

**Memorandum Circular
No. 19
September 10, 1990**

SUBJECT: Amendment of Certain Provisions of DENR Memorandum Order No. 36, Series of 1988 (Guidelines on the Confiscation, Seizure and Disposition of Illegally Cut, Gathered and/or Transported Forest Products)

In order to prevent the manipulation by lumber dealers and processors of the bidding process of confiscated forest products and to increase proceeds realized therein, the following amendments to Items 5.e, 5.j and 5.h of DENR Memorandum Order No. 36, Series of 1988 are hereby made:

1. Para. 2, Item 5.e, Page 7 on Accreditation of Bidders shall read as follows:

"FOR LUMBER AND LUMBER PRODUCTS, THE BIDDING SHALL BE OPEN TO THE GENERAL PUBLIC. HOWEVER, FOR LOGS AND OTHER UNPROCESSED FOREST PRODUCTS, IN ADDITION TO THE ABOVE REQUIREMENTS, a prospective bidder shall likewise submit proofs that he is a duly registered log dealer, or sawmill operator, furniture manufacturer, or manufacturer of other forest products or that he is an authorized official acting for a NACIDA-registered/recognized cooperative."

"FURTHERMORE, PURSUANT TO THE PROVISIONS OF REPUBLIC ACT NO. 6713, OTHERWISE KNOWN AS THE "CODE OF CONDUCT AND ETHICAL STANDARDS FOR PUBLIC OFFICIALS AND EMPLOYEES", DENR EMPLOYEES AND THEIR RELATIVES UP TO THE FOURTH CIVIL DEGREE OF CONSANGUINITY OR AFFINITY SHALL NOT BE ALLOWED TO PARTICIPATE IN THE BIDDING PROCESS."

2. Item 5.j (Basis of Award) shall read as follows:

"Award shall be given to the most advantageous offer TO GOVERNMENT; PROVIDED, THAT, THE OFFER SHALL NOT BE LESS THAN THE MINIMUM BID PRICE SET BY THE COMMITTEE. In case of tie, the bidders shall submit another sealed bid immediately after the Committee declares a tie and the bids

shall likewise be opened, after which, the Committee shall prepare abstract of quotations and its order of award. Furthermore, a certificate of disposal of the forest products seized indicating the quantity, species, the amount of specific taxes and penalties due thereon, together with five (5) copies of the auxiliary invoice shall be prepared furnishing a set of copy thereof to the following: Undersecretary for Field Operations, Regional Executive Director, PENRO, CENRO and representatives of the local government concerned and COA".

3. Addition of the following provision to Item 5.h (Opening of Bids):

"VI. PROVIDED, HOWEVER, THAT, THE AWARDEE SHALL HAVE REMITTED/PAID THE BALANCE OF THE AMOUNT OF BID BEFORE ACTUAL REMOVAL OR TRANSPORT OF SAME COMMENCES."

In addition, in order that the Bidding Committee will be properly guided in setting the current market value, all field offices (CENRO and PENRO) shall undertake a monthly monitoring of prices of forest products within their areas of responsibility. Results of this monthly price monitoring/survey shall be submitted to the Central Office, on a quarterly basis, for information and basis in determining whether or not the floor prices set by the bidding committees are reasonable.

This Memorandum Circular takes effect immediately.

FULGENCIO S. FACTORAN, JR
Secretary