



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

097.13 DPWH
12-13-2016

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DEPARTMENT ORDER)
NO. **220**)
Series of 2016)

SUBJECT: Revised Policies, Procedures and Delegation of Authority in the Release of Funds for Infrastructure Projects to Implementing Offices of the DPWH

In conjunction with this Department's reform effort to efficiently expedite the implementation of infrastructure projects, the revised policies, procedures and delegation of authority in the release of funds for infrastructure projects to Implementing Offices (IOs) of the Department are hereby prescribed for dissemination to and guidance of all concerned.

As used in this Department Order, Project Cost (PC) refers to the budget amount for the Project and includes both Direct Project Cost (DPC) and Indirect Project Cost (IPC). Direct Project Cost is the budget amount allocated for direct project expenditures, excluding Engineering and Administrative Overhead (EAO), but inclusive of any required Preliminary and Detailed Engineering (PDE), Right of Way (ROW), Construction Supervision (CS), and Civil Works (CW), as appropriate. IPC is the budget amount allocated for indirect project expenditures, particularly the EAO. The breakdown of the Project Cost into DPC and IPC, and the further breakdown of the DPC into specific activities (PDE, ROW, CS, and CW) shall be based on the duly approved Program of Work (POW) for the Project.

A. Allotments for Comprehensive Release to Regional Offices (ROs) and District Engineering Offices (DEOs) based on the General Appropriations Act (GAA) as Release Document

Allotments under the "For Comprehensive Release (FCR)" portion of the GAA to the ROs and DEOs, as Implementing Offices (IOs), based on the GAA as the Release Document, shall be booked up immediately by the concerned IOs upon receipt of the itemized List of Projects (inclusive of the Project Components, IOs and required codes), to be provided by the Planning Service (PS). The PS shall prepare such Itemized List of Projects, based on the GAA, to be transmitted by the Undersecretary for Planning and Public-Private Partnership (PPP) to the Finance Service (FS), ROs and DEOs within five (5) working days upon the effectivity of the GAA.

B. Allotments for Centrally Managed Items under DPWH Budget

1. Allotments under FCR Portion of GAA

- a. For Projects under Centrally Managed line items (i.e., items directly administered by the DPWH Central Office or CO) under the FCR portion of the GAA where the IO is a RO or a DEO, the FS shall automatically issue the corresponding Sub-Allotment Advices (SAAs) within five (5) working days upon receipt of the Itemized List of Projects, based on the GAA, from the PS duly transmitted by the Undersecretary for Planning and PPP, without a prior need for Requests for the Release of Funds from the concerned IOs, PS or the Office of the Secretary.

- b. For Projects under Centrally Managed lump sum items under the FCR portion of the GAA which require a further itemization or breakdown into specific projects, the Undersecretary for Planning and PPP shall recommend the release to the IOs concerned of the corresponding SAAs for such projects, subject to the approval of the concerned Undersecretary for Operations. Within five (5) working days from such approval, the FS shall issue the SAAs to the IOs concerned.
- c. If the project is to be implemented by a RO, the amount of the SAA to be released to the RO shall be based on (a) the full Allotted Amount in the case of projects under item B-1-a above or (b) the full Allotted Amount approved by the Undersecretary for Operations concerned in the case of projects under item B-1-b above, segregated between DPC and EAO, but net of the CO and DEO shares of EAO. While the CO share of EAO is retained in the CO, the corresponding DEO share of EAO shall be released to the DEO. As mentioned in the second paragraph of this Order, the utilization of the funds for DPC shall be based on the duly approved POW.
- d. If the project is to be implemented by a DEO, the amount of the SAA to be released to the DEO shall be based on (a) the full Allotted Amount in the case of projects under item B-1-a above or (b) the full Allotted Amount approved by the Undersecretary for Operations concerned in the case of projects under item B -1-b above, segregated between DPC and EAO, but net of the CO and RO shares for EAO. While the CO share of EAO is retained in the CO, the corresponding RO share of EAO shall be released to the RO. Again, the utilization of the funds for DPC shall be based on the duly approved POW.

2. Allotments under "For Later Release (FLR)" Portion of GAA

- a. For Projects under Centrally Managed lump sum items that are part of the "For Later Release (FLR)" portion of the GAA, the PS shall prepare, for the Secretary's signature, the requests for the release of the Special Allotment Release Order (SARO) from the Department of Budget and Management (DBM), together with the itemized List of Projects (inclusive of the Project Components, IOs and required codes), to be charged against the appropriate lump sum appropriations, copy furnished the FS.
- b. The FS shall automatically issue the corresponding SAAs within five (5) working days upon receipt of the SARO from the DBM based on the List of Projects submitted by the PS to the DBM. There shall be no prior need for Requests for the Release of Funds from the concerned IOs, PS or the Office of the Secretary.
- c. The amount of the SAA to be released to IOs shall be based on the full Allotted Amount, segregated between DPC and EAO, but net of the CO share of EAO, which is retained in the CO. The utilization of the funds for DPC shall be based on the duly approved POW.

C. Transferred Appropriations from Other Agencies

1. For Appropriations of other Agencies transferred to the DPWH for the purpose of project implementation that are either under the FCR portion of the GAA or under a SARO, where the IO is a RO or DEO, the FS shall automatically issue the corresponding SAAs within five (5) working days upon receipt of the List of Projects from the source agency, to be provided to the FS by the PS (inclusive of Project Components, IOs and required codes), without a need for Requests for the Release of Funds from the concerned IOs, PS or the Office of the Secretary.

2. The SAA to be released to the IO shall be based on the full Allotted Amount specified in the List of Projects of the source agency, segregated between DPC and EAO. The utilization of the funds for DPC shall be based on the duly approved POW.

The Information Management Service (IMS) shall ensure that read-only access of the eBudget System is available to the Secretary, all Undersecretaries, all Assistant Secretaries and the Planning Service.

This Order shall take effect immediately and supersedes the following issuances:

1. Department Order No. 25, Series of 1974
2. Ministry Order No. 73, Series of 1982
3. Ministry Order No. 48, Series of 1984
4. Department Order No. 13, Series of 1989
5. Department Order No. 181, Series of 1989
6. Department Order No. 12, Series of 2007
7. Department Order No. 167, Series of 2016

For strict compliance.



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