



Republic of the Philippines  
Bangsamoro Autonomous Region in Muslim Mindanao  
**MINISTRY OF SCIENCE AND TECHNOLOGY**  
Bangsamoro Government Center, Cotabato City



Special Order No. 053  
Series of 2023

**SUBJECT: Reconstitution of Disposal Committee**

In the exigency of service and and to ensure proper disposal of various unserviceable equipment and waste materials of this ministry, the following shall constitute the Disposal Committee:

Chairperson: Engr. Abdulrakman K. Asim, PME, MERIE  
Vice-Chairperson: Ramla S. Bituanan-Lantong  
Members: Aisa R. Biang  
Nadiyah A. Abdurrahman  
Atty. Norhusssein Lauban  
Rahib A. Sendad, CPA

As such, the Committee shall perform the responsibilities stipulated in the Guidelines and Procedures on Creation of the Ministry's Disposal Committee, its Functions and Disposition on Disposal for Unserviceable Equipment and Disposable Property of this ministry with COA Circular No. 89-296 as legal basis.

This special order takes effect on *August 14, 2023* and shall remain in force unless sooner revoked or invalidated by competent authority.

For Information and strict compliance.

  
**ENGR. AIDA M. SILONGAN, MAPDS**  
Minister

Bangsamoro Autonomous Region in Muslim Mindanao	
MINISTRY OF SCIENCE AND TECHNOLOGY	
Records Section	
<b>RELEASED</b>	
By: <i>DEM</i>	
Date: <u>AUG 16 2023</u>	
Time: <u>11:00 AM</u>	

<b>RECEIVED FOR ROUTING</b>	
MOST - BARMM   Records Section	
By: <i>DEM</i>	
Date & Time: <u>AUG 16 2023 11:00 AM</u>	



**SUBJECT: Guidelines and Procedures on Creation of the Ministry's Disposal Committee, its Functions and Disposition on Disposal for Unserviceable Equipment and Disposable Property**

## **A. BACKGROUND AND PURPOSE**

Property Disposal is the third and final phase in the supply management cycle where the first two phase involves procurement and utilization & maintenance. Disposal occurs when a property is unserviceable or though still working, has been rendered as obsolete.

## **B. OBJECTIVES**

1. To dispose all unserviceable, obsolete, no longer needed materials, supplies, and equipment including valueless properties as well as to save cost of maintaining equipment/property/materials including office space,
2. To prevent further deterioration of the property and consequent depreciation; and
3. To implement a uniform method of disposal of government property.

## **C. LEGAL BASES**

Disposal Activities are governed primarily by following Issuances:

### **1.0 Executive Order No. 888 series of 1983,**

1.1 the authority of the Ministers (now Secretaries) and Heads of Ministries (now Departments/Agencies) to dispose of their respective unserviceable equipment and disposable property.

1.2 the creation of a Disposal Committee in each department/agency to be composed of the representatives of the owning department/agency, the Bureau of Supply Coordination and the Commission on Audit;

1.3 the creation of Regional Disposal Committee composed of the representatives of the regional offices of the owning department/agency, the Bureau of Supply Coordination, and the Commission on Audit;

1.4 the duties of the Disposal Committee and the Regional Disposal Committee;

1.5 the submission of the disposal documents and the modes of disposal.

### **2.0 COA Circular No. 89-296 dated 27 January 1989**

2.1 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.



2.2 the modes of disposal recognized by the Commission on Audit are as follows: Public Auction, Sale Thru Negotiation, Barter, Transfer to Other Government Agencies, Destruction or Condemnation

2.3 In all modes or instances of disposal of government property or assets as herein above contemplated, the proceedings shall be undertaken by the appropriate authority in the presence of the Auditor or other COA representative who shall act as an intelligent, responsive and articulate witness thereto.

#### **D. COVERAGE**

This set of guidelines shall be applied and implemented by the Ministry of Science and Technology and its Provincial Offices in the disposal of government property.

#### **E. DEFINITION OF TERMS**

1. Abandoned Property- any personal property in the possession of any government agency without a known owner.
2. Appraisal - the art of estimating the fair exchange worth of a property as of a specified date, supported by relevant and factual data.
3. Beyond Economical Repair - a situation where the cost of repair and maintenance becomes prohibitive and disadvantageous to the government considering such factors as:
  - 3.1 Maintenance expenses
  - 3.2 Downtime/Frequency of Breakdown
  - 3.3 Replacement cost of spare parts
  - 3.4 Alternative modes such as rental of equipment or outright replacement
4. Equipment- any property, other than land, structures and fixed facilities, having a useful life greater than one (1) year the cost of which amounts to P15,000 or more (Chapter 10, GAM Vol 1) and which when used does not suffer any material or substantial change or alteration in size or form.
5. Expendable Property - that which may be consumed, spent, used up, such as supplies.
6. Materials - are expendable commodities used by the government in the process of manufacture or construction including parts or remnants from destroyed or damaged fixed assets.
7. Non-expendable Property - that which cannot be consumed, spent or used- up, such as, equipment.
8. Obsolete Property- that which has lost its efficacy either due to technological advancement, change of procedures, reorganization of office, or completion of project.
9. Scrap/Junk fragments of discarded materials that has no value except for its basic material contents and which cannot be reprocessed and re-used in the operations of other government property.
10. Semi-expendable Property- property, plant and equipment below the capitalization threshold of P50,000.00.



