



DELTA STATE GOVERNMENT

DELTA STATE PUBLIC PROCUREMENT COMMISSION (DSPPC)

Guidelines

For

**Disposal of Public Assets
(Tangible, Intangible and Financial Assets),
Operational Principles,
Organizational Modalities
(Section 61 (3b) of Delta State Public Procurement Law, 2020)**

And

Other Related Matters.

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SECTION I

DEFINITION OF TERMS

1. In this Guideline, unless the context otherwise requires:

“Accounting Officer” is as defined in the Delta State Public Procurement Law, 2020.

“Assets” include Tangible and Intangible Assets.

“Awarding Authority” is as defined in the Delta State Public Procurement Law, 2020.

“Beneficiary” means any bidder, employee or member of a Governing body who is proposed by a procuring entity as the winner of a bidding process and may, where applicable, be entitled to a procurement contract.

“Council” means the Delta State Public Procurement Council as established in the Delta State Public Procurement Law, 2020.

“Commission” means the Delta State Public Procurement Commission as established in the Delta State Public Procurement Law, 2020.

“Certificate of No Objection” as provided for in the Delta State Public Procurement Law, 2020.

“Disposal” includes procurement, sales, rentals, lease, hire purchase, licenses, tenancies, franchise, auctions, transfer from one government department to another with or without financial adjustments, and offer to the public at an authorized variation.

“Emergency” means a governmental declaration made in response to an extraordinary situation posing a fundamental threat to the State or the Country. The declaration may suspend certain normal functions of government, make citizens to alter their normal behavior, or may limit or suspend civil liberties or human rights.

“Financial Assets” include shares, bonds and bank deposits.

“Independent Valuer” means a person who possesses the necessary qualifications, ability and experience and executes a valuation and who is independent of the procuring entity.

“Intangible Assets” are non-physical Asset and includes patent, trademark, copyright, franchise, goodwill and trade names.

“Law” means the Delta State Public Procurement Law, 2020.

“Tangible Assets” are physical Assets and include equipment, building, inventory, etc.

“Procuring Entity” means procuring entities as defined in the Delta State Public Procurement Law, 2020.

“Procurement” means procurement as defined in the Delta State Public Procurement Law, 2020.

“Public Assets” is as defined in Section 61(4) in the Delta State Public Procurement Law, 2020. (used interchangeably with Public Property for the purpose of this Guideline).

SECTION 2

INTRODUCTION

2(i) This document may be cited as the Guidelines for Disposal of Public Assets, Operational Principles, Organizational Modalities and Other Related Matters, 2025 and shall come into force on the ____ day of _____, 2025.

This Guideline is made pursuant to section 61(3) (b) of the Delta State Public Procurement Law 2020.

2(ii) This document provides a reference tool to guide the disposal of Public Assets, ensure compliance with current legislation in Delta State and standardize the practice across all Procuring Entities in Delta State.

It is also aimed at private sector contractors or suppliers to better understand the process for disposing Public Assets, facilitate their participation in contracts, and ensure the application of legal and procedural best practices.

These Guidelines are applicable to all Procuring Entities.

SECTION 3

ASSETS DISPOSAL PROCESSES AND PROCEDURES

3.0 For Procuring Entities to implement an efficient and effective “Assets Disposal” activity in an open and transparent manner, the processes and procedures articulated below shall be undertaken and followed.

3(1) Timing, Circumstances and Justification

The reasons, circumstances for, timing and the justification for Procuring Entities wishing to dispose of Assets may vary and shall include:

- a. The Procuring Entity has concluded its mandate and is closing;
- b. The Asset may have become totally un-usable (a complete write-off) as a result of an accident or similar event;
- c. The Asset may have become obsolete (e.g. due to major technological shift, disappearance of the unique fabric, etc);
- d. The cost of maintenance of the Asset may have become too high in comparison to what may be a reasonable cost for its replacement;
- e. The Asset may have become surplus to the Procuring Entity’s requirements (due to new acquisitions, reduction of activity or personnel, improvement of technology for automation and time reduction, etc.);
- f. Any other reason not stated hereby but that may be articulated convincingly to the satisfaction of the Delta State Public Procurement Commission (DSPPC), in the request for “Certificate of No Objection” to dispose of such an Asset.

3(2) Asset Disposal Processes and Procedures

Immediately Assets are identified as likely to be disposed, the following steps, processes and procedures must be followed and applied.

3(3) Arrangements for Disposal and Documentation of the Process

A proposal paper regarding the need and arrangements for the Assets’ disposal must be prepared. Steps of tasks included in this category of processes and procedures include the following:

i. Early Identification, Classification and Valuation of Assets to be Disposed-Of

When Assets have been identified for disposal, the Procuring Entity shall undertake valuation of the Assets (to determine book values, minimum, and/or asking prices or any other considerations to be taken into account regarding value of concerned goods) by either using its own staff with professional and appropriate competence, relevant MDA with expertise, or an Independent Valuer in order to determine the estimated reserve price, which shall be confidential and shall not be disclosed to bidders.

