



Republic of the Philippines
Department of Education
REGION III
SCHOOLS DIVISION OF BULACAN


DIVISION MEMORANDUM

No. 042, s. 2023

DIVISION GUIDELINES ON THE DISPOSAL OF GOVERNMENT PROPERTIES

To: Assistant Schools Division Superintendent
Division Chiefs
Public Schools District Supervisors
Public Elementary and Secondary School Heads
All Others Concerned

1. To ensure compliance on the disposal process pursuant to COA Circular No. 89-296 (Audit Guidelines on the Divestment or Disposal of Property and Other Assets on NGAs, LGUs and GOCCs), this division through the Property and Supply Unit issues the enclosed Guidelines on the Disposal of Government Properties.
2. Immediate dissemination and strict compliance to this Division Memorandum is desired.


ROWENA T. QUIAMBAO, CESE
Assistant Schools Division Superintendent
OIC-Office of the Schools Division Superintendent

Property and Supply Unit
Feb. 8, 2023



Address: Provincial Capitol Compound, Brgy. Guinhawa, City of Malolos, Bulacan
Website: <https://bulacandeped.com>
Email: bulacan@deped.gov.ph

GUIDELINES ON THE DISPOSAL OF GOVERNMENT PROPERTIES

I. Rationale

Disposal is the end of the life cycle of a government property.

Pursuant to EO No. 888 Sec 1 and COA Circular No. 89-296 (Audit Guidelines on the Divestment or Disposal of Property and Other Assets on NGAs, LGUs and GOCCs), the full and sole authority and responsibility for the disposal of properties and other assets owned by the government shall be lodged in the heads of the offices/agencies.

Despite the proliferation of various laws, rules and regulations governing disposal of property, a considerable quantity of unserviceable, no longer needed, and obsolete supplies, materials and equipment which have grown into unmanageable and uneconomical proportions now exist in the various offices and schools. To save on cost of maintaining such property, to derive economic benefit and maintain orderliness and efficient use of office/school space there is a need for their disposal.

SDO Bulacan issues this set of guidelines in the disposal of government property and other assets.

II. Objectives

- a. To dispose all unserviceable, obsolete, no longer needed materials, supplies and equipment including valueless properties;
- b. To prevent further deterioration thereby obtaining the fair return in case of sale;
- c. To relieve accountable officers of accountability;
- d. To implement a uniform system/procedure of disposal of property and other assets.

III. Coverage

This guidelines shall be applied and implemented to Division Office Proper, elementary and secondary schools and to Senior high schools in the division.

IV. Disposal Committee

4.1 Composition

EO No. 309, reconstituted the membership of the Disposal Committee as provided for under EO No. 888:

Chairman: who is at least 2nd ranking permanent official of the office

Member: from Administrative Unit
Member: Head of the Property Unit

A Secretariat and technical staff manned by the regular personnel of the concerned shall be formed to handle all the committee's technical and administrative matters, as well as the safekeeping and systematic filing of disposal committee documents and records.

4.2 Functions of the Disposal Committee

- a. Conduct inspection of the property filed /subject for disposal.
- b. Check the condition of the property, determine whether operational, under repair or beyond repair.
- c. Determine if property is economically repairable and the most probable cost of its repairs/current costs of spare parts.
- d. Recommend mode of disposal to be adopted.

V. Determination of Disposable Property

- 5.1 Property which can no longer be repaired or reconditioned;
- 5.2 Property whose maintenance cost/cost of repair outweighs the benefits and services that will be derived from its continued use;
- 5.3 Property that has become obsolete or outmoded because of changes in technology among others;
- 5.4 Serviceable property that has been rendered unnecessary due to change in functions or mandate;
- 5.5 Unused supplies and materials that are dangerous to use because of long storage or use of which is determined to be hazardous

VI. Documentation

The forms used for disposal are:

6.1 Inventory and Inspection Report of Unserviceable Property (IIRUP)

This form is used for the disposal of vehicles, mechanized equipment, office equipment, furniture and semi expendable materials. When accomplished, this form shall also contain the list of missing parts, if any, which should be accompanied by a certification of the property officer or custodian as to whether the missing parts were removed for future stock or have been utilized already for repair purposes.

