FACTORS AFFECTING DISPOSAL OF UNSERVICEABLE ASSETS IN PUBLIC SECTOR IN KENYA: A CASE OF NAIROBI CITY COUNTY

Joshua Kimeu

(Corresponding author)

Jomo Kenyatta University of Agriculture and Technology

jkimeu788@gmail.com

Dr. Susan Were

(Co- Author)

Jomo Kenyatta University of Agriculture and Technology

ABSTRACT

The study sought to establish the factors affecting disposal of unserviceable assets in public sector in Kenya, with reference to Nairobi City County. The study hopes to benefit future studies and the management of the Nairobi City County. The study adopted a descriptive research design in which a target population of 168 employees of Nairobi City County was targeted. Stratified random sampling method was used in the study whereby 168 respondents in the target population were involved in the data collection. The data was collected using questionnaires. Descriptive statistics was used to analyze the data. The study further undertook regression analysis to examine the relationship between sorting and grouping, committee constitution, documentation and customer identification and disposal of unserviceable assets in Nairobi City County in Kenya. Regression results revealed that committee constitution has a significance negative effects on disposal of unserviceable assets as indicated by $\beta_2 = 0.701$, $p=0.002<0.05$. There existed a strong positive correlation between committee constitution and the disposal of unserviceable assets process at Nairobi City County as $(r=0.887)$ and the correlation was statistically significant $P=0.002<0.05$. The study revealed that there existed a significant positive relationship between documentation and disposal of unserviceable assets in Nairobi City County. The regression results further indicated customer identification significantly affected disposal of unserviceable assets as indicated by $\beta_4 = 0.264$, $p=0.008>0.05$. The study concluded that effective sorting and grouping, committee constitution, documentation and customer identification significantly affect disposal of unserviceable assets in Nairobi City County.

Key words: missing: Sorting and Grouping, Committee Constitution, Documentation, Customer Identification and Disposal of unserviceable assets

Introduction

Asset disposal is mostly known as the act of selling an asset usually a long term asset that has been depreciated over its useful life like production plant and vehicles . Disposal may be considered as the third life of any item acquired by a procuring entity, first it is procured and accepted- the procurement cycle, second it is utilized by the procuring entity in the discharge of its duties-the life cycle and third it has to be disposed- the disposal cycle (Karrim, 2014). Disposal of assets is an important part of strategic asset management in organizations. Keeping unwanted stores results in risks of unnecessary expenditure on storage costs; misguided management effort; gradual loss of the value in those items and the possibility of disposing assets, at a value lesser than the residual value or best achievable value in the market. Procurement and disposal of goods and equipment by Procurement Entities under projects financed from the Public Funds globally are carried out in accordance with the procedures laid down in the Public Procurement Act, of such a country (Trionfetti, 2014). In European Nations like Fiji, the disposal of government plant, equipment and inventories by budget sector agencies is a legal requirement under Section 52 of the Procurement Regulations 2010 (David, 2012). In African nationals Like Ghana, the procedures are laid down under Public Procurement Act, 2003 (Act 663).

 Disposal of unserviceable assets is mostly known as the act of making a sale of assets especially the long term assets such as machines, vehicles and used other long terms assets that has already depreciated their value in the length of time of usage especially in the public sector (Baily *et al*, 2008). According to Public Procurement Oversight Authority (PPOA), Disposal may be considered as the third life of any item acquired by a procuring entity; first it is procured and accepted- the procurement cycle; second it is utilized by the procuring entity in the discharge of its duties-the life cycle; third it has to be disposed- the disposal cycle (PPOA, 2009). In the current global competitive market, the management evolution is oriented for Network operation, value and supply chain. The responsibility for the disposal of surplus material and scrap is usually that of the purchase department (Karrim, 2014). In Europe and specifically in Wales public sector organizations that regularly dispose of depreciated, redundant or excess stock need to ensure they have standardized methods to manage the disposal of unwanted resources in a transparent and accountable manner (Martine, 2013). Goods to be disposed of are public resources and, even if redundant or depreciated, may still have financial value for the agency. Consequently disposing of goods should be carefully planned and conducted in a way that obtains value for money for the agency and reduces opportunities for exploitation by individual employees, private persons or organizations (Trionfetti, 2014).

Statement of the Problem

The public procurement system in Kenya has reformed to an orderly and legally regulated system governed by the Public Procurement and Assets Disposal Act (PPDA), 2015. In Kenya, public procurement has important economic and political implications. The major objectives of public procurement includes ensuring that tax payers get value for money, achieving efficiency and effectiveness, competition amongst suppliers ,accountability and transparency (commonwealth procurement guide). Besides Kenya, it is estimated that 15% of the world's Gross Domestic Product (GDP) is spent through public procurement (DAC, 2005). According to Susan and Namusonge (2014) public organizations within Yatta sub–

county, which is in Kenya, had exhibited low rates of disposal, where; office equipment had the lowest rates of disposal at 28.2% as compared to other categories; vehicles & plant followed closely with 27.1%; stores & surplus was 24.7%; while unwanted materials, furniture & scrap was at 20% (Susan & Namusoge, 2014).

However, there is a major problem with government ministries in Kenya in managing unserviceable assets. According to Ondiek & Mensah, (2014) and Susan & Namusonge, 2014) government offices, compounds, stock yards, parking lots and main stores exhibit assets lying idle, unserviceable stores strewn all over the yards, unserviceable motor vehicles lining up the parking lots and unserviceable office equipment and furniture piling up in the main stores. The problem is further compounded by the fact that there is no concrete data available from government or the Kenya Bureau of Statistics on the amount or value of disposal of unserviceable assets. These studies clearly bring out the problem to the fore by showing that there are assets in public entities that require disposal yet the disposal rate is at 20% Therefore, this study sought to determine the factors affecting disposal of unserviceable assets in public sector in Kenya, with reference to Nairobi City County.

