
Calculation Type	Non-Cumulative
Reporting cycle	Annually
New indicator	Continues without significant changes
Desired performance	Target is set at desired performance level
Indicator Responsibility	Corporate Services Unit

Indicator title	Percentage decrease in average debtor's days
Short Definition	Percentage decrease in average debtor's days compared to prior year. (Excluding amounts owed by clients that have submitted written payment arrangements)
Purpose/Importance	To ensure timely collection of revenue due to the Entity
Source/collection of data	Trial Balance, Debtors Accounts and related age analysis
Method of calculation	<p>(Debtors days Y2 - Debtors days Y1/Debtors days Y1) %</p> <p>Debtors days is equal to average trade debtors divided by total billings multiplied by number of days in the reporting period. (Excluding amounts owed by clients that have submitted written payment arrangements)</p> <p>Average trade debtors equal the average of the opening and closing trade debtors balance</p>
Data limitations	No limitation
Type of indicator	Input/output
Calculation Type	Cumulative
Reporting cycle	Quarterly
New indicator	Continues without significant changes
Desired performance	Average debtor's days 30
Indicator Responsibility	Finance Unit

Indicator title	Percentage of undisputed invoices paid within 30 days from receipt of invoice
Short Definition	A percentage of undisputed invoices paid within 30 days from receipt of invoices from suppliers that are Central Supplier Database(CSD) registered only
Purpose/Importance	To ensure the Entity pay suppliers within the legislated timeframes
Source/collection of data	SAP 30 days' payments report
Method of calculation	Average of monthly percentage per SAP 30 days' payment report, excluding invoices under dispute
Data limitations	No limitation
Type of indicator	Activity
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	Continues without significant changes
Desired performance	100%
Indicator Responsibility	Finance Unit

Indicator title	Obtain Unqualified audit report for the 2018/19 financial year
Short Definition	Outcome of the statutory financial audit conducted by the Auditor General of South Africa or on behalf of the Auditor General of South Africa
Purpose/Importance	To ensure a healthy and well governed Entity
Source/collection of data	Audit Report
Method of calculation	Audit Opinion
Data limitations	Audit opinion issued after the audit
Type of indicator	Input/output
Calculation Type	Non-Cumulative
Reporting cycle	Annually
New indicator	Continues without significant changes
Desired performance	Clean Audit
Indicator Responsibility	Finance Unit

Indicator title	2019/20 ICT Plan implemented.
Short Definition	Implementation of the approved 2019/20 ICT Projects.
Purpose/Importance	To ensure effective and efficient operational systems
Source/collection of data	Approved 2015-2019 ICT Strategy and 2019/20 Implementation Plan.
Method of calculation	N/A
Data limitations	No limitation
Type of indicator	Input
Calculation Type	Non-Cumulative
Reporting cycle	Annually
New indicator	Continues without significant changes
Desired performance	Target is set at desired level
Responsibility	Information and Communication Technology Unit

Indicator title	Percentage of maintenance expenditure on Gauteng township businesses (automotive)
Short Definition	Percentage of the rand value of maintenance spend on Gauteng township businesses compared to total spend in the Gauteng Province
Purpose/Importance	To contribute to modernization of townships and support township businesses
Source/collection of data	Maintenance expenditure breakdown from the RT46 service provider
Method of calculation	Maintenance spend on Gauteng township businesses divided by total maintenance spend in the Gauteng Province (including, but not all vehicles under or within warranty).
Data limitations	Depends on timely availability of the input from the RT46 service provider.
Type of indicator	Output
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	Continues without significant changes
Desired performance	Target is set at desired performance level
Indicator Responsibility	Fleet Maintenance Unit