TESDA CIRCULAR

SUBJECT: Guidelines and Procedures on the Disposal of Unserviceable Properties		Page 1 of 7 page/s Number 18 Series of 2018
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In the interest of the service and pursuant to Section 79 of Presidential Decree 1445, COA Circular No. 89-296 and DBM National Budget Circular No. 425 and in order to prescribe uniform procedures, systematic and timely disposal of unserviceable TESDA properties, this set of guidelines and procedures on the disposal of unserviceable properties is hereby prescribed:

I. OBJECTIVES

1. To prescribe uniform procedures on disposal of unserviceable properties and provide pertinent policies, principles, rules and regulations governing disposal of TESDA properties, including those promulgated by fiscal authorities like the Commission on Audit (COA) and the Department of Budget and Management (DBM).
2. To ensure systematic and timely disposal of property to avoid further deterioration of its value.
3. To generate greater benefits to the government in terms of higher appraisal value for the property, lesser storage cost and better management of limited office space.

II. DEFINITION OF TERMS

1. **Unserviceable property** - refers to government property that is no longer needed or has become useless for any cause, such as, it can no longer be repaired or reconditioned; maintenance cost/cost of repair is more than or outweighs the benefits and services that will be derived from its continued use; obsolete or outmoded because of change of technology or unnecessary due to change in the agency's function or mandate.

2. **Beyond Economic Repair** - when the cost of repair and maintenance becomes prohibitive and disadvantageous to the government considering such factors as:

   2.1 Maintenance Expenses
   2.2 Downtime
   2.3 Replacement cost of spare parts
   2.4 Frequency of breakdown
   2.5 Alternative modes such as rental of equipment or outright replacement

3. **Economically Repairable -** that which can be rehabilitated and maintained at a cost economical to TESDA, considering the five (5) factors mentioned in item 2.0 above.

4. **Equipment** - any property, other than land, structures and fixed facilities, having useful life greater than a year, the cost of which amounts to P15,000.00 or more and which when used does not suffer any material or substantial change or alteration in size or form.

5. **Expendable property** - that which can be consumed, spent, or used-up, such as supplies

6. **Materials** - are expendable commodities used 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 efficiency either due to technological advancement, change of procedures, reorganization of office or completion of project.

9. **Scrap/Junk** - fragments of discarded materials that have no value except for its basic material contents and which cannot be reprocessed and reused on the operations of other government agencies.

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

III. POLICIES, PROCEDURES AND GENERAL GUIDELINES

A. Composition of the Disposal Committees

There shall be established Disposal Committees in the COROPOTI with the following officials as members:

Central Office Disposal Committee:

Chairman – Director IV, FMS/AS
Members – Chief, Property Division (PD)
Chief/Representative of General Service Division (GSD)
Representatives from different Executive Offices

Regional, Provincial and Training Centers Disposal Committee:

Chairman – Provincial Director duly designated by the Regional Director
Members – Chief, Finance and Administrative Services Division (FASD)
Chief, Regional Operations Division (ROD)
Administrative Officer V/Designated Supply Officer III

TESDA - Administered Schools Disposal Committee:

Chairman – Vocational School Superintendent/Administrator
Members – Administrative Officer
Supply Officer designate
Senior Technical Staff designate

B. **Chairman and Members of the Committee**

The Disposal Committee Chairman calls the meeting of the Committee and initiates the activities in the disposal process. In cases of conflicts or differences among the committee members especially regarding varying appraised values, the Chairman shall make the final decision as to which recommendation shall be submitted to the Head of the Agency for approval.

The members are clothed with the authority to make decisions in behalf of their respective offices during the various committee deliberations. The members are expected to undertake inspection, appraisal and valuation activities as a group or individually, and participate in the bidding and awarding activities.

C. **Secretariat Services**

The Secretariat shall be created by the committee consisting of personnel from the Procurement Division and/or the FASD of the Regional Offices, as the case may be, to handle all the Committees' technical and administrative matters, including the safekeeping and filing of committee documents and records.

