



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

097, 13 DPWH
01. 03. 2012

DEC 26 2011

DEPARTMENT ORDER)

NO. 71)
Series of 2011 01. 03. 12)

SUBJECT : GUIDELINES ON THE UTILIZATION OF
SAVINGS DERIVED FROM PROJECTS
FUNDED UNDER THE MOTOR VEHICLE
USER'S CHARGE (MVUC)

In order to rationalize the utilization of savings derived from projects, the following guidelines are hereby prescribed for the guidance of all concerned.

1. Savings shall refer to the amount realized from projects funded under the Motor Vehicle User's Charge (MVUC) as a result of value engineering and competitive bidding processes.
2. Total savings shall be determined at the end of the third quarter and computed as follows :

$$\text{Total Savings} = \sum \{ (\text{Appropriation Amount}) - [(\text{Contract Amount}) + (\text{Engineering Administrative and Overhead (EAO) cost}) + (\text{Right-of-Way Acquisition Cost, if any})] \}$$

3. One Hundred Percent (100%) of the total savings shall be used primarily for projects under the following circumstances:

3.1 To fund new projects:

- 3.1.1 The project to be funded should be of the same project category.
- 3.1.2 The project to be funded shall be within the same congressional district.
- 3.1.3 The project to be funded shall be implemented by the same Implementing Office

3.2 For continuation of the same project:

This includes extension/widening of roads, provision of drainage facilities and slope protection works, and installation of directional signs/road safety devices. If the amount involved is 10% or less of the contract price, it shall

be covered by a variation order, provided that the contract is still in effect. However, if the amount involved is more than 10% of the contract price, and/or if the contract is already completed, another procurement process shall be resorted to.

4. All requests for the utilization of savings derived from projects to fund new projects or for continuation of the same project shall be supported by Approved Plans, Program of Works, and ABC and shall be evaluated and approved by the Road Board Secretariat. The attached form shall be used for this purpose. In addition, such request shall be supported by a Certificate of Availability of Funds (Savings) signed by the Head of the Implementing Office, which shall not be more than two (2) months old.

This Order shall take effect immediately.


ROGELIO L. SINGSON
Secretary



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Republic of the Philippines
ROAD BOARD
OFFICE OF THE CHAIRMAN

BOARD RESOLUTION NO. 11-37

WHEREAS, Section 1 of Republic Act 8794 provides that "it is the policy of the State to provide for, and ensure the adequate maintenance of national and provincial roads, as well as minimizing air pollution from motor vehicles, through sufficient funding for the purpose";

WHEREAS, Section 7 of Republic Act 8794 provides for the establishment of a Road Board to manage, in a prudent and efficient manner, the various Special Road Funds;

WHEREAS, Section 8 of Republic Act 8794 provides that "the four (4) special funds established under this Act shall be distinct and separate from, and in addition to any appropriation authorized and granted yearly to the DPWH and the DOTC to cover expenditures for the identified objects of expenditures under this Act. Congress shall continue to appropriate an amount contained in the General Appropriations Act) for road maintenance of the DPWH: Provided, however, that any savings for each year out of such appropriations shall revert to the General Fund. Any savings from the special funds created herein shall accrue to these respective special funds."

WHEREAS, according to the World Economic Forum 2011, Philippines ranked 105th out of the 142 countries in terms of infrastructure spending and pronounced to be stagnant in performance;

WHEREAS, it is in line with the policy of President Benigno Simeon C. Aquino III to accelerate government spending and to efficiently utilize savings into programs to spur economic growth;

WHEREAS, on 22 August 2011, the Department of Public Works and Highways (DPWH) issued Department Order No. 47, series of 2011, approving the guidelines on the utilization of savings from projects under FY 2011 General Appropriations Act (GAA);

WHEREAS, during the Special Road Board Meeting held on 29 November 2011, the Road Board Secretariat (RBS) presented the letter of Undersecretary Romeo S. Momo informing the Board about the request of various DPWH District Engineering Offices (DEO) for the Utilization of Savings generated from the allotments of MVUC approved projects;

WHEREAS, these savings were incurred as a result of value engineering and competitive bidding processes;

WHEREAS, the Board, recognizing the vital contribution of the said savings in the improvement of our infrastructure system, decided to utilize one hundred percent (100%) of the total savings;

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WHEREAS, the said savings shall be used to fund projects of the same work category such as lengthening or widening of the same road section and/or improvement of drainages within the same station limit;

WHEREAS, all requests for utilization of savings derived from MVUC projects shall require submission of the requisite documents for evaluation and approval of the RBS;

WHEREAS, the utilization of savings obtained from the MVUC projects shall be consistent with the approved guidelines of the DPWH;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to approve the utilization of savings derived from the implementation of MVUC approved projects subject to the herein listed conditions.

FLORENCIO B. ABAD

Ex-Officio Member
Secretary of Budget & Management

MAR A. ROXAS

Ex-Officio Member
Secretary of Transportation
and Communications

JESULITO C. MANALO

Board Member
Private Sector Representative

CESAR V. PURISIMA

Ex-Officio Member
Secretary of Finance


RODOLFO T. DE OCMPO

Board Member
Private Sector Representative


ROLANDO A. EVANGELISTA

Board Member
Private Sector Representative


ROGELIO L. SINGSON

Chairman
Road Board
Secretary of Public Works and Highways



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