



REPUBLIC OF THE PHILIPPINES  
MINISTRY OF PUBLIC WORKS AND HIGHWAYS  
OFFICE OF THE MINISTER  
MANILA

16 November 1983

MINISTRY ORDER )

NO. **73** )  
Series of 1983 )

SUBJECT: MPWH AUSTERITY PROGRAM

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In line with the directive of the President to all heads of government offices to set an austerity measures in order to ease the current financial difficulties and to cut the expected budgetary deficit, specifically for Calendar Year 1984, the herein "Austerity Program" is hereby prescribed to be observed in all offices of this Ministry.

I. GENERAL POLICIES

- 1.1 Internal economy measures shall be adapted so as to ensure optimum service with the least government resources.
- 1.2 Proper and reasonable restraint in the utilization of the Ministry's assets and resources shall be observed to attain the Ministry's developmental projects.
- 1.3 Allocation of scarce resources shall be rationalized following the established scale of priorities in the prosecution of vital infrastructure projects.
- 1.4 Activities that may be postponed or eliminated shall be identified for purposes of reducing current

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operating and capital outlays expenditures.

- 1.5 Energy conservation measures shall be strictly observed to effect reduction in the consumption of electric power, gasoline, oil, lubricants, water, etc.

## II. OBJECTIVES

### 2.1 General Objectives

- 2.1.1 To develop, institute and implement an austerity measures on the Ministry's expenditures and promote productivity and efficiency at the least costs.
- 2.2 2.1.2 To effect cost-cutting measures in the operation of the Ministry with the least amount of resources without sacrificing the efficiency and effectiveness of the MPWH.

## III. SCOPE/TARGETTED AREAS

- 3.1 Infrastructure Expenditures
- 3.2 Personnel Services
- 3.3 Travel
- 3.4 Operational Costs
- 3.5 Organizational Measures
- 3.6 Conventions, Meetings, Conferences
- 3.7 Energy Conservation

## IV. POLICY DIRECTIONS

- 4.1 Infrastructure Expenditures
  - 4.1. Infrastructure expenditures shall be

reduced by fifteen percent (15%) specifically  
for Calendar Year 1984.

#### 4.2 Personnel Services

4.2.1 Hiring of casuals and contractual employees  
including consultants shall be suspended.

4.2.2 Newly created plantilla position(s) shall not  
be filled-up.

4.2.3 Filling-up of vacant plantilla positions shall  
be prohibited.

#### 4.3 Travel

4.3.1 Overseas or foreign travel by officials and  
employees of the Ministry shall be prohibited  
except those that are considered absolutely  
essential and in keeping with pressing inter-  
national commitment(s).

4.3.2 Domestic travel or travel outside of one's  
assigned station shall be limited to what is  
absolutely necessary to the best interest of  
the service.

#### 4.4 Operational Costs

4.4.1 Purchases of new furnitures, fixtures and  
furnishings shall be deferred.

4.4.2 Purchases of equipment and service vehicles  
shall be prohibited.

4.4.3 Purchases of office supplies shall be strictly  
regulated.

#### 4.4 Organizational Measures

4.5.1 New organizational measures requiring new or additional fundings and hiring of new or additional personnel should be deferred.

#### 4.6 Conventions/Conferences/Meetings/Seminars

4.6.1 Holding of conventions, conferences, meetings and other similar activities, especially those requiring payment of per diems and fees shall be prohibited.

#### 4.7 Energy Conservation

4.7.1 Energy conservation measures shall be strictly complied with/observed.

4.7.2 Use of electricity shall be minimized.

4.7.3 Consumption of gasoline, oil, lubricants and other oil based products shall be regulated.

### V. SPECIFIC GUIDELINES

#### 5.1 Infrastructures Expenditures

5.1.1 Determine and study the financial, economic, social and operational implications of the project.

5.1.2 Provide for the use of indigenous or locally manufactured materials whenever feasible in the design of the project.

5.1.3 Use labor intensive methods in the execution of the project whenever economically viable.

5.1.4 Release funds for the project on time. Delay

in the release of funds usually results to delay in the execution of the project and ultimately causes price escalation or adjustment.

5.1.5 Observe "Time Management" criteria in the prosecution of projects.

5.1.5.1 A detailed and well considered time estimate for future activities and precise knowledge of the required planned sequence in which the activities were to be performed shall be considered to accomplished the on-going projects within the optimistic or most likely time of completion.

5.1.5.2 A periodic evaluation of the project shall be conducted and corrective measures be taken in case "slippage" to save cost, energy and manpower.

5.1.5.3 Re-allocation of resources shall be evaluated to facilitate efficient completion of on-going projects within the optimistic or most likely time of completion.