D. **Functions of the Disposal Committees**

1. Conduct inspection and verification of unserviceable equipment and property listed in the Inventory and Inspection Report of Unserviceable Properties (IIRUP);
2. Set the final appraised value of all disposable property considering obsolescence, market demand, physical condition, and results of previous bidding for similar properties;
3. Recommend to the Head of the Agency for approval, the manner of disposal taking into consideration the pertinent provision of the law.
4. Where public bidding has been selected as the mode of disposal,
    a. Conduct public bidding for the sale of unserviceable property on an "AS IS, WHERE IS" basis.
    b. Recommend to the Head of the Agency, award to the highest bidder.

E. **Determination of Disposable Property**

Property shall be considered disposable in any or all of the following conditions are met:

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

F. **Submission of Disposal Documents**

The accountable officials and employees (Chief, Procurement Division and the Chief, FASD, Regional Office) in possession of unserviceable property shall submit to the Disposal Committee, through their respective heads of offices, the following accomplished forms, as appropriate, to evidence the surrendered property:

1. **Inventory and Inspection Report of Unserviceable Property (IIRUP)** - this form (*Appendix 74* of GAM Vol. II) shall be used as basis to record dropping from the books the unserviceable properties carried in the Property, Plant and Equipment accounts. (See Annex "A")

2. **Waste Materials Report (WMR)** - this form (*Appendix 65 of GAM Vol. II*) shall be used to report all waste materials previously taken up in the books of accounts as assets so that they may be properly disposed of and derecognized from the books. They covers but not limited to expendable materials, supplies and consumables including spare parts, empty containers, remnants from destroyed or damaged fixed assets (See Annex "B")

3. **Property Transfer Report (PTR)** - this form (*Appendix 76* of GAM Vol. II) shall be used when there are transfers of property from one Accountable Officer/ Agency/ Fund Cluster to another Accountable Officer/ Agency/Fund Cluster. (See Annex "C")

G. **Inspection**

The members of the Disposal Committee as a group or individually, shall invariably conduct an inspection of the property to be disposed to obtain first hand observation of the physical and operational condition of the property, their marketability or ability to attract prospective buyers.

In the conduct of ocular inspection, the following activities shall be performed, where applicable;

1. Verify stated serial number, motor number, property number, and other specifications necessary for establishing correct identification of the property.

2. Determine the physical condition/general appearance of the property relative to:
   a. the equipment being operational, economically repairable or beyond economical repair;
   b. the availability of spare parts and the general obsolescence of the equipment; and
   c. the quality, degree and extent of maintenance and repair done on equipment

3. In cases where the equipment is declared to be junk, the total estimated weight per lot should be determined to form as basis of the appraised value. The cost per unit of the property/ supplies inspected will depend on the kind of material appraised.

H. **Appraisal**

The objective of appraisal is to set the government's minimum selling price so that the government shall receive fair compensation for the items sold. The committee shall be guided in the appraisal of unserviceable property with pertinent COA rules and regulations.

I. **Modes of Disposal**

The Disposal Committee shall recommend to the Head of Agency/Office the proper mode of disposal. Property may be disposed in any of the following modes, as appropriate and deemed most advantageous to the government:

1. **Condemnation/Destruction of Property**

This mode shall be resorted to only when the unserviceable property has no commercial value, is beyond economic repair, there is no willing receiver; and or the appraised value is less than the administrative cost of sale. Valueless, unsalable or hazardous property may be condemned and destroyed by burning, pounding, breaking, shredding, throwing or any other method by which the property is disposed beyond economic recovery. Destruction shall be made in the presence of the Disposal Committee.

2. **Transfer of Property**

Where the property or assets involved are no longer serviceable or needed by the Agency, they may be transferred to other government entities/agencies without cost or at an appraised value upon authority of the Head of Agency/Office and the head of the receiving agency, and upon due accomplishment of a Property Transfer Report (PTR).

3. **Barter**

This is a modified form of transfer of property wherein an agency transfers property to another government agency in exchange for another piece of property. The value of the property being transferred may or may not be equivalent to that being received.

In effecting barter of property, the PTR shall be prepared by each party and transmitted together with the property to the other party.

4. **Donation of property**

Property recommended for disposal may be donated to charitable, scientific, educational or cultural associations on exceptional and meritorious cases with the approval of the COA and the DBM.