Research Objectives
i)   To determine how sorting and grouping affect disposal of unserviceable assets in Nairobi City County in Kenya.
ii) To establish how committee constitution affect disposal of unserviceable assets in Nairobi City County in Kenya.
iii) To assess how documentation affect disposal of unserviceable assets in Nairobi City County in Kenya.
iv) To examine how customer identification affect disposal of unserviceable assets in Nairobi City County in Kenya.

Literature review

One of the key reasons for holding inventory is to maintain independence of operations. When materials are supplied to a work center, this allows that center flexibility in operations. For instance, because there are costs for making each new production setup, this inventory allows management to reduce the number of setups. Another reason for holding stock is to cushion the organization against fluctuating demand. When there is demand variability it is difficult to predict with certainty how much inventory will be required to satisfy customer demand, therefore, it is important to hold stock to avoid backorders (Muller, 2003). According to Baily *et al.* (2008) other reasons for holding stock include, cost reduction through purchase by economies of scale or production of optimum quantities, protection against the effects of forecast error, inaccurate records or planning mistakes and the convenience of having things available as and when required without making special arrangements.

Inventory is the life-blood of any organization and therefore a crucial element in its survival. Failure to efficiently and effectively manage inventory could spell doom for an organization in terms of declining performance and even losing customers for profit oriented organizations. In emphasizing on the importance of inventory on the balance of companies,

Coyle, Bardi and Langley (2003) state that "inventory as an asset on the balance sheet of companies has taken an increased significance because of the strategy for many firms to reduce their investment in fixed assets that is plants, warehouses, office buildings, equipment and machinery. The value of this group to a marketer will depend on whether the customer's previous relationship was considered satisfactory to the customer or the marketer. For instance, a Former Customer who felt they were not treated well by the marketer will be more difficult to persuade to buy again compared to a Former Customer who liked the marketer but decided to buy from someone else who had a similar product that was priced lower (Hashim, 2010).

Empirical Review

According to Mensah (2014) carried out a study on effectiveness of develop strategies for effective disposal of goods and equipment in public institution(s).The study adopted qualitative approach where relevant literature survey was used to collect data and used content analysis for the analysis of data. The journals used were twenty seven (27) and four (4) Public Procurement Acts were considered from Neighboring Countries and other relevant document(s).The study revealed that there were existing practices of disposal of goods and equipment. However, the study came out with these strategies; the institutions should code all asset when they procured goods and equipment into their outfit to determine longevity of the asset(s), professional independent body should examine every asset when they are due for disposal, certificate of disposal should be issued by standing disposal committee, methods of disposal should be approved by the head of institution, economic returns and finally, asset disposal plan that would be effective , efficient and economical in all government institution(s).

Mark (2014) indicated that, sorting is any disposal of assets of arranging items systematically, and has two common, yet distinct meanings: ordering: arranging items in a sequence ordered by some criterion; categorizing: grouping items with similar properties. Assets and products are sorted and grouped according to the category, and then sorted in relation to tender date order, with tenders that close soonest at the top. The following selection criteria will be applied to tenderers. In the case of tenders submitted by a consortium, these sorting and grouping criteria will be applied to the consortium as a whole: Economic and financial capacity of procurement. In case of tenderer being a public body, equivalent information should be provided. The tenderer must be an established company since at least 3 years. Tenderers shall submit an authenticated commercial register certificate from the Commercial Register for companies registered in Kenya or equivalent certificates for companies registered outside Kenya.

According to Aaron (2011) it has come to the notice of different institutions that the constitution of the Tender Committee for consideration for its work at the Divisional level, comprise of Officers who are also delegated with powers for accepting such tenders. The Board feel that the Officer holding powers as the recommending authority by virtue of his position as a member of the Tender Committee being also the accepting authority for such tenders is not proper and desirable. It is, therefore, desired that for works of any magnitude pertaining to any Department, the Tender Committee to consider tenders may be so