## 5.2 Personnel Services

5.2.1 Review employment policies on contractual, emergency/casuals including consultants. Limit hiring of con-

tractual employees and consultants to those positions or tasks which expertise and specialization called for cannot be provided/performed by the Ministry's regular personnel.

- 5.2.2 Limit hiring of consultants to highly essential consultancy services only. Tap expertise needed from among the regular staff of the Ministry, except as otherwise provided in the loan agreement or grant in case of foreign assisted project(s).
- 5.2.3 Defer creation of new organizational unit(s) requiring hiring of personnel..
- 5.2.4 Review and evaluate existing plantilla positions with emphasis on items left vacant for considerable length of time which should be abolished.
- 5.2.5 Refrain on filling-up existing vacant and new position except when the position involved is the sole item of its class in the office and charged with essential functions which directly rendered, to the Ministry's clientele.
- 5.2.6 Suspend creation of new Inter-Agency Committees requiring additional compensation to members and/or technical support staff. Abolished existing committees which existence can be dispense with.
- 5.2.7 Prohibit issuance of substitutionary appointment

to fill temporary vacancies of position(s) whose incumbent(s) are on authorized attendance, or enrollment in training, scholarship grant, seminar or similar activity, or on official detail to another office or to a project or on official leave regardless of the period involved.

5.2.8 Review the necessity of "Floating Personnel" or additional position/manpower on the basis of the office /project objectives and realities of operation.

### 5.3 Travel

5.3.1 Prohibit strictly overseas or foreign travel of officials and employees except those that are considered absolutely essential in keeping with pressing international commitment.

5.3.2 Limit domestic travel or travel outside of one's assigned station to what is absolutely necessary.

5.3.3 Prohibit use of taxi when public mode of transportation can be availed of.

5.3.4 In domestic travel, encourage the use of inter-island vessel rather than air transportation which is quite expensive.

5.3.5 Limit the number of personnel who are going to travel and the duration of their travel.

5.3.6 Rationalize the use of service vehicles.

5.3.6.1 Observe the "Pool System" of service vehicles by service/bureau/office for maximum utilization of service vehicle at the least cost.

5.3.6.2 Plan trips to cover as many errands/inspection/etc. as possible at a time.

5.4 Operational Costs

5.4.1 Defer purchases of office equipment, furnitures, fixtures and furnishings. Resort to recycling whenever possible.

5.4.2 Prohibit purchases of service vehicles. Rehabilitate existing or present serviceable vehicles as much as possible.

5.4.3 Repair/rehabilitate/recondition equipment whenever economically viable.

5.4.4 Avoid the use of copying machine (xerox) when retyping can be done.

5.4.5 Adapt and implement preventive maintenance scheme on office equipment to prolong its life/use.

5.4.6 Limit purchases of office supplies and regulate its use/consumption.

5.4.7 Discourage emergency purchases of office supplies.

- 5.4.8 Prohibit purchases of luxury items.  
Determine what is necessary and what is luxury.
  - 5.4.9 Procure office supplies in bulk and directly from government entity or from reputable manufacturer or distributor.
  - 5.4.10 Limit number of copies of correspondences memorandum, indorsement, reports, etc. to the minimum.
  - 5.4.11 Resort to "re-cycling". Use other face of used bond paper or obsolete forms in drafting correspondence.
  - 5.4.12 Purchase office supplies and material on site.
- 5.5 Organizational Measures
- 5.5.1 Defer organizational measures requiring new or additional funding and hiring of new or additional personnel.
  - 5.5.2 Avoid creation of inter-agency committees or ad-hoc bodies requiring additional "compensation to members and/or technical support staff."
  - 5.5.3 Avail of contractual and consultancy services only for special projects requiring special expertise not available "in-house" for specified period.

- 5.5.4 Review functions and objectives of existing special offices to determine duplicatory, overlapping, non-essential and non-productive activities which may be eliminated, postponed or re-scheduled to achieve economy in operating expenditures.
- 5.5.5 Limit creation of "Special Project offices" (PMOs) for project with huge capital investment and requiring highly specialized body to supervise or execute.
- 5.5.6 Categorize Project Management Offices in terms of capital investment involved. Phased out PMOs belonging to lower category and transfer their functions to the Regional Office of the Ministry.
- 5.6 Conventions/Meetings/Conferences/Seminars and the like
  - 5.6.1 Prohibit holding of conventions conferences, meetings, seminars and other relative activities especially those requiring payment of per diems or fees.
  - 5.6.2 Avail of lecturers, resource persons and/or facilitators from the within the Ministry's ranking official/personnel to minimize expenses for honoraria/allowances.