5. **Sale of Property**

a. ***Sale thru Public Bidding*** – As a general rule, sale or disposal of government property shall be through public bidding. This is done through *sealed public bidding*, or when circumstances warrant, by *viva voce*.

- ***Sealed Public Bidding.*** Sealed public bidding is characterized by the submission of sealed bids by prospective buyers, whereby the time, date, and place of opening of bids is indicated in the Invitation to Bid; the evaluation of bid tenders by the Disposal Committee; and the awarding to the highest complying bidder.

➢ ***Viva Voce.*** Disposable property of insignificant value or such nature that requires immediate disposal shall be sold through public auction by viva voce to be conducted by the Disposal Committee. Other situations/cases for viva voce are those involving the disposal of waste materials and/or spare parts of insignificant value.

b. ***Sale thru Negotiation*** – is resorted to as a consequence of failure of public bidding for two (2) consecutive times. There is failure of public bidding in any of the following instances:

- ✓ There is no bidding participant.
- ✓ Only one (1) bidder submitted a bid tender for each lot. In this case, the bid, if sealed shall not be opened.
- ✓ All bidders failed to comply with the terms and conditions prescribed in the Invitation to Bid.
- ✓ Complying bidders failed to meet the minimum bid price.

The Guidelines/Procedures in the Sale of Property pursuant to DBM National Budget Circular No. 425 dated January 28, 1992 shall be used for this purpose (Appendix A).

The COA auditor or his/her representative shall be invited at all times to witness the proceedings of the opening of the bids and actual disposal of the property.

J. **Dropping from the Books of Accounts**

Upon disposal of property, the pertinent portions of the Inventory & Inspection Report of Unserviceable Property, Waste Materials Report or Property Transfer Report, whichever are 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 sale of property.

IV. EFFECTIVITY

This Circular shall take effect as indicated and shall supersede any other issuance/s inconsistent hereof.

GUILING "GENE" A. MAMONDIONG
Director General/Secretary

INVENTORY AND INSPECTION REPORT OF UNSERVICEABLE PROPERTY
(IIRUP)

INSTRUCTIONS

A. The IIRUP is a report prepared by the Supply and/or Property Unit as basis to record dropping from the books the unserviceable properties carried in the PPE accounts.

B. This report shall be accomplished as follows:
   1. **As at** _____ – the period covered by the report
   2. **Entity Name** – the name of the agency/entity
   3. **Fund Cluster** – the fund cluster name/code in accordance with the UACS
   4. **Name of the Accountable/Designation/Station** – the name, designation and station of the Accountable Officer
   5. **Inventory**
      - **Date Acquired** – acquisition date of the PPE
      - **Particulars/Articles** – description of the unserviceable PPE
      - **Property No.** – the assigned number to the unserviceable PPE
      - **Quantity** – quantity of unserviceable PPE
      - **Unit Cost** – cost per unit of unserviceable PPE
      - **Total Cost** – total amount of unserviceable PPE (Quantity x Unit Cost)
      - **Accumulated Depreciation** – accumulated depreciation of unserviceable PPE
      - **Accumulated Impairment Losses** – accumulated impairment losses of unserviceable PPE
      - **Carrying Amount** – cost less accumulated depreciation and accumulated impairment losses
      - **Remarks** – additional information on the unserviceable PPE such as condition, status, etc.
   6. **Inspection and Disposal**
      - **Disposal** – the amount per mode of disposal such as sale, transfer, destruction, etc.
      - **Appraised Value** – appraisal assigned by the agency/entity
      - **Record of Sales** – the official receipt number and corresponding amount for the sales proceeds

C. In cases where technical knowledge is needed for the determination of the true condition or actual current value of the property to be inspected, a Technical Inspector with the required knowledge and training shall inspect the same.

D. Certain property, due to its very nature, becomes worthless as a whole, but certain parts of motor vehicles or of some equipment with brass ornaments, buckles, etc., which possess intrinsic value in themselves or which may be useful in making repairs to other equipment. In such cases, and wherever practicable, the valuable part or parts of the article or equipment shall be separated from the worthless part/s for proper accounting by the Accountable Officer at their appraised valuation or for proper disposition under Sections 79 of P.D. No. 1445.

