



### III. Creation of the Disposal Committee and Secretariat

The PDAC shall be reconstituted as follows:

#### A. Composition of the Property Disposal and Awards Committee (PDAC)

##### 1. Central Office

Assistant Secretary, General Administration and Support Service	Chairperson
Director, Administrative Services	Vice-chairperson
Director, Financial Management Service	Member
Director, Legal Service	Member
Chief/Head, Property Management Division	Member

##### 2. Field Offices and Attached Agencies

Assistant Director	Chairperson
Head, Management Division	Vice-chairperson
Supply Officer	Member
Regional Accountant	Member
Head, Operations Division	Member

#### B. Functions

1. Inspection of the unserviceable properties to ascertain justification of disposal
2. Appraisal of unserviceable properties taking into consideration all the factors to set the minimum value in case of public bidding.
3. Recommendation of the manner of disposal to the Department Secretary or his/her representative for approval.
4. Administration of public bidding for the sale of disposable properties on an "As Is Where Is" basis and the recommendation of the corresponding award for approval of the Department Secretary or his/her representative.

#### C. Composition of PDAC Secretariat

##### 1. Central Office

Head, Bids and Awards Committee Secretariat	Head
Representative, Property Management Division	Member
Representative, Accounting Division	Member

##### 2. Field Offices and Attached Agencies

Administrative Officer	Head
Two (2) Representatives, Management Division (one must come from the Accounting Unit)	Members

#### **D. Functions of the PDAC Secretariat**

1. Central repository of all PDAC documents and records.
2. Act as support unit to the PDAC relative to the disposal through public bidding.
  - a. Preparation of Bid Documents in case of disposal through Public Sealed Bidding and/or Public Auction.
  - b. Publication of Invitation to Bid for three (3) consecutive days on a newspaper of general circulation when the disposal/sale so warrant
  - c. Posting of Invitation to Bid to as many as possible conspicuous places with in the premises of the Department and dissemination of the same to as many as possible government agencies within the locality for posting in their bulletin boards for the information of the general public.
  - d. Solicitation of bid proposals from known/accredited buyers.
  - e. Acceptance and safekeeping of all bid proposals.
  - f. Facilitate the conduct of bidding.
3. Assist the PDAC in the preparation of documents on disposal activities through other mode of disposal.
4. Preparation of Notice of Meetings for the PDAC members.
5. Preparation of the minutes of meetings/biddings of the PDAC.

#### **E. Creation of a Technical Working Group (TWG)**

Both in the Central Office, the Field Offices and attached agencies, the PDAC may create a TWG to help them come up with appraisal and/or valuation of disposable properties. The TWG shall be composed of at least three (3) members who have specialization/expertise on the property/ies subject for disposal.

To the extent possible, members of the TWG shall be sourced out from existing personnel of the Department. If not available, the same may be sourced out from outside groups. They will be selected based on their specialization/expertise.

#### **F. Functions of the Technical Working Group**

1. Serve as an Ad-Hoc advisors of the PDAC
2. Assist in the technical evaluation/appraisal of disposable properties
3. Prepare and submit appraisal/evaluation reports of the disposable properties to the PDAC.

### **IV. Guidelines and Procedures**

#### **1. Frequency of Disposal Activities**

The disposal activities shall be made twice a year (March and September) or when the need arises and/or when the circumstances so warrant for the immediate disposal activities (e.g. in cases of condemnation of buildings and facilities).

## 2. Determination of Disposable Property

2.1 The office in-charge of property management shall identify disposable properties and recommend to PDAC the disposal thereof using the following factors and attributes:

- a. Property which can no longer be repaired or reconditioned;
- b. Property which is no longer economical to repair;
- c. Obsolete or outmoded property because of changes of technology;
- d. No longer needed property due to change in the agency's functions or mandate;
- e. Hazardous unused supplies and materials that has become dangerous because of long storage.

## 2.2 Preparation of Official Forms Needed in the Disposal Activity

Upon identification of disposable properties, the unit in charge of property management shall fill up and/or consolidate the following official forms, whichever is applicable, and file an application for disposal to the PDAC:

**a. Inventory and Inspection Report (I & I Report or General Form No. 17-A)** for semi-expendable and equipment and non-expendable supplies, accompanied by the following, whichever is appropriate:

- Individual survey report, duly certified by the Property Officer and the Secretary or his/her representative.
- List of missing spare parts duly certified by the Property Officer and the Secretary or his/her representative.
- Stencils of chassis and engine numbers of motor vehicles.
- Current photographs in two or more positions.

