



PUBLIC PROCUREMENT OVERSIGHT AUTHORITY
Transforming Procurement

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PPOA CIRCULAR NO. 7/2011

8th September 2011

To: All Accounting Officers
All CEOs, State Corporations
All Vice-Chancellors, Public Universities
All Managers, Co-operative Societies
All Town & County Clerks, Local Authorities
All Principals/ Head Teachers, Public Colleges & Schools
All CDF Account Managers

RE: DISPOSAL OF SURPLUS & OBSOLETE STORES, EQUIPMENT & OTHER ASSETS

The Public Procurement and Disposal Act, 2005 (the Act) and the Public Procurement and Disposal Regulations, 2006 (the Regulations) made there under sets out provisions of not only how public entities should undertake their procurements but also how they should dispose surplus stores, equipment and other assets.

As the Country transitions into a new governance structures under the promulgated Constitution, it is imperative that all public entities continue to safeguard the public assets placed under their custody. The ultimate responsibility of ensuring that the Act is complied with is vested on the Accounting Officer/ Head of Procuring Entity, pursuant to, Section 3(1) (b) of the Act. The spirit of the public procurement legislation on disposals is that disposals must be undertaken on a competitive basis to enable public entities realize value for money from disposal of assets and that public resources are managed prudently.

Your attention is drawn to Part X of the Act that dwells on disposal of stores and equipment and specifically Section 129 which provides for five (5) disposal methods and the respective disposal procedures. In addition, Part X of the Act requires every Procuring Entity to set up a Disposal Committee to make recommendations to the Accounting Officer on the method of disposal for unserviceable, obsolete or surplus assets. It is only after approval by the Accounting Officer that a disposal can be undertaken.

Annual disposal planning should be integrated with applicable budget processes and based on indicative or approved budgets, as appropriate, for any disposal linked to replacement.

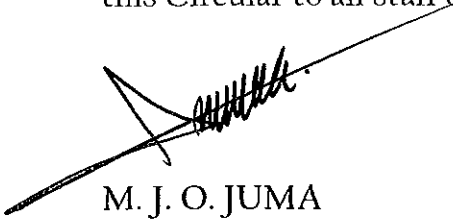
It is imperative that every procuring entity should provide to the Public Procurement Oversight Authority (PPOA) information relating to procurement and disposal, pursuant to Section 101 of the Act and as detailed in PPOA Circular No. 4/2009 dated 24th June 2009. The instructions have also provided that where facilities exist within a procuring entity; the information may be submitted electronically. You are requested to inform the procurement unit and other officers involved in the procurement and disposal function of your organization of these Instructions and to ensure adherence to the same when submitting procurement and disposal information to PPOA.

A Procuring Entity may dispose to an employee or a board member where time, efforts and costs required are disproportionate to the asset value and where the said persons are in possession of the asset, pursuant to Regulation 93 of the Regulations. Any disposals to employee(s), Board Member(s) or Councillors shall be reported to PPOA within 14 days from the disposal date.

Copies of the Instructions and Disposal Plan template are forwarded herewith for your reference and further action. Further guidance on the format of the disposal plan, disposal of stores, equipment and other assets is contained in Chapter 12 of the Public Procurement and Disposal General Manual.

To ensure compliance with the public procurement and disposal law, the Act prohibits undue influence; procurement contracts between a procuring entity and public servants; procurement contracts between a procuring entity and the spouse(s) and children of the public servants that serve the procuring entity; disposal contracts with public servants except under Regulation 93, outlaws fraudulent practice; and any breach of the procurement and disposal law will attract penalties prescribed in Sections 38 and 137 of the Act.

You are reminded to adhere to the provisions of the procurement and disposal law in your procurement and disposal undertakings and convey the contents of this Circular to all staff of your organization.



M. J. O. JUMA
DIRECTOR GENERAL
(Encls)

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