



REPUBLIC OF THE PHILIPPINES  
**DEPARTMENT OF BUDGET AND MANAGEMENT**  
GENERAL SOLANO STREET, SAN MIGUEL, MANILA



## LOCAL BUDGET CIRCULAR

No.: 127

Date: June 11, 2020

To : Local Chief Executives, Members of the Local Sanggunian, Local Budget Officers, Local Treasurers, Local Planning and Development Coordinators, Local Accountants, and All Others Concerned

Subject : **STREAMLINING THE PROCESS OF ISSUANCE OF AUTHORITY TO PURCHASE MOTOR VEHICLES TO LOCAL GOVERNMENT UNITS CHARGEABLE AGAINST THE LOCAL GOVERNMENT SUPPORT FUND-OTHER FINANCIAL ASSISTANCE (LGSF-FA) TO LOCAL GOVERNMENT UNITS, THEREBY AMENDING LOCAL BUDGET CIRCULAR NO. 119, AS AMENDED, AND LOCAL BUDGET CIRCULAR NO. 122**

### 1.0 BACKGROUND

The purchase of motor vehicles (MVs) chargeable against the Local Government Support Fund-Other Financial Assistance (LGSF-FA) to Local Government Units (LGUs) is subject to the following existing issuances and guidelines that prescribe the Authority to Purchase Motor Vehicle (APMV) as one of the documentary requirements, to wit:

- a) Local Budget Circular (LBC) No. 119,<sup>1</sup> as amended by LBC No. 199-A,<sup>2</sup> for the purchase of ambulances, mini-dump trucks, or multi-cabs and/or multi-purpose vehicles, chargeable against the FY 2019 LGSF-FA to LGUs;
- b) LBC No. 122,<sup>3</sup> for the purchase of ambulances, trucks, mini-dump trucks, or multi-cabs chargeable against the FY 2020 LGSF-FA to LGUs;
- c) Item 11.1 of National Budget Circular (NBC) No. 446,<sup>4</sup> as amended by NBC No. 466-A;<sup>5</sup> and
- d) Item 4.0 of DBM-Department of Finance Joint Circular No. 2016-1.<sup>6</sup>

<sup>1</sup> LBC No. 119 dated July 15, 2019 (Guidelines on the Release and Utilization of the Local Government Support Fund-Other Financial Assistance to Local Government Units in the FY 2019 General Appropriations Act, Republic Act No. 11260)

<sup>2</sup> Amendments to Local Budget Circular No. 119 Dated July 15, 2019, Entitled, "Guidelines on the Release and Utilization of the Local Government Support Fund – Other Financial Assistance to Local Government Units in the FY 2019 General Appropriations Act, Republic Act No. 11260"

<sup>3</sup> LBC No. 122 dated January 31, 2020 (Guidelines on the Release and Utilization of the Local Government Support Fund-Other Financial Assistance to Local Government Units in the FY 2020 General Appropriations Act, Republic Act No. 11465)

<sup>4</sup> NBC No. 446 dated November 24, 1995 (Guidelines on the Acquisition and Rental of Motor Vehicles)

<sup>5</sup> Amending National Budget Circular (NBC) No. 446 Dated November 24, 1995, On the Subject, "Guidelines on the Acquisition and Rental of Motor Vehicles"

Subject to the LGU's compliance with LBC No. 119, as amended, or LBC No. 122, as the case may be, the LGSF-FA to LGUs is released by the DBM through the issuance of Special Allotment Release Order and Advice of Notice of Cash Allocation Issued to the Bureau of the Treasury, and the Notice of Cash Allocation (NCA) to the Authorized Government Servicing Bank.

Meanwhile, the issuance of the APMV is subject to the LGU's compliance with NBC No. 446, as amended.

## 2.0 PURPOSE

This Circular is being issued to streamline the process of issuance of APMV to LGUs, chargeable against the FYs 2019 and 2020 LGSF-FA to LGUs, thereby amending LBC No. 119, as amended, and LBC No. 122.