**b. Report of Waste Materials (RWM or General Form No. 64-A)** for expendable materials, supplies and consumables including replaced spare parts, empty containers, and remnants from destroyed or damaged fixed assets

## 3. Conduct of Inspection

Upon receipt of the request for disposal from the unit in charge on property management, the PDAC shall "en banc" conduct an ocular inspection of the disposable properties to validate the request and to determine the physical and operational condition and its marketability or ability to attract buyers.

## 4. Appraisal/Valuation

After the conduct of inspection, each member of the PDAC shall prepare their respective appraisal report. If the PDAC sees that technical expertise is needed in the appraisal of the subject disposable properties, the preparation of appraisal report maybe referred directly to the TWG or to the Technical Service Office (TSO) of the Commission on Audit.

The computation of the appraised value shall be based on the generally accepted formula taking into consideration the property's actual physical condition, the relevant reference price information, and the changes in the value of property caused by depreciation, and those caused by changes in the purchasing power of peso.

In case of conflict in appraisal, the PDAC shall deliberate on the appropriate appraised value which will become the minimum bid price. If the PDAC cannot arrive at a consensus, the Chairman may adopt an appraised value which he/she deems most advantageous to the government, based on either of the following:

- a. the highest appraised value submitted by a PDAC member
- b. the average of the submitted appraised value plus 10%

5. Publication of Invitation to Bid (ITB)

The following appraised value shall be the basis for the requirement of publication of Invitation to Bid (ITB) for three (3) consecutive days on a newspaper of general circulation and/or solicitation through canvass and posting in three (3) or more conspicuous places in the locality:

Minimum Bid Price	<b>up to P250,000.00</b>	Canvass or posting of ITB in three (3) or more conspicuous places in the locality and/or web site of the Department
	<b>P250,000.01 and up</b>	Publication on a newspaper of general circulation and posting of ITB in three (3) or more conspicuous places in the locality and/or web site of the Department

The appraisal value shall be valid only for six (6) months and be set depending on how the property shall be sold, i.e. by piece, by lot or by all lot. If the property remains unsold after six (6) months, a reappraisal must be conducted.

6. Conduct of Bidding

As a general rule, the disposal of government property shall be through sale by public sealed bidding.

The PDAC may call a pre-bid conference to clarify bidding procedures and other matters when the disposal/sale warrants for it.

On the date, time and place indicated in the published and/or posted Invitation to Bid, the PDAC shall deliberate the bid proposals and, if found in order, make recommendation of award to the highest bidder within three (3) working days from the date of bidding.

In case of failure of bidding a re-bidding shall be scheduled within 30 days to avoid further damage to the properties subject for disposal.

After two bidding failures and realization that public bidding is no longer feasible, the PDAC may cause the sale of the unserviceable property by **Sale Through Negotiation** (provided that the minimum bid price is met) or through other mode of disposal deemed most advantageous to the government.

## 7. Post Disposal Activity

Upon completion of the disposal, the PDAC Secretariat shall surrender the original copy of standard reporting forms to the Accounting Division. These reports shall be the basis for dropping the property from the books of accounts and for taking up the proceeds from the sale of property. The Accounting Division shall, after making all the necessary adjustments in the books of accounts, furnish copies of Journal Entry Voucher (JEV) to the office in-charge of property management for records reconciliation purposes.

Copies of disposal reports and other related documents shall be furnished to the Commission on Audit by the PDAC Secretariat.

## V. **Other Modes of Disposal**

The PDAC may recommend other mode of disposal only upon realization that public bidding/auction is not feasible or when the PDAC deems other mode of disposal most advantageous to the government.

The following are the other mode of disposal:

### 1 Sale Thru Negotiation

For justifiable reasons and as demanded by the exigencies of the service, disposal thru negotiated sale may be resorted to taking into consideration the following factors:

- a. There was a failure of public auction/bidding.

There is a failure of public auction/bidding in any of the following instances:

1. if there is only one offeror/bidder.  
In this case, the offer or bid, if sealed, shall not be opened.
2. if all the offers/tenders are non-complying or unacceptable.

- 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/bidders and the government is established with a view to ensuring that the 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.

- 2 Barter, which is the direct exchange of commodities without the use of money and without reference to price or the exchange of goods of one character for goods 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 government.

