

# FINANCE CIRCULAR

MINISTRY OF FINANCE  
P.O. BOX 2212, GOVERNMENT BUILDINGS, SUVA  
PHONE : 330 7011, FAX : 330 0834 / 330 8654

CIRCULAR NO: 7/2013

22<sup>nd</sup> April 2013

FIN: 21/2/6

FROM: Permanent Secretary for Finance

TO: All Permanent Secretaries and Heads of Departments

SUBJECT: **GUIDE TO DISPOSAL OF GOVERNMENT VEHICLES**

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## 1.0 Objective

1.1 The objective of this circular is to :

- Inform Ministries and Departments of the *Guide to Disposal of Government Vehicles*.
- Summarize the vital points that are entailed in the Guide.
- Enforce the new useful life for vehicles.
- Initiate the procedures for conducting auctions in all divisions for vehicles that have been boarded and approved by the Ministry

## 2.0 Guide to Disposal of Government Vehicles

The guide to Disposal of Government Vehicles has been formulated to assist agencies to efficiently dispose of Government vehicles in the set methods of disposals.

### 2.1 Board of Survey

2.1.1 The Board of Survey team that are appointed by the Permanent Secretaries of the respective Ministries and Departments must be competent and must be of Senior or higher level officers as per the provisions in section 24 of the Procurement Regulations 2010.

2.1.2 A mandatory member from the Ministry of Works' Mechanical section, who must be either a Principal or Senior Mechanical officer.

2.1.3 The Board of Survey team must verify details of vehicles to board as well as carry out the physical inspection of the agencies vehicle. The team is also tasked with assessing the cost and benefit of Disposal options and recommends the best disposal option to be approved by the Permanent Secretary of Finance.

## **2.2 Methods of Disposal**

2.2.1 The guide sets out the ways for disposing off vehicles via Tender, Public auction and Sale as scrap metal. It should be noted that under section 52(3) of the Procurement Regulations 2010, upon approval granted by the Permanent Secretary of Finance, the Director (FPO) shall determine whether they are to be sold by auction or public tender.

## **2.3 Tender**

2.3.1 Vehicles that are less than six (6) years old must be tendered out. Unless the Board of survey team recommends that the net return from the tendering process will be less due to the condition of the vehicle.

## **2.4 Public Auction**

2.4.1 Approval has been granted by the Minister of Finance to the Fiji Procurement Office to conduct the auction in all divisions for vehicles that have been boarded and approved.

2.4.2 During a public auction (facilitated by FPO) an auctioneer (Government Contractor) undertakes the disposal of vehicles by public auction. FPO will advise the auctioneer, in writing, instructions relating to the sale. Those vehicles that are not sold via the first auction must then be disposed through sale as scrap metal.

## **2.5 Sale as Scrap Metal**

2.5.1 Vehicles that had no interest from bidders in previous auctions, to be sold to contracted scrap metal collectors.

2.5.2 Refer to *(appendix 2)* of the *Guide to Disposal of Government Vehicles* for a process flow chart for the sale of disposed items as scrap metals.

## **2.6 Approval to Dispose**

2.6.1 For State or Government assets (vehicles) to be disposed, Permanent Secretaries of individual agencies have to seek approval from the Ministry of Finance.

## **3.0 Useful Life**

3.1 Vehicles that have surpassed the life of six (6) years or driven more than 300,000km to be boarded.

## **4.0 Auction Dates**

4.1 The Fiji Procurement Office is currently scheduling dates for the auctions, however prior to that Ministries and departments are requested to submit a updated list of Government vehicles and other assets that have been approved to be disposed off via sale, either by Auctions, Public tender or sale as Scrap.

4.2 A template of the submission is attached and a soft copy can be attained from the Fiji Procurement Office. All submissions are to be forwarded to the Fiji Procurement Office before the 26<sup>th</sup> of April 2013.

## 5.0 Conclusion

5.1 Ministries and departments undertaking the disposal of assets must be prudent and always uphold the public service code of conduct while undertaking the process. It is imperative that the sale price must be the best market price.

5.2 For any clarification on the content of this circular, please either contact **Navneet Lal** on phone **3221233** or email [navneet.lal@finance.gov.fj](mailto:navneet.lal@finance.gov.fj) ,and for the submission of the boarded assets list to be disposed via sale , contact **Narayan Swamy** on **3221243** or email [nswamy@finance.gov.fj](mailto:nswamy@finance.gov.fj)

5.3 We look forward to your continued support in ensuring the successful implementation of this Guide and efficient disposal of Government vehicles and other assets.



Akosita Drova

**Acting Permanent Secretary for Finance**