3(4) Establishment of an “Asset Disposal Committee”:

- a. Procuring Entities shall establish an internal “Asset Disposal Committee” for the purpose of recommending the best method of disposing of unserviceable, obsolete or surplus stores or equipment. The Open or Selective bidding shall be the primary source of receiving offers for the purchase of any public Asset offered for sale.
- b. The Asset Disposal Committee shall be appointed with clearly defined and documented terms of reference that indicate:
 - i. what the Committee’s work is about;
 - ii. who the members are;
 - iii. what the members’ role, responsibilities and duties are;
 - iv. how the members shall interact with staff of the Procuring Entity in doing their work; and
 - v. who the members report to.
- c. The terms of reference of the Asset Disposal Committee may also provide for and enable the Committee to seek, obtain and utilize external expert services through consultancies to cover any skills-gap on the Committee whenever disposing Assets.
- d. The Committee shall document and cost its proposals for Asset disposal as well as document and sign its disposal report upon completion of any specific Asset disposal activities at each given assignment.
- e. The Asset Disposal Committee shall comprise at least Four (4) members, who shall be appointed by the Procuring Entity’s Accounting Officer from its various Departments. The members shall include two (2) representatives from the relevant Technical Department(s), a Procurement Officer and a Legal Officer.

3(5) Preparation, Approval and Implementation of Concept Note/Proposal for Disposal of Assets:

- a. The Asset Disposal Committee shall prepare a concept note/proposal which shall document and cost its proposal for the disposal of the Asset;
- b. The concept note/proposal shall be considered by the procurement entity and discussed with all persons involved in the procurement/disposal process before it is presented for approval;
- c. The proposal shall be signed by the Chairperson of the committee and counter signed by the Secretary to the same committee; and
- d. The proposal shall be presented to the Accounting Officer of the Procuring Entity prior to implementation and incurring of expenses relating to the activity for approval.

3(6) Processes and Procedures for Effective Issuance of “Certificate of No Objection”:

Public Assets shall not be sold, ceded, leased or otherwise disposed of without obtaining in advance a “Certificate of No Objection” from the Delta State Public Procurement Commission (DSPPC).

- a. The request for “Certificate of No Objection” shall be in writing signed by the Accounting Officer of the Procuring Entity, while the Certificate shall be signed by the Director General of DSPPC. The request for the certificate must outline the following:
 - i. Description of the Asset(s) to be disposed of including all relevant information such as the acquisition date and cost, book value, code, current physical performance/condition, cost of maintenance;
 - ii. Detailed rationale for disposing of the Asset(s);
 - iii. Asset Disposal Committee terms of reference and Minutes of the Meeting(s) confirming its operational date as well as the composition (Names, Designations and Departments/Organizations each one is representing) and justification; and
 - iv. The disposal method selected for use and justification.
- b. For Projects/Programs that are closing down and do not have a next phase, the “Certificate of No Objection” request should be received at least three (3) months prior to the closing date of the Projects/Programs.
- c. Upon receipt of any Procuring Entity’s request for “Certificate of No Objection” to dispose of Assets, the Delta State Public Procurement Commission (DSPPC) shall formally acknowledge receipt of the request within three (3) working days, shall process the submission within ten (10)

working days and advise the Procuring Entity formally on or before the tenth working day of receipt of the request for “Certificate of No Objection”.

- d. The Delta State Public Procurement Commission (DSPPC) decision in the response sent to the Procuring Entity may or may not agree with the disposal details, including the method(s) indicated by the Asset Disposal Committee of the Procuring Entity.

3(7) Supervision of staff and Clear Separation of Responsibilities:

To ensure that value for money is achieved after the disposal of Assets and that high standards of propriety are maintained, the Procuring Entity shall ensure that there is proper supervision of staff and clear separation of responsibilities, particularly in relation to the valuation and disposal process.

Where Assets have been identified for disposal, the Procuring Entity shall undertake the valuation of the Assets either using its own staff or an Independent Valuer in order to determine the estimated reserve price, which shall be confidential and shall not be disclosed to bidders. The use of an Independent Valuer should be the first option especially when the Assets are within a threshold of N5 million and its disposal is more than 10% of the original value where applicable, and upon obtaining a “Certificate of No Objection” from Delta State Public Procurement Commission (DSPPC).

