

B. GOVERNMENT ARSENAL

STRATEGIC OBJECTIVES

MANDATE : 1. Establish, operate, maintain and secure the Arsenal.
 2. Formulate plans and programs to achieve self-sufficiency in small arms, mortars and other weapons and munitions.
 3. Design, develop, manufacture, procure, stockpile, allocate and repair small arms, mortars, and other weapons and munitions.
 4. Devise ways and means for the efficient mobilization of the civilian industry to augment the production of the Arsenal in times of emergency, and;
 5. Perform such other functions as maybe provided by law.

VISION : To achieve self-sufficiency in ammunition and munitions for the use of the AFP, PNP and other government law enforcement agencies.

MISSION : To design, manufacture, procure, stockpile, allocate and repair small arms, weapons, ammunition for these weapons and other munitions for the AFP, PNP and other government law enforcement agencies; and to sell and export excess products, as provided for under Republic Act Nos. 1884, 7898 and 10349; and Executive Order No. 292.

KEY RESULT AREAS : Just and lasting peace and the rule of law

SECTOR OUTCOME : Stable national security environment achieved

ORGANIZATIONAL OUTCOME : 1. Supply of small arms ammunition increased to the level of demand

**SECTION 1 : EXPENDITURE PROGRAM
(in pesos)**

No./ Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
000001000000000	General Administration and Support	118,505,000	87,948,000	92,835,000
	PS	83,898,000	49,067,000	54,342,000
	MOOE	34,607,000	38,881,000	38,493,000
000003000000000	Operations	768,124,000	869,808,000	996,764,000
	PS	136,151,000	144,169,000	152,140,000
	MOOE	591,950,000	696,639,000	795,624,000
	CO	40,023,000	29,000,000	49,000,000
TOTAL AGENCY BUDGET		886,629,000	957,756,000	1,089,599,000
	PS	220,049,000	193,236,000	206,482,000
	MOOE	626,557,000	735,520,000	834,117,000
	CO	40,023,000	29,000,000	49,000,000

STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Total Number of Authorized Positions	687	687	687
Total Number of Filled Positions	597	599	599

OPERATIONS BY MFO	PROPOSED 2016			
	PS	MOOE	CO	TOTAL
MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION	142,036,000	795,624,000	49,000,000	986,660,000

**SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
(in pesos)**

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	193,047,000	834,117,000	49,000,000	1,076,164,000
Region III - Central Luzon	193,047,000	834,117,000	49,000,000	1,076,164,000
TOTAL AGENCY BUDGET	193,047,000	834,117,000	49,000,000	1,076,164,000

SECTION 3 : SPECIAL PROVISION(S)

1. 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: PROVIDED, That 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.

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 or 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. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

SECTION 4 : PERFORMANCE INFORMATION

KEY STRATEGIES :

Manufacture components such as cases, bullets and primers, and fabrication of machine parts, tools, dies and gauges to support the small arms ammunition requirement of the Armed Forces of the Philippines (AFP).

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2016 Targets
Supply of small arms ammunition increased to the level of demand		
Percentage of Small Arms Ammunition requirement supplied		108.12% supportability
MFO / PIs		2016 Targets
MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION		
Number of small arms ammunition (SAA) manufactured		35.0 M Rounds
Percent supportability to AFP SAA requirements (combat requirements)		108.12%
Percentage acceptance based on standards		98.00%

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New General Appropriations	925,031	944,794	1,076,164
General Fund R.A. No. 10633	925,031	944,794	1,076,164
Automatic Appropriations	51,389	12,962	13,435
Customs Duties and Taxes, including Tax Expenditures	38,225		
Retirement and Life Insurance Premiums	13,164	12,962	13,435
Continuing Appropriations	9,551	118,021	
Unobligated Releases for Capital Outlays R.A. No. 10352	361		
R.A. No. 10633		338	
Unobligated Releases for MOOE R.A. No. 10352	9,190		
R.A. No. 10633		117,683	
Budgetary Adjustment(s)	19,570		
Transfer(s) from: Miscellaneous Personnel Benefits Fund	12,538		
Pension and Gratuity Fund	7,032		
Total Available Appropriations	1,005,541	1,075,777	1,089,599
Unused Appropriations	(118,912)	(118,021)	
Unobligated Allotment	(118,912)	(118,021)	
TOTAL OBLIGATIONS	886,629	957,756	1,089,599
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Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 1,076,164,000
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New Appropriations, by Programs/Activities/Projects

