

## **11 Purchase of Motor Vehicles**

### **11.1 Sourcing Responsibility**

Procurement Services is responsible for the sourcing of all Corporation vehicles.

ACC's policy is to consider the whole of life costs as part of the sourcing process. This will include analysis of both the Total Cost of Ownership (TCO) and the Total Cost of Lease (TCL). In most cases it is expected that vehicles will be purchased, but in some cases ACC may consider leasing vehicles, e.g. where TCL is less than TCO.

### **11.2 Vehicle Specifications**

ACC will source only vehicles that meet the fit for purpose requirements of the Corporation. The actual make and model of vehicle will therefore be selected by Procurement Services taking into consideration all relevant factors, including safety, reliability, fuel efficiency, emissions, fit for purpose requirements, and price.

The current approved specification for ACC fleet vehicles is:

- NCAP 5 star safety rating
- 1600cc to 1800cc
- White
- Automatic
- Electronic Stability Control (ESC)
- Airbag – drivers side (twin if possible)
- ABS brakes
- Air-conditioning
- Daytime running lights – hardwired to ignition
- Brake Alert emergency braking system

### **11.3 Replacement Policy and Budget**

Vehicles within the ACC fleet will be replaced in accordance with the following guidelines:

- Six years from the purchase anniversary date, or 100,000 kilometres, whichever is earliest.
- Specific instruction will be issued by Finance at each budget round for replacement of existing vehicles.
- At the discretion of Chief Executive, the replacement of fleet vehicles may be altered.

#### **11.4 Signage**

Each ACC group allocated fleet vehicles will have at least 75% of their fleet branded with an ACC logo. The remainder may, at the discretion of the relevant General Manager, have no signage.

Removal of any signage must be authorised by the General Manager concerned. Removal of signage without authority, while the vehicle is part of the fleet, is deemed to be misconduct and will result in disciplinary action.

When a Corporation vehicle is to be sold, all signage will be removed.

# Vehicle grant requests

Contact

Last review 20 Dec 2013

Next review 31 Mar 2014

Accepting a request for vehicle grant is based on various factors:

- if it's a first time request or a subsequent request,
- if the client has a significant injury, and
- whether you need advice about the request or assessment.

See Vehicle grants and Subsequent vehicle grant decisions.

Case managers should use the following process when they receive a request from a client for assistance with transport for independence (TFI).

## Step 1

Request a Transport for Independence (TFI) assessment from a **contracted** assessor. Send the assessor:

- current medical information
- relevant and up to date assessments, eg wheelchair and/or functional assessment
- a copy of the ACC258 Guide for completing the Transport for Independence assessor report (162K).

If the request is for a subsequent vehicle, include the last TFI assessment.

## Step 2

When you receive the ACC258 Transport for independence assessor report (162K) check that it is fully completed.

## Step 3

Decide whether a motor vehicle grant is the best option for the client. See Vehicle grant checklist, the assessor's report and Vehicle grants.

## Step 4

Determine who should decide whether to accept the request.

If...	then...
this is the client's first request for a vehicle grant and either: <ul style="list-style-type: none"> <li>• the client has a significant injury</li> <li>• you need advice regarding the request or assessment, eg about cost</li> </ul>	the ORU must make a decision. Go to step 5
this is the client's first request for a vehicle grant and: <ul style="list-style-type: none"> <li>• the client does <b>not</b> have a significant injury</li> <li>• you don't need advice, eg about cost</li> </ul>	the branch can make a decision. Go to step 6
a subsequent request for a vehicle grant	<ul style="list-style-type: none"> <li>• consider the grounds for declining a subsequent vehicle grant request. See Subsequent vehicle grant decisions</li> <li>• the ORU must make a decision. Go to step 5</li> </ul>

## Step 5

Send a submission to the ORU for a decision:

- complete the ACC2178 Cover note - Transport for independence (105K)
- identify the relevant reports and send them with a task to the ORU, eg:
  - Wheelchair assessment
  - Housing modifications
  - Training for Independence
  - Equipment
  - Vocational
  - Attendant care (including 24-hour diary)
  - Functional capacity evaluation (spinal unit functional assessment).
- go to step 7

## Step 6

Make decision within the branch.

- Complete the ACC2178 Cover note - Transport for independence (105K)
- accept or decline the request for the grant
- check the motor vehicle has required features to meet the client's injury-related needs is available. Use the auto.co.nz website
- If the client's vehicle is:
  - less than 7 years old, find out the average price of a motor vehicle that has the required features
  - over 10 years old, find out the average price of a motor vehicle that has the required features, is no more than 7 years old and has travelled less than 80,000km (approximately)
- If the average price is:
  - less than \$15,000, deduct the client's trade-in value, give the assessment report and the ACC2178 Cover note - Transport for independence (105K) to your team manager and request a peer review decision
  - more than \$15,000, complete the ACC2178 Cover note - Transport for independence (105K) and send a copy, together with all the documentation provided to the assessor, to the ORU for a decision.

