



COMMITTEE ON DISPOSAL OF REAL PROPERTIES

**INSTRUCTIONS TO BIDDERS
TERMS AND CONDITIONS OF THE BIDDING**

Revised April 2011

I. GENERAL PROVISIONS

1. The property shall be sold on "As-Is, Where-Is" basis. It is thus, incumbent upon the bidder to make the necessary investigation, inspection, and verification of the property for sale to ascertain its actual condition and the status of the title to the property before making an offer.

The conditions covered under this provision include, but are not limited to the following:

- 1) Presence of informal settlers;
- 2) Property is still inhabited by previous owner;
- 3) Property is landlocked;
- 4) Property is under dispute or with pending case which does not involve questions of ownership;
- 5) Property is located in an area with risk of flooding, within earthquake fault zone and even seismic hazard zone; and
- 6) Existing easements.

2. The awardee shall be responsible at his own expense for the ejection of squatters and/or occupants, if any, on the property subject of sale.

3. Any and all claims and liens currently annotated on the title, assessments, liabilities and/or damages whatsoever arising from any suit or litigation involving the property shall solely be assumed and borne by the buyer, accruing from the date of his receipt of the Notice of Award.

4. The Bangko Sentral ng Pilipinas (BSP) does not warrant (implied, express or otherwise), that the property conforms precisely to the description indicated in the published list of Properties for Sale.

Signature of Bidder

5. The BSP reserves the right to withdraw any or all of the properties offered for sale at any time before the deadline for submission of offers or to postpone or reset the date of opening of bids.

II. BIDS COURSED THROUGH BROKERS

1. A bidder may be represented by a BSP accredited broker with a valid Authority to Sell issued by the BSP and be entitled to a commission provided the broker is recognized by the bidder and the Bid Tender Offer Form accomplished and deposited by the bidder in the bid box on or before the scheduled time for the opening of the bids is also signed by the broker.
2. A bidder who was represented by a broker in the purchase of a property from the BSP will not be allowed to be represented by the same or any other broker in the purchase of another unit or property located in the same condominium building complex, row house or subdivision, regardless of phase, unless a written communication was made that other properties within the subdivision or unit/s within the building complex or condominium is likewise being considered by the bidder.
3. Previous owners/tenants of BSP acquired properties will not be allowed to be represented by an accredited broker.
4. Real estate brokers are not authorized to collect or receive payments in behalf of either the BSP or the bidder. Any payment made to a broker shall be under the sole and exclusive responsibility and risk of the bidder.

III. SUBMISSION OF BIDS

1. **List of Bidders.** Any person, partnership or corporation complying with the prescribed rules and regulations may participate in the bidding.
2. **Bid Tender.** Any qualified bidder shall accomplish a Bid Tender, clearly indicating the following, among others:
 - a) Description of the items or lots with the corresponding bid offer clearly indicated in figures and words;
 - b) Name and signature of bidder;

- c) Business or residence address of the bidder;
- d) Business License Number, Residence Certificate Number, or Tax Identification Number (TIN) of the bidder;
- e) Terms and conditions offered regarding bidder's bond, payment, default and delivery;
- f) Name of broker, if represented by a broker.

All quotations shall be in Philippine pesos.

A bidder shall accomplish the Bid Tender in duplicate, preferably typewritten. All tenders shall be properly signed and sealed in an envelope. The envelope shall be deposited in the box on or before the scheduled time for the opening of bids. No bid documents will be accepted after the deadline set for acceptance of bids. Erasures or interlineations should be avoided or duly initialed by the bidder.

3. **Bid Bond.** A bid bond of at least 10% of the Bid Tender shall be required from each bidder. The bid bond should be in the form of cash, manager's or cashier's check and should be included in the sealed envelope, together with all the other required bid documents and deposited in the box on or before the scheduled time for the opening of Bid Tenders. One bid bond shall be submitted for each property.
4. **Defective Bids.** Bids that are not in the prescribed form, unsigned, or those not accompanied or guaranteed by bid bonds at the time of opening of bids are considered defective bids and shall be automatically disqualified.
5. **Disqualification.** Non-compliance with any of the requirements prescribed will constitute a ground for disqualification.
6. **Withdrawal of Bids.** A bidder may be allowed to withdraw a Bid Tender before the time of opening of bids. The bid shall be returned, unopened.

Signature of Bidder

IV. BIDDING PROCEDURES

1. **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 Committee on Disposal of Real Properties (CDRP). No bids shall be accepted the moment the first sealed bid is opened. Every bidder, or his authorized representative, shall have the right to witness the opening of the bids and the right to examine all bids opened.
2. **Announcement of Unsuccessful Bidding.** Bidding may be declared unsuccessful in any of the following cases:
 - a) There is no bidding participant.
 - b) All bidders fail to comply with the terms and conditions prescribed in the Invitation to Bid.

V. AWARDING OF BIDS

1. Award shall be given to the highest complying bidder.
2. When two or more complying bidders make identical price offers, public auction viva voce between those who submitted identical bids, shall be resorted to at a price not lower than the offered bids.
3. Announcement of bidding results shall be done immediately after the opening of bids.
4. The bid bond of the highest bidder shall be paid to, and received by the Cash Department.
5. The Notice of Award shall be issued to the winning bidders immediately after approval.

