



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT OF
ROADS AND TRANSPORT**

DISPOSAL POLICY
VERSION 1

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1. **DISPOSAL POLICY OF VEHICLES, TRAILLERS, MACHINES, EQUIPMENTS, TOOLS, MOTOR CYCLES, SCRAP METALS, TYRES ETC.**

2. **DEFINITIONS**

In this instruction, unless the context otherwise indicates.

- (a) "Disposal" means permanently getting rid of a government property e.g. vehicle, trailer, machine, Equipment, tools, motor cycle scrap metals, tyres etc.
- (b) "Auction" means a selling process whereby many people participate and compete freely in bidding or offering a price on a specific item.
- (c) "Open Tender Auction" means a selling process whereby participants participate, and compete openly, freely and bidding for a specific item.
- (d) "Close Tender Auction" means a selling process whereby participants participate, and compete freely while their bids, or offers are secret, confidential until the Auctioneer announces the results.
- (e) "Donation" means an offering or a gift by the Department to any other institution without proceeds of any kind getting to the Department as a compensation for a donation.
- (f) "Asset" means a valuable property with a lifespan exceeding three years.
- (g) "Board of Survey" Specially constituted administrative body appointed by the Head of Department to survey or examine the conditions of assets.
- (h) "Lifespan," means the length of time for which a material or none material object or item exist or functional.

3. **PURPOSE**

The policy on the disposal of government vehicles, trailers machines, equipments, tools, etc is deemed a guideline which enables the Department to dispose off, the above mentioned assets, through a public auction, destroying / demolishing, donating and transferring.

4. **METHODS OF DISPOSAL**

- 4.1. Auction
- 4.2. Destroy/Demolish
- 4.3. Donation
- 4.4. Transfers

4.1 AUCTION/ DISPOSAL OF ITEMS

- 4.1.1 Vehicles (withdrawn from service)
- 4.1.2 Spares (redundant and used spares as scrap metals)
- 4.1.3 Oil (used oil and old/contaminated oil)
- 4.1.4 Tyres (redundant and used tyres)
- 4.1.5 Equipments (workshop lifts, compressors, trolley jacks, machineries, hand tools, etc.)
- 4.1.6 Trailors, canopées etc.
- 4.1.6 Accessories: e.g. jacks, spare wheels etc.
- 4.1.7 Batteries and battery chargers.

4.2 DESTROY/DEMOLISH ITEMS

- 4.2.1 Completely burnt out vehicles.
- 4.2.2 Recovered and stolen vehicles.
- 4.2.3 Vehicle components e.g. Engine blocks, cylinder heads etc.
- 4.2.4 Equipments. (Workshop lifts, compressors, trolley jacks, machineries, hand tools, etc.)
- 4.2.5 Tyres.

4.3 DONATIONS

- 4.3.1. Tyres.
- 4.3.2. Empty drums, old vehicles components, etc.
- 4.3.3. Vehicles to educational and training institutions e.g. technical schools.

4.4 TRANSFERS

- 4.4.1 Vehicles.
- 4.4.2 Equipments.
- 4.4.3 Machineries.

5. DISPOSAL PROCESS

- 5.1. Technical report/mechanical report should be submitted to the Manager Government Fleet and Garages and the vehicle should be towed to the auction yard/scrapyard.
- 5.2. Manager Government Fleet and Garages takes safe custody of withdrawn vehicles and must not allow un-authorized personnel access to the demarcated areas in the scrap yard or auction yard.
- 5.3. A copy of the technical report and keys must be handed over to the Manager Government Fleet and garages.

