

MALACAÑANG

Manila

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 389

GUIDELINES ON THE DISPOSITION OF GOVERNMENT IDLE PROPERTIES LOCATED IN THE PHILIPPINES

Upon recommendation of the Ad Hoc Committee created under Administrative Order No. 9, dated September 11, 1992, as amended by Administrative Order No. 210, dated August 11, 1995, I, FIDEL V. RAMOS, President of the Philippines, by virtue of the powers vested in me by law, do hereby order as follows:

SECTION 1. Definition of Terms

The following terms are to be understood and interpreted as follows for the purpose of this Order:

- (a) "Government Idle Properties located in the Philippines" mean all real properties such as land, buildings and other improvements located in the Philippines and owned by the National Government through its departments, bureaus, offices, agencies and instrumentalities, including government owned or controlled corporations (GOCCS) which have remained unutilized and/or underutilized.
- (b) "Underutilized Properties" mean those which have not been substantially developed, improved or cultivated for a period of more than five years.

SEC. 2. Coverage.

These guidelines shall apply to government idle properties located in the Philippines. Government idle properties located abroad are exempt from the coverage as the latter is governed by Administrative Order No. 8, dated 11 September 1992.

SEC. 3. Inventory.

The Ad Hoc Committee (AHC) created pursuant to A.O. No. 9, as amended by A.O. No. 210, shall review and complete the existing inventory of government idle properties located in the Philippines.

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On the basis of the said inventory, the AHC shall determine the following:

- (a) Government idle properties suited for retention by the Government, and
- (b) Government idle properties suited for disposition.

Included in the determination in (a) are at least ten (10) government lands which can be developed for government offices and/or business establishments.

SEC. 4. Assets for Retention and Disposition.

The following guidelines shall be observed in order to maximize utilization of government idle properties located in the Philippines:

4.1. Assets for Retention

- 4.1.1. AHC shall identify potential areas where government offices can be located and determine if any of the idle properties owned by the Government and located in the said area can be retained. All Government entities that are interested in the property shall submit their intention to use or acquire said properties and their reasons therefor, to the AHC within 30 days from receipt of the AHC notice.
- 4.1.2. The transfer or conveyance of a government idle property from one Government institution to another shall be based on the latest appraisal value of the property, as determined by an independent appraisal entity.
- 4.1.3. Upon determination by AHC of government idle properties suited for retention, it shall submit to the President the recommended action plan for the latter's clearance.

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4.2. Assets for Disposition

- 4.2.1. All government idle properties located in the Philippines not identified and determined as suited for retention, shall be available for disposition. Assets identified by AHC for disposition through BOT shall be endorsed by AHC to NEDA, upon clearance by the President.
- 4.2.2. All other remaining assets identified by AHC for disposition shall be endorsed by AHC to the Committee on Privatization (COP), upon clearance by the President.
- 4.2.3. In the disposition of said assets, COP may consider alternative divestment schemes such as sale, lease, management and maintenance contracts or other divestment options.
- 4.2.4. The offer to private entities shall be through public bidding. However, if there's a failure to bid during the first auction, negotiation may be undertaken, as provided by COA Circular No. 89-296.
- 4.2.5. Sale of all assets shall be published in at least three newspapers of general circulation in the Philippines for three (3) consecutive days. Furthermore, the first publication shall occur at least ten (10) days prior to the scheduled bidding date or date of negotiation, as provided by R.A. 7661.

SEC. 6. Effectivity.

This Order shall take effect immediately upon approval.

Done in the City of Manila, this 27th day of March, in the year of Our Lord, nineteen hundred and ninety eight.

By the President:


ALEXANDER F. AGUIRRE
Executive Secretary