E. When the property is sold, the record of sales shall be accomplished. The Inventory and Inspection Report of Unserviceable Property shall be submitted to the Accounting Division/Unit after the disposal is completed.

F. The original copy of the report shall be the basis for adjusting the accounts affected by means of a JEV.

G. Request for Inspection shall be as follows:

"I HEREBY request inspection and disposition, pursuant to Section 79 of P.D. No. 1445, of the property enumerated above.

Requested by:	*Approved by:*
_____	_____
(Signature over Printed Name of Accountable Officer)	*(Signature over Printed Name of Authorized Official)*
_____	_____
(Designation of Accountable Officer)	*(Designation of Authorized Official)"*

H. Certification in the report shall be as follows:

"I CERTIFY that I have inspected each and every article enumerated in this report, and that the disposition made thereof was, in my judgment, the best for the public interest.

_____

(Signature over Printed Name of Inspection Officer)"

"I CERTIFY that I have witnessed the disposition of the articles enumerated on this report this ____day of _____, _____.

_____

(Signature over Printed Name of Witness)"

I. This report shall be prepared in three (3) copies and submitted by the Accountable Officer to the following:

Original – Accounting Division/Unit
Copy 2 – Supply and/or Property Custodian's file
Copy 3 – COA, TSO, for inspection of PPE that requires evaluation by experts

Annex "A"

Appendix 74

INVENTORY AND INSPECTION REPORT OF UNSERVICEABLE PROPERTY

As at _____

Entity Name: _____ **Fund Cluster :** _____

_____ _____ _____

(Name of Accountable Officer) *(Designation)* *(Station)*

INVENTORY										INSPECTION and DISPOSAL							
										DISPOSAL						RECORD OF SALES	
Date Acquired	Particulars/ Articles	Property No.	Qty	Unit Cost	Total Cost	Accumulated Depreciation	Accumulated Impairment Losses	Carrying Amount	Remarks	Sale	Transfer	Destruction	Others (Specify)	Total	Appraised Value	OR No.	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)

I HEREBY request inspection and disposition, pursuant to Section 79 of PD 1445, of the property enumerated above.

Requested by:

_____
(Signature over Printed Name of Accountable Officer)

_____
(Designation of Accountable Officer)

Approved by:

_____
(Signature over Printed Name of Authorized Official)

_____
(Designation of Authorized Official)

I CERTIFY that I have inspected each and every article enumerated in this report, and that the disposition made thereof was, in my judgment, the best for the public interest.

_____
(Signature over Printed Name of Inspection Officer)

I CERTIFY that I have witnessed the disposition of the articles enumerated on this report this ____day of _____, _____.

_____
(Signature over Printed Name of Witness)

Annex "B"

Appendix 65

WASTE MATERIALS REPORT

Entity Name : _____ **Fund Cluster :** _____

Place of Storage : _____ Date : _____

ITEMS FOR DISPOSAL

Item	Quantity	Unit	Description	Record of Sales		
				Official Receipt		
				No.	Date	Amount
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
			TOTAL			

Certified Correct :

_____
Signature over Printed Name of Supply and/or Property Custodian

Disposal Approved :

_____
Signature over Printed Name of Head of Agency/Entity or his/her Authorized Representative

CERTIFICATE OF INSPECTION

I hereby certify that the property enumerated above was disposed of as follows:

Item _____ Destroyed
Item _____ Sold at private sale
Item _____ Sold at public auction
Item _____ Transferred without cost to __(Name of the Agency/Entity)__

Certified Correct:

_____
Signature over Printed Name of Inspection Officer

Witness to Disposal:

_____
Signature over Printed Name of Witness

WASTE MATERIALS REPORT
(WMR)

INSTRUCTIONS

A. The WMR shall be used by the Supply and/or Property Custodian to report all waste materials previously taken up in the books of accounts as assets or in his/her custody so that they may be properly disposed of and derecognized from the books.