- 5.4. The Manager Government Fleet and Garages to inform the respective User department of a vehicle withdrawn from service.
- 5.5. The Manager Government Fleet and Garages to update records of withdrawn vehicles with the registering authority.
- 5.6. The Manager Government Fleet and Garages update the asset register and inform Head Office Government Motor Transport and garages fleet management component accordingly.
- 5.7. The Manager Government Fleet and Garages invite board of survey and hand over maintenance and vehicle files to the Board of survey and these should be returned to their respective offices after use.
- 5.8. The Manager Government Fleet and Garages liaises with the government garage manager for the removal of accessories as recommended by treasury, Traffic and emergency vehicles electronic devices, stretchers, etc.
- 5.9. The Manager Government Fleet and Garages verify the engine and serial numbers with the registration documents.
- 5.10. The Manager Government Fleet and Garages ensures that lot numbers are clearly visible on the vehicles, correspond with catalogue and vehicles are to be parked according to lot numbers.
- 5.11. All the markings, registration numbers plates, license disks key tags, emblems e-fuel chips, traffic accessories and the department's names are to be removed from the vehicles.
- 5.12. Lot numbers must be marked on the keys of vehicles and the keys must be removed from vehicles and be locked in the safe.
- 5.13. The Manager Government Fleet and Garages must inspect all vehicles before auction to verify their numbers and conditions and the availability of vehicle accessories such as spare wheels, jacks, jack handles etc.
- 5.14. On the date of an open tender auction the auction process will be inline with the general conditions of the auction and inline with the Service Level agreement.
- 5.15. Manager Government Fleet and Garages to submit change of ownership documents to Local Municipality within 21 days after the disposal of a vehicle.

6. HEAD OFFICE

- 6.1. The Board of survey inspect and verify information furnished on the technical report by the Government Garage, determine and put in place reserve prices, lot numbers and compile a comprehensive report to Head Office to be attached to the application for approval of expenditure authority to the Head of the Department.
- 6.2. Head Office technical services applies for expenditure authority from the Head of Department to dispose off the assets as per Board of survey report, and submit a copy for information and records to the Office of the Auditor General, Treasury and Premier, and the date for disposal.
- 6.3. Treasury and Office of the Auditor General conduct inspection to verify Information furnished on the technical and Board of survey reports, and grants Treasury approval for the Department to dispose off only those assets, as they will be reflected on the list.
- 6.4. Head Office Security Management Directorate to provide security for Closed Tender Auctions and cash in transit Security to collect the proceeds of the auction to the nearest bank.
- 6.5. The Manager Technical Services draw up a catalogue, make the arrangements for advertisements, inform all the stake holders about the auction
- 6.6. The Manager Technical Services informs and invite the regional offices of other departments and head office of the auction date, and for them to participate in the disposal activities in order for them to update their asset register.

7. AUCTIONS

The Department of Roads and Transport is presently utilizing two systems of auctions as means of disposing off government assets:-Open Tender Auction and Close Tender Auction. Both auctions are advertised in Local, National Newspapers and Flyers to the nearest villages where the auctions will be held.

7.1 OPEN TENDER AUCTION

- 7.1.1. The Department of Roads and Transport submit a list of approved assets to the contracted auctioneer and the date scheduled for the auction.
- 7.1.2. The Auctioneer embarks on the process of arranging for the auction which will be conducted at a specific place, on the scheduled date and time in line with the contractual obligation and the service level agreement.

7.2 DAY OF AUCTION

- 7.2.1 The regional fleet manager must hand out key and registration documents to the Buyers
- 7.2.2 Hand out gate passes to the buyer
- 7.2.3 Prepare confirmation of sale on auction documentations to be given to buyers.
- 7.2.4 Handle inquiries and queries on engine and serial numbers when needs arise.
- 7.2.5 Provide security.
- 7.2.6 Control the movements in the premises.
- 7.2.7 Ensure that bid is above reserve price.
- 7.2.8 Control safe removal of purchased assets.

7.3. FINANCE COMPONENT

- 7.3.1 Keep financial records through out the auction process.
- 7.3.2 Balance the proceeds for the auction collected with the records accumulated.
- 7.3.3 Collect payment from the Auctioneer.
- 7.3.4 Should not physically be involved in any disposal activities other than those related to finance.

