

B. GOVERNMENT ARSENAL

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017	2018	2019
New General Appropriations	1,219,362	1,216,188	1,258,628
General Fund	1,219,362	1,216,188	1,258,628
Automatic Appropriations	185,817	15,811	16,256
Customs Duties and Taxes, including Tax Expenditures	170,630		
Retirement and Life Insurance Premiums	15,187	15,811	16,256
Continuing Appropriations	75,918		
Unobligated Releases for Capital Outlays R.A. No. 10717	10,201		
Unobligated Releases for MOOE R.A. No. 10717	65,717		
Budgetary Adjustment(s)	13,051		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	9,711		
Pension and Gratuity Fund	3,340		
Total Available Appropriations	1,494,148	1,231,999	1,274,884
Unused Appropriations	(6,281)		
Unobligated Allotment	(6,281)		
TOTAL OBLIGATIONS	1,487,867	1,231,999	1,274,884

EXPENDITURE PROGRAM
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017 Actual	2018 Current	2019 Proposed
General Administration and Support	122,051,000	119,048,000	117,219,000
Regular	122,051,000	119,048,000	117,219,000
PS	87,178,000	78,361,000	75,385,000
MOOE	34,873,000	40,687,000	41,834,000
Operations	1,365,816,000	1,112,951,000	1,157,665,000
Regular	1,365,816,000	1,112,951,000	1,157,665,000
PS	186,906,000	179,842,000	194,238,000
MOOE	1,115,772,000	933,109,000	945,427,000
CO	63,138,000		18,000,000

TOTAL AGENCY BUDGET	<u>1,487,867,000</u>	<u>1,231,999,000</u>	<u>1,274,884,000</u>
Regular	<u>1,487,867,000</u>	<u>1,231,999,000</u>	<u>1,274,884,000</u>
PS	274,084,000	258,203,000	269,623,000
MOOE	1,150,645,000	973,796,000	987,261,000
CO	63,138,000		18,000,000

STAFFING SUMMARY

	<u>2017</u>	<u>2018</u>	<u>2019</u>
TOTAL STAFFING			
Total Number of Authorized Positions	687	687	687
Total Number of Filled Positions	617	606	606

Proposed New Appropriations Language
 For general administration and support, and operations, as indicated hereunder.....P 1,258,628,000
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PROPOSED 2019 (Cash-Based)

OPERATIONS BY PROGRAM	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
SMALL ARMS AMMUNITION, WEAPONS, AND MUNITIONS PROGRAM	181,896,000	945,427,000	18,000,000	1,145,323,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2019 (Cash-Based)
 (in pesos)

REGION	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
Regional Allocation	<u>253,367,000</u>	<u>987,261,000</u>	<u>18,000,000</u>	<u>1,258,628,000</u>
Region III - Central Luzon	253,367,000	987,261,000	18,000,000	1,258,628,000
TOTAL AGENCY BUDGET	<u>253,367,000</u>	<u>987,261,000</u>	<u>18,000,000</u>	<u>1,258,628,000</u>
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SPECIAL PROVISION(S)

- Hospital Income. In addition to the amounts appropriated herein, all income generated from the operations of the Government Arsenal (GA) infirmary shall be deposited in an authorized government depository bank and used to augment the infirmary's MOOE and Capital Outlay requirements, subject to the following conditions: (i) at least twenty-five percent (25%) of said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services; and (ii) income sourced from PhilHealth reimbursements from availment of medical services shall be used exclusively by said hospitals for the improvement of its facilities, and the replenishment of drugs, medicines and vaccines, including medical and dental supplies used in government health care facilities.

In no case shall said amount be used for the payment of salaries, allowances and other benefits.

Disbursements or expenditures by the hospital in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5, and Section 80, Chapter 7, Book VI of E.O. No. 292, s. 1987, and to appropriate criminal action under existing penal laws.

The GA shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current year covering said income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The Director of GA and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the GA website.

2. Authority to Barter and Sell Scrap Items. The Director of GA, upon approval of the Secretary of National Defense, may barter or sell scrap items in accordance with E.O. No. 888, s. 1983, as amended. The barter and sale of scrap items shall be subject to the COA rules on the disposal of government properties and sale through public auction. The items acquired from barter shall be recorded or booked-up as government property while proceeds from the sale shall accrue to the Revised AFP Modernization Act Trust Fund pursuant to Section 6 of R.A. No. 10349.
3. Reporting and Posting Requirements. The GA shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:
 - (a) Unified Reporting System (URS) or other electronic means for reports not covered by the URS; and
 - (b) GA's website.

