



Department of Budget and Management  
**GOVERNMENT PROCUREMENT POLICY BOARD**  
**TECHNICAL SUPPORT OFFICE**

**NPM No. 165-2012**

28 December 2012

**HON. KIM S. JACINTO-HENARES**

*Commissioner*

**BUREAU OF INTERNAL REVENUE (BIR)**

BIR National Office Building,

Agham Road, Diliman, Quezon City

**Re: Bidding for Demolition of BIR Records Center**

Dear Commissioner Henares:

We respond to your letter dated 29 November 2012 seeking guidance on the applicability of Republic Act (RA) 9184 and its revised Implementing Rules and Regulations (IRR) in the disposal of unserviceable properties.

As represented, the BIR Record Center (BIR-RC) building located at Burke Street corner Muelle del Blanco, Sta. Cruz, Manila, has been assessed by A.C. Ong, a private consulting firm commissioned by the BIR, to be "structurally unstable and unsafe for continued occupancy and should be vacated immediately and/or subject to demolition". Before the National Disposal Committee (NDC) proceeds to cause the demolition of BIR-RC in accordance with its mandate to dispose various unserviceable properties under Revenue Memorandum Order No. 27-99, BIR would like to seek the opinion of this office considering that the demolition project will entail no cost to the government, and that prospective demolition contractors have offered to pay for possible recovered scrap materials.

RA 9184 applies to activities of government involving the acquisition of goods or consulting services and contracting for infrastructure projects. It does not cover disposal of government properties. Disposal of unserviceable equipment and property of all government agencies is covered by Executive Order (EO) 888<sup>1</sup>. However, in the case of disposal of government-owned buildings, EO 285<sup>2</sup>, specifically Section 3.1(e) thereof, identified the Department of Public Works and Highways (DPWH) as the agency in-charge. In line with this function, the DPWH, together with the Department of Budget and Management (DBM) and the Department of Environment and Natural Resources (DENR), issued Joint Circular No. 1<sup>3</sup>, which provides among others, the procedures on demolition of buildings.<sup>4</sup>

<sup>1</sup> Authorizing Ministers and Heads of Ministries/Agencies to Dispose of, Their Respective Unserviceable Equipment and Disposable Property dated 18 March 1983.

<sup>2</sup> Abolishing the General Services Administration and Transferring its Functions to Appropriate Government Agencies dated 25 July 1987.

<sup>3</sup> Dated 30 September 1989 entitled Manual on Policies Standards, Guidelines and Issuances on Building Services and Real Property Management.

<sup>4</sup> Chapter 5, Joint Circular No. 1, on Demolition of Buildings, provides in part as follows:

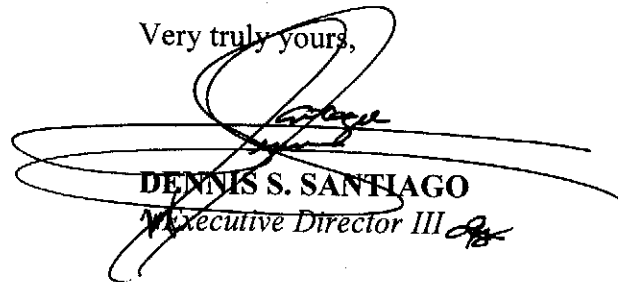
*Guidelines on the Disposal of Public Building*

5.1.1 The Building Administrator prepares the request for the demolition of the building (through channels).

Based on the foregoing, and considering further that Disposal and Procurement are two distinct government transactions covered by different rules and regulations, it is our considered view that the demolition of the BIR-RC building is not subject to the provisions of RA 9184 and its IRR, but is covered by the provisions of Joint Circular No. 1, dated 30 September 1989, issued by the DPWH, DBM and DENR.

We hope that our advice provided sufficient guidance on the matter. Please note that this opinion is being rendered on the basis of the facts and particular situation presented, and may not be applicable given a different set of facts and circumstances. Should you have additional questions, please do not hesitate to contact us.

Very truly yours,



**DENNIS S. SANTIAGO**  
*Executive Director III*

//LSD3 *dk*

- 
- 5.1.2 Submits request including the accomplished Inventory and Inspection Report (I and I Report) or General Form No. 17-A to the City/Municipal/District Engineer's Office of the DPWH.
  - 5.1.3 The City/Municipal/District Engineer's Office of the DPWH inspects the subject building. If found out that the subject building is beyond economic repair and hazardous to the lives of the occupants, the Engineer's Office issues a certification stating that said structure or building is dilapidated and not habitable.
  - 5.1.4 The request including the I & I Report and certification from the District Engineer's Office is forwarded to the Secretary of the DPWH for approval.
  - 5.1.5 After the request is acted upon by the Secretary, the papers go back to the District Engineer's Office for implementation.
  - 5.1.6 The District Engineer's Office implements the approved demolition of the building.