- 5.6.3 Conduct field seminars and other similar activities at the Ministry's regional or field centers for purposes of economy.
  - 5.6.4 Prefer the use of less expensive government facilities in conducting seminars, conventions, conferences and other similar activities whenever available and suitable for the purpose.
  - 5.6.5 Suspend totally holding of all live-in training seminars and the like.
- 5.7 Energy Conservation
- 5.7.1 Minimize consumption of electricity, gasoline, oil, lubricants and other oil based products.
  - 5.7.2 Reduce gasoline consumption and rationalize gasoline allocation of all service vehicles.
  - 5.7.3 Deduct gasoline balances in tank of service vehicles in the subsequent gasoline requisition/allocation, which should be reflected in the trip ticket. Itinerary of travel(s) made should likewise be indicated thereon in order to assess the quantity of gasoline consumed based on the distance travelled of each service vehicle.
  - 5.7.4 Plan trips of all service vehicles to

maximize its use at the least cost.

- 5.7.5 Limit the use of car air-conditioners.
- 5.7.6 Observe preventive maintenance.
- 5.7.7 Reduce to minimum number of electrical lightings. Turn-off unnecessary lights after office hours and during breaktime.
- 5.7.8 Disallow use of service vehicles on Saturdays, Sundays and holidays except as otherwise authorized by the Minister or his duly authorized representative.
- 5.7.9 Conserve water. Fix leaks of faucets and pipelines.

#### VI. COMMITTEE ORGANIZATION

- 6.1 An Austerity Program Committee in the Central Office of this Ministry is hereby created and shall be composed of the Assistant Minister for Finance and Management as chairman, Assistant Minister for Administration, Assistant Minister for Comptrollership and the Director of the Bureau of Equipment as members.
- 6.2 Austerity Program ~~Sub-Committees~~ Committees are hereby likewise created in all Regional Offices of this Ministry which shall be headed by the Regional Director concerned as chairman, who shall determine

the composition and membership of each Sub-Committee.

## VII. COMMITTEE AND SUB-COMMITTEE RESPONSIBILITIES

### 7.1 Committee

7.1.1 Pursue the objective/targets of the Austerity Program thrusts;

7.1.2 Provide guidelines, prepare austerity program manual of operations and procedures for accomplishing the goals/objectives of the program;

7.1.3 Develop and install ministry-wide monitoring system which shall incorporate the monitoring of the Sub-Committees under it; and

7.1.4 Perform such other related functions as may be necessary to carry the intent of this order.

### 7.2 Sub-Committees

7.2.1 Formulate specific guidelines and procedures to operationalize the Regional Office Austerity Program;

7.2.2 Review periodically list of activities for possible up-dating evaluation and improvement;

7.2.3 Devise system of reporting within the framework of the Committee's monitoring system; and

7.2.4 Perform such other related functions as may be necessary or as required by the Committee.

#### VIII. REPORTING SYSTEM

8.1 Sub-Committees in the Regional Office shall submit a quarterly accomplishment reports to the Committee for evaluation and consolidation.

8.2 The Committee shall in turn submit a quarterly report to the Minister, thru the Deputy Ministers, on the progress of the program, which shall include such recommendations as may be called for to ensure the success of the program.

#### IX. MISCELLANEOUS PROVISIONS

9.1 All employees and officials of this Ministry shall extend technical assistance to the Committee and to the Sub-Committees to ensure the successful development, implementation and monitoring of the program.

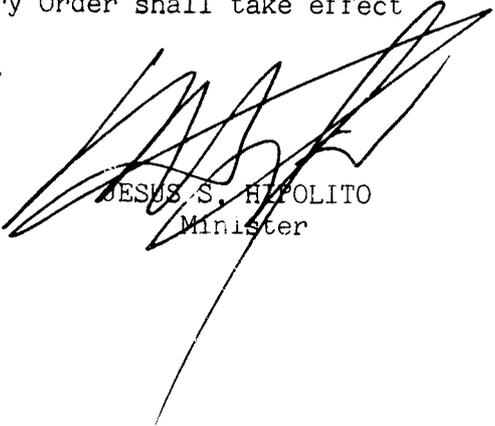
9.2 The Chairman of the Committee and of the Sub-Committees shall organize a Technical Support Staff, which shall be composed of

officials and employees of the Ministry with established experience and competence in the field of specialization, to provide the necessary administrative support services in the performance of their tasks.

9.3 All existing ministry orders, memoranda, or circulars which are inconsistent herewith are hereby amended, modified or revoked accordingly.

X. EFFECTIVITY

9.1 This Ministry Order shall take effect immediately.



JESUS S. HIPOLITO  
Minister