constituted that an authority holding powers for recommending the tenders by virtue of position as a member of the Tender Committee, shall not be the accepting authority also for such tenders. Suitable amendments may accordingly be made to the Constitution of the Tender Committee. According to Charles (2011) the tender documentation sets out the way in which the design team and client wish to review the breakdown of the overall tender prices provided by tendering contractors. It is effectively an unpriced bill of quantities. It generally follows the format of the cost plan that has been developed at this stage (the pre-tender estimate during disposal, however, the preliminaries, particularly staff costs, may be broken down in more detail.
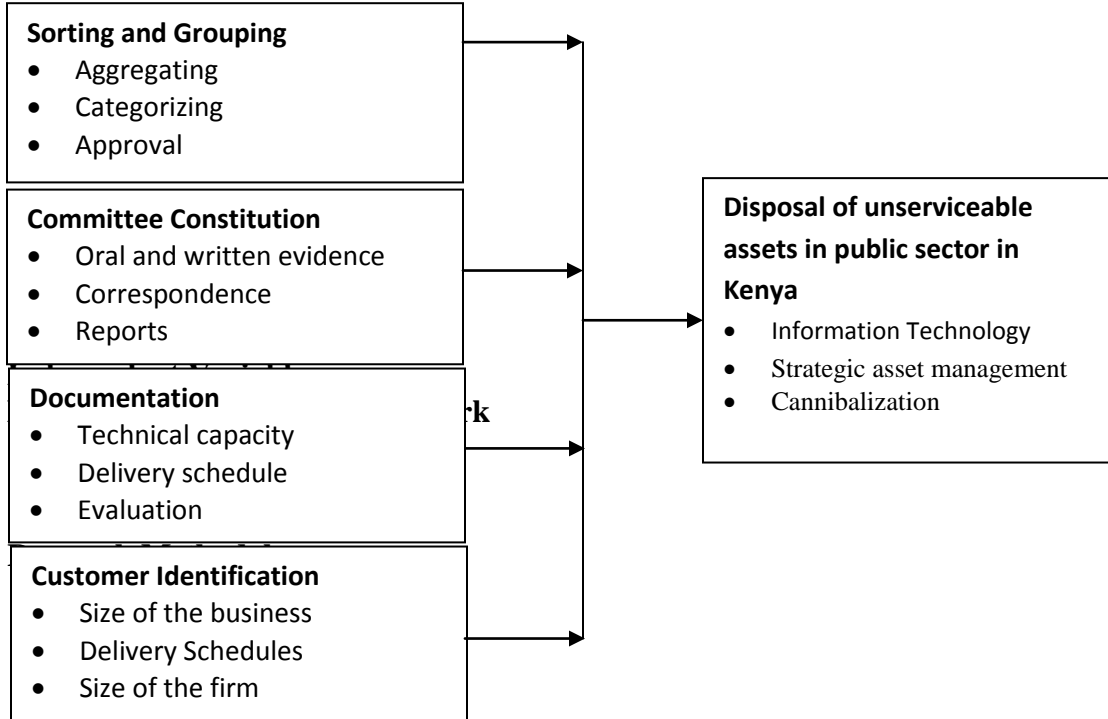
Kang and Gershwin (2004) observe that many firms have automated their inventory management and rely on an information system to make very critical decisions in inventory control. However, if the information churned out by the system is inaccurate, the ability of the system to provide high availability of products at the minimal operating cost can be compromised. In a study Raman et al. According to Uckun, Karaesma & Sava, (2008)' more that 65% of inventory records of many organizations do not match with the physical inventory. To cope with these inventory inaccuracies they posit that different compensation methods can be used, for instance periodical review of inventory and tracking of inventory by use of radio frequency identification (RFID).

Susan and. Namusonge (2014) carried out a study on factors affecting the Rate of Disposal of Assets in Public Sector Organizations focusing on Yatta Sub-County- Kenya. The study adopted a census was carried out on all the 28 Government Departments whereby 60 employees who were considered to have relevant information to the study were taken as the respondents. Questionnaires, interview guide and observation schedule were used to collect data. The study attained a 100% response rate. The findings of the study were that overall, the rate of disposal in public sector organizations in Yatta sub-county was low and that the process of procurement planning for disposal was reported as long and tedious.

Hashim, (2010) indicated that, in general terms, a customer is a person or organization that a seller believes will benefit from the goods and services offered by the sellers organization. As this definition suggests, a customer is not necessarily someone who is currently purchasing from the selling person. In fact, customers may fall into one of three customer groups: there may the Existing Customers. The Existing Customers Consists of customers who have purchased or otherwise used an organization's goods or services, typically within a designated period of time. For some organizations the time frame may be short, for instance, a coffee shop may only consider someone to be an Existing Customer if they have purchased within the last three months. Additionally, Existing Customers also represent the best market for future sales, especially if they are satisfied with the relationship they presently have with the marketer. Getting these Existing Customers to purchase more is significantly less expensive and time consuming than finding new customers mainly because they know and hopefully trust the marketer and, if managed correctly, are easy to reach with promotional appeals (Hashim, 2010).

Conceptual Framework

The Independent variables in the study were Sorting and Grouping, Committee Constitution, Evaluation and Documentation and Customer Identification, while the Dependent variable is Disposal of unserviceable assets in public sector in Kenya

```
┌─────────────────────────────┐
│ Sorting and Grouping        │
│  • Aggregating              │
│  • Categorizing             │
│  • Approval                 │
└─────────────────────────────┘                    ┌───────────────────────────────┐
                                                    │ Disposal of unserviceable     │
┌─────────────────────────────┐                    │ assets in public sector in    │
│ Committee Constitution      │                    │ Kenya                         │
│  • Oral and written evidence│                    │  • Information Technology     │
│  • Correspondence           │                    │  • Strategic asset management │
│  • Reports                  │                    │  • Cannibalization            │
└─────────────────────────────┘                    └───────────────────────────────┘
┌─────────────────────────────┐
│ Documentation               │
│  • Technical capacity       │
│  • Delivery schedule        │
│  • Evaluation               │
└─────────────────────────────┘
┌─────────────────────────────┐
│ Customer Identification     │
│  • Size of the business     │
│  • Delivery Schedules       │
│  • Size of the firm         │
└─────────────────────────────┘
```

This research study adopted a descriptive survey design. This study sought to establish the extent to which factors affects disposal of unserviceable assets in public sector in Kenya focusing on a case of Nairobi City County. In this study the target population was 168 employees of the Nairobi City County working in supply chain and related departments. This study was a census survey as the population is small and sampling made sample too small for population representation in the study Mugenda and Mugenda (2003) who observed that any population which is less than 200 is considered small for sampling hence census survey was suitable.The study used both primary and secondary data. The questionnaire was used to collect primary data and has both open and closed-ended questions. The respondents of the study were staff working at Nairobi City County. Primary data was used to address the constructs of factors affecting disposal of unserviceable assets in public sector in Kenya which included sorting and grouping, committee constitution, documentation and customer identification and disposal of unserviceable assets for dependent variable.