The GA shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.
4. Appropriations for Activities or Projects. The amounts appropriated herein shall be used specifically for the following activities or projects in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects (Cash-Based)

		<u>Current Operating Expenditures</u>			
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
1000000000000000	General Administration and Support	71,471,000	41,834,000		113,305,000
100000100001000	General management and supervision	60,090,000	41,834,000		101,924,000
100000100002000	Administration of Personnel Benefits	11,381,000			11,381,000
Sub-total, General Administration and Support		<u>71,471,000</u>	<u>41,834,000</u>		<u>113,305,000</u>
3000000000000000	Operations	181,896,000	945,427,000	18,000,000	1,145,323,000
3100000000000000	00 : Supply of Small Arms, Ammunition, Weapons, and Munitions Increased to the Level of Demand	181,896,000	945,427,000	18,000,000	1,145,323,000
3101000000000000	SMALL ARMS AMMUNITION, WEAPONS, AND MUNITIONS PROGRAM	181,896,000	945,427,000	18,000,000	1,145,323,000
310100100001000	Planning and development of arms manufacturing processes and procedures	11,748,000	7,160,000		18,908,000
310100100002000	Manufacture, storage and security of small arms ammunition	170,148,000	938,267,000	18,000,000	1,126,415,000
Sub-total, Operations		<u>181,896,000</u>	<u>945,427,000</u>	<u>18,000,000</u>	<u>1,145,323,000</u>
TOTAL NEW APPROPRIATIONS		P 253,367,000	P 987,261,000	P 18,000,000	P 1,258,628,000
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Obligations, by Object of Expenditures

CYs 2017-2019
(In Thousand Pesos)

	(Obligation-Based)		(Cash-Based)
	2017	2018	2019
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	130,058	131,762	135,465
Total Permanent Positions	<u>130,058</u>	<u>131,762</u>	<u>135,465</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	14,673	14,616	14,544
Representation Allowance	390	510	330
Transportation Allowance	361	510	330
Clothing and Uniform Allowance	3,040	3,045	3,636
Mid-Year Bonus - Civilian	10,354	10,980	11,289
Year End Bonus	10,695	10,980	11,289
Cash Gift	3,086	3,045	3,030
Productivity Enhancement Incentive	3,049	3,045	3,030
Performance Based Bonus	5,444		
Step Increment		329	339
Collective Negotiation Agreement	15,305		
Total Other Compensation Common to All	<u>66,397</u>	<u>47,060</u>	<u>47,817</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	138	300	300
Magna Carta for Science & Technology Personnel	38,600	39,414	48,390
Quarters Allowance	1,013	1,347	1,347
Night Shift Differential Pay	4,204	4,173	4,804
Total Other Compensation for Specific Groups	<u>43,955</u>	<u>45,234</u>	<u>54,841</u>
Other Benefits			
Retirement and Life Insurance Premiums	15,186	15,811	16,256
PAG-IBIG Contributions	734	731	727
PhilHealth Contributions	1,408	1,483	1,764
Employees Compensation Insurance Premiums	735	731	727
Retirement Gratuity	937	1,820	
Loyalty Award - Civilian	175	675	645
Terminal Leave	14,499	12,896	11,381
Total Other Benefits	<u>33,674</u>	<u>34,147</u>	<u>31,500</u>
TOTAL PERSONNEL SERVICES	<u>274,084</u>	<u>258,203</u>	<u>269,623</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	6,946	6,790	6,993
Training and Scholarship Expenses	5,967	4,721	4,863
Supplies and Materials Expenses	774,506	854,847	880,492
Utility Expenses	23,177	38,192	39,338
Communication Expenses	2,865	1,788	1,842
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	130	130	130
Professional Services	6,087	4,205	4,752
General Services	73,067	27,762	12,497
Repairs and Maintenance	37,844	31,049	31,981
Taxes, Insurance Premiums and Other Fees	172,166	2,087	2,087

Other Maintenance and Operating Expenses			
Advertising Expenses	181	318	328
Printing and Publication Expenses	25	68	70
Representation Expenses	1,211	647	666
Transportation and Delivery Expenses	1	1,006	1,036
Subscription Expenses	142	186	186
Other Maintenance and Operating Expenses	46,330		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>1,150,645</u>	<u>973,796</u>	<u>987,261</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>1,424,729</u>	<u>1,231,999</u>	<u>1,256,884</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures			6,000
Machinery and Equipment Outlay	63,138		12,000
TOTAL CAPITAL OUTLAYS	<u>63,138</u>		<u>18,000</u>
GRAND TOTAL	<u>1,487,867</u>	<u>1,231,999</u>	<u>1,274,884</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL
OUTCOME : Supply of Small Arms, Ammunition, Weapons, and Munitions Increased to the Level of Demand

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
Supply of Small Arms Ammunition Increased to the Level of Demand		
Percentage of Small Arms Ammunition requirement supplied (at 2 basic load)	116.25%	121.64%

<u>MFO / Performance Indicators</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION		
Number of small arms ammunition (SAA) manufactured	40.000 Mrds	41.855 Mrds
Percent supportability to AFP SAA requirements (combat requirements)	116.25%	121.64%
Percentage acceptance based on standards	98.00%	98.00%

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>2018 GAA Targets</u>	<u>Baseline</u>	<u>2019 Targets</u>
Supply of Small Arms, Ammunition, Weapons, and Munitions Increased to the Level of Demand			
SMALL ARMS AMMUNITION, WEAPONS, AND MUNITIONS PROGRAM			
Outcome Indicator			
1. Percentage of supportability to AFP Small Arms Ammunition (SAA) requirements for two (2) basic loads (combat requirements)	116.25%	116.25%	116.25%

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Output Indicators

1. Number of small arms ammunitions (SAA) manufactured	40.0 MRds	40.0 MRds	40.0 Mrds
2. Percentage acceptance based on standards	98.00%	98.00%	98.00%