


# The Catholic University of Eastern Africa

| TITLE   | AUTHOR   |
|---|--|
| <b>PROCEDURE FOR DISPOSAL OF<br/>SURPLUS / OBSOLETE ITEMS<br/>CUEA/DVC ADM/PRC/03</b>   | <b>SUPPLY CHAIN OFFICER</b>  |
|   | NO. OF APPENDICES:   |
|   | <b>THREE (3)<br/>7.1 -7.3</b>  |
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|  | <b>Standard Operating Procedure</b>                         | <b>DVC<br/>ADM/CCD/05</b> |
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### 0.2 Record of Changes

| No. | Date              | Details of Changes |                              | Authorization |
|-----|-------------------|--------------------|------------------------------|---------------|
|     | <i>(dd-mm-yy)</i> | <i>Page</i>        | <i>Clause/subclause</i>      | <i>Title</i>  |
| 1   | 10-12-2018        | All                | Complete Review of Procedure | SCO           |
|     |                   |                    |                              |               |
|     |                   |                    |                              |               |
|     |                   |                    |                              |               |


### 0.3 Distribution / Circulation

This standard operating procedure is available at relevant functions for authorized users.

## 1.0 PURPOSE

To give guidelines on how the disposal of surplus, obsolete, items is carried out within the University for Maximum Utilization of University assets.

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## 2.0 SCOPE

The procedure applies to the process of disposal of surplus / obsolete items carried out within The Catholic University of Eastern Africa.

## 3.0 REFERENCES

- 3.1 CUEA Quality Management Manual
- 3.2 CUEA Procurement Policies and Procedures Manual, Draft

## 4.0 DEFINITION OF TERMS


### 4.1 Abbreviations

|         |   |   |
|---------|---|---|
| CUEA    | - | The Catholic University of Eastern Africa                   |
| DVC/AFP | - | Deputy Vice Chancellor, Administration Finance and Planning |
| HOD     | - | Head of Department  |
| SCO     | - | Supply Chain Officer  |
| UMB     | - | University Management Board                                 |
| VC      | - | Vice Chancellor   |

### 4.2 Definition of Terms

- 4.2.1 *Assets*: Movable and immovable property, either tangible or intangible.
- 4.2.2 *Disposal*: The sale by competitive bidding of assets whether surplus, obsolete or salvage property by the University.
- 4.2.3 *Goods*: Means raw materials, products, equipment and commodities in solid, liquid or gaseous form and electricity as well as installation, transport maintenance or similar obligations related to the supply of the goods.
- 4.2.4 *Procurement*: Means the purchasing, hiring or obtaining by any other contractual means of goods, works and services.
- 4.2.5 *Services*: Any object of procurement other than works and goods.

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- 4.2.6 *Scrap*: Means goods or materials that is damaged, defective or deteriorated, howsoever caused, to the extent that it has no value except for its basic material content.
- 4.2.7 *Standard*: A characteristic or set of characteristics for an item which for reasons of quality level or compatibility with other products is generally accepted by the manufacturers and users of that item as a required characteristic for all items of that type.
- 4.2.8 *Tender*: An offer in writing by a tenderer to supply / buy at a price goods services or works pursuant to an invitation to tender by the University.
- 4.2.9 *Tenderer*: Means a person submitting a tender.
- 4.2.10 *Tender Document*: The document provided by the University to tenderers as a basis for preparation of their tenders/bids.
- 4.2.11 *Tender Opening Date*: A date and time designated by the University for the opening of tenders.
- 4.2.12 *User Department*: Means the Department, which initiates procuring proceedings.
- 4.2.13 *Requisition Form*: It is a form that one fills to ask for goods / services from the stores.


## 5.0 PRINCIPAL RESPONSIBILITIES

The Supply Chain Officer has the full responsibility to ensure that this procedure is adhered to effectively.

## 6.0 METHOD

- 6.1 The SCO receives a list of the identified items for disposal from the Chief Finance Officer or from the user department(s).
- 6.2 The SCO presents the detailed list to the procurement committee for approval.

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- 6.2.1 If approved the SCO prepares a tender notice / advertisement for disposal (sale, transfer) of the items; or
- 6.2.2 If not approved the list is taken back to the Chief Finance Officer with comments.
- 6.3 The Procurement Committee opens the tender bids, evaluates them and approves for disposal as follows:
- (a) To the highest bidder;
  - (b) As donations;
  - (c) Reserved price(s); and
  - (d) For Re-use
- 6.4 The SCO notifies the successful bidders of the tender results advising them to honor their bid offers, as per clause 6.3 (a & c)

## 7.0 APPENDICES

### 7.1 CONTEXT


#### 7.1.1 External / Internal Factors

| (a)   | <b>External Factors</b>                    | <b>Identified Risk / Opportunity</b> |
|-------|--|--------------------------------------|
| (i)   | Availability of buyers                     | Poor response                        |
| (ii)  | Demand for items to be disposed            | Low prices bided                     |
| (iii) | Status of the item to be disposed          | Low prices/No prices bided           |
| (b)   | <b>Internal Factors</b>                    | <b>Identified Risk / Opportunity</b> |
| (i)   | Availability of items to dispose           | Poor response                        |
| (ii)  | Inadequate funds to advertise the disposal | Pile up of obsolete goods            |
| (iii) | Personnel to prepare disposal documents    | Poor disposal process                |

#### 7.1.2 Relevant Interested Parties

|       | <b>Party</b>     | <b>Needs and Expectations</b>     |
|-------|------------------|-----------------------------------|
| (i)   | Potential buyers | Items to have useable value       |
| (ii)  | Stakeholders     | Get value of the items and space. |
| (iii) | Users            | Creation of space.                |


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### 7.2 RISK ANALYSIS AND CONTROL

| No | Risk                      | Cause                        | Risk Assessment |        |                     | Risk Level | Control / Treatment |
|----|---------------------------|------------------------------|-----------------|--------|---------------------|------------|---------------------|
|    |                           |                              | Likelihood      | Impact | Likelihood / Impact |            |                     |
| 1  | Poor response             | Unavailability of buyers     | 2               | 2      | 4                   | Medium     |                     |
| 2  | low prices bided          | Low demand of disposal items | 2               | 2      | 4                   | Medium     |                     |
| 3  | Pile up of obsolete goods | Inadequate funds             | 2               | 2      | 4                   | Medium     |                     |
| 4  | Poor disposal process     | Inadequate personnel         | 2               | 3      | 6                   | Medium     |                     |
|    |                           |                              |                 |        |                     |            |                     |
|    |                           |                              |                 |        |                     |            |                     |
|    |                           |                              |                 |        |                     |            |                     |

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### 7.3 REQUIRED ORGANIZATIONAL KNOWLEDGE

- (a) Trained Supply Chain personnel.
- (b) Knowledge of user requirements.

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