Quantitative data was analysed using Statistical Package for Social Sciences (SPSS Version 21) for Microsoft windows, which includes descriptive analysis. Data was presented using chart, frequency tables and charts. Descriptive analysis included percentages, frequencies, means and standard deviations. Content analysis was used for qualitative data and inferential analysis was carried out to determine whether there exists a significant relationship between

factors which include sorting and grouping, committee constitution, evaluation and documentation and customer identification and disposal of unserviceable assets process in Nairobi City County in Kenya. A Multiple regression analysis model was used to determine the factors affecting disposal of unserviceable assets process in Nairobi City County in Kenya

Results and Discussion

Sorting and Grouping

The study sought to determine how sorting and grouping affect disposal of unserviceable assets at Nairobi City County. The respondents were asked to indicate how aggregating of assets affect the level of technology in the disposal. The results are presented in Table 1 .The study results show that most of the respondents (50.4%) indicated that aggregating of assets affect the level of technology in disposal to a very high extent while 49.6% of the respondents indicated that the aggregating of assets affects the level of technology in disposal to a low extent. The study results shows that 49.6% of the respondents indicated that aggregating of unserviceable assets reduces strategic management, 34.8% of the respondents indicated that aggregating of assets enhances strategic management while 15.6% of the respondents indicated that aggregating of assets does not affect asset management in disposal. The finding concurred with Mark (2014) who found that aggregating of assets does not affect asset management in disposal of unserviceable assets in public institutions.

Table 1: Aggregating of Unserviceable Assets and Strategic Asset

	Frequency	Percent
Enhances strategic management	49	34.8
Does not affect strategic management	22	15.6
Reduces strategic management	70	49.6
Total	141	100.0

The respondents were asked to indicate the extent to which aggregating of assets affect cannibalization of assets in disposal. The results presented in Table 2. The study results shows that majority of the respondents (65.2%) indicated that aggregating of assets affects the cannibalization of assets in disposal to a very high extent while 34.8% of the respondents indicated that aggregating of assets affects cannibalization of assets in disposal to a low extent. This implied that aggregating of assets led to cannibalization of assets affecting disposal of unserviceable assets to a very high. The findings were supported by Shinkuma (2007) who revealed that goods and equipment could also be chosen between repairing them or disposing them to avoid cannibalization of assets and disposal of the assets.

Table 2: Aggregating of assets affect cannibalization of assets in disposal

	Frequency	Percent
Very High	49	34.8

Low	92	65.2
Total	141	100.0

The respondents were asked to indicate the extent to which categorizing of process of sorting and grouping of unserviceable assets affect level of technology in disposal. The results are presented in Table 3. The results shows that majority of the respondents (71.6%) indicated that categorizing of sorting and grouping of unserviceable assets affect level of technology in disposal to a great extent while 28.4% of the respondents indicated that categorizing of process of sorting and grouping of unserviceable assets affect level of technology in disposal process to a moderate extent. The results were supported by Zili (2009) who revealed that sorting enhance effectiveness in disposal of unserviceable assets in public institutions.

Table 3: Categorizing of sorting and grouping of unserviceable assets

	Frequency	Percent
Great extent	101	71.6
Moderate extent	40	28.4
Total	141	100.0

The respondents were asked to indicate whether the categorizing affect strategic asset management in disposal. The study results shows that the entire respondent (100%) agreed that categorizing of assets affect strategic asset management in disposal. This implied that failure to categories assets hinder effective disposal of assets. The findings were in line with (Ezzamel & Mahmoud, (2007) who indicated that sorting and grouping during disposal of unserviceable assets in the government institutions is a very vital factor that cannot be omitted for efficient and effective disposal of unserviceable assets. The respondents were asked to indicate the extent to which categorizing of assets affect cannibalization of assets in disposal. The result was presented in Table 3. The results of the study show that majority of the respondents (50.4%) categorizing of assets affect cannibalization of assets in disposal to a very high extent while 49.6% of the respondents indicated that categorizing of assets affect cannibalization of assets in disposal to a low extent. The results were supported by CSIR (2007) which noted that disposal of stores is one of the most important functions of materials management in any organization.

Committee Constitution
The respondents were asked to indicate how oral and written evidence of assets affect level of technology in disposal. The results are presented in Table 4. The study results shows that 49.6% of the respondents indicated that oral and written evidence of assets increase the level of technology in disposal process, 37.6% of the respondents indicated that oral and written evidence of assets does not affect technology while 12.8% of the respondents indicated that the oral and written evidence of assets reduces the level of technology in disposal. The findings were supported by Smith, (2004) who revealed that committee form must be completed, authorized by the School or Section Head, and forwarded to the Asset & Property Officer in Asset Management Services prior to initiating disposal action

Table 4: Oral and Written evidence of assets on the level of technology in Asset disposal

	Frequency	Percent
Increase Level of Technology	70	49.6
Does not affect technology	53	37.6
Reduce Level of Technology	18	12.8
Total	141	100.0

The respondents were asked to indicate how oral and written evidence of assets affect level of strategic asset management in disposal. The results are presented in Table 6. The study results show that most of the respondents (62.4%) indicated that oral and written evidence of assets reduced the level of strategic asset management in disposal process while 37.6% of the respondents indicated that oral and written evidence of assets increased the level of strategic asset management in disposal. The respondents were asked to indicate the extent to which corresponding of assets affect level of information technology in the disposal of unserviceable assets in Nairobi City County. The results are presented in Table 8. The study results shows that most of the respondents (66%) indicated that corresponding of assets affected the level of information technology in the disposal of unserviceable assets in Nairobi City County to a low extent while 34% of the respondents indicated that the corresponding of assets process affected the level of information technology in the disposal of unserviceable assets to a very high extent.