## 3.0 GUIDELINES

- 3.1 The documentary requirements for the purchase of ambulances or mini-dump trucks, chargeable against the FY 2019 LGSF-FA to LGUs, specified in Annex B of LBC No. 119, as amended, and purchase of ambulances, trucks, mini-dump trucks or multi-cabs chargeable against the FY 2020 LGSF-FA to LGUs, specified in Annex B of LBC No. 122, are hereby amended as follows:

Project Menu	Documentary requirements
Purchase of ambulances or mini-dump trucks (chargeable against the FY 2019 LGSF-FA to LGUs)	<p>a. Certification under oath from the Local Chief Executive (LCE) attesting that:</p> <ul style="list-style-type: none"> <li>i. There is a Sanggunian Resolution endorsing the proposed project(s), and that the same is/are part of the duly approved Local Development Investment Program and Annual Investment Program of the LGU; and</li> <li>ii. The said programs and/or projects shall be implemented in accordance with the standards and existing policies of the National Government.</li> </ul> <p><i>(The template for the said Certification is attached as <b>Annex A</b> of this LBC.)</i></p> <p>b. Project Profile/Proposal signed by the LCE, including the following information:</p> <ul style="list-style-type: none"> <li>i. Vehicle type/specifications in accordance with existing guidelines;</li> </ul>

<sup>6</sup> DBM-DOF JC No. 2016-1 dated January 4, 2016 (Guidelines for the Direct Release of Funds by the Bureau of the Treasury (BTr) to Local Government Units (LGUs) in FY 2016 and Thereafter).

	<ul style="list-style-type: none"> <li>ii. Cost per unit, including number of units;</li> <li>iii. Activity/purpose for which the vehicle will be used; and</li> <li>iv. Specific hospital/office/unit in the LGU or other government entity to where the vehicle will be assigned/deployed.</li> </ul> <p><i>(The template for the said project profile/proposal is attached as <b>Annex B</b> of this LBC.)</i></p> <p>c. Inventory of MVs prepared by the General Services Officer/Property Custodian and Chief Accountant approved by the LCE.</p> <p><i>(The template for the said inventory is attached as <b>Annex C</b> of this LBC.)</i></p>
Purchase of ambulances, trucks, mini-dump trucks, or multi-cabs (chargeable against the FY 2020 LGSF-FA to LGUs)	<ul style="list-style-type: none"> <li>a. Certification under oath from the LCE attesting that: <ul style="list-style-type: none"> <li>i. There is a Sanggunian Resolution endorsing the proposed project(s), and that the same is/are part of the duly approved Local Development Investment Program and Annual Investment Program of the LGU; and</li> <li>ii. The said programs and/or projects shall be implemented in accordance with the standards and existing policies of the National Government.</li> </ul> <p><i>(The template for the said Certification is attached as <b>Annex A</b> of this LBC.)</i></p> </li> <li>b. Project Profile/Proposal signed by the LCE, including the following information: <ul style="list-style-type: none"> <li>i. Vehicle type/specifications in accordance with existing guidelines;</li> <li>ii. Cost per unit, including number of units;</li> </ul> </li> </ul>

	<p>iii. Activity/purpose for which the vehicle will be used; and</p> <p>iv. Specific hospital/office/unit in the LGU or other government entity to where the vehicle will be assigned/deployed.</p> <p><i>(The template for the said project profile/proposal is attached as <b>Annex B</b> of this LBC.)</i></p> <p>c. Inventory of MVs prepared by the General Services Officer/Property Custodian and Chief Accountant approved by the LCE.</p> <p><i>(The template for the said inventory is attached as <b>Annex C</b> of this LBC.)</i></p>
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3.2 Notwithstanding the provisions of NBC No. 446, as amended, the DBM-Central Office, through the Office of the Secretary-Technical Review Unit, shall issue a Confirmation Letter to the LGUs, informing them of the issuance of the NCA for the purchase of MVs, chargeable against the LGSF-FA to LGUs. To support the speedy and timely vehicle procurement for government operations, the Confirmation Letter issued by the DBM to the LGUs shall serve as the LGU's APMV. The purchase of MVs shall be subject to the LGU's compliance with LBC No. 119, as amended, or LBC No. 122, as the case may be, and this LBC.

3.3 Funds released to the LGUs for the purchase of MVs, chargeable against the LGSF-FA to LGUs, shall be used strictly for the purchase of MVs with the same specifications, costs, deployment, and purpose specified in the Confirmation Letter issued by the DBM to the LGU.

Any change in the specifications of the MVs as indicated in the Confirmation Letter shall require approval of the DBM.

3.4 The APMV in the form of Confirmation Letter issued by the DBM is limited to those MVs enumerated under Section 5(a)(1) of Administrative Order (AO) No. 14,<sup>7</sup> and specified in the pertinent guidelines on the release and utilization of the FYs 2019 and 2020 LGSF-FA to LGUs.

However, the issuance of APMVs for the purchase of MVs under the FYs 2019 and 2020 project menu that falls within the authority of the Department of the Interior and Local Government (DILG), shall be retained with the DILG, consistent with AO No. 14.