B. It shall be accomplished as follows:

1. **Entity Name** – name of the agency/entity
2. **Fund Cluster** – the fund cluster name/code in accordance with the UACS
3. **Place of Storage** – exact location of the item/s for disposal
4. **Date** – date of the preparation of the report
5. **Item** – entry number in the report
6. **Quantity** – number of item/s being reported as waste material/s
7. **Unit** – unit of measurement of item/s being reported as waste material/s (i.e., piece, roll, box, ream, etc.)
8. **Description** – name and description of item/s being reported as waste materials
9. **Record of Sales-Official Receipt-No.** – official receipt number covering the sale of waste materials
10. **Record of Sales-Official Receipt-Date** – date of the official receipt covering the sale of waste materials
11. **Record of Sales-Official Receipt-Amount** – amount received for waste materials sold based on the OR
12. **Total** – total amount of sales
13. **Certified Correct** – printed name and signature of the Supply and/or Property Custodian
14. **Disposal Approved** – printed name and signature of the Head of the Agency/Entity or his/her authorized representative

CERTIFICATE OF INSPECTION

15. Indicate the corresponding item number of the waste material in the line opposite the mode of disposal made whether destroyed, sold at private sale, sold at public auction, and/or transferred without cost.
16. **Certified Correct** – printed name and signature of the Inspection Officer concerned
17. **Witness to disposal** –printed name and signature of the person authorized to witness the disposal of the waste material/s

C. This report shall be prepared in three (3) copies distributed as follows:

Original	–	Chief Accountant/Head of Accounting Division/Unit
Copy 2	–	Supply and/or Property Custodian's file
Copy 3	–	COA Auditor

Annex "C"

Appendix 76

PROPERTY TRANSFER REPORT

Entity Name : _____ **Fund Cluster :** _____

From Accountable Officer/Agency/Fund Cluster : _____
To Accountable Officer/Agency/Fund Cluster : _____

PTR No. : _____
Date : _____

Transfer Type: (check only one)

☐ Donation ☐ Relocate
☐ Reassignment ☐ Others (Specify) _____

Date Acquired	Property No.	Description	Amount	Condition of PPE

Reason for Transfer:

_____
_____
_____
_____
_____

	Approved by:	Released/Issued by:	Received by:
Signature :			
Printed Name :			
Designation :			
Date :			

PROPERTY TRANSFER REPORT
(PTR)

INSTRUCTIONS

A. This form shall be used when there are transfers of property from one Accountable Officer/Agency/Fund Cluster to another Accountable Officer/Agency/Fund Cluster.

B. It shall be accomplished as follows:

1. **Entity Name** – name of the agency/entity
2. **Fund Cluster**– the fund cluster name/code based on UACS
3. **From Accountable Officer/Agency/Fund Cluster** – name of the accountable officer/agency/fund cluster where the property is located
4. **To Accountable Officer/Agency/Fund Cluster** – name of the accountable officer/agency/fund cluster where the property is to be transferred
5. **PTR No.** – number assigned to the report by the Supply and/or Property Custodian for control purposes which shall be as follows:

   0000 – 00 – 0000
   - 0000 → Year
   - 00 → Month
   - 0000 → Serial number (one series for each year)

6. **Date** – date of the preparation of the PTR
7. **Transfer Type** – put a check "√" mark in the appropriate box corresponding to the type of transfer
8. **Date Acquired** – acquisition date of the property
9. **Property No.** – property number assigned to the property transferred
10. **Description** – brief description or details of the property including serial number, if any
11. **Amount** – acquisition cost of the property
12. **Condition of PPE** – present condition of the property transferred
13. **Reason for Transfer** – reason for the transfer of property (i.e., retirement, reassignment or disposal, donation, etc.)
14. **Approved by** – signature over printed name and designation of Agency/Entity Head for transfer to another agency or Head of Supply and/or Property Unit in case of property transfer to another accountable officer and the date of approval
15. **Released/Issued by** – signature over printed name and designation of the assigned releasing officer of the Supply and/or Property Unit and specify the date released
16. **Received by** – signature over printed name and designation of the assigned receiving officer of an agency/entity or employee/user and also indicate the date of receipt

C. In case of transfer of property/asset from one agency/entity to another, a copy of the JEV of the transferring agency/entity shall be attached to Copy 2 of this report.