The respondents were asked to indicate the extent to which correspondence of assets affect level of strategic asset management in disposal. The results are presented in Table 9. The study results shows that most of the respondents (56%) indicated that correspondence of assets affect level of strategic asset management in disposal process to a great extent while 44% of the respondents indicated that correspondence of assets affect level of strategic asset management in disposal to a moderate extent.

Table 9: Correspondence of assets affects level of strategic asset management in disposal.

	Frequency	Percent
Great extent	79	56.0
Moderate extent	62	44.0
Total	141	100.0

Reporting of affect asset disposal

The study results show that majority of respondents (84.4%) agreed that the reporting of affect strategic asset management in disposal while 15.6% of the respondents indicated that the reporting did not affect strategic asset management in disposal in Nairobi City County. The respondents were asked to indicate the extent to which reporting of assets affected cannibalization of assets in disposal. The results are presented in Table 6. The study results show that most of respondents (56.7%) indicated that reporting of assets affect cannibalization of assets in disposal to a very high extent while 43.3% of the respondents indicated that reporting of assets affect cannibalization of assets in disposal to a low extent.

Table 6: Reporting of Assets affect Cannibalization of Assets in Disposal Process

	Frequency	Percent
Very High	80	56.7
Low	61	43.3
Total	141	100.0

Documentation

The respondents were requested to indicate how technical capacity through technology adoption affected unserviceable asset disposal. From the findings in Table 7, increase technical capacity increase level of technology in disposal process as indicated by 85% of the respondents while 15% of the respondents indicated otherwise. This clearly indicated that lack of technical capacity affect negatively disposal of unserviceable assets process in Nairobi City County. The findings concurred with Charles (2011) who found that evaluation and documentation sets affects disposal of unserviceable assets in organizations.

Table 7: Technical capacity of assets affects the level of technology in the disposal

	Frequency	Percent
Increase Level of Technology	119	85
Reduce Level of Technology	22	15
Total	141	100.0

The study sought the extent to which technical capacity of assets affects strategic asset management in the disposal. From the findings, majority 70% of the respondents indicated that technical capacity of assets affects strategic asset management in the disposal to a moderate extent while 30% indicated that technical capacity affected strategic asset management in disposal of unserviceable assets to a very great extent. This implied that evaluation and documentation of technical capacity affected strategic asset management of disposal of unserviceable assets in Nairobi City County to a great extent. The findings were similar to Kaki (2011) who revealed that evaluation and documentation of technical capacity affected strategic asset management of disposal of unserviceable assets.

The study sough how technical capacity affected the level of cannibalization in the disposal. From the findings, technical capacity was found to reduce level of cannibalization of assets as indicated by all 100% of the respondents. This clearly demonstrated that technical capacity assessment improve disposal of unserviceable assets in the Nairobi City County to a great extent. The respondents were requested to indicate how delivery schedule affect the level of strategic asset management in the disposal in Nairobi City County. From the findings, 66% of the respondents indicated that delivery schedule affect the level of strategic asset management in the disposal by increasing level of technology while 34% indicated that delivery schedule affect the level of strategic asset management in the disposal process through reduction in level of Technology.

Table 8: Delivery schedule and level of strategic asset management

	Frequency	Percent
Increase Level of Technology	92	66
Reduce Level of Technology	49	34
Total	141	100.0

On how delivery schedule affected the level of cannibalization of assets in the disposal 53% of the respondents indicated that delivery schedule increase Level of cannibalization of assets while 47% of the respondents indicated that delivery schedule reduce level of cannibalization of assets. This implied that effective delivery schedule would reduce level of cannibalization of assets and improve disposal of unserviceable assets in Nairobi City County while poor delivery schedule increase cannibalization of assets affecting disposal of unserviceable assets in the organizations.

Table 9: Delivery schedule and level of cannibalization of assets in the disposal

	Frequency	Percent
Increase Level of cannibalization of assets	75	53
Reduce Level of cannibalization of assets	66	47
Total	141	100.0

Customer Identification

On whether customer size affected level of disposal of unserviceable assets in Nairobi City County in Kenya as indicated in Table 16 the results indicated that majority 87% of the respondents agreed that customer size affected level of disposal of unserviceable assets process in Nairobi City County in Kenya. The finding also indicated that 13% of the respondents strongly agreed that customer size affected level of disposal of unserviceable assets process in Nairobi City County in Kenya. This implied that customer size affected level of disposal of unserviceable assets in Nairobi City Count to a great extent. The finding were supported by Hashim, (2010) who observed that the size of market in term of customer base influence success of disposal of unserviceable assets in public institutions.

Table 10: Customer size affect level disposal of unserviceable assets in Nairobi City County in Kenya

	Frequency	**Percentages**
Strongly agree	18	13
Agree	123	87
Total	141	100.0

The respondents were requested to indicate the extent to which Customer size affects the level of strategic asset management in the disposal. The findings in Table 17 indicated that

customer size increase level of strategic asset management as indicated by 50% of the respondents does not affect strategic asset management as indicated by 13% of the respondents and reduce quality of strategic asset management as indicated by a 37% of the respondents. This implied that customer size affected the stock level of disposal assets in Nairobi City County.

