



09 MAR 2018

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

897.13 DPWH
03-12-2018

DEPARTMENT ORDER)
NO. **37**)
Series of 2018)

Subject : **GUIDANCE ON PROJECT
MODIFICATION AND
AUGMENTATION UNDER THE
GENERAL APPROPRIATIONS ACT
(GAA)**

This Department Order is issued to guide DPWH Operating Units/Implementing Offices (OUs/IOs) on Project Modification and Augmentation under the GAA, including the roles and responsibilities in managing these.

A. DEFINITIONS

1. Program/Activity/Project (P/A/P): Specific under the GAA.
2. Project Category – Organizational Outcomes (OOs)
 - a. Ensure Safe and Reliable National Road System (OO-1)
 - b. Protect Lives and Properties Against Major Floods (OO-2)
 - c. Convergence and Special Support Program
 - d. Local Program
3. Subcategory: e.g. OO-1 Subcategories - Rehabilitation or Reconstruction of National Roads and Road Upgrading Preventive Maintenance of National Roads and Bridges.
4. Operating Unit –the organizational entity that initially receives the appropriations as specified in the GAA (e.g. Central Office (CO) or District Engineering Office (DEO)); Implementing Office – The organizational entity responsible for the execution or delivery of a project, and the entity which ultimately receives the appropriation for the project;
5. Procuring Entity – The organizational unit procuring the infrastructure project.
6. Project Modification – change in details of the project but within the same Project Category (OO), and within the same OU, and within the same IO unless funds are Centrally released e.g. OU is Central Office.
7. Augmentation - the act of the constitutional officers authorized to use savings in their respective appropriations to cover a deficiency in any existing P/A/P within their respective offices. A deficiency in a P/A/P may result from: (a) unforeseen modifications or adjustments in the program, activity or project; or (b) re-assessment in the use, prioritization and/or distribution of resources. The particulars of the expenditures to be funded from savings should be within the scope of, or covered by an existing program, activity or project. The existence of a P/A/P regardless of the availability of allotment class/es is sufficient for the purpose of augmentation. In no case shall a non-existent P/A/P be funded by augmentation from savings or the use of an appropriations authorized in the GAA.
8. Savings - refers to portions or balances of any released appropriations in the GAA which have not been obligated as a result of any of the following: (a) completion, final discontinuance or abandonment of a program, activity or project for which the appropriation is authorized; or (b) implementation of measures resulting in improved systems and efficiencies and thus enabled an agency to meet and deliver the required or planned targets, programs and services approved in the GAA at a lesser cost. In case final discontinuance or abandonment is used as basis in the declaration of savings, such discontinued or abandoned program, activity or project shall no longer be proposed for funding in the next two (2) fiscal years. Allotments that were not obligated due to the fault of the agency concerned shall not be considered savings.

9. Overlapping Sections of Work – two (2) or more projects on the same station limit, bridge, etc. (work location), whether in the GAA or under a different funding (e.g. MVUC), or a project on a location still under warranty.

B. PROJECT MODIFICATION

1. The Secretary of Public Works and Highways is authorized to modify projects, within the same OU, provided that the same may only be undertaken once and not later than the end of the second quarter of the current fiscal year.
2. Modification of OU must have DBM approval (e.g. DEO to CO).
3. Sufficient and acceptable justification must support any request for project modification.
4. Project modification shall be undertaken at the earliest possible time and should be approved first before the project is bid out.
5. Total appropriation for each Activity and/or Project shall be maintained and cannot be increased.
6. Modifications shall comply with DBM guidelines.

C. REALIGNMENT

1. The general rule is that appropriations must be spent for what is programmed. Therefore, realignment between P/A/P and/ or Project Category is not allowed.

D. AUGMENTATION (USE OF SAVINGS)

1. The Department cannot use savings without approval of the Office of the President.
2. IOs shall return any unutilized balances (net of right of way component, if applicable), once awarded, to Finance Service immediately.
3. Planning Service will prepare Augmentation requests based on DBM rules.

E. Roles and Responsibilities in Managing Project Modification and Augmentation Requests

In order to compel Regional Offices to utilize the planning applications in the preparation of the Project Modification and Augmentation Requests; further to provide a single point of responsibility in ensuring that such requests are properly validated and vetted based on RBIA, BMS, RTIA and GIS; and to ensure that physical targets are kept, the responsibilities of the Regional Planning and Design Divisions, UPMO, Bureaus, Offices of the Undersecretaries for Operations, and Central Office Planning Service are:

E.1 Regional Planning and Design Division and UPMO/Bureaus Concerned

1. Prepare and Evaluate the Project Modification and Augmentation Requests that shall include the following, as necessary, based on the Guidelines:
 - a. Economic and Technical Justification;
 - b. Supporting data and analysis (e.g. Geo-tagged photographs);
 - c. Ensuring no overlaps of project work locations or funds among Foreign-Assisted Projects, Locally-Funded Projects, Special Road Support Fund and Calamity Fund Projects;
 - d. Ensuring no overlaps with projects under warranty periods;
 - e. Project Impact Analysis for Flood Control Projects; and
 - f. Ensuring compliance with all other applicable laws, rules and regulations.
2. Post every change on the official website of the Department within five (5) working days from its approval.

3. Monitor Regional and District Targets against the targets specified in the GAA.

E.2 Central Office, Office of the Undersecretaries for Operations

1. Overall oversight of Project Modification and Augmentation Process.
2. Evaluate Modification and Augmentation requests and recommend to the Office of the Secretary.

E.3 Central Office, Planning Service – Programming Division

1. Check Modification Requests based on the latest DBM guidelines;
2. Prepare Project Augmentation Request to DBM;
3. Prepare transmittal to DBM for Modification of OU.
4. Update MYPs with all project details and location in accordance with the Locational Referencing System (LRS) based on changes within five (5) working days from receipt of the approved Project Modification or Augmentation.
5. Monitor compliance of website posting of changes made by the Regional Planning and Design Divisions and UPMO/Bureaus.

E.4 Central Office, Office of the Undersecretary for Planning and PPP

1. Recommend Modification requests to the Secretary based on DBM guidelines.
2. Recommend Augmentation requests to the Secretary based on DBM guidelines.

F. GENERAL INSTRUCTIONS

1. Planning Service, in coordination with the Undersecretaries for Operations, will issue instructions and guidelines for Modification and Augmentation Requests which shall form part of this Department Order.
2. In all cases, geo-tagged photographs of proposed project location clearly showing the key elements of the new/revised project must be submitted.
3. Exceptional justification must be provided for Project Modification or Augmentation Requests that will result in a decrease of original targets.
4. Right of Way must be available for the project and not constrained by environmental issues and impacts such as "no build zones" or declared heritage/cultural sites, and with proper environmental clearance and necessary tree cutting permits, where required by law. The Heads of OUs/IOs must ensure compliance. The Heads of OUs/IOs are directly responsible for the accuracy of all data and information supporting the requests.
5. Finally, strictly be guided by the other provisions of the current GAA in the implementation of the projects. Violations shall be dealt with in accordance with the law.

This Department Order shall take effect immediately and shall supersede DO 11, Series of 2018.



MARK A. VILLAR

Secretary

Department of Public Works and Highways
Office of the Secretary



WIN8H01291

Figure 1: Modification Procedure