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
PROGRAMS				
0000010000000000 General Administration and Support	51,011,000	38,493,000		89,504,000
1030010001000000 General management and supervision	P 45,621,000	P 38,493,000		P 84,114,000
1030010002000000 Administration of Personnel Benefits	5,390,000			5,390,000
Sub-total, General Administration and Support	51,011,000	38,493,000		89,504,000

00000300000000	Operations	142,036,000	795,624,000	49,000,000	986,660,000
00000301000000	MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION	142,036,000	795,624,000	49,000,000	986,660,000
121003010100000	Planning and development of arms manufacturing processes and procedures	9,074,000	6,778,000		15,852,000
121003010200000	Manufacture, storage and security of small arms ammunition	132,962,000	788,846,000	49,000,000	970,808,000
Sub-total, Operations		142,036,000	795,624,000	49,000,000	986,660,000
TOTAL NEW APPROPRIATIONS		P 193,047,000 P	834,117,000 P	49,000,000 P	1,076,164,000
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Obligations, by Object of Expenditures

CYs 2014-2016
(In Thousand Pesos)

	2014	2015	2016
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	109,114	108,038	111,958
Total Permanent Positions	109,114	108,038	111,958
Other Compensation Common to All			
Personnel Economic Relief Allowance	13,936	13,800	14,376
Representation Allowance	690	390	348
Transportation Allowance	480	390	348
Clothing and Uniform Allowance	2,880	2,875	2,995
Productivity Incentive Allowance	1,156	1,150	
Year End Bonus	9,028	9,003	9,330
Cash Gift	2,895	2,875	2,995
Step Increment	131	270	722
Collective Negotiation Agreement	14,330		
Productivity Enhancement Incentive	2,866		2,995
Performance Based Bonus	6,671		
Total Other Compensation Common to All	55,063	30,753	34,109
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	141	300	300
Magna Carta for Science & Technology Personnel		36,417	36,417
Quarters Allowance	921	1,347	1,347
Hazard Pay	30,640		
Night Shift Differential Pay	1,314	804	804
Total Other Compensation for Specific Groups	33,016	38,868	38,868
Other Benefits			
Retirement and Life Insurance Premiums	13,123	12,962	13,435
PAG-IBIG Contributions	695	689	719
PhilHealth Contributions	1,285	1,237	1,285
Employees Compensation Insurance Premiums	697	689	718
Retirement Gratuity	1,443		798
Terminal Leave	5,613		4,592
Total Other Benefits	22,856	15,577	21,547
TOTAL PERSONNEL SERVICES	220,049	193,236	206,482
Maintenance and Other Operating Expenses			
Travelling Expenses	10,654	6,000	6,400
Training and Scholarship Expenses	4,843	4,400	4,450
Supplies and Materials Expenses	439,144	654,300	746,719
Utility Expenses	18,309	36,000	36,000
Communication Expenses	1,690		1,686
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	125	130	130

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Professional Services	6,300	5,093	10,505
General Services	44,815	15,382	15,382
Repairs and Maintenance	22,593	10,055	8,650
Taxes, Insurance Premiums and Other Fees	38,897	2,087	2,087
Other Maintenance and Operating Expenses			
Advertising Expenses	366	296	300
Printing and Publication Expenses	53	64	64
Representation Expenses	925	607	610
Transportation and Delivery Expenses	116	920	948
Subscription Expenses	111	186	186
Other Maintenance and Operating Expenses	37,616		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>626,557</u>	<u>735,520</u>	<u>834,117</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>846,606</u>	<u>928,756</u>	<u>1,040,599</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures		29,000	
Machinery and Equipment Outlay	39,886		49,000
Furniture, Fixtures and Books Outlay	137		
TOTAL CAPITAL OUTLAYS	<u>40,023</u>	<u>29,000</u>	<u>49,000</u>
GRAND TOTAL	<u>886,629</u>	<u>957,756</u>	<u>1,089,599</u>