Correlation analysis

The study undertook correlation matrix analysis to examine the association between sorting and grouping, committee constitution, evaluation and documentation and customer identification and disposal of unserviceable assets at Nairobi City County. The correlation factor ranged from $-1 \leq 0 \geq 1$. The acceptance confidence level was 95% , significance level of 0.05. The study conducted a Pearson Moment Correlation analysis which is represented by (r). for all the study variables to establish the association between factors indentified and disposal of unserviceable assets at Nairobi City County. The results found that there was a strong positive and significant correlation r= 0.716 between sorting and grouping and the disposal of unserviceable assets at Nairobi City County. The correlation was statistically significant P=0.01<0.05. The study found that there existed a strong positive correlation between committee constitution and the disposal of unserviceable assets at Nairobi City County as (r=0.887) and the correlation was statistically significant P=0.002<0.05 at 95% confidence level. The strength of association between Evaluation and Documentation and disposal of unserviceable assets at Nairobi City County was strong and positive (r= 0.746). The correlation was statistically significant P=0.001<0.05 at 95% confidence level. The study found that there existed a weak and positive correlation between customer identification and the disposal of unserviceable assets at Nairobi City County (r=0.713), the correlation was statistically significant P=0.000<0.05 at 95% confidence level. This implied that there existed a positive correlation between sorting and grouping, committee constitution, evaluation and documentation and customer identification and disposal of unserviceable assets process at Nairobi City County. This demonstrated that ineffective sorting and grouping, ineffective committee constitution and poor evaluation and documentation negatively affect efficiency in disposal of unserviceable assets at Nairobi City County. The findings agreed with Sergio (2010) who revealed that evaluation disposal items, sorting and evaluation process are difficult in benchmark and pricing hindering achieving of efficient disposal of unserviceable assets at Nairobi City County.

Table 11 Correlation Matrix Analysis on Factors Affecting Disposal of unserviceable assets process

Factors of Disposal unserviceable assets		Disposal of unserviceable Assets	Sorting and Grouping	Committee Constitution	Evaluation and Documentation	Customer Identification
Sorting and Grouping	Pearson Correlation	0.716(*)	1			
	Sig. (2-tailed)	0.01	0.02			
	N	141	141			

International Journal of Innovations, Business and Management (IJIBM)

Committee Constitution	Pearson Correlation	0.887(*)	0.798(*)	1		
	Sig. (2-tailed)	.002	.0012	0.04		
	N	141	141	141		
Evaluation and Documentation	Pearson Correlation	0.746(*)	0.650(*)	.329	1	
	Sig. (2-tailed)	.001	.001	.004		
	N	141	141	141	141	
Customer Identification	Pearson Correlation	.411(*)	760(*)	.324(*)	.430	1
	Sig. (2-tailed)	.000	.000	.000	.001	.000
	N	141	141	141	141	141

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed).

Regression Analysis

Result on variation of R^2 =0. 667 in dependent variable can be attributed to changes in independent variable as a 66.7% change in disposal of unserviceable assets attributed to changes in sorting and grouping, committee constitution, evaluation and documentation and customer identification. The study established that there existed a significant goodness of fit of the model $Y_1= \beta_0 + \beta_1 X_1 + \beta_2 X_{2+} \beta_3 X_3 + \beta_4 X_4 +_\varepsilon$. ANOVA results indicate the F_{Cal} =10.675>F_{Cri} = 3.223 at confidence level 95 % and sig is 0.000<0.05.This implies that there was a goodness of fit of the model fitted for this study: $Y = 3.021 + 0. 653X_1 + 0.701X_2 + 0.848X_3 + 0.367X_4 +_\varepsilon$

From regression results in Table 12, the 3.021 represented the constant which predicted value of disposal of unserviceable assets when all factors influences of disposal of unserviceable assets were constant at zero (0). Regression results found that sorting and grouping has significance affected disposal of unserviceable assets process as indicated by $\beta_1= 0. 653$, p=0.001<0.05, t= 5.968. The implication is that as increase in sorting and grouping of disposal of unserviceable assets lead to a increase in disposal of unserviceable assets by $\beta_{1=}$ 0. 653. This implied that an increase in sorting and grouping would lead increase in disposal of unserviceable assets.The finding concurred with Zili, (2009) who indicated that effective sorting g and grouping of unserviceable assets ease disposal of unserviceable asset in organizations. Regression results revealed that committee constitution has a significance negative effects on disposal of unserviceable assets as indicated by $\beta_2= 0. 701$, p=0.002<0.05, t=10.439. This implied that an increase in committee constitution would lead to a decrease in disposal of unserviceable assets by $\beta_2= 0.701$. This implied that committee constitution was ineffective in disposing unserviceable assets at Nairobi City County. The finding contradicts Jacoby, (2015) who failed to indicate how committee constitution affects the disposal of unserviceable assets in Nairobi City County. From the regression findings, the study revealed that there existed a significant positive relationship between evaluation and documentation and disposal of unserviceable assets in Nairobi City County as indicated by $\beta_3= 0.848$, p = 0.000<0.05, t=8.436. The implication is that an increase in evaluation and documentation would lead to increase in disposal of unserviceable assets in Nairobi City County by $\beta_3= 0.848$. The finding concurred with Wiesner, (2012) who indicated that evaluation of the obsolete assets awaiting disposal and done in accordance to the agreed plans within the organization enhance disposal of unserviceable assets in public

organizations. The regression results further indicated customer identification significantly affected disposal of unserviceable assets as indicated by β_4= 0.264, p=0.008<0.05, t= 2.124. This implied that an increase in customer identification would led to a significant increase in disposal of unserviceable assets as indicated by β_4= 0.367. This concurred with Sturgis, (2014) who revealed that customer identification plays an importance role in disposal of unserviceable assets in the government institutions.

