



REPUBLIC OF THE PHILIPPINES  
MINISTRY OF PUBLIC WORKS AND HIGHWAYS  
OFFICE OF THE MINISTER  
MANILA

May 12, 1983

MINISTRY ORDER )  
No. 34 )  
x-x-x-x-x-x-x-x-x-x )

Subject: Creation of Regional Disposal Committees

TO ALL: Bureau Directors  
Regional Directors  
Chiefs of Services  
Project Managers and  
Project Engineers  
Regional Equipment  
Engineers and Area  
Equipment Engineers  
District and City Engineers  
Heads of Quarries and Plants  
All Others Concerned

This Ministry

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Executive Order No. 888 dated March 18, 1983 authorizes Ministers and Heads of Ministries/Agencies to dispose of, their respective unserviceable equipment and disposable property.

Pursuant hereto, the Central Office Disposal Committee has been created under a Memorandum dated April 22, 1983 to be made responsible for the disposal of unserviceable equipment and property within the Central Office, including those of Regions IV-A, IV-B and the National Capital Region.

Pursuant further to the said Executive Order, a Regional Disposal Committee in each region is hereby created to handle the disposal of unserviceable equipment and property within their respective regions with the composition prescribed under Section 4 of Executive Order No. 888.

A Secretariat should also be formed by the Regional Director to handle all the Committee's technical and administrative matters and shall be subject to the provisions under Section 8 of the said Executive Order.

This Regional Disposal Committee is hereby clothed with the same authority and charged with the same functions as the Disposal Committee provided that all its recommendations including awards of sale, barter or transfer without cost shall be subject to final approval of the Minister.

Appropriate forms, i.e., Inventory and Inspection Report (I & I Report), General Form No. 17-A supported by Individual Equipment Survey Report, Component Check List, and current clear photographs (two views each) duly certified at the back by the Resident Auditor and the Regional Equipment Engineer/Area Equipment Engineer must be used for the disposal of unserviceable equipment. In the case of the disposal of waste materials, worn-out and obsolete spare parts, the Waste Material Report, General Form No. 64-A shall be used.

Invariably, the covering I & I Report including all supporting documents must first be approved by the Minister before it is submitted to the Regional

P.T.O. →

- Page 2 of Ministry Order No. **34** dated May 12, 1983:

Disposal Committee for purposes of coordination and to make sure that the equipment being recommended for disposal are no longer economically repairable and no longer needed by any other region.

Should the disposal be made thru sale, the Regional Disposal Committee must be guided by the General Terms and Conditions for the Sale of Government Property, copy attached. In all cases of sale, the Ministry thru the Bureau of Equipment must be furnished and received by the Ministry, copies of Invitation to Bid, fifteen (15) days before the scheduled date of bidding.

Strict compliance is hereby enjoined.



JESUS S. HIPCLITO  
Minister

Encl: a/s  
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*[Handwritten initials]*  
*[Handwritten initials]*



REPUBLIC OF THE PHILIPPINES  
Office of the Prime Minister  
MANILA

MEMORANDUM

FOR : The Honorable Members  
of the Cabinet

FROM : The Prime Minister

Enclosed for your information, and guidance is  
a copy of Executive Order No. 888, entitled:

"AUTHORIZING MINISTERS AND HEADS OF  
MINISTRIES/AGENCIES TO DISPOSE OF, THEIR  
RESPECTIVE UNSERVICEABLE EQUIPMENT AND  
DISPOSABLE PROPERTY."

  
CESAR VIRATA  
Prime Minister

March 28, 1983

Encl.: As stated.

EXECUTIVE ORDER NO. 888

AUTHORIZING MINISTERS AND HEADS OF MINISTRIES/AGENCIES TO  
DISPOSE OF, THEIR RESPECTIVE UNSERVICEABLE EQUIPMENT AND  
DISPOSABLE PROPERTY

WHEREAS, there are now existing in the various Ministries/Agencies of the Government and in their respective field offices throughout the country considerable quantity of un-serviceable equipment and property deteriorating and exposed to the elements;

WHEREAS, a more expeditious disposal procedure of un-serviceable equipment and property is necessary in order to check further deterioration;

WHEREAS, the defunct Ministry of Public Highways has been authorized under Presidential Decree No. 147, as amended by Presidential Decree No. 494, to dispose of, all its un-serviceable equipment and property;

WHEREAS, to further facilitate disposal of un-serviceable equipment and property of all Ministries/Agencies of the Government, there is a need to prescribe a uniform and expeditious procedure of government property disposal;