3 Transfer to Other Government Agencies

Where the property or assets involved are no longer serviceable or needed by the department, agency, corporation or local government unit concerned, they may be transferred to other government entities/agencies without cost or at an appraised value upon authority of the Secretary or his/her representative or by the Director for Field Offices and attached agencies upon due accomplishment of an Invoice Receipt of Property (Cf., Sec. 76, P.D. 1445).

4 Destruction or Condemnation

This 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 Auditor concerned. Valueless property shall be condemned through burning, pounding, throwing beyond recovery, and the like upon approval of the Secretary or his/her representative or by the Director for Field Offices and attached agencies.

5 Reclamation Program.

A reclamation program should be covered by a project proposal duly approved by the Secretary or his/her representative or the Director for Field Offices and attached agencies.

The office in-charge of property management may propose a reclamation program to justify the re-utilization of parts and/or other accessories of the subject unserviceable equipment/properties. A reclamation program should be approved or noted by the Commission on Audit.

A reclamation program may only be allowed upon dropping accounts for the property/ies from both in the accounting books and property records.

**VI. Separability Clause**


If any provision of this order is held invalid or unconstitutional, the other provisions not so declared shall remain valid and subsisting.

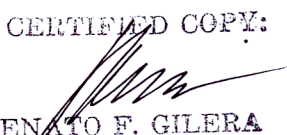
**VII. Effectivity**

This Department Order shall take effect immediately and amends Department Order No. 8 Series of 2000 and revoke all other DSWD issuances, guidelines, or their specific provision/s inconsistent herewith.

**VIII. Issuance**

Issued this 14th day of March, 2004 in Quezon City, Philippines

  
**CORAZON JULIANO-SOLIMAN**  
Secretary  
Department of Social Welfare and Development

A CERTIFIED COPY:  
  
**RENATO F. GILERA**  
Records Officer III

**Matrix of comments on the proposed guidelines on the Disposal of Unserviceable Properties**

Commenting Office/Official	Comment/Suggestion	Remarks
<p>Legal Service Director Excutin</p>	<p>If the minimum bid price exceeds P100,000.00, the ITB should be published twice in a newspaper of general circulation (Sec. 172, COA Circular No. 92-386)</p> <p>Deletion of Viva Voce</p> <p>Addition of phrase " no longer feasible"</p> <p>Only the Secretary is authorized to transfer properties under Sec. 186 of the said circular</p>	<p>Not applicable The Circular is intended for LGUs</p> <p>Deleted</p> <p>Accepted/applied</p> <p>The Secretary may appoint and/or delegate his/her functions to other</p>
<p>PDAC/Director Tabamo</p>	<p>Suggested that the PDAC Secretariat be the TWG Enumeration of the functions of the TWG</p> <p>Clarifications: If honoraria is applicable to existing personnel who will be member of the TWG since it is inherent with his/her functions.</p> <p>Identification of timelines in the conduct of inspection and appraisal/valuation</p> <p>Indicate maximum number of re-appraisal, what to do if achieve the maximum level of reappraisal</p> <p>Provisions on the destruction/condemnation of hazardous waste/chemicals/materials</p>	<p>Not applicable Accepted/defined</p> <p>All members of the TWG shall be given equal incentive in recognition of their expertise and for rendering jury duty.</p> <p>Not necessary, dependent on the availability of PDAC members (one day activity only)</p> <p>The guidelines has provision on the reappraisal (after 6 mos) when the unserviceable remain unsold There is no maximum number of re-appraisal, PDAC may cause the disposal through other mode after 2 failed biddings</p> <p>This is provided under other mode of disposal.</p>
<p>Sec A. Bala</p>	<p>How many members are the TWG?</p> <p>Deletion of "As envisioned in this order".</p> <p>Spelling out the acronyms on forms</p> <p>Other gramatical corrections</p>	<p>Accepted, at least 3 members</p> <p>Accepted/Deleted</p> <p>Accepted/Spelled out</p> <p>Noted/Corrected</p>
<p>PDAC Bureau/Dir. Ascaño</p>	<p>Specific QS in selecting the TWG members</p> <p>Define terms</p> <p>Separate the section for other modes of disposal</p>	<p>Not applicable, disposable properties may vary from time to time decision is lodged with the PDAC to select the members of the TWG based on their specialization</p> <p>Noted</p> <p>Accepted/Separated</p>