



Republic of the Philippines
Quezon City
OFFICE OF THE MAYOR

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EXECUTIVE ORDER NO. 1
Series of 2022

**CREATION OF A COMMITTEE ON DISPOSAL FOR UNSERVICEABLE
PROPERTIES, IDENTIFYING ITS MEMBERS, THEIR DUTIES AND
RESPONSIBILITIES AND OTHER PURPOSES.**

WHEREAS, Article 435 of the Implementing Rules and Regulations of the Local Government Code empowers local government units to create a committee which shall decide on the disposal of supplies and properties of the city;

WHEREAS, Commission on Audit (COA) Circular No. 89-296 and Sec. 163 of COA Circular No. 92-386 provide guidance on the disposal of unserviceable supplies or property in the local government;

WHEREAS, the Quezon City Government, in line with its commitment to ensure efficient fiscal management and its role as steward of the City's properties and resources, would like to optimize such resources particularly by liquidating unserviceable assets, thereby avoiding continuing inventory costs;

WHEREAS, a more expeditious disposal procedure of unserviceable properties is necessary in order to prevent the properties' further deterioration;

NOW THEREFORE, I, MA. JOSEFINA G. BELMONTE, Mayor of Quezon City, by virtue of the powers vested in me by law, do hereby order;

SECTION 1. COMPOSITION. The Committee for Disposal of Unserviceable Properties ("Disposal Committee") is hereby created, with the following members, who shall be the heads of the respective departments stated or their representatives:

Chairperson: City Mayor
Co-Chairperson: Office of the City Administrator
Members: General Services Department
City Treasury Department
City Accounting Department
City Budget Department

SECTION 2. CRITERIA FOR DISPOSAL. The Disposal Committee may designate specific City Government property for disposal for any of the following reasons: (i) when the concerned property is beyond economical repair, meaning that repair or maintenance is prohibitive and disadvantageous to the government considering such factors as maintenance expenses, downtime, replacement cost of spare parts, frequency

of breakdown or financial benefits of alternative modes such as rental of equipment or outright replacement; (ii) when the concerned property has become obsolete, redundant or surplus due to technological advancements, change of procedures, reorganization of office, or completion of project; (iii) to avoid unnecessary continuing carrying/inventory costs; (iv) to prevent further deterioration thereby obtaining the fair return in case of sale; (v) to relieve accountable officers of unnecessary accountability; or (vi) to free up and maximize available space for the local government.

SECTION 3. FUNCTIONS AND DUTIES. The Committee shall have the following functions:

- a. Inspect the unserviceable properties and verify justification for disposal;
- b. Set the final appraised value of all disposable properties considering obsolescence, market demand, physical condition and result of previous auctions of similar property;
- c. Prepare the inventory and inspection report to be submitted to the Commission on Audit to determine appraisal value of the properties to be disposed of;
- d. Ensure that the procedures conducted are in accordance with existing laws and regulations;
- e. Conduct coordination meetings and other necessary preparations for the efficient implementation of the disposal activity;
- f. Conduct technical data gathering including appraisal and obtain other supporting information from mandated offices;
- g. Conduct public auctions of concerned properties in compliance with applicable regulations and guidelines;
- h. Ensure that the dropping from the book of accounts of disposed property shall be subject to existing accounting and auditing rules and regulations; and
- i. Perform such other tasks as maybe described necessary and analogous to the foregoing functions and duties.

SECTION 4. DISPOSAL PROCEDURE. The Committee may undertake disposal of the concerned properties through the following procedure:

- a. **Public Auction.** The Committee shall dispose of the concerned properties through public auction. The Committee shall cause notice of the public auction to be published in a newspaper of general circulation or on the official website of the City, for an appropriate period prior to the conduct of the auction. The Committee shall also provide the Resident Auditor of the Commission on Audit with notice of the auction.
- b. **Negotiated Sale.** Should the public auction be unsuccessful, the Committee may dispose these properties through negotiated sale at no less than the appraisal value determined by the Committee.

c. **Barter.** Alternatively, the Committee may dispose of the concerned property through barter with other government agencies and/or government owned or controlled corporations.


d. **Destruction or Condemnation.** The Committee may order destruction or condemnation of the concerned property, when the property has no commercial value or is beyond economic repair, or there is no willing purchaser or receiver, or the appraised value is less than the administrative cost of sale, subject to prior inspection by the Resident Auditor or his/her representative. The property shall be destroyed or condemned either by burning, pounding, throwing beyond recovery, or other appropriate means.

e. **Donation.** At the reasonable discretion of the Committee, property recommended for disposal may be donated to other government units or charitable institutions or for any charitable purposes.

SECTION 5. SECRETARIAT. The General Services Department shall act as the Secretariat of the Committee. The Secretariat shall handle all the Committee's technical and administrative matters as well as the safekeeping and systematic filing of the Committee's documents and records.

SECTION 6. EFFECTIVITY. This Order shall take effect immediately.

DONE, 6th January 2022, Quezon City.


MA. JOSEFINA G. BELMONTE
Mayor