



Republic of the Philippines
Province of Cavite
City of Imus

OFFICE OF THE CITY MAYOR
EXECUTIVE ORDER NO. 010
Series of 2023

AN ORDER REORGANIZING THE DISPOSAL COMMITTEE

WHEREAS, National Budget Circular No. 425 dated January 28, 1992 or the *Manual on Disposal of Government Property* provides for the guidelines in the disposal of government properties which are unserviceable, obsolete, forfeited, abandoned, excess or surplus to the needs of the government, or junk or scrap materials. As used in the said manual, government property refers to *personal property such as supplies, materials and equipment purchased or owned, stocked and used by the government in its operations.*

WHEREAS, the Commission on Audit issued Circular No. 89-296 dated January 27, 1989 providing for the audit guidelines in the divestment or disposal of property and other assets of all government entities/instrumentalities, whether national, local or corporate, including the subsidiaries thereof.

WHEREAS, as envisioned in the said Circular, divestment shall refer to the manner or scheme of taking away, depriving, withdrawing of an authority, power or title. As opposed to investment which signifies the delivery of possession of anything to another, divestment connotes taking away and/or withdrawal of such possession and title (Black's Law Dictionary, Rev. 4th edition; Webster's New School/Office Dictionary).

WHEREAS, COA Circular No. 89-296 further provides that the full and sole authority and responsibility for the divestment or disposal of property and other assets owned by national government agencies or instrumentalities, local government units, and government-owned and/or controlled corporations and their subsidiaries shall be lodged in the heads of the departments, bureaus, and offices of the national government, the local government units, and the governing bodies or managing heads of government-owned or controlled corporations and their subsidiaries conformably to their respective corporate charters or articles of incorporation, who shall constitute the appropriate committee or body to undertake the same.

NOW THEREFORE, I, HON. ALEX L. ADVINCULA, Mayor, City of Imus, by virtue of the powers vested in me by law, do hereby order:



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Section 1. Creation - The Disposal Committee of the City Government of Imus is hereby created to assist and advise the City Mayor on matters relative to the disposal of properties and other assets including supplies and materials.

Section 2. Composition- The Inventory Committee shall be composed of the following:

- Chairman:** **Mr. Hertito V. Monzon**
City Administrator
- Vice-Chairman:** **Mr. Manuel Reynold Dela Fuente**
City Treasurer
- Members:**
- Mr. Lauro D. Monzon**
General Services Officer
- Ms. Roselie Pangilinan**
City Accountant
- Mr. Elmer L. Camerino, REA**
OIC – City Assessor
- Atty. Cristian P. Saba**
Chief of Staff

Section 3. Functions- The Disposal Committee shall perform the following functions:

- a. Deliberate the requests for disposal of properties/materials;
- b. Review the inventory and inspection report of the concerned property and conduct inspection, as may be necessary, of the unserviceable equipment and property listed in the Inventory and Inspection Report of Unserviceable Property (IIRUP) which shall include, among others, the detailed items, description, acquisition costs, and the current book value per Accounting records and the Waste Material (WM) report as may be applicable. Said IIRUP shall cover expendable materials, supplies, and



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consumables including spare parts, empty containers, remnants from destroyed or damaged fixed assets.

- c. Set the final appraised value of all disposable property considering obsolescence, market demand, physical condition and result of previous biddings for similar property;
- d. Recommend through a Resolution to the City Mayor the manner of and justifications for the disposal; and
- e. Where appropriate, conduct public biddings for the sale of disposable property on an "as is, where is" basis and to recommend corresponding award.

Section 4. Determination of Disposable Property.

Any or all of the following conditions shall constitute disposable property:

- a. Property which can no longer be repaired or reconditioned;
- b. Property whose maintenance cost/ cost of repair outweighs the benefits and services that will be derived from its continued use;
- c. Property that has become obsolete or outmoded because of changes in technology among others;
- d. Serviceable property that has been rendered unnecessary due to change in functions or mandate;
- e. Unused supplies, materials, and spare parts procured in excess of requirements; and
- f. Unused supplies and materials that has become dangerous to use because of long storage or use of which is determined to be hazardous



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Section 5. Modes of Disposal.

A. Public Auction – Conformably to existing state policy, the divestment or disposal of government property as contemplated herein shall be undertaken primarily thru public auction. Such mode of divestment or disposal shall observe and adhere to established mechanics and procedures in public bidding, viz:

- a) Adequate publicity and notification so as to attract the greatest number of interested parties;
- b) sufficient time frame between publication and date of auction;
- c) opportunity afforded to interested parties to inspect the property or assets to be disposed of;
- d) confidentiality of sealed proposals;
- e) bond and other pre-qualification requirements to guarantee performance; and
- f) fair evaluation of tenders and proper notification of award

It is understood that the city government reserves the right to reject any or all of the tenders.