WHEREAS, to attain this objective, there is a need to authorize all Ministers and Heads of Ministry/Agency to dispose of, all their un-serviceable equipment and property in the same manner that the defunct Ministry of Public Highways has been so authorized;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and ordain:

SECTION 1. Authority to Dispose - The provisions of existing laws, rules or regulations to the contrary notwithstanding the Ministers or Heads of Ministries/Agencies of the Government shall have the full and sole authority and responsibility to dispose of, all un-serviceable equipment and property of their respective Ministries/Agencies;

SEC. 2. Disposal Committee - To expedite disposal of un-serviceable equipment and property, a Disposal Committee is hereby created respectively in each Ministry and Agency, to be composed of the representatives of the following offices:

1. Owning Ministry or Agency - Chairman
2. Bureau of Supply Coordination - Member
3. Commission on Audit - Member

SEC. 3. Duties of the Disposal Committee - The Committee shall establish a standard operating procedure to govern its action and shall perform the following functions:

(1) Inspect or authorize the Ministries/Agencies field offices to inspect the unserviceable equipment and property to verify justification for disposal;

(2) Set the final appraised value of all disposable property considering obsolescence, market demand, physical condition and result of previous biddings for similar property;

(3) Recommend to the Minister or Head of Ministry/Agency for approval, the manner of disposal taking into consideration the pertinent provisions of the Revised Administrative Code and the National Auditing Code;

(4) Conduct public biddings for the sale of disposable property on an "AS IS", "WHERE IS" basis and to recommend corresponding award;

(5) The representatives of the Commission on Audit and the Bureau of Supply Coordination together with the COA Technical Staff specifically assigned to the Disposal Committee, shall be clothed with full authority to make final decisions in behalf of their respective offices in the various committee deliberations;

(6) In the case of agencies attached to certain Ministries, recommendations of the Disposal Committee is subject to the final approval of the Minister concerned.

SEC. 4. Regional Disposal Committee - To facilitate disposal of unserviceable equipment and property in the Regional field offices, the Minister concerned is hereby authorized to create Regional Disposal Committees, as he may deem necessary, in each region to conduct public biddings for the sale of these disposable property on an "AS IS", "WHERE IS" basis. The Regional Disposal Committee shall be composed of the representatives of the following offices:

1. Regional Office of the Owning Ministry or Agency - Chairman
2. COA Regional Office - Member
3. Bureau of Supply Coordination - Member

This Regional Disposal Committee is hereby clothed with the same authority and charged with the same functions as the Disposal Committee provided that all its recommendations shall be subject to final approval of the Minister or Head of Ministry/Agency concerned.

SEC. 5. Disposal Documents - Accountable officials in possession of unserviceable equipment shall submit to the Disposal Committee thru their respective heads of appropriate office, inventory and inspection Report (General Form No. 17-A), supported by individual equipment survey reports and current photographs (two views each). In the case of waste materials and worn-out and obsolete spare parts, the Waste Material Report General Form No. 64-A shall be used. The heads concerned, after processing such reports, shall refer same to the Disposal Committee or the Regional Disposal Committee, as the case may be, with their recommendations.

SEC. 6. Modes of Disposal - Any one of the following modes of disposal, whichever is most appropriate, shall be considered:

(1) Sale thru public bidding. Sale shall be widely publicized and the Committee appraised value which shall be the minimum selling price should be at realistic levels considering market demand, physical condition, obsolescence and all other relevant factors;

(2) Should the sale thru public bidding be unsuccessful, the Committee may dispose these property at any manner deemed most advantageous to the government, including thru barter or negotiated sale at not less than the Committee appraised value;

(3) Barter with other government agencies and government owned or controlled corporation.

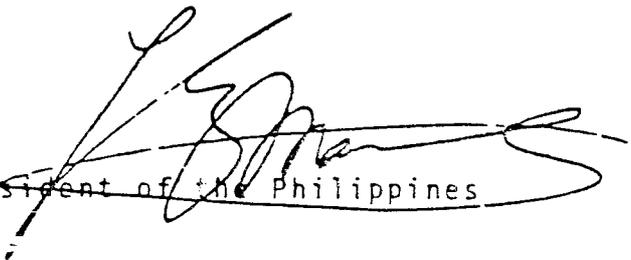
SEC. 7. Dropping from the book of accounts of disposed property shall be subject to existing accounting and auditing regulations.

SEC. 8. Secretariat - A Secretariat and technical staff to be manned from existing personnel of the Ministry/Agency concerned shall be formed to handle all the Committee's technical and administrative matters as well as the safekeeping and systematic filing of Committee documents and records.