6.2 Waste Materials Report

This form is used in the disposal of waste materials which result from the consumption or utilization of expendable materials, and covers damaged equipment parts, empty containers and remnants salvaged from destroyed or damaged fixed assets.

VII. Mode of Disposal

7.1 Public Auction

Conformably to existing state policy, the disposal of government property shall be undertaken primarily thru public auction. Such mode of disposal shall observe and adhere to established mechanics and procedures in public bidding.

The Division Bids and Awards Committee on Disposal or the school BAC (in case of Secondary Schools with fiscal autonomy), shall conduct bidding for disposal thru public auction.

Composition of BAC on Disposal

Chairman: who is at least 3rd ranking permanent official of the office
Member : -a permanent official represents legal or administrative area of
of the office

- one who has technical expertise relevant to the disposal items at hand,
- a representative from the end user unit who has knowledge, of COA rules and regulations

The unserviceable property may be sold at public auction to the highest bidder under the supervision of the BAC on Disposal

7.2 Sale Thru Negotiation

Maybe undertaken by the proper committee concerned taking into consideration the following factors:

- 7.2.1 There was a failure of public auction;
 - If there is only one offeror;
 - If all the offers are non-complying or unacceptable;
- 7.2.2 The negotiation may be conducted singly, i.e. on a one-on-one basis or in a group, provided that due communication between the offerors and the government is established with a view to ensuring that the government gets the best price.
- 7.2.3 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.

- 7.3 **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 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.

7.4 Transfer to Other Government Agencies

Where the property or assets involved are no longer serviceable or needed by the agency/school, they may be transferred to other government entities 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.

7.5 Destruction or Condemnation

This mode shall be resorted to only when the unserviceable property has no commercial value, or is beyond 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 either by burning, pounding, throwing beyond recovery, and the like. The head of the department shall approve the disposition.

General Procedures

1. Once supplies/property becomes unserviceable from any cause or no longer needed, the accountable officer shall return the same to the Property Officer/equivalent position concerned.
2. The Property Officer/equivalent position shall file an application for disposal with appropriate documents to the COA Auditor for inspection.
3. The Head of Office shall forward the documents to the Disposal Committee.
4. The Disposal Committee shall recommend to the Head of Office the mode of disposal as appropriate and deemed most advantageous to the government.
5. If found valuable, the unserviceable property may be sold at public auction to the highest bidder under the supervision of the Division Bids and Awards Committee on Disposal or the school BAC on Disposal (in case of Secondary Schools with fiscal autonomy).
6. Upon disposal of property, the pertinent portions of the Inventory and Inspection Report of Unserviceable Property (IIRUP) and Waste Material Report (WMR), 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 the sale of the property.

DEMOLITION OF SCHOOL BUILDING

Requirements:

1. Request of the School Head for the demolition of the school addressed to the SDS
2. Request of School Head addressed to the Municipality or City Engineer for ocular inspection and assessment of the structure to be demolished
3. Certification from the School Head that, if the building is demolished, classes will not be disrupted.

4. PTA or Alumni Association's Clearance, in case of school buildings with historical value.
5. Certification from the School Head on probable fund source for replacement of school building
6. Assessment Report of the Municipal/City Engineer on the condition of the school building
7. Demolition Permit from the Municipal/City Building Official
8. Photographs of the building to be demolished, properly labeled showing the front, rear, sides and damaged sections
9. Site Development Plan/Vicinity map of the property
10. Inspection and Inventory Report on Unserviceable Property (IIRUP)

Please see attached Process Flow

References:

Executive Order No. 888 March 18, 1983
Executive Order No. 309, s. 1996 (Reconstituting the Disposal Committee created under EO No. 285)
DepED Order No. 107, s. 2010 (Revised Guidelines on the Condemnation and Demolition of School Buildings)
DedEd Handbook on Property and Supply Management
COA Circular No. 89-296 January, 1989 (Audit Guidelines on the Divestment or Disposal of Property and Other Assets on NGAs, LGUs and GOCCs)
COA Circular No. 203-007 December 11, 2003 (Estimated Useful Life)
COA Memorandum 92-751 (Documentation on Petitions/Request for Relief of Accountability)
COA Training Handbook on Property and Supply Management System

START

