



Republic of the Philippines  
Province of Cavite  
City of Imus

**OFFICE OF THE CITY MAYOR**

**EXECUTIVE ORDER NO. 074**

*Series of 2024*

**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.

**WHEREAS**, Joint Memorandum Circular No. 2024-1 was issued on 30 January 2024, revising the Manual on the disposal of government properties.

**NOW, therefore, I, HON. ALEX L. ADVINCULA**, City Mayor of the 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:

<b>Chairman:</b>	<b>Mr. Lauro D. Monzon</b> <i>Officer-in-Charge, Office of the City Administrator</i>
<b>Vice-Chairman:</b>	<b>Mr. Manuel Reynold W. Dela Fuente</b> <i>City Treasurer</i>
<b>Members:</b>	<b>Mr. Patrick M. Paulme</b> <i>Officer-in-Charge, General Services Office</i>
	<b>Ms. Roselie Pangilinan</b> <i>City Accountant</i>
	<b>Mr. Elmer L. Camerino, REA</b> <i>City Assessor</i>
	<b>Mr. Arturo B. Pangilinan</b> <i>Chief of Staff</i>
<b>Secretariat:</b>	<b>General Services Office (GSO)</b>
	<b>Mr. Albert P. Frusa</b> <i>Administrative Officer III</i>
	<b>Mr. Norman S. Villanueva</b> <i>Consultant</i>

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

- a. The Disposal Committee shall ensure the speedy process of disposal of properties in accordance with relevant laws, rules and regulations in order to ensure that:
  1. Continuing/carrying inventory costs of the government is eliminated;



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2. Accountable employees are relieved of unnecessary and/or excess accountability; and
  3. Government offices are effectively decongested from properties for disposal.
- b. Specifically, the Disposal Committee shall undertake the following:
1. Inspect, appraise, and undertake valuation activities as a group or individually;
  2. Set the final appraised value of the properties for disposal;
  3. Determine the appropriate mode of disposal and recommend the same to the applicable authorities as enumerated above for approval;
  4. Undertake the disposal proceedings for the properties, e.g., conduct of public auction, condemnation/destruction of properties, among others, on an "as is, where is" basis;
  5. Ensure that properties for disposal do not include materials not intended for disposal;
  6. Ensure the extraction, proper storage, and security of confidential data stored in information and communications technology (ICT) or electronic equipment before disposal; and
  7. Perform other related functions that may be assigned by the head of the government entity/RO/FO concerned.

**Section 4. Functions of the Secretariat-** The Secretariat of the Disposal Committee shall undertake the following:

- a. Provide technical and administrative support to the Disposal Committee;
- b. Organize and make all necessary arrangements for the meetings and conferences;
- c. Prepare the agenda for meetings, as determined by the Chairperson and based on the recommendation of the members of the Committee;
- d. Prepare minutes of meetings and resolutions of the Disposal Committee and certify the same as true and correct;
- e. Receive and take custody of documents and other records and ensure that all actions undertaken by the Disposal Committee are properly documented;





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- f. Draft correspondences and other communications for review/signature of the Chairperson;
- g. Manage the sale and distribution of public auction documents or any other relevant disposition documents to interested bidders;
- h. Advertise and/or post disposal opportunities;
- i. Assist in managing the disposal process;
- j. Monitor activities and milestones for proper reporting to relevant agencies when required;
- k. Act as the central channel of communications for the Disposal Committee and bidders or buyers, and the general public; and
- l. Perform other related functions that may be assigned by the Chairperson of the Disposal Committee.

**Section 5. Determination of Disposable Property-** Any or all of the following conditions shall constitute the properties for disposal:

- a. Properties that have exceeded their estimated useful life in accordance with Sections 27 (f), (g), and (h) of the Government Accounting Manual (GAM);
- b. Properties that can no longer be repaired or reconditioned;
- c. Properties which are beyond economic repair;
- d. Properties that have become obsolete or outmoded because of technological advancements;
- e. Properties that are still serviceable but have been rendered unnecessary due to change in the agency's mandate, functions, or programs;
- f. Properties, such as supplies, materials, equipment, and spare parts which are no longer needed by the agency;
- g. Unused supplies, materials, and spare parts that have become dangerous to use because of long storage or use of which is determined to be hazardous;



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- h. Abandoned properties within the agency's premises; and/or
- i. Properties issued to government officials/employees who are about to retire, subject to the conditions provided under item I (6.2) and (6.7) of Part II of Joint Memorandum Circular No. 2024-01 of the Department of Budget and Management (DBM) and Commission on Audit (COA).