VI. TERMS AND CONDITIONS

1. The bid bond shall be considered as partial payment. The balance of the Bid Tender may be paid in the following manner:

Signature of Bidder

- a. Cash, manager’s or cashier’s check within thirty (30) calendar days from the date of receipt of the Notice of Award; or
- b. Monthly, quarterly, semestrally or annually for a maximum period of up to ten years subject to the prevailing interest rate for negotiated sale less 3% for payment term of not exceeding five years; less 2% for payment term of more than five years up to ten years; less 1% for properties classified under socialized housing up to a maximum term of ten years but in no case shall the rate be lower than the prevailing Treasury Bond rate with maturity corresponding to the term of the sale as of the last auction date prior to the date of the public bidding.

2. In case of awardees’ failure to pay the balance of the Bid Tender within the prescribed period of 30 calendar days from receipt of the Notice of Award for cash sales the award shall be cancelled and the bid bond forfeited in favor of the BSP. For the awardees’ failure to comply with the terms and conditions of the Contract to Sell (CTS), the terms and conditions of the CTS shall apply.

Signature of Bidder

VII. OTHER CONDITIONS

1. Withdrawal of Awarded Bids

Any request for withdrawal of a Bid Tender offer already awarded by the CDRP/Monetary Board (MB) shall mean forfeiture of the bid bond in favor of the BSP as follows:

Reference Point	Amount to be Forfeited
a. Before receipt by awardee of the Notice of Award	None
b. After awardee receives Notice of Award <ul style="list-style-type: none"> i. Within 30 days from receipt ii. After 30 days from receipt 	50% of bid bond but not to exceed 10% of selling price 100% of bid bond but not to exceed 10% of selling price
c. After CTS has been executed (for installment sales)	Terms and conditions of the CTS shall apply

2. **Grace Period (For Installment Sales)**

The awardee shall be given a grace period without additional interest and penalty as follows:

- a. Where less than two years installments have been paid, not less than 60 days from the date when the installment became due; and
- b. For those who paid at least 24 months of installments, one month for every year of installment paid.

3. **Penalty**

In case no payment of the amount due is made within the grace period, the contract shall be deemed cancelled and rescinded after 30 calendar days from receipt by the awardee of the Notice of Cancellation or demand for rescission of the contract by notarial act. A portion of the payments made will be returned in accordance with the provisions of RA 6552, known as the Realty Installment Buyer Protection Act.

After the grace period, there shall be a penalty of 12% per annum and additional interest based on the original interest rate per CTS on the total unpaid amortizations and other monetary obligations advanced by the BSP.

4. **Possession and Improvements**

The awardee shall be allowed to enter into and take physical possession of the property upon receipt of the Notice of Award and execution of the CTS. The awardee shall not be allowed to make or introduce any improvement on the property without the written consent of the BSP, and any improvements made contrary to this provision or upon rescission of the contract shall be forfeited in favor of the BSP.

5. **Transfer of Rights**

The CDRP may allow the awardee to sell, assign, encumber, or in any way dispose the rights and obligations under the CTS. A fee equivalent to one month amortization but not to exceed ₱20,000.00 will be charged for every approved assignment of rights and obligations.

Signature of Bidder

VIII. DOCUMENTATION AND RELEASE OF TITLE

1. A CTS shall cover purchase of property on installment.
2. The duly signed CTS shall be returned by the awardee to Asset Management Department (AMD) not later than three months or 90 calendar days from receipt of the Notice of Award; otherwise, it shall be automatically cancelled and the bid bond shall be forfeited in favor of the BSP.
3. Upon execution of the CTS, the real estate taxes, condominium or association dues and insurance premiums already paid by the BSP shall be assumed by the awardee on a pro rate basis; thus entitling the BSP to reimbursement of the real estate taxes, condominium/association dues and insurance premium paid for the remaining days of the year.
4. Upon full payment of the purchase price, a Deed of Absolute Sale will be executed in favor of the awardee.
5. The owner's duplicate copy of the Transfer/Condominium Certificate of Title shall thereafter be released to the awardee upon receipt of payment from the awardee of the CGT due, if applicable and presentation by the awardee of the Bureau of Internal Revenue (BIR) Form stamped "RECEIVED" by the Revenue District Office (RDO) concerned.

Signature of Bidder

IX. PAYMENT OF TAXES AND FEES

1. The payment of CGT shall be subject to agreement by the parties. In case the BSP shoulders the CGT, it shall only be up to the extent of 6% of the selling price. The awardee shall, in addition to the purchase price, assume payment of CGT due on the difference between the zonal value/market value per Tax Declaration (TD) and the selling price, in case the zonal value/market value per TD is higher than the selling price.
2. The amount of CGT which the awardee will pay or assume will have to be delivered to the BSP through the AMD who shall in turn pay the BIR through a direct credit of the account of the Treasurer of the Philippines. The awardee will be furnished by the AMD a copy of the credit advice, evidencing the payment to the BIR of the CGT and the pertinent BIR Form, which the awardee will present to the concerned RDO to be returned to the AMD after

the BIR Form, shall have been stamped "RECEIVED" by the RDO concerned.

3. All other taxes and fees incidental and necessary to the sale and transfer of title to the awardee will be assumed by the awardee.

CONFORME:

Name of Bidder
(Signature over Printed Name)

() Individual () Partnership* () Corporation

*Authorization on the designation of representative attached.

Date: _____