<sup>7</sup> AO No. 14 dated December 10, 2018 (Consolidating and Rationalizing the Rules on the Acquisition of Government Motor Vehicles, Adopting a Centralized System of Procurement Therefor, and for Other Purposes)

- 3.5 LGU requests for fund releases for the purchase of multi-cabs and/or multi-purpose vehicles chargeable against the FY 2019 LGSF-FA shall still be subject to compliance with DBM-DILG Joint Memorandum Circular No. 2019-2.<sup>8</sup>

#### **4.0 ITEMS FOR RESOLUTION**

Interpretation of the provisions of this Circular, including relevant items not covered herein, shall be referred to the DBM for resolution.

#### **5.0 SEPARABILITY**

If any provision of this Circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

#### **6.0 REPEALING CLAUSE**

- 6.1 All provisions of existing guidelines that are not consistent with this Circular are hereby revised, modified, and/or repealed accordingly.
- 6.2 All other provisions of LBC No. 119, as amended, and LBC No. 122 shall remain in full force and effect.

#### **7.0 EFFECTIVITY**

This Circular shall take effect after fifteen (15) days from its publication in the Official Gazette or in a newspaper of general circulation.



  
**WENDEL E. AVISADO**  
Secretary

<sup>8</sup> DBM-DILG JMC No. 2019-2 dated December 18, 2019 (Guidelines on the Release and Utilization of the Local Government Support Fund-Other Financial Assistance to Local Government Units Under the FY 2019 General Appropriations Act, Republic Act No. 11260 for the Purchase Of Multi-Cabs and/or Multi-Purpose Vehicles And Purchase and Installation of Video Surveillance)

REPUBLIC OF THE PHILIPPINES )  
CITY OF \_\_\_\_\_ ) S.S.

X-----X

### SWORN STATEMENT

I, the undersigned, attest to the veracity of the following:

- i. There is a Sanggunian Resolution endorsing the following program(s) and/or project(s) for which the funds are requested, and that the same is/are part of the duly approved Local Development Investment Program and Annual Investment Program of the Local Government of \_\_\_\_\_:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

*(The number of programs/projects may vary depending on the request of the LGU.)*

- ii. The said programs and/or projects shall be implemented in accordance with the standards and existing policies of the National Government.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of [month] [year] at [place of execution].

*[Insert NAME OF LOCAL CHIEF EXECUTIVE]*  
*[Insert Signatory's Legal Capacity]*  
Affiant

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_ day of [month] [year] at [place of execution], Philippines.

Affiant is personally known to me and was identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC).

Witness my hand and seal this \_\_\_\_ day of [month] [year].

### NAME OF NOTARY PUBLIC

Serial No. of Commission \_\_\_\_\_  
Notary Public for \_\_\_\_\_ until \_\_\_\_\_  
Roll of Attorneys No. \_\_\_\_\_  
PTR No. \_\_\_\_\_ [date issued], [place issued]  
IBP No. \_\_\_\_\_ [date issued], [place issued]

Doc. No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of \_\_\_\_\_

### PROJECT PROFILE FOR MOTOR VEHICLES

Vehicle Type (choose one):      ☐ Ambulance / vehicle to be converted to ambulance  
   ☐ Truck  
   ☐ Mini-dump truck  
   ☐ Multicabs

Number of units: \_\_\_\_\_ Cost per unit: \_\_\_\_\_

Deployment:<sup>1</sup> \_\_\_\_\_

Activity/Purpose for which the vehicle will be used: <sup>2</sup>  
\_\_\_\_\_

#### Specifications:

Engine displacement: \_\_\_\_\_

Fuel type (choose one):      ☐ Gasoline  
   ☐ Diesel  
   ☐ Others: \_\_\_\_\_

Other vehicle specifications:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Accessories and Equipment:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
*Name and Signature of Local Chief Executive*

<sup>1</sup> Recipient government hospital/office/unit in the LGU

<sup>2</sup> Must be quoted directly from BC No. 2019-2 or Annex B of BC No. 2017-1, whichever is applicable

**INVENTORY OF MOTOR VEHICLES**  
For the Quarter Ended \_\_\_\_\_

Local Government Unit: \_\_\_\_\_

Location (Barangay, City/Municipality, Province, Region): \_\_\_\_\_

Assigned to: (Organizational Unit & Official)	Qty.	Description (Year of Mfr., Manufacture's Name/Model, Etc.)	Specifications				Acquisition		Running Condition	Remarks
			Vehicle Use	No of Cyl.	Engine Displacement	Fuel Type	Year	Cost		

Prepared by:

Approved by:

\_\_\_\_\_  
GENERAL SERVICES OFFICER/  
PROPERTY CUSTODIAN

\_\_\_\_\_  
LOCAL CHIEF EXECUTIVE

\_\_\_\_\_  
CHIEF ACCOUNTANT