Table 12 : Coefficient Analysis

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	3.021	.501		6.107	.000
Sorting and Grouping	.653	.285	.612	5.968	.001
Committee Constitution	.701	.214	.687	10.439	.002
Evaluation and Documentation	.848	.236	.759	8.436	.000
Customer Identification	.367	.115	.288	4.875	.061

b. Disposal of unserviceable assets

Summary of the findings

The findings also found that categorizing of sorting and grouping of unserviceable assets affect level of technology in disposal process. Categorizing also affected strategic asset management and cannibalization of assets in disposal to a great extent. The results found that there was a strong positive and significant correlation r= 0.716 between sorting and grouping and the disposal of unserviceable assets process at Nairobi City County. The correlation was statistically significant P=0.01<0.05. Regression results revealed that committee constitution has a significance negative effects on disposal of unserviceable assets as indicated by β_2= -0. 701, p=0.002<0.05, t=10.439. This implied that an increase in committee constitution would lead to a decrease in disposal of unserviceable assets by β_2= 0. 701. This implied that committee constitution was ineffective in disposing unserviceable assets at Nairobi City County. The finding contradicts Jacoby, (2015) who failed to indicate how committee constitution affects the disposal of unserviceable assets in Nairobi City County. As well as increasing the level of cannibalization of assets. The results indicated that reporting of assets affect the level of technology in disposal to a great extent, affect strategic asset management in disposal and affects cannibalization of assets in disposal to a very high extent. The study found that there existed a strong positive correlation between committee constitution and the disposal of unserviceable assets process at Nairobi City County as (r=0.887) and the correlation was statistically significant P=0.002<0.05 at 95% confidence level.

Regression results found that sorting and grouping has significance affected disposal of unserviceable assets process as indicated by β_1=-0. 653, p=0.001<0.05, t= 5.968. The implication is that as increase in sorting and grouping of disposal of unserviceable assets lead to a increase in disposal of unserviceable assets by $\beta_{1=}$ 0. 653. This implied that an increase

in sorting and grouping would lead increase in disposal of unserviceable assets.The finding concurred with Zili, (2009) who indicated that effective sorting g and grouping of unserviceable assets ease disposal of unserviceable asset in organizations. The results also established that delivery schedule affect the level of strategic asset management in the disposal and increase level of cannibalization of assets. Effective delivery schedule would reduce level of cannibalization of assets and improve disposal of unserviceable assets in Nairobi City County while poor delivery schedule increase cannibalization of assets affecting disposal of unserviceable assets in the organizations. The strength of association between Evaluation and Documentation and disposal of unserviceable assets at Nairobi City County was strong and positive (r=0.746). The correlation was statistically significant P=0.001<0.05 at 95% confidence level.

From the regression findings, the study revealed that there existed a significant positive relationship between evaluation and documentation and disposal of unserviceable assets in Nairobi City County as indicated by β_3= 0.848, p = 0.000<0.05, t=8.436. The implication is that an increase in evaluation and documentation would lead to increase in disposal of unserviceable assets in Nairobi City County by β_3= 0.848. The finding concurred with Wiesner, (2012) who indicated that evaluation of the obsolete assets awaiting disposal and done in accordance to the agreed plans within the organization enhance disposal of unserviceable assets in public organizations. Customer size was also found to affect cannibalization of assets in unserviceable assets process in Nairobi City County in Kenya to a great extent. The study further revealed that the size of the organization affected the level of technology in the disposal, affected the level of strategic asset management in the disposal to a moderate extent and led to reduction in level of cannibalization of assets. The study found that there existed a weak and positive correlation between customer identification and the disposal of unserviceable assets at Nairobi City County (r=0.713), the correlation was statistically significant P=0.000<0.05 at 95% confidence level. The regression results further indicated customer identification significantly affected disposal of unserviceable assets as indicated by β_4= 0.264, p=0.008>0.05, t= 2.124. This implied that an increase in customer identification would led to an increase in disposal of unserviceable assets as indicated by β_4= 0.367. This concurred with Sturgis, (2014) who revealed that customer identification plays an importance role in disposal of unserviceable assets in the government institutions.

Conclusions

The study concluded that sorting and grouping has significance affected disposal of unserviceable assets and that increase in sorting and grouping of disposal of unserviceable assets lead to an increase in disposal of unserviceable assets .The study concluded that effective sorting g and grouping of unserviceable assets ease disposal of unserviceable asset process in organizations. The study concluded that committee constitution has significance negative effects on disposal of unserviceable assets and that increase in committee constitution would lead to a decrease in disposal of unserviceable assets. Existence of committee constitution that is ineffective affects disposing unserviceable assets at Nairobi City County. Oral and written evidence of assets increase the level of technology in disposal process reduced the level of strategic asset management in disposal .and increased the level of cannibalization of assets in disposal.

