

**XLII. REVISED AFP MODERNIZATION PROGRAM**

For the Revised AFP Modernization Program in accordance with R.A. No. 10349, as indicated hereunder . . . . . P 40,000,000,000

**New Appropriations, by Purpose**

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
<b>TOTAL NEW APPROPRIATIONS</b>			P <u>40,000,000,000</u>	P <u>40,000,000,000</u>

**Special Provision(s)**

1. **Release and Use of Fund.** The amount of Forty Billion Pesos (P40,000,000,000) appropriated herein for the Revised AFP Modernization Program shall be used exclusively to support the funding requirements for the modernization projects of the AFP and shall be administered by the Secretary of National Defense in accordance with R.A. No. 10349.

The procurement or acquisition of certain defense and military equipment under this Section shall be exempt from R.A. No. 9184 (Government Procurement Reform Act), to allow government-to-government contracts or negotiated contracts with a private company. In the case of negotiated contract with a private company, the approval of the Secretary of National Defense shall be required for acquisition and procurement with approved budget for the contract of up to Five Hundred Million Pesos (P500,000,000) and the approval of the President for acquisition and procurement above Five Hundred Million Pesos (P500,000,000). The allotment for the purpose shall be issued only upon submission and presentation by DND to the Senate President, Speaker of the House of Representatives, and the Congressional Oversight Committee created under Section 18 of R.A. No. 10349 of the procurement plan and equipment specifications prior to the commencement of a government-to-government contract or negotiated contract.

This shall cover the procurement and acquisition of military equipment, weapons system, hardware and software for defense, intelligence and other military operations wherein publication thereof or divulgement to the public in the process of procurement or acquisition will endanger or compromise national security and external defense strategy of the country. This shall include but not limited to the following: naval ships, aircrafts, unmanned-aerial vehicles or drones, tanks, missile systems, and hardware and software for anti-cyber espionage or hacking: Provided, That the procurement and acquisition of these defense and military equipment and weapon systems shall allow in-brand new condition and not necessarily new equipment: Provided, further, That in-brand new condition, as used in this Section, shall mean refurbished equipment whose remaining life span is more than fifty percent (50%) of the equipment's expected or average life span.

For modernization projects that will go through public bidding under R.A. No. 9184, the allotment for such purpose shall be issued only upon submission by the DND of the recommendation by the appropriate bids and awards committee of the award of contracts for the modernization projects.

2. **Reporting and Posting Requirements.** The AFP 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) AFP's website.

The AFP 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.

**New Appropriations, by Purpose**

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
<b>PURPOSE(S)</b>				
Revised AFP Modernization Program				
For the Acquisition and Upgrading of AFP Equipment/ System under the Revised AFP Modernization Program			P <u>40,000,000,000</u>	P <u>40,000,000,000</u>
Sub-total, Purpose(s)			<u>40,000,000,000</u>	<u>40,000,000,000</u>
<b>TOTAL NEW APPROPRIATIONS</b>			P <u>40,000,000,000</u>	P <u>40,000,000,000</u>

New Appropriations, by Object of Expenditures  
(In Thousand Pesos)

Current Operating Expenditures

Capital Outlays

Property, Plant and Equipment Outlay  
Machinery and Equipment Outlay

40,000,000

Total Capital Outlays

40,000,000

TOTAL NEW APPROPRIATIONS

40,000,000

GENERAL SUMMARY

REVISED AFP MODERNIZATION PROGRAM

	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
A. REVISED AFP MODERNIZATION PROGRAM			P 40,000,000,000	P 40,000,000,000
TOTAL NEW APPROPRIATIONS, REVISED AFP MODERNIZATION PROGRAM			P 40,000,000,000	P 40,000,000,000