8. CLOSE TENDER AUCTION

NB: *The close tender auction is designed to cater for those people in the rural areas who are unable to access loans from the financial institutions to buy vehicles due to poverty and poor financial status. A computerized point scoring system is used to arrive at correct results.*

- 8.1. On receipt of expenditure authority for the close tender auction, from the Head of Department, Government Motor Transport employees immediately execute all auction preparations, which will include identification of a venue, moving of vehicles from the Government Garage to the venue, date, time advertisements, etc.
- 8.2. Fleet management and technical services components and Regional fleet management jointly establish a venue, date and time when the close tender auction will be conducted and ensure that there will be a tight security from day one to the last day.

- 8.3. The Department of Roads and Transport invites Office of the Provincial Treasury, Office of the Auditor-General and all provincial Departments to send delegates to be part of the close tender auction.
- 8.4. In a close tender auction participants participate and compete freely while their bidding or offers are secret or confidential, until the Departmental auctioneer announces the final results.
- 8.5. Fronting is not allowed and those who will be found to be involved in fronting will be disqualified from participating and forfeit their registration fee.
- 8.6. No auction team member is allowed to participate in auctions for example buying, or using their identities or any corrupt practices such as assisting people to qualify to participate in the auction yet they do not meet the requirements without having declared in writing before the auction start.
- 8.7. The department's finance component will collect payments from successful bidders, and deposit into the Provincial Revenue funds immediately after the auction, or tentatively Head Office Security Management Directorate to provide security for Closed Tender Auctions and cash in transit Security to collect proceeds from the auction to the nearest bank or for safe custody till the following day.
- 8.8. Treasury, department's finance component and the office of the Auditor-General to consolidate the data of the auction and verify with the proceeds received.
- 8.9. A comprehensive report for each auction must be written and submitted to the Head of Department within seven (7) days, and copies for information and records Treasury and office of the Auditor-General.

9. DESTROY/DEMOLISH

Assets that are damaged beyond recognition e.g. completely burnt out vehicles, trailers, motor cycles etc. and assets that have been recovered after having been stolen and their security numbers like engine numbers, chassis numbers serial numbers have been grossly tampered with or completely changed will have to be destroyed or demolished and disposed off as scrap metals.

10. DONATIONS

- 10.1. Disposal committee should analyze or evaluate the request for donation and recommend to the accounting officer for approval to donate such asset.
- 10.2. When assets of government are to be donated to other institutions in terms of legislation or following a re-organization of function, the Accounting Officer of the donating department will have to approve the donation on the basis of recommendation of the disposal committee.

- 10.3. Draw up an inventory of such assets and liabilities and provide the Accounting Officer of the receiving institution with substantiating records.
- 10.4. Both Accounting Officers of the donating department and the Accounting Officer of the receiving department/institution should sign the inventory.
- 10.5. The Accounting Officer of the donating department files a copy of the signed inventory with Treasury and the Auditor general within 14 days.

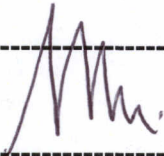
11. **TRANSFERS**

- 11.1 When assets or liabilities of a department are transferred to other departments or another institution in terms of legislation or following a re-organization of functions, the Accounting Officer of the transferring department: -
- (a) Draw up an inventory of such assets and liabilities, and
 - (b) Provide the Accounting Officer of the receiving department or other institution with substantiating records.
- 11.2. Both the Accounting Officer of the transferring department and Accounting Officer of the receiving department or other institution should sign the inventory when the transfer takes place.
- 11.3 The Accounting Officer of the transferring department should file a copy of the signed inventory with Treasury and the Auditor General within 14 days of the transfer.

12. POLICY REVIEW

The policy will be reviewed annually or when necessary.

RECOMMENDED/NOT RECOMMENDED


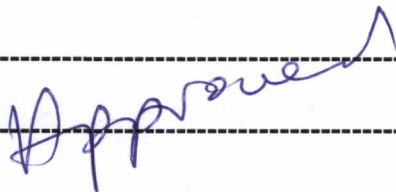


ACCOUNTING OFFICER

2011/01/08

DATE

APPROVED/NOT APPROVED



EXECUTING AUTHORITY

2/11/08

DATE