SEC. 9. All existing Executive Orders, Letters of Instruction, Letters of Implementation, rules and ~~regulations~~ which are inconsistent herewith are hereby repealed, ~~amended~~ or modified accordingly.

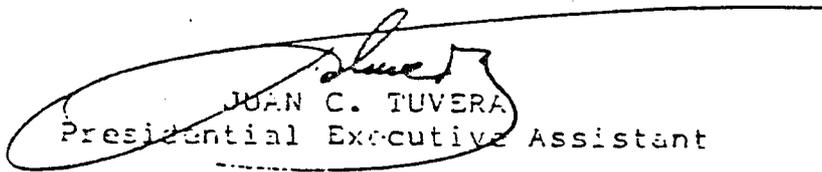
SEC. 10. This Executive Order shall take effect upon approval.

DONE in the City of Manila, this 18th day of March, in the year of Our Lord nineteen hundred and eighty three.



President of the Philippines

By the President:



JUAN C. TUVERA  
Presidential Executive Assistant



REPUBLIC OF THE PHILIPPINES  
MINISTRY OF PUBLIC HIGHWAYS  
OFFICE OF THE MINISTER  
MANILA

DISPOSAL COMMITTEE  
For MPH Unserviceable Equipment & Property  
(Created under Presidential Decree No. 494 dated  
June 28, 1974 amending Presidential Decree  
No. 47, S-1973)

GENERAL TERMS AND CONDITIONS  
IN THE SALE OF GOVERNMENT PROPERTY

Sale of government property thru public bidding shall be subject to the following terms and conditions:

1. Sale shall be on "as is" and "where is" basis.
2. Accomplishment and Submission of Bids:
  - a) It is understood that the bidder shall conduct a thorough inspection of the property for which he or she will bid for his or her basis in preparing his or her bid estimate, taking note of the missing parts, if any.
  - b) A bidder shall accomplish the bid tender in two (2) copies, type-written as much as possible.
  - c) The amount of the offer shall be clearly indicated in words and in figures, and in case of discrepancy, the amount in words shall prevail.
  - d) The bidder shall sign the bid tender and indicate his postal or business address on all pages.
  - e) Erasures, interlineations or alterations shall be avoided or duly initialed by the bidder, and
  - f) The bid tender shall be enclosed in a sealed envelop, addressed properly and correctly as directed in the invitation to Bid, and shall be submitted on the date and time fixed for the opening of the bid.
3. Bid Bond and Payment:
  - a) To guarantee the acceptance of award and the faithful compliance of the bid conditions, the sealed bid tender of offer must be supported by a bid bond in another envelop in the form of cash, Cashier's or Manager's check in an amount equivalent to the appraised value (minimum selling price) of the item/s being bid for.
  - b) Upon approval of the award, the bid bond of the awardee shall be converted into and considered as payment and the difference between such payment and his bid, if any, shall be paid in the form of cash, Manager's check or Cashier's check within five (5) working days from the date of the Notice of Award.
  - c) In case of unjustifiable refusal and/or failure of the winning bidder to accept the award or to pay the balance of the award price within five (5) days from the date of the Notice of Award, or to comply with the bid conditions of

the contract, fifty percent (50%) of the bid bond posted shall be forfeited in favor of the government.

4. Minimum Bid - Minimum bid acceptable shall be for one whole lot and bids for portions thereof will not be considered, unless an overall evaluation will prove to be advantageous to the Government.
5. Withdrawal of Bids - A bidder may be allowed to withdraw his tender or offer before the time of opening of the bid. His bid shall be returned to him unopened. After the opening of the bids, no bidder shall be allowed to withdraw his tender or offer.
6. Opening of Bids - The Disposal Committee shall open all bids received at the time, date and place set in the Invitation to Bid. Bidders or their authorized representatives may witness the proceedings.
7. The bid bond shall first be opened and if the amount submitted is less than the appraised value (minimum selling price) of the item/s bid for, or if the subject bid bond is not in accordance with the form specified under Provision No. 3-a hereof, the bid bond together with the sealed offer unopened, shall be returned to the bidder and subject bid shall not be considered.
8. After opening of the bids and tentative evaluation by the Disposal Committee, a temporary receipt shall be issued to the tentative evaluated winning bidder to cover his bid bond and all other bid bonds shall be returned immediately to the other bidders. Immediately after, the tentative winning bidder may immediately assign his own security guard to protect his own interest until final delivery is effected.
9. Evaluation - The Disposal Committee shall within a period of not more than five (5) working days from the date of the opening of bids evaluate the bids submitted and recommend award.
10. The Government reserves the right to reject any or all bids and the right to waive any defect in the bid.
11. Defective Bids - The following are considered as defective bids:
  - a) Bids not in the prescribed forms
  - b) Bids without sufficient bid bond
  - c) Unsigned bids
  - d) Bids with bidders bond not in accordance with provision No. 3 (a)
12. Basis of Award - Award shall be given to the evaluated highest complying bidder. Where two or more complying bidders made identical offers, the award may be divided equally as practicable among them, unless the interest of the government demands that it should be given to only one bidder.
13. Unsuccessful Bidding - When the bids received are lower than the appraised value or when there are no bidders, a rebidding shall be conducted after a re-appraisal of the property. If rebidding becomes impractical or uneconomical, the Committee may effect the disposal of the property in any manner advantageous to the Government.
14. Sales Invoice - A sales invoice or an equivalent receipt list-

