



Republic of the Philippines
Department of Transportation
LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD
East Avenue, Diliman, Quezon City

MEMORANDUM CIRCULAR NO. 2019- 011

SUBJECT: **PRESCRIBING THE LTFRB GUIDELINES, RULES AND PROCEDURES ON THE DISPOSAL OF IMPOUNDED AND ABANDONED VEHICLES**

WHEREAS, the Department of Transportation (DOTr) issued Department Order No. 2018-009 dated 09 January 2018 authorizing the Land Transportation Franchising and Regulatory Board to conduct the disposal of impounded and abandoned vehicles;

WHEREAS, under the said Department Order, the Department of Transportation authorizes the LTFRB and its Regional Franchising and Regulatory Offices (RFROs) to dispose of unredeemed and impounded vehicles under its custody in accordance with COA Circular No. 89-296 and E.O. No. 888;

WHEREAS, pursuant to the said Department Order, the LTFRB is mandated to promulgate the relevant implementing Memorandum adopting and prescribing rules and procedures for the disposition of unredeemed and impounded vehicles within thirty (30) days from its effectivity;

WHEREAS, the following guidelines, rules and procedures are hereby promulgated:

1. The Technical Division of the LTFRB shall prepare an inventory and inspection reports of all vehicles impounded for six (6) months or more reckoned from the final resolution of the cases and submit the same to the Committee on Disposal.

The inventory and inspection report shall contain the itemized list and complete description of the impounded vehicles, their make, model, plate number, their respective certificates of registration, official receipts, stencils of their respective chassis and engine numbers, current photographs (front and side views), classification whether serviceable or unserviceable, the IRS numbers, unpaid fines, penalties, surcharges duly imposed thereon and adjudicated with finality or no appeal having been filed within the reglementary period, the storage fees incurred and their respective appraisal values.

The appraisal values of the vehicles shall consider obsolescence, market demand, physical condition and result of previous bidding for similar property and other relevant factors. For purpose of determining the appraisal values, the Technical Division may avail of the technical expertise of duly accredited adjusters.

2. The Committee on Disposal shall conduct a physical and ocular inspection of the impounded and abandoned vehicles listed in the inventory and inspection report of the Technical Division with a Commission on Audit representative to witness the same and shall set the minimum price for each vehicle (indicative price) at which the said vehicles will be sold at public bidding/auction. The minimum price for each vehicle shall in no way less than the total unpaid fines, penalties, surcharges and storage fees imposed on and incurred by each particular vehicle.
3. The Committee on Disposal shall submit the Inventory and Inspection Report together with the corresponding minimum prices at which the vehicles will be sold at public bidding/auction to the LTFRB COA for review and thereafter to the Chairman of the LTFRB for his final approval.
4. The persons in whose names the vehicles are registered will be notified by registered mail with return card for them to pay the fines, penalties and surcharges duly imposed by the LTFRB and the storage fees incurred within fifteen (15) days from receipt of the notice. Vehicles not claimed within the (15) day period from receipt of the notice shall be included in the FINAL list of vehicles to be sold at public bidding/auction.
5. The final list of motor vehicles to be sold at public bidding/auction and the time and place of the public bidding/auction including the minimum price for each vehicle shall be published in a newspaper of general circulation once a week for three (3) consecutive weeks, posted at the LTFRB website, at the PhilGEPS and in the bulletin board of the LTFRB.
6. The sale at public bidding/auction to the highest bidder shall be conducted in the presence of the resident LTFRB COA auditor or his/her representative.
7. Bidders who purchased bid forms at least one (1) week before the scheduled public bidding/auction shall be allowed to inspect the vehicles subject of public bidding/auction.
8. On the day of the sale at public bidding/auction, the bidders shall post a cash bond equivalent to at least ten percent (10%) of their bid amount/s the same to be deposited in a special account. The conduct of the public bidding/auction for the sale of impounded and abandoned vehicles shall be on an "AS IS", "WHERE IS" basis.
9. After the opening of bids, the highest bids shall be declared winning bidders. The Committee on Disposal shall then issue the abstract of bids and the Notice of Award (NOA) to the winning bidders who shall then pay in full the bid price to the LTFRB under a special account within fifteen (15) days from receipt of the Notice of Award. The ten percent (10%) cash bond shall be deducted from the total bid price to be paid. Otherwise, the cash bond posted by the winning bidders under Par. 8 hereof will be forfeited in favour of the LTFRB should they fail to pay the bid price within the fifteen (15) day period.

The cash bond posted by the losing bidders will be returned to them.

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


10. The winning bidders shall be advised to take out from the impounding area the awarded vehicles within three (3) days from the full payment of the bid price.
11. The proceeds of the sale at public bidding auction shall first be applied to all liens, fees, fines, penalties, surcharges towing and transfer charges, and other charges like the cost of publication and mailing owing and payable to the LTFRB, then secondly to the storage fees and the balance shall be returned to the person/s in whose name/s the vehicle/s is/are registered.
12. The Committee on Disposal shall prepare the report of the sale, copies of the notice of award and other pertinent documents which shall be forwarded to the Commission on Audit for its information and reference.
13. The Committee on Disposal shall furnish the Finance and Management Division copies of all the documents for recording and auditing purposes.

EFFECTIVITY

This Memorandum Circular shall take effect immediately following its publication in at least one newspaper of general circulation. Let three (3) copies hereof be filed with the UP Law Center pursuant to Presidential Memorandum Circular No. 11, dated 09 October 1992.


SO ORDERED.

Quezon City, Philippines 11 MAR 2019.


ATTY. MARTIN B. DELGRA III
Chairman




ENGR. RONALDO F. CORPUS
Board Member


GEN. ANTONIO N. GARDIOLA, JR. (Ret.)
Board Member

Attested by:


ATTY. SAMUEL A. M. JARDIN
Executive Director