**Step 7**

Use this table when you receive a decision from the TM or ORU.

If the ORU or TM...	then...
accepts the request	<ul style="list-style-type: none"> <li>• phone the client and tell them</li> <li>• send the client an:                             <ul style="list-style-type: none"> <li>• SR07A Approval for purchase or modification of a vehicle – general (33K) letter</li> <li>• ACC094 Vehicle purchase or modification – client declaration (102K) form for signing</li> </ul> </li> <li>• go to step 8</li> </ul>
declines the request	<ul style="list-style-type: none"> <li>• phone the client and tell them</li> <li>• send the SR01 Social rehabilitation decline (31K) letter</li> <li>• this process ends</li> </ul>
needs further information	<ul style="list-style-type: none"> <li>• request further information from the appropriate person, eg the client, the assessor, the client's General Practitioner (GP) or specialist</li> <li>• when received, forward the information to the ORU or your team manager</li> <li>• when you receive the decision repeat this step</li> </ul>

**Step 8**

Help the client to get a suitable vehicle.

- Tell the client their grant contributes towards a car that meets their needs. Once they've found a vehicle that meets our requirements, we'll arrange an AA report.
- When you receive the AA report, confirm there are no faults needing repair.
  - ask the assessor to check vehicle suitability and confirm that it meets the client's needs identified in their assessment
  - remind the client of their responsibility to insure and maintain the motor vehicle, note this on the client's IRP and get their signature
  - ask the client whether they'd like ACC to pay the money directly to them or to the car dealer
  - make sure the client has signed the IRP and the ACC094 Vehicle purchase or modification – client declaration (102K) and we've received both the assessor's confirmation and AA report
  - advise the delegation holder and give them details of the vehicle, ie make, model, year of manufacture and kilometres recorded on the odometer
  - arrange for payment to be made for the approved amount to the appropriate person, ie the client or car dealer.

**Step 9**

When the client has the appropriate motor vehicle, if modification is required go to Vehicle Modifications.

# Subsequent vehicle grant decisions

Contact

Last review 12 Jun 2013

Next review 12 Jun 2014

## Introduction

Subsequent vehicle grant decisions must be based on the relevant legislation. If you think you should decline a request, first consider the request under extended discretion.

## Rules

ACC's obligations towards subsequent vehicle funding are specifically addressed in AC Act 2001, Schedule 1, Part 1, Clauses 22 (2) (e) and (f). However Clause 22 is subject to:

- AC Act 2001, Schedule 1, Part 1, Clause 21
- AC Act 2001, Schedule 81 (4) (c)
- AC Act 2001, Schedule 84 (4).

## Entitlement

We must establish the likely evidence for entitlement before considering whether part of Clause 22 would disentitle the claim. After you've established likely entitlement use AC Act 2001, Schedule 1, Part 1, Clause 22 (3) to consider how much we'll pay.

## Need for transport

We must consider the client's overall need for transport, not just 'value added' or special needs, eg automatic transmission. See Rongonui (Decision No: 308/2005). This meets our obligations under:

- AC Act 2001, Section 51 Corporation's liability to provide key aspects of social rehabilitation
- AC Act 2001, Section 54 Assessment and reassessment of need for social rehabilitation
- AC Act 2001, Schedule 1, Part 1, Clause 21 Transport for independence: matters to which Corporation must have regard.

## Vehicle at the end of its life

If a client still has an assessed need for a vehicle when the vehicle reaches the end of its economic life, we must meet that need as the client needs a vehicle to maintain their independence.

## Discretionary powers

From 1 July 2005 the phrase 'not liable' in relation to AC Act 2001, Schedule 1, Part 1, Clause 22 (2) (e) and (f) of the AC Act was replaced with 'not required to meet'. This introduces a discretionary power to ACC that we must use reasonably.

## Deciding eligibility

We must consider whether or not the client's current vehicle:

- was adequately maintained and insured
- has been reasonably disposed of.

See AC Act 2001, Schedule 1, Part 1, Clause 22 (2) (f).

We're not liable to purchase a vehicle if the client, or a person proposing to transport the client:

- already owns or has the use of a vehicle that could be suitable for modifying
- disposed of a vehicle, after the injury, that could have been suitable for modifications. In those cases, the client is responsible for getting a vehicle suitable for modification -ACC could then consider modifying that vehicle.