**Section 6. Modes of Disposal-** Properties may be disposed through any of the following modes, as appropriate and deemed most advantageous to the government:

a. Condemnation/Destruction of Properties

1. Valueless, unstable or hazardous properties may be condemned and destroyed by pounding, breaking, shredding, throwing or any other method by which the properties are disposed beyond economic recovery.
2. The disposal of biohazard materials, such as health care, electronic and chemical waste, shall follow existing laws, rules and regulations, and standards on waste management and disposal, and subject to the issuance of the agencies concerned, as noted in item J of the Part II of this revised Manual, which may include segregation, decontamination, and recycling.
3. The mandatory removal of usable parts prior to the condemnation/destruction of the properties for disposal must be ensured by the Disposal Committee. The serviceable components or parts of the properties that are transferred, as well as the recipient properties, shall be properly recorded, consistent with the guidelines on recording/inventory of properties.
4. The condemnation/destruction of the properties shall be made in the presence of a representative/s of the Disposal Committee. A representative of the Commission on Audit shall also be present as an observer. A corresponding WMR or its equivalent shall be prepared by the office concerned to document such condemnation/destruction of properties.





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b. Transfer of Properties to Another Government Agency

Upon the initiative of the owning agency or submission of request to the owning agency, the properties recommended for disposal may be transferred to another government agency. Said transfer shall be done either with or without cost. Cost in this case refers to payment based on the appraised value of the properties.

c. Barter

Barter is a modified form of transfer of properties wherein an agency transfers property to another government agency in exchange for another piece of property. The value of the property being transferred may or may not be equivalent to that being received, since barter contemplates the exchange of commodities without the use of money and without reference to price.

d. Donation

Properties recommended for disposal may be donated to foreign governments, and local and foreign non-government charitable, scientific, educational or cultural institutions/associations in exceptional and meritorious cases.

e. Return to the Supplier/Vendor

The agency may return the property upon reaching the end of its useful life, as determined by the Disposal Committee. The supplier/manufacturer shall pay the procuring entity the residual value of the property, which shall be equivalent to at least 5% of its appraised value.

f. Sale to Government Officials/Employees of the Agency

1. When a property has reached the end of its useful life and is already for disposal, said property may be sold to the government official/employee to whom it is issued. Said government official/employee has the right of first refusal and only in case that he/she refuses or fails to buy the property could the same be sold to other employees. Such sale shall be fully documented as basis for recording.



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2. Government officials/employees who are retiring may be allowed to buy properties issued to them even if they have not reached the end of their useful life; provided, that they were issued to the employee at least two and a half (2.5) years or 30 months prior to his/her retirement. Provided, further, that the properties for disposal have already reached half of their useful life based on the estimated useful life of PPE in the GAM or the specific estimated useful life for the said properties.
3. In case the properties to be disposed are issued to and/or to be purchased by a member/head of the Disposal Committee or by the head of the office/agency, the appraisal value of the item shall be verified by the COA Audit Team.

g. Public Auction

If the primary mode of disposal is through sale, the default shall be through sale by public auction, except for those properties determined as for sale to officials/employees of the government agency, wherein sale to the government official/employee to whom the properties was issued will apply. The properties shall be sold on an "as-is-where-is" basis.

h. Negotiated Sale

In case of two (2) failed public auctions, the agency may resort to negotiated sale as a mode of disposal.

- i. Sale of Junk or Scrap and/or Recycling. This can be resorted to if the following conditions are met:
  1. The cost of administration and maintenance of the government properties is more than the salvage value; and
  2. The selling price for the junk/scrap is not lower than the 10% salvage value of the properties.





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If the junk/scrap did not meet such conditions, and is deemed to have little or no commercial value beyond its basic material content and is no longer functional, the same may be delivered to a recycling facility or center, preferably registered with the government and deemed most convenient for the agency.