D. It shall be prepared in four (4) copies distributed as follows:

Original	–	Chief Accountant or Head of Accounting Division/Unit
Copy 2	–	Recipient or user of the property
Copy 3	–	Transferring agency/entity or user/officer
Copy 4	–	Supply and/or Property Unit file

Appendix A

PART III

GUIDELINES/PROCEDURES IN THE SALE OF PROPERTY

A. Prebidding Requirements

1. *Preparation of the Invitation to Bid (ITB).* The ITB is prepared by the owning agency and signed by the agency head or any authorized official. The ITB must contain the following:

   a. The name of the owning agency:

   b. Sufficient descriptive information on the items/lots for bidding, such as:

      - location of the property to be disposed
      - quantity
      - name of items
      - specifications, where necessary

   c. Date, time and place of pre-bidding conference, if necessary;

   d. Date, time and place of submission and opening of bids;

   e. Information on bidding requirements such as accomplishment of the bid tender, submission of bid bonds, terms of payment and claims, among others.

   f. Reservation or option on the part of the government to accept or reject any or all bids.

3. *Publication of the ITB.* The ITB must be published in a newspaper of general circulation if the cost of such publication does not exceed 50% of the value of the property. Otherwise, substitute publication may be availed of, by posting copies of the ITB in conspicuous public places in the area where the property is located or where the bidding will be conducted. Copies of the ITB may also be sent by mail or personal delivery to prospective bidders.

4. *Schedule of Bidding.* Bidding shall be scheduled on a date not less than seven (7) working days from date of issuance/publication/posting of the ITB.

B. Who may Participate in Public Bidding

Any person, partnership or corporation complying with the prescribed rules and regulations may participate in the sale by public bidding.

Source: National Budget Circular No. 425 dated January 28, 1992 issued by the Department of Budget and Management

C. Accomplishment and Submission of Bids

1. *Preparation of the Bid Tender.* Any qualified bidder shall accomplish his Bid Tender, clearly indicating the following, among others:

   a. The description of the items/lots with the corresponding bid offer clearly indicated in figures and in words

   b. The name and signature of the bidder

   c. The business or residence address of the bidder

   d. The business license number or Residence Certificate number of the bidder

   e. Terms and conditions offered regarding bidders bond, payment, default and delivery

2. A bidder shall accomplish the Bid Tender in at least three (3) copies, preferably typewritten. Bid tenders should be properly signed and submitted to the Chairman of the Disposal Committee on or before the time scheduled for the opening of the bids. The envelope containing the bid tender should be sealed and addressed properly and correctly.

   2.1. If the items are being sold by lots, bidders shall submit bid tenders for different lots in separate envelopes.

   2.2. If the items are being sold by lots and all lots where interested buyers may offer a bid for each lot or a single bid for all lots, the bid tender shall be submitted in only one envelope.

3. Erasures or interlineations should be avoided or duly initialed by the bidder.

D. Bid Bond

1. Bid bond per item/lot, as the case may be, which shall accompany the bid tender or is presented at the time of the opening of bids, shall be required from each bidder and should be at least 10% of the minimum bid price set by the government.

2. Bid bonds should be in the form of cash, manager's check, or cashier's check acquired from a reputable bank within the area where bidding is to be held.

E. Defective Bids

Bids that are not in prescribed form (e.g. unsigned bids) and/or those not accompanied or guaranteed by bid bonds at the time of opening bids are considered defective bids.

Defective bids are automatically disqualified. However, exceptional cases may occur where a defective bid may be favorably considered by the Disposal Committee. The defective bid may then be rectified in the presence of the bidders and members of the Disposal Committee.

F. Withdrawal of Bids

1. A bidder may be allowed to withdraw a bid tender before the time of opening of the bids. His bid shall be returned unopened.

2. After the opening of the bids, no bidder shall be allowed to withdraw his offer unless the following conditions are met:

   a. There is a mistake in the offer.

   b. The mistake refers to the object or principal conditions of the proposal.

   c. The reason for such mistake must be conclusive and convincing.

G. Opening of Bids

All bids shall be opened at the time, date and place set in the invitation to bid under the direction of the Disposal Committee and in the presence of the COA Auditor. Bidders or their duly authorized representatives may witness the proceedings.

The bid tender shall be signed by the members of the Disposal Committee immediately after it is opened and announced in order to confirm compliance with the requirements of the bidding.

