



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
Bonifacio Drive, Port Area, Manila

OCT 16 2007

DEPARTMENT ORDER)

No. 58)
Series of 2007)

**SUBJECT: GUIDELINE FOR VALUATION
OF RIGHT OF WAY
ACQUISITION**

In the determination of the value of just compensation for land/s subject of an acquisition of right of way for the various infrastructure projects of this Department and consistent with the standards laid down in Section 5 of RA 8974 and to ensure that the value thereof shall be advantageous to the Government, the zonal valuation as pegged by the Bureau of Internal Revenue exercising jurisdiction over such property "at the time of the taking of the private property or the filing of the complaint whichever comes first" (Tan v. Republic of the Philippines", G.R. No. 170740 dated 25 May 2007) shall serve as the benchmark of the value for such intended acquisition in the absence of any FINAL order from the Court fixing the just compensation.

Corollarily, the just compensation for the affected improvements shall likewise be determined under the standards laid provided under Section 5 of RA 8974 "at the time of the taking or the filing of the complaint for expropriation whichever comes first."

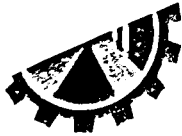
Any and all contract for acquisition of right of way currently under negotiation for the determination of the "fair market value" as provided under Section 6 of RA 8974 shall conform to the foregoing guidelines.

This Order shall take effect immediately and shall amend and revoke any previous issuances to the contrary.

HERMOGENES E. EBDANE, JR.
Secretary



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Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
Manila

AUG 07 2007

MEMORANDUM

FOR : The Secretary

FROM : The Chairman, MANCOM

SUBJECT : Proposed Formula in the Determination of Just Compensation for Purposes of Entering into a Compromise Agreement while Expropriation of Properties is with the Court

1. Special Civil Action No. 02-117 MN (Expropriation of Land Situated in Malabon for the KAMANAVA Project) was forwarded by Undersecretary Bashir D. Rasuman to the MANCOM requesting for guidance in the uniform application of how much amount or percentage of the zonal value that DPWH shall enter into a Compromise Agreement while the expropriation of properties is with the Court.
2. The properties being expropriated were issued Court Order but the Solicitor General elevated the case to the Court of Appeals. The relevant information attending the case are as follows:

Defendant	Location	Lot Area (sq.m.)	Zonal Value (P/sq.m.)	DPWH & OSG Offer	Court Order	Defendant Order	Legal Service
Gozon Property	Malabon	4,752	6,600	8,000	20,000	18,000	16,000
Ang Property	Malabon	11,500	435	500	4,775	4,775	4,755


3. The MANCOM took note of the provisions of Article 2028 of the Civil Code which state that "A compromise is a contract whereby the parties, by making reciprocal concessions, avoid litigation or put an end to one already commenced."
4. After some discussions, the MANCOM came up with the following formula that could be used in determining just compensation for the purpose of entering into a compromise agreement:

$$\frac{\text{Court Order Value} - \text{Zonal Value}}{2} + \text{Zonal Value} = \text{Compromise Agreement Value}$$

5. If the formula is applied to the Gozon Property, the proposed compromise agreement value would be ₱13,300 per sq.m. (instead of ₱16,000).

6. If applied to the Ang Property, the proposed compromise agreement value would be ₱2,605 per sq.m. (instead of ₱4,755).

For the consideration and approval of the Secretary.


MANUEL M. BONOAN
Senior Undersecretary
(Chairman, MANCOM)

APPROVED:


HERMOGENES E. ERDANE, JR.
Secretary

cc: The Legal Service
This Department