SECTION 4

ASSET DISPOSAL METHODS

4. Procuring Entities shall consider adopting any of the following methods of disposal for the disposal of their unserviceable, obsolete or surplus stores or equipment as may be appropriate in each circumstance subject to the issuance of Certificate of No Objection by the DSPPC:

- i. Transfer with financial adjustment;
- ii. Sale by public tender;
- iii. Sale by public auction;
- iv. Sale by trade-in;
- v. Fixed price sale;
- vi. Sale to employees or to Project/Program Steering Committee members;
- vii. Recycle or Donate to a “deserving cause”; and/or
- viii. Destruction, Dumping, Burying and Burning in line with Environmental Laws, Standards and Policies.

4(1) *Transfer with Financial Adjustment:*

- a. The Procuring Entity may transfer Assets to another Procuring Entity (the receiving/ Procuring Entity) with financial adjustment where the receiving/Procuring Entity intends to make further use of the Asset(s) and where an arrangement for transfer shall be agreed mutually. Such transfer is subject to obtaining Certificate of No Objection from the Delta State Public Procurement Commission (DSPPC).
- b. Similarly, upon receipt of a Certificate of No Objection from the Delta State Public Procurement Commission (DSPPC), Assets can be transferred from one phase to the next phase of a project where the project is to continue, or be transferred to another project and not disposed of.

4(2) Sale by Public Tender:

The procedure and process to be used by Procuring Entities for disposing Assets by public tender shall be similar to the procedure and process for *procurement of goods, works and services (through open competitive bid, selective or restricted bidding methods) but with appropriate modifications*. The award in the disposal of Assets shall be made to the highest rated bidder, of which bid shall be equal to or above the reserve price.

4(3) Sale of Assets by Public Auction:

Procuring Entities, if disposing Assets by public auction, shall use an auctioneer from a pre-qualified list or appoint one through an appropriate competitive and transparent method. The Asset Disposal Committee shall agree /approve of the selected auctioneer.

4(4) Disposal of Assets by Trade-In:

Procuring Entities shall opt to use trade-in as a method of disposal subject to the approval of the Asset Disposal Committee under the following circumstances:

- (i) Trade-in shall be used where the trade-in of surplus Assets off-set the purchase price of new items provides a convenient, economic and efficient way of upgrading Assets;
- (ii) Trade-in shall not be used where it reduces the value for money in a procurement process; and
- (iii) Trade-in shall not be used where factors other than price have to be taken into consideration in the disposal process.

4(5) Disposal of Assets by Fixed Price Sale

Procuring Entities shall opt to use the Fixed Price Sale as an Asset disposal method where some items (best net outcome) may be obtained by displaying goods for sale with a market price. In choosing this method, Procuring Entities shall consider the following:

- i. The cost of valuing the Asset(s);
- ii. Wages and other administrative costs;
- iii. The direct and indirect costs of warehousing;
- iv. The extent to which the Procuring Entity may be expected to warrant the condition of fixed price sale;
- v. The cost of advertising; and
- vi. The Asset Disposal Committee shall approve the use of this procedure.

4(6) Disposal of Assets to Employees or Members of Governing Bodies of Projects/Programs of Procuring Entities:

A disposal to an employee or members of staff of the Procuring Entities shall be an option where:

- (a) The items are of low value, i.e.:

- i. There is no likely benefit or financial advantage to the Procuring Entity, in using any other disposal method;
 - ii. Where the personal use of the disposed Asset(s) would directly benefit the performance of the employee in the execution of his or her duties within the Organization;
 - iii. The employee in possession of the Asset to be disposed of is given the first priority to purchase the same, after an independent mechanism determines the sale price;
 - iv. Items are in remote locations, where any other method of disposal would be impracticable.
- (b) An employee shall not be permitted to purchase more than one similar item under a single disposal process.
- (c) An employee involved in initiating the disposal process, valuation or managing the disposal process shall not participate in that particular disposal as a bidder;
- (d) The disposal process by Sale to Employees may be contracted to an independent agent who shall be selected competitively at reasonable cost;
- (e) If this method of Asset disposal in (d) above, is selected, the processes and procedures to follow shall be as follows:
- i. A bid shall be solicited by the publication of a non-public invitation notice, indicating that any staff interested in bidding may obtain the bid documents from the Asset Disposal Committee;
 - ii. A non-public invitation notice shall be displayed on a notice board and copies circulated through heads of departments and where possible through e-mail to all employees;
 - iii. The advertising period for Sale to Staff shall be at least ten (10) days;
 - iv. Disposal documents shall be drafted in accordance with acceptable standards;
 - v. A Procuring Entity shall request for written sealed bids from interested employees;
 - vi. Evaluation for sale to employees or steering committee members shall be based on price only;
 - vii. A post-bid negotiation shall not be permitted;
 - viii. The disposal committee shall make the award; and
 - ix. Every disposal to an employee or Disposal committee member shall be reported promptly to the Procuring Entity's Accounting Officer.

