



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

097.13 DPWH

01.24.2023

JAN 24 2023

DEPARTMENT ORDER)

SUBJECT: **GUIDELINES ON MODIFICATION
OF ALLOTMENT UNDER THE
GENERAL APPROPRIATIONS ACT**

NO. 13)

Series of 2023

DA 1/24/2023

This Department Order is issued as updated guidelines in the modification of allotments under the General Appropriations Act (GAA).

A. DEFINITIONS

Modification- refers to any change within an activity or project, change in operating unit (OU), allotment class, object of expenditure within an agency or department budget.

Project Modification – change in details of the project but within the same Project Category (OO), and within the same Operating Unit (OU), and within the same Implementing Office (IO) unless funds are centrally released e.g. OU is Central Office.

Program/Activity/Project (P/A/P) - Specified under the GAA.

Operating Unit – The organizational entity that initially receives the appropriations as specified in the GAA (e.g. Central Office (CO), District Engineering Office (DEO))

Project – is a special agency undertaking within a definite timeframe and which is designed to produce pre-determined works, goods and services.

Project Component – is a distinct Task or Activity in the life cycle of a project that is tracked separately for the management and monitoring purposes. The types of project component are Right of Way Acquisition, Civil Works and Engineering Administrative Overhead (EAO). Distinct types or items of infrastructure are treated as separate components.

B. GENERAL GUIDELINES

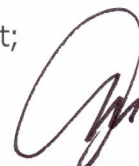
1. As a general rule, the Department shall spend what is programmed in their respective appropriations in the GAA. Realignment is not allowed.
2. Project Modification of allotments released from appropriations from one project scope of work to another may be approved by the DPWH Secretary or his duly authorized representatives, or by Department of Budget and Management (DBM), in accordance with the criteria specified in the General Provisions and Special Provisions of the GAA.

- 2.1 For modifications involving typographical errors, setting of targets resulting in increase of unit costs of no more than Twenty (20) percent of the DPWH standard unit cost and when the setting of targets results in decrease in unit cost, the approving authority shall be the concerned Undersecretary for Operations provided that there is recommending approval by the Undersecretary for Planning Service;
 - 2.2 For all the other modifications, the approval shall be by the Secretary upon recommendation of the concerned Undersecretary for Operations and the Undersecretary for Planning Service;
 - 2.3 In case there is change in IO, the approval of request for modification shall be based on the approved IO provided that in cases where the change in cost is more than Twenty (20) percent, the approval shall still be with the Secretary.
3. All modifications shall be undertaken at the earliest possible time and must be approved prior to bidding. In case the validity of budget as provided in the GAA is one (1) year, all requests for modifications shall be until the second quarter of the fiscal year except when due to force majeure. In the event that the GAA provides for two (2) years validity, all requests for modification shall be until the end of the first year except when due to force majeure.
 4. All modifications in the allotment shall not entail any increase in the total amount appropriated for a program, sub-program, activity or project. In the case of programs with several activities and/or projects, modifications may only be done within each activity and/or project.
 5. Modification of OUs from DEO to CO (including regional offices) shall be approved by the Department of Budget and Management (DBM).
 6. All modification requests must be supported by sufficient and acceptable justifications in accordance with existing laws, rules and regulations.
 7. Total appropriation for each Activity and/or Project should be maintained and cannot be increased.
 8. A project cannot be modified if there is already a Notice of Award (NOA) or if funds have already been obligated and/or disbursed.
 9. No modification shall be allowed for projects under approved augmentation.

C. SPECIFIC GUIDELINES

1. Types of Modification

- 1.1. Typographical errors;
- 1.2. Change in station limits, due to increase or decrease in budget;
- 1.3. Change in physical target;



- 1.4. Change in location, if such LGU is not existing;
- 1.5. Change in implementing office (IO), requiring the change in the operating unit (OU);
- 1.6. Overlapped Sections of Work.

The above is neither an exclusive list, nor a jurisdiction for approval of a Modification. The guiding principle is that Modifications should be minimized in order to improve transparency, especially in relation to monitoring targets set out in the GAA.

Modification requests that are evaluated as not conforming to the DPWH guidelines may be sent to DBM for review on case-by-case basis.

2. Procedure

The Planning Service is hereby directed to issue an updated procedure for all requests for modification.

This Order shall take effect immediately and shall amend Department Order 37, Series of 2018, insofar as the provisions inconsistent herewith as well as all other issuances.

For strict compliance.


MANUEL M. BONOAN
Secretary

2.5 MCEC

Department of Public Works and Highways
Office of the Secretary



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