ing the items to be sold shall be approved by the Minister or his duly authorized representative and confirmed by the Awardee.

15. Delivery:

- a) The delivery shall be made to the Awardee or his authorized representative after the invoice price is fully paid as evidenced by an official receipt. It shall be effected in the presence of the Disposal Committee or their duly authorized representative and witnessed by the representative of the Commission on Audit.
- b) Loading - All expenses incidental to the withdrawal of the property shall be for the account of the awardee.
- c) Delivery - Delivery to the awardee shall be made only during official government working hours.
- d) Should the delivery of any of the items under the contract award extend beyond the prescribed office hours of this Ministry, the representative of the different participating offices shall be entitled to overtime payment at the rates prescribed by this Office, all expenses to be borne by the buyer.
- e) Tally-Out Sheet - Evidence of Delivery - The officer in charge of supply of the reporting office shall accomplish a Tally-Out Sheet as evidence of actual delivery. The Tally-Out Sheet shall be signed by the representatives of the Disposal Committee, the Commission on Audit, the head of the reporting office and the awardee acknowledging receipt of the items.

16. Penalty - Delivery shall be made within the period to be fixed by the Committee on a case to case basis and failure on the part of the awardee to take delivery within the stipulated period shall have the effect of cancellation of the award and the ownership of the contracted property shall automatically revert to the Government, who shall have the right to re-sell or dispose same thru whatever manner that may be deemed most advantageous. The Government shall confiscate whichever amount is higher of the following:

- a) 50 percentum of the full payment or,
- b) the difference between the original award amount paid by the awardee and the net proceeds of the resale amount of the subject property.

17. The original Awardee shall not sell or transfer the goods under the contract to any other party until after full payment and complete delivery has been effected.

18. Taxes - Taxes due to the government, if any shall be the responsibility of the winning bidder.

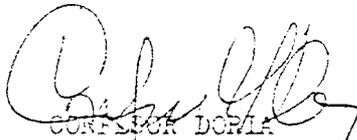
19. Warranty:

- a) The awardee shall warrant that he has not given or

promised to give any money or gift to any official or employees to secure contract and any violation of this warranty shall be sufficient ground for the government to revoke and cancel the contract.

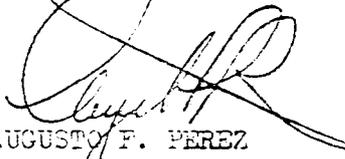
b) The awardee shall warrant that the equipment and/or property purchased by him shall not be resold to the government.

20. BIR Clearance - Award contracts shall not be made to the winning bidder or bidders unless they submit to this Office BIR Tax Clearance Form No. 17.61 and Tax Account Number.

  
CONSTANZA DORIA  
BSC Representative-Member

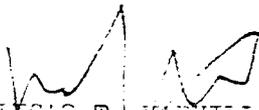
  
OSCAR RODRIGUEZ  
(Deputy Minister)  
Chairman

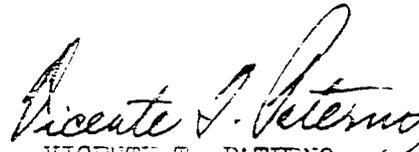
  
ARACELI MAGNO  
COA Representative-Witness

  
AUGUSTO F. PEREZ  
BOE Representative-Member

APPROVED:

CERTIFIED CORRECT:

  
LUCAS T. MARVILLA  
Executive Secretary

  
VICENTE T. PATERNO  
Minister *4/6*

NOTE: These General Terms and Conditions in the Sale of Government Property prescribed by the defunct MPH is still in effect and applicable under the provisions of Executive Order No. 988.