4(7) Recycle or Donation of an Asset to a Deserving Cause:

Procuring Entities shall opt to use Conversion or Recycling of Assets as a disposal method where;

- i. Assets have no identifiable residual usefulness to the procuring entity and may still have some value that may be obtained through Conversion into another form or Recycling;
- ii. On grounds of public interest, legal or human rights issues or environmental considerations; or
- iii. There is potential of obtaining monetary return from Conversion or Recycling.

4(8) Disposal of Asset(s) by Destruction, Dumping, Burying, or Burning:

Procuring Entities, after considering the environmental effects and obtaining the relevant clearance may destroy, dump, bury or burn Assets only when all other disposal options have been eliminated and no conversion into another form or recycling possibilities can be identified.

When items have been disposed of through any of the methods allowed, a standard disposal certificate(s) shall be prepared accordingly and duly signed by the Accounting Officer.

4(9) Electronic Means of Disposal

- a. The Procuring Entity shall utilize the available e-procurement portal for the dissemination of information on disposal, invitation to bid and acceptance of bids for all Assets approved for disposal.
- b. Procuring Entities may undertake procurements through available e-procurement platforms of the state during an emergency.
- c. The Procuring Entity shall upload photographs and vivid description of Assets to properly guide interested parties to making decision on Assets approved for disposal.

SECTION 5

SUPERVISION AND MONITORING OF PROCURING ENTITIES

5. Supervision of Projects/Programs of Procuring Entities:

DSPPC shall conduct desk and post-supervision missions to review clearance with this Asset Disposal Guidelines by Procuring Entities and to provide technical support in the field that may be required by such Procuring Entities in their activities in accordance with the principles of good corporate governance, promotion of openness, transparency and accountability while achieving greatest results under the value-for-money principle.

5(1) Monitoring of Projects/Programs of Procuring Entities:

DSPPC shall monitor the implementation by Procuring Entities of this Policy and assess the performance of the Procuring Entities when conducting supervision missions referred to above as well as during desk reviews and other modes of stakeholder consultations.

SECTION 6

COMMUNICATION, NOTICES AND TIME-LINES

6. Communications, Notices, Timelines:

The processing by DSPPC of a request for “Certificate of No Objection” to dispose Assets shall not exceed ten (10) working days from the date of receipt of the request, provided that all the requisite information is provided and accompanies the letter of request in clarified manner and as satisfactory supporting documentation sent to DSPPC.

6(1) Additional Information:

Procuring Entities shall submit any additional information requested within five (5) working days following receipt of the request from DSPPC for additional information.

ANNEXURE I

PART 1: SAMPLE OF ASSET DISPOSAL FORM

DSPPC ASSET DISPOSAL FORM

PROCURING ENTITY _____ Unit _____

DISPOSAL/INTERNAL TRANSFER/GIFTED/SALE (delete as appropriate) For Gifted/Sale Complete parts 1 & 2

Details:

- 1. **Description of Asset(s):** _____
- 2. **Inventory Number:** _____
- 3. **Date of Purchase:** _____
- 4. **Original Price:** _____
- 5. **Reason for Disposal:** _____
- 6. **Proposed Method of Disposal:** _____
- 7. **Suggested Disposal Value:** _____
- 8. **Code to be Credited:** _____
- 9. If sold, has appropriate Accounting Officer been consulted: for Estimate of residual value (if any) (YES) / (NO)
- 10. Health, Safety and Environmental issues. It is the responsibility of the disposer to ensure that:
 - a. Any Asset gifted or sold must be to a person competent to receive. All transfer must be documented. *
 - b. Have all local Health, Safety and Environmental requirements been complied with? (YES) / (NO)

Accounting Officer's Approval: _____

ANNEXURE II

PART 2: SAMPLE OF DSPPC ASSET DISPOSAL FORM FOR:

TRANSFER OF GIFTED/SOLD ASSETS

GIFTED/SOLD (delete as appropriate)

1. **Description of Item(s):** _____

2. **Inventory Number:** _____

I confirm the following:

- (a) The Asset is second hand and that the price has been reduced accordingly;
- (b) I accept the Asset as it is, and the [Project/Program Name] is not providing me with any warranty that the Asset functions properly or at all or that it is fit for any particular purpose (even if I have informed them of this purpose), that the Asset might not comply with the specification printed on it or that components may have been added or removed;
- (c) the manufacturer's warranty may have expired already;
- (d) I am over 18 and a person competent to receive the Asset;
- (e) I will comply with all Health, Safety and Environmental and other issues relevant to the Asset and that, in transferring such Asset(s) to me, [Project/Program Name] has no liability for the disposal, recycling or destruction of such Asset(s).

Recipient/Buyers Signature

Name of Recipient/Buyer

(please print)

Address: _____

Signature: _____

Position: _____

Date: _____

Copy to be retained by disposing department/ original to Procurement Department