See AC Act 2001, Schedule 1, Part 1, Clause 22 (1).

We must advise the client of their responsibility to keep copies of vehicle services, warrant of fitness checks, and any repairs.

## Grounds for declining a subsequent vehicle grant request

### Client fails to maintain vehicle

We can decline a request for a subsequent vehicle grant if the maintenance record shows the vehicle has not been adequately maintained. See AC Act 2001, Schedule 1, Part 1, Clause 22 (2) (f) (i).

### Example:

Under Schedule 1, Part 1, Clause 22 (2) (f) of the AC Act, and as stated on the ACC094 Vehicle purchase or modification - client declaration (102K) form, we're not required to contribute to a subsequent vehicle if that vehicle is needed solely because the client failed to insure or adequately maintain their original ACC funded vehicle. However, we may consider contributing towards a subsequent vehicle if that is the most cost-effective option to meet the client's transport for independence needs.

If you're concerned about whether the client adequately maintained the vehicle ask the client to provide a copy of the vehicle maintenance record, eg:

- a report from the mechanic or firm that completed the maintenance
- copies of the accounts paid for maintenance

Check these records to determine whether or not the vehicle has been adequately maintained.

If the vehicle has not been adequately maintained we can consider declining funding.

**Vehicle repairs**

Vehicle repairs are the client's responsibility.

If the request for subsequent vehicle funding is solely because the vehicle is or may be becoming unreliable, ask the client to get an appraisal of the current vehicle from a mechanic, stating:

- the current mechanical condition of the vehicle, including the repairs and maintenance required to make the vehicle roadworthy
- the estimated cost of the repairs
- the estimated value of the vehicle
- the mechanic's opinion on whether the repairs will provide a durable solution, ie if it is unlikely any other significant repair will be required in the following twelve months.

If the repairs close to the value of the vehicle and provide a long-term solution, we can consider declining funding as the client has a vehicle that meets their needs. See AC Act 2001, Schedule 1, Part 1, Clause 22 (2) (b).

**Client failed to adequately insure vehicle**

We can decline a request for a subsequent vehicle grant if the client failed to adequately insure the vehicle. See the AC Act, AC Act 2001, Schedule 1, Part 1, Clause 22 (2) (f) (i)

**Client disposes of vehicle without good reason**

If the client disposes of the vehicle without good reason we can decline funding under AC Act 2001, Schedule 1, Part 1, Clause 22 (2) (f) (ii) of the AC Act.

When considering whether a client has disposed of a vehicle after the injury, consider carefully the circumstances in which this occurred before preparing a submission to the delegation holder.

If the client has already disposed of the vehicle you must ask the client to provide evidence of disposal, eg if it was disposed of because it broke down and could not be repaired we need:

- a statutory declaration to that effect
- evidence from a mechanic to confirm the vehicle could not be economically repaired

If the evidence shows the vehicle was disposed of **without** good reason we can consider declining funding.

**Extended discretion**

If you're thinking of declining a request for a subsequent vehicle grant you must consider extended discretion. We may provide extra support, depending on the client's situation or individual needs.

In relation to a subsequent vehicle grant we have discretion to consider funding:

- the cost of maintenance, repair, registration, licensing, insurance or other running costs
- the cost of removing vehicle modifications no longer required
- the cost of contributing to a replacement vehicle, unless the replacement is necessary to maintain independence. This includes the requirements to maintain, insure and not dispose of a vehicle without reasonable excuse.

We must be sure that the funding:

- will provide a better rehabilitation outcome
- is a cost effective solution.

The Operation Risk Unit (ORU) is responsible for deciding whether to apply extended discretion. If you need advice send a query to the operational risk analyst in Operations Support.

To make an extended discretion submission, send the following documents to the ORU:

- the ACC2192 Extended discretion submission form - Home Modifications, Transport for Independence, Aids and Appliances (130K).
- the completed ACC2178 Cover note - Transport for independence (105K)
- the TFI assessment report.

**ACC vehicle replacement guidelines**

We must base our contribution on the most cost effective option available to the client for purchasing the type of vehicle identified by the assessor.

The following table shows ACC's minimum specifications for vehicle purchases.

If the vehicle...	the vehicle must be...
needs structural modification, eg hand controls, hoist etc	up to 5 years old and travelled less than 70,000 km (approximately)

If the vehicle...	the vehicle must be...
does not need structural modification, ie no modifications or only minor additions such as a steering wheel spinner	up to 7 years old and travelled less than 80,000 km (approximately)
is a utility or SUV and needs structural modifications	up to 5 years old and travelled less than 90,000 km (approximately)
is a Utility or SUV and does not need structural modifications	up to 7 years old and travelled less than 120,000 km (approximately)