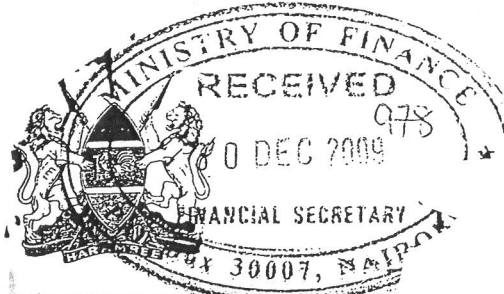


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OFFICE OF THE PRESIDENT

PERMANENT SECRETARY, SECRETARY TO THE CABINET
AND HEAD OF THE PUBLIC SERVICE

Telegraphic Address: "Rais"

Telephone: Nairobi 227411

When replying please quote

Ref. No. **OP/CAB.9/1A**
and date

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P.O. Box 62345-00200
NAIROBI

15th December, 2009

All Permanent Secretaries/Accounting Officers
(with sufficient copies to All Chief Executive Officers of State Corporations)

IMPLEMENTATION OF THE NEW GOVERNMENT TRANSPORT POLICY IN STATE CORPORATIONS

During the 2009/10 budget tabled in the Parliament in June 2009, the Government announced that all Ministers, Assistant Ministers, Permanent Secretaries and Accounting Officers, Provincial Commissioners and other senior public officials would be allowed one staff saloon car petrol propelled with an engine capacity not exceeding 1800cc. Consequently, vehicles not complying with this specification would be surrendered and replaced with those that have acceptable engine capacity. The Government further imposed a moratorium on purchase of new motor vehicles except for security agencies..

Implementation of the Policy

The implementation of the policy in government Ministries is now complete with a very high level of success. The policy will similarly be implemented in other arms of the public service including State Corporations. In this connection, you are directed to dispose off the petrol propelled saloon car currently attached to the Chief Executive Officer (CEO) for official use which exceed the approved engine capacity rating of 1800cc and replace it with a compliant one. This should be done in full compliance with the provisions of the Public Procurement and Disposal Act, 2005 and subsequent Regulations of 2006.

The exercise of replacement of non-compliant saloon cars should commence immediately and be completed by **31st December, 2009**. In all cases the unit cost of replacement should not exceed KShs.4 Million (Four Million).

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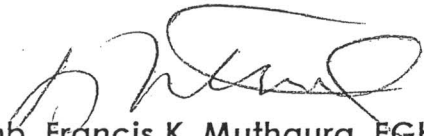
Chairmen and Board Members of State Corporations

Further, Chairmen and Board members are currently reimbursed travel costs for use of personal vehicles on official duties at AA rates. While this practice will be allowed to continue, reimbursement will be restricted to AA rates applicable to use of Saloon cars with engine capacity rating not exceeding 1800cc. **The new directive will take effect from 1st February, 2010.**

Use of 4WD Vehicles

The use of 4WD vehicles will continue in accordance with provisions of section 7 of the Government Financial Management Act 2004.

Please ensure adherence to the requirements of this circular.


Amb. Francis K. Muthaura, EGH
PERMANENT SECRETARY, SECRETARY TO THE
CABINET AND HEAD OF THE PUBLIC SERVICE

Copy to: Dr. Mohamed Isahakia, CBS,
Permanent Secretary,
Office of the Prime Minister,
NAIROBI.

Mr. Joseph K. Kinyua, CBS
Permanent Secretary,
Office of the Deputy Prime Minister
and Ministry of Finance,
NAIROBI.

Mr. Anthony S.M. Gatumbu
Controller and Auditor General,
Kenya National Audit Office,
NAIROBI.

Mr. Peter B. Ondieki, MBS
Inspector-General (Corporations),
Office of the Prime Minister,
NAIROBI.

Mr. Stephen K. Kirogo
Secretary,
State Corporations Advisory Committee,
NAIROBI.

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