The study concluded that there existed a significant positive relationship between evaluation and documentation and disposal of unserviceable assets in Nairobi City County. Therefore increase in evaluation and documentation would lead to increase in disposal of unserviceable assets in Nairobi City County .The results revealed that increase technical capacity increase level of technology in disposal hence lack of technical capacity affect negatively disposal of unserviceable assets in Nairobi City County. The study concluded that customer identification significantly affect disposal of unserviceable assets in Nairobi City County. An increase in customer identification would lead to an increase in disposal of unserviceable assets process. This was demonstrated by customer size affecting level of disposal of unserviceable assets process, increasing level of strategic asset management demonstrating customer size affected the stock level of disposal assets in Nairobi City County. The study concluded that there existed a weak and positive correlation between customer identification and the disposal of unserviceable assets pro at Nairobi City County .

References

Aaron, G. (2011) *Planning For Effective Productivity*, Library Cataloguing In Publication, Bur Ridge.

Alex, B. (2012) *Business Effect on Economic Growth*, 4th International Edition Prentice Hall Publishers, San Francisco

Billystom A.S (2012) *Purchasing and Supplies Management Book,* Jomo Kenyatta Publishers Ltd. Nairobi.

Byars H. (2012) *Regulating Procurement Practice,* 4th Edition, Jaico Publishing House, New York, USA

Charles, R. (2011), *Procurement Management Procedures*, Donnelley Publishers Sydney

Dana R. (2014) *Understanding Business Measures For Disposal Of Assets*, Pearson Education Ltd, London.

David, M.K. (2012) *Procurement Management,* Lake Publishers & Printers Enterprises Ltd

Hashim M.K. (2010) *Best Practices To Successful Business,* Malaysian Management Review.

Honey S. (2013) *Operations Management*, 1st Edition Jaico Publishing House, New Delhi.

Jaffee M. (2013) *Introduction To Procurement,* 4th Edition, Harvard Business School Press, New Jersey, USA

Katela N. (2009) *Procurement Management* Jomo Kenyatta Publishers Ltd. Nairobi

Kaisa V. (2014) *Emphasizing Effective Organizational Governance,* 3rd Edition, Jomo Kenyatta Publishers, Nairobi, Kenya.

Kaki, V. (2011) *Controlling Disposal Process*, Edition, Mcgraw-Hill Publishers

Kasim K. (2010) *Success Government Projects,* Prentice Hall Publishers, San Francisco.

Kaisa M. (2013) *Economics* 2nd Edition, British Library Catalogue Publishers Atlanta's

Karrim J. 2014) *Supply Chain Management* 3rd Edition, Publisher Taylor And Francis Group Hampshire

Kenya Gazzette (2015). Public Procurement And Asset Disposal Act 2015 (Ppda)

Kleiner C. (2010) *Success Of Procurement Officers*, Lake Publishers & Printers Enterprises Ltd

Kiechel, W. (2010) *The Strategy For Vision 2030,* Jomo Kenyatta Publishers, Nairobi, Kenya.

Kombo & Tromp (2012) *Research Methodology* 11th Edition, Dp Publishers New Mexico.

Kothari, M. (2014), *Research Methodology, Methods and Techniques, 2ⁿᵈ Edition*, New Delhi

Mark, S. (2014) *Successful Development Plan,* Desktop Publishers, Madrid

Mote, A. (2010) . *Importance Of Computer In Procurement,* New York.

Mugenda & Mugenda (2013) *Research Methods* 4ᵗʰ Edition, Prentice Hall Inc. New Jersey

Martine M. (2013) *Regulating Procurement Practice,* 4ᵗʰ Edition, Jaico Publishing House, New York, Usa.

Martine, S. (2010) *Introduction To Procurement,* 4ᵗʰ Edition, Harvard Business School Press, New Jersey, Usa

Ngei M.E. (2013) *Government Involvement In Business,* Mc Hill Grew Publishers Lisbon

Orodho R. (2013) *Research Tools* 2ⁿᵈ Edition British Library Catalogue Publishers Atlanta

Riggio E.W. (2014) *Procurement System Is Key To Organizational Success,* Long Man, And Nairobi Kenya.

Simon M.L. (2011) *Purchasing Essentials,* 6ᵗʰ Edition Ashford Colour Press, Jersey.

Sergio, M. (2010) *Assessment Of Disposal Challenges,* Prentice Hall, New Mexico

Steve N. (2009), *Management Building Competitive Advantage,* 4ᵗʰ Edition, New York.

Steve L. (2014) *Management Building Competitive Advantage,* McGraw Hill Publishers Hall, New York.

Tonny W. (2014), *Fifty Key Figures In Management,* 2ⁿᵈ Edition Bath Press Publishers: New Delhi, India.

Zili S. (2009) *Assets Management Challenges***,** Dp Publishers New Mexico.

Peterson, Martin (2009). *An Introduction To Decision Theory.* Cambridge University Press

Klaes, M. (2008). "Transaction Costs, History Of," *The New Palgrave Dictionary Of Economics*, 2nd Edition

Harris, Dean (2011). *Ethics in Health Services And Policy*: A Global Approach. John Wiley & Sons.

Klaes, M. (2008). "Transaction Costs, History Of," *The New Palgrave Dictionary Of Economics*, 2nd Edition.

Omid, H., (2003) *Between Tradition and Revolution:* The Hegelian Transformation of Political Philosophy. Cambridge University Press.

Louis, K., (2008). *Complements To Cognition:* A Longitudinal Study Of The Relationship Between Complex Syntax And False-Belief Understanding…Cognitive Development. **17**: 1037–1060.

Regan, T. (2004). *The Case For Animal Rights.* University Of California Pre