



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

15 July 1985

MINISTRY ORDER)
NO. 24)
Series of 1985)

SUBJECT: Payment of equipment rental based
on approved Equipment Rental and
Request Order (ERRO), particularly
on highway maintenance projects.

The use of equipment in the execution of the various infrastructure projects by the ministry's field operating units, is covered by Equipment Rental and Request Order (ERRO) initiated by the District/City/Project Engineers and approved by the Regional Directors. This ERRO guarantees the availability of the equipment and carries the obligation of funds for prompt payment of rental when the corresponding bill is served.

Normally, rental billing is rendered every end of the month and is supported by the Utilization Report submitted by the Area Equipment Engineer with the entries in the log sheet as basis, and concurred by the Project Engineer concerned. The much needed concurrence in the requisite document triggers the delay in the rendition of the rental bill with subsequent effect in late payment, or non-payment. As a consequence, account receivables will increase and collection diminish, thus, depleting the equipment rental income, resulting to insufficient release of funds to support sustained repair and maintenance operation, thereby adversely affecting equipment availability.

To offset the detrimental effect in the payment/collection of equipment rental income and considering that the use of equipment for highway maintenance activities is covered by ERRO submitted on a quarterly basis, it is directed that the approved quarterly ERRO for highway maintenance project divided by three (3), shall be the basis of payment by District/City Engineers for each month, to be paid before the end of the month, without waiting for the usual Utilization Report. The supporting document of the monthly rental billing rendered will be a xerox or certified true copy of the approved ERRO. Discrepancies, if any, in the actual utilization against payment made shall be adjusted on the succeeding month's payment. In the case of other infrastructure projects, the approved ERRO will be the basis for payment of equipment rental.

If District/City/Project Engineers deliberately delay/disregard the submission of the ERRO, thus creating a time lag between the utilization of equipment and obligating the funds which will result in the delay or non-payment of rental, then the amount representing equipment rental as provided in the approved annual highway maintenance programs of the District/City Engineering Offices divided by twelve (12), shall be the basis in the payment of monthly billing for equipment utilization.

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Any ministry field officer/employee who will indiscriminately use the amount obligated or set aside for the payment of equipment rental for other purposes, will be held liable for technical malversation and/or gross violation of reasonable ministry policy/regulation relative thereto, and shall be administratively charged for such offense with consequent suspension/dismissal from the service, depending on the gravity of the case.

All previous policy/regulation issuances which are inconsistent with this Order are deemed repealed or modified accordingly.

This order will take effect immediately and will remain in force unless repealed or amended accordingly.



JESUS S. HIPOLITO
Minister

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