The bid tenders are filed for safekeeping by the Secretariat of the Disposal Committee.

H. The Abstract of Bids

An Abstract of Bids in triplicate shall be prepared during the bidding proper showing the name of the owning agency, the date, time and place of bidding, names of bidders with their corresponding amount of bid tenders and bid bonds per item/lot, including reason for disqualification where applicable. The Abstract of Bids shall be signed by the members of the Disposal Committee.

The purpose of the Abstract of Bids is to show in matrix-summary form the individual bidders, their bids and bid bonds per item/lot, and the confirmation of the Disposal Committee. Each member of the Committee shall be provided with a copy of the Abstract of Bids.

I. Unsuccessful Bidding

If the sale through public bidding is unsuccessful, a rebidding shall be scheduled. Bidding may be declared unsuccessful in any of the following cases:

a. There is no bidding participant

b. Only one (1) bidder submitted a bid tender for each lot.

c. All bidders failed to comply with the terms and conditions prescribed in the Invitation to Bid.

d. Complying bidders failed to meet the minimum bid price.

In case of failure of the second bidding, the Disposal Committee may dispose of the property through negotiation.

J. Negotiated Sale

In case the second public bidding fails, the property may be sold at a private or negotiated sale. Negotiation within one (1) month from the date of the second failed bidding shall be done with the bidders of the first and/or second failed bidding and other prospective bidders (such as those who obtained bid forms but did not submit bid tenders) at a price not lower than 80% of the appraised value. If negotiation is done after one (1) month, participants in the negotiation shall be expanded to include other potential buyers aside from those abovementioned.

If negotiation shall take place after six (6) months from date of second failed bidding, the property should be reappraised and sold at not lower than 90% of reappraised value.

Bid bonds shall be required from all participants in the negotiation.

K. Awarding of Bids

1. Award shall be given to the highest complying bidder.

2. When two or more complying bidders made identical offers, public auction viva voce between those who made identical bids shall be resorted to at a price not less than the offered bids.

3. Awarding of bids should be done immediately after the opening of bids, if practicable. Bid bonds of losing bidders shall be returned immediately after the announcement of the winning bidder.

4. In case of deferment of award, a temporary receipt shall be issued by the agency to acknowledge submission of bid tenders. Once the Disposal Committee completes its deliberations and determines the winning bidder, bid bonds of losing bidders shall be returned upon presentation of the receipt immediately after awarding of the winning bidder. Deferment of award shall not exceed five (5) working days from date of opening of bids.

L. Payment

1. Upon determination of the awardee, the bid bond shall be considered as partial payment and the difference between such payment and the offered bid price shall be paid in the form of cash, cashier's check or manager's check of a reputable bank within the area where the bidding was held. Full payment shall be made within five (5) working days from the date of the notice of award.

2. In case of failure of full payment within the prescribed period, the awardee may be penalized through cancellation of the award and forfeiture of the bid bond in favor of the government .

M. Claiming of Award

1. Claims shall be made only by the awardee, after the bid price is fully paid as evidenced by an official receipt. It shall be effected in the presence of the reporting accountable officer or his duly authorized representative and witnessed by the Disposal Committee.

2. The property officer of the owning agency shall accomplish a tally-out sheet as evidence of actual delivery. The tally-out sheet shall be signed by authorized agency official and the buyer acknowledging receipt of the items.

3. Claims shall be made only during official government working hours.

4. Claims shall be made within the period fixed by the Disposal Committee but not more than 30 days after awarding. Failure on the part of the awardee to claim the property within the stipulated period, shall have the effect of cancellation of the award/contract. The awardee shall then be charged storage fees and other incidental fees/costs or damages, i.e., costs incurred in the conduct of another public bidding or negotiation. If the property remains unclaimed over a prolonged period of time, ownership of the contracted/awarded property shall automatically revert to the government. The government shall then have the right to dispose

the property through whatever manner the Disposal Committee deems most advantageous to the government.

N. Taxes, Customs Duties, Costs or Charges

The buyer of disposable property shall pay, in addition to the purchase price, any taxes, customs duties, costs or charges of any kind or nature whatsoever levied, or to be levied in connection with the sale of property. All expenses incidental to the withdrawal of the property shall be borne by the awardee.