11. Supplies- expendable commodities which are normally consumed within a year in connection with government operations.

12. Surplus Property- excess personal property no longer needed by the government.

13. Unserviceable Property - that which is beyond repair and has no more utilization potential.

#### **F. DISPOSAL COMMITTEE**

A Disposal Committee shall be created to assist and advise the Minister on matters relative to the disposal of government property. The following shall constitute the MOST-BARMM Disposal Committee:

For MOST Regional Office

Chairperson:                       Bangsamoro Director General

Vice-Chairperson:               Chief Administrative Officer

Members:                         Head, Supply Section  
  Head, Procurement Section  
  Head, Legal Unit  
  Head, Accounting Section

Observer:                         Commission on Audit (COA) Resident Auditor or representative

A Secretariat shall also be created to handle the Committee's technical COA Resident Auditor or representative and administrative concerns as well as safekeeping and systematic filing of the Committee's documents and records.

#### **G. FUNCTIONS AND RESPONSIBILITIES OF THE DISPOSAL COMMITTEE**

1. Require the submission by the concerned offices/divisions/Sections/units of the assets to be disposed of, and all the necessary documents pertaining thereto, which shall include the following:

1.1 Program for Disposal;

1.2 Specific assets disposal procedure, if any.

2. Deliberate the requests for disposal of unserviceable properties/materials;

3. Inspect the unserviceable equipment and property to be disposed of and verify the justification for disposal Regional and Provincial;

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

5. Where appropriate, conduct public biddings for the sale of disposable property on an "as is, where is" basis and to recommend corresponding award; and

6. Convene the Bids and Awards Committee (BAC) which shall;

6.1 Conduct the opening of bids in the presence of COA representative at designated time and place;



6.2 If the first bidding fails, readvertise and conduct second bidding;

6.3 If the second bidding still fails, a negotiated sale may be resorted to subject for approval of the COA; and

6.4 Approve and issue the award to the winning bidder.

7. 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;

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

#### **H. DETERMINATION OF DISPOSABLE PROPERTY**

Any or all of the following conditions shall constitute disposable property

1. Property which can no longer be repaired or reconditioned;
2. Property whose maintenance cost/costs of repair outweighs the benefits and services that will be derived from its continued use;
3. Property that has become obsolete or outmoded because of changes in technology;
4. Serviceable property that has been rendered unnecessary due to change in the ministry's functions or mandate;
5. Unused supplies, materials and spare parts that were procured in excess of requirements; and
6. Unused supplies and materials that has become dangerous to use because of long storage or use of which is determined to be hazardous.

#### **I. MODES OF DISPOSAL**

The Disposal Committee shall recommend to the Minister the proper mode of disposal. Property may be disposed in any of the following modes:

##### **1. 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, namely

- 1.1 Adequate publicity and notification so as to attract the greatest number of interested parties
- 1.2 Sufficient time frame between publication and date of auction;
- 1.3 Opportunity afforded to interested parties to inspect the property assets to be disposed of;
- 1.4 Confidentiality of sealed proposals,
- 1.5 Bond and other pre-qualification requirements to guarantee performance;



#### 1.6 Fair evaluation of tenders and proper notification of award.

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

Publication of the public auction is required, for not less than three (3) consecutive days in any newspaper of general circulation, bulletin boards and website, or where the value of property does not warrant the expense of publication, by notices posted for a like period in at least three (3) public places in the locality where the property is to be sold. (Sec 79,P.D 1445)

#### 2. 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 by the proper committee or body in the agency or entity concerned taking into consideration the following factors

2.1 There was a failure of public auction. There is failure of public auction in any of the following instances:

2.1.1 If there is only one offeror. In this case, the offer or bid, if sealed, shall not be opened;

2.1.2 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;

2.2 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 government is established with a view to ensuring that the government gets the best price.

2.3 To avert possible confabulation among unscrupulous parties, a record of the proceedings of the negotiation must be maintained.

2.4 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.

#### 3. Barter

The direct exchange of commodities without the use of money and without reference to price or 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 government.

#### 4. 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 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)

#### 5. Donation of Property



Property recommended for disposal may be donated to educational, scientific, charitable or cultural institutions after executing a Deed of Donation, with the approval of COA.

#### 6. 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 either by burning, pounding, throwing beyond recovery, and the like. The head of agency shall approve the disposition.

#### J. DROPPING FROM THE BOOKS OF ACCOUNTS

Upon disposal of the property, the pertinent portions of the Inventory/Inspection Report (IIR), Waste Material Report (WMR) and Property Acknowledgement Receipt (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 the sale of property.

The disposal/archiving of official files and records shall be undertaken by the Supply Section, copy furnish Records Section in accordance with the prescribed rules and regulations of the National Archives of the Philippines.

This supersedes previous directives issued related to the disposal of government property.

RESOLVED at the MOST Regional Office, Cotabato City this 11<sup>th</sup> day of August, 2022.

**ENGR. AIDA M. SILONGAN, MAPDS**  
Minister, MOST

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