- j. **Direct Negotiation.** The agency may directly offer properties for disposal to a prospective buyer in the following instances:
1. The market is limited and a single buyer who is willing to pay the reserve price has been identified;
  2. National security, public interest, legal or human rights issues or environmental considerations are served by selling to a particular company, group or individual;
  3. A potential buyer is a user of an asset at the time the decision to dispose the asset is made, and it is reasonable to give that person the first option to buy the asset at a market rate;
  4. An asset is located on a potential buyer's premises on a hire or free use basis and it is reasonable to give that person the first option to buy the asset at a market rate.

The head of the agency, upon recommendation of the Disposal Committee, shall issue the specific guidelines on the sale of properties through direct negotiation.

### **Section 7. Disposal Activities/ Processes-**

- a. Determination of Disposable Property (as enumerated in Section 5)
- b. 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:
1. Inventory and Inspection Report of Unserviceable Property (IIRUP): This report shall be used to account for all government properties of an entity that are subject to disposal and serves as the basis for derecognizing the government properties carried in





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the PPE accounts which shall be accompanied by any of the following, as the case may be:

- i. Individual survey report, duly certified by the Supply Officer and the supervisor of the Supply Officer;
  - ii. List of missing spare parts, duly certified by the Supply Officer and the supervisor of the Supply Officer;
  - iii. Stencils of chassis and engine numbers of motor vehicles; and
  - iv. Current photographs showing all sides of the properties.
2. Waste Materials Report (WMR): This form covers expendable materials, supplies, and consumables including spare parts, empty containers, and remnants from destroyed or damaged fixed assets;
3. Property Transfer Report (PTR): This is used when there are transfers of properties from one Accountable Officer/Agency/Fund Cluster to another Accountable Officer/Agency/Fund Cluster.
- c. Inspection - This is aimed at obtaining first hand observation of the physical and operational condition of the properties and their marketability or ability to attract prospective buyers. It is also aimed to supplement the theoretical computations of the value of the properties to be disposed. 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:
1. Check the appearance and physical condition of the property if accurate as described in the IIRUP or its equivalent documents;
  2. Check the physical condition/general appearance of the property to compare its depreciation and correct valuation relative to the following:
    - i. the equipment being operational, economically repairable or beyond economical repair;





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The following basic variables are to be used:

1. Properties' actual physical condition and estimated useful life;
  2. Relevant reference price information, such as:
    - i. Acquisition cost;
    - ii. Current market price of similar properties;
    - iii. Prices from secondhand rebuilders and reconditioners of properties; and
    - iv. Currency exchange rates for the acquisition year and the current year;
  3. Changes in the value of the properties caused by depreciation, obsolescence, changes in the foreign currency exchange rate, and cost of reconditioning, major repairs, or upgrade; and
  4. In cases where the equipment is declared to be junk, the total estimated weight per lot shall be determined to form the basis of the appraised value. The cost per unit of the properties/supplies inspected will depend on the kind of material appraised.
- e. Dropping from the Books of Accounts – Upon disposal of properties, the pertinent portions of the IIRUP, WMR or PTR or their equivalent documents, whichever is/are applicable, shall be accomplished. These reports shall be the basis for dropping the properties from the books of accounts and for taking up the proceeds from the sale of properties.

**Section 8. Role of Commission on Audit (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 9. 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; and
4. Recommend the award to the winning bidder.





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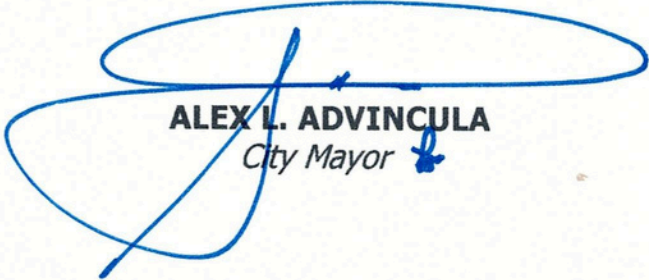
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**Section 10. Repealing Cause-** Previous issuance or any portion thereof, which are inconsistent with the provision of the Executive Order hereby amended, modified, suspended or repealed accordingly.

**Section 11. 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 12. 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 6<sup>th</sup> day of November 2024, City of Imus.

  
**ALEX L. ADVINCULA**  
City Mayor