B. **Sale Thru Negotiation** – For justifiable reasons and as demanded by the exigencies of the service, disposal thru negotiated sale may be resorted to and undertaken taking into consideration the following factors:

- a) There is a failure of public auction. There is failure of public auction in any of the following instances:
 - i. If there is only one offeror. In this case, the offer or bid, if sealed, shall not be opened;



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- ii. If all the offers/tenders are non-complying or unacceptable. A tender is non-complying or unacceptable when it does not comply with the prescribed legal, technical and financial requirements for pre-qualification;
 - b) The negotiation may be conducted singly, i.e. on a one-on-one basis, or in group, provided that due communication between the offerors and the city government is established with a view to ensuring that the city government gets the best price.
 - c) To avert possible confabulation among unscrupulous parties, a record of the proceedings of the negotiation must be maintained.
 - d) It is understood that the price agreed upon at the negotiation shall not be lower than the floor price as fixed by the government or the highest offer submitted at the failed public auction whichever is higher.
- C. Barter** – The direct exchange of commodities without the use of money and without reference to price or the exchange of goods of one character for good of another, may be made with other government agencies or government-owned and/or controlled corporations. This shall be resorted to where there is an offer that would redound to the interest of and is advantageous to the city government.
- D. Transfer to Other Government Agencies** – Where the property or assets involved are no longer serviceable or needed by the city government, they may be transferred to other government entities/agencies without cost or at an appraised value upon authority of the head or governing body of the said agency or corporation, and upon due accomplishment of an Invoice and Receipt of Property (Cf., Sec. 76, P.D. 1445).
- E. Destruction or Condemnation** – The mode shall be resorted to only when the unserviceable property has no commercial value, or is beyond economic repair, or there is no willing receiver, and/or the appraised value is less than the administrative cost of sale, subject to prior inspection by the City Auditor. Valueless property shall be condemned either by burning, pounding, throwing beyond recovery, and the like.



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Unserviceable property/supplies which have become dangerous and long storage of which will be hazardous shall be disposed through coordination with the Department of Natural Resources or its accredited facility. The City Mayor shall approve the disposition

Section 6. Disposal Activities/Processes.

1. ***Determination of Disposable Property*** (as enumerated in Section 4)
2. ***Submission of documents pertaining to Disposable Property*** – The accountable office/division in possession of property/material for disposals shall submit to the Disposal Committee, through their respective heads, the following accomplished forms, as appropriate:
 - a) ***Inventory/Inspection Report (IIR)***: This form covers semi-expendable materials and equipment and non-expendable supplies.
 - b) ***Waste Materials Report (WMR)***: This form covers expendable materials, supplies, and consumables including spare parts, empty containers, and be remnants from destroyed or damaged fixed assets.
 - c) ***Property Acknowledgement Receipt (PAR)***: This covers government property transferred from another agency which has become unserviceable and duly recommended for disposal by the head of agency
3. ***Inspection*** – This is aimed at obtaining first hand observation of the physical and operational condition of the property and their marketability or ability to attract prospective buyers. An ocular inspection may be done separately by each member of the Disposal Committee or as a group, where practicable. In the conduct of ocular inspection, the following activities shall be performed, where applicable:



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- a) Verify stated serial number, motor number, property number, and other specifications necessary for establishing correct identification of the property;
 - b) Determine the physical condition/general appearance of the property relative to:
 - i. the equipment being operational, economically repairable or beyond economical repair;
 - ii. the availability of spare parts and the general obsolescence of the equipment; and
 - iii. the quality, degree and extent of maintenance and repair done on equipment
 - c) In cases where the equipment is declared to be junk, the total estimated weight per lot should be determined to form as basis of the appraised value. The cost per unit of the property/supplies inspected will depend on the kind of material appraised.
4. **Appraisal** – The objective of appraisal is to set the city government's minimum selling price so that the city government shall receive fair compensation for the items sold. The Disposal Committee shall prepare the appraisal report. The appraised value shall be computed using as basis the information/data appearing in the Inventory/Inspection Report, Waste Materials Report and Property Acknowledgement Receipt.

The following basic variables are to be used:

- a) Year of acquisition
 - b) Cost of acquisition
 - c) Replacement cost
5. **Setting Of Minimum Value** – Once all the items in the IIR, WMR and PAR have been computed and the Total Appraised Value is determined, an Appraisal Report shall be prepared by Disposal Committee.



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6. ***Submission of a recommendation through a Resolution to the City Mayor the manner of and justification for the disposal.***
7. ***Implementation of Disposal***
8. ***Dropping from the Books of Accounts*** - Upon disposal of property, the pertinent no. portions of the IIR, WMR and PAR, whichever is applicable, shall be accomplished. These reports shall be the basis for dropping the property from the books of accounts and for taking up the proceeds from sale of property.

Section 7. Role of COA. In all modes or instances of disposal of government property or assets, the proceedings shall be undertaken in the presence of the City Auditor or her authorized who shall act as an intelligent, responsive and articulate witness thereto.

Section 8. Role of the Bids and Awards Committee (BAC) in Disposal

1. Conduct the Opening of Bids
2. If first bidding fails, re-advertise and conduct a second bidding
3. If second bidding fails, resort to negotiated sale
4. Recommend the award to the winning bidder

Section 9. Separability Clause- If any provision of this Executive Order is declared invalid or unconstitutional, other provisions not affected thereby shall remain valid and subsisting.

Section 10. Effectivity- This Executive Order shall take effect immediately upon the approval hereof and shall remain in full force and effect unless revoked or amended by the Local Chief Executive

DONE and **SIGNED** this 10th day of March 2023, City of Imus.


ALEX L. ADVINCULA
City Mayor