

B. GOVERNMENT ARSENAL

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
New General Appropriations	944,794	1,076,164	1,219,362
General Fund	944,794	1,076,164	1,219,362
Automatic Appropriations	168,558	13,435	15,121
Customs Duties and Taxes, including Tax Expenditures	155,101		
Retirement and Life Insurance Premiums	13,457	13,435	15,121
Continuing Appropriations	118,021	34,200	
Unobligated Releases for Capital Outlays			
R.A. No. 10633	338		
R.A. No. 10651		6,383	
Unobligated Releases for MOOE			
R.A. No. 10633	117,683		
R.A. No. 10651		27,817	
Budgetary Adjustment(s)	32,996		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	23,064		
Pension and Gratuity Fund	9,932		
Total Available Appropriations	1,264,369	1,123,799	1,234,483
Unused Appropriations	( 40,209)	( 34,200)	
Unobligated Allotment	( 40,209)	( 34,200)	
TOTAL OBLIGATIONS	1,224,160	1,089,599	1,234,483
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EXPENDITURE PROGRAM  
(in pesos)

<u>No. / Code</u>	<u>GASS / STO / OPERATIONS / PROJECTS</u>	<u>2015 Actual</u>	<u>2016 Current</u>	<u>2017 Proposed</u>
000001000000000	General Administration and Support	117,939,000	92,835,000	109,966,000
	PS	82,558,000	54,342,000	70,392,000
	MOOE	35,381,000	38,493,000	39,574,000
000003000000000	Operations	1,106,221,000	996,764,000	1,124,517,000
	PS	159,933,000	152,140,000	175,834,000
	MOOE	923,332,000	795,624,000	895,683,000
	CO	22,956,000	49,000,000	53,000,000

TOTAL AGENCY BUDGET	1,224,160,000	1,089,599,000	1,234,483,000
PS	242,491,000	206,482,000	246,226,000
MOOE	958,713,000	834,117,000	935,257,000
CO	22,956,000	49,000,000	53,000,000

STAFFING SUMMARY

	2015	2016	2017
TOTAL STAFFING			
Total Number of Authorized Positions	687	687	687
Total Number of Filled Positions	613	623	623

Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 1,219,362,000  
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OPERATIONS BY MFO	PROPOSED 2017			
	PS	MOOE	CO	TOTAL
MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION	164,600,000	895,683,000	53,000,000	1,113,283,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017  
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	231,105,000	935,257,000	53,000,000	1,219,362,000
Region III - Central Luzon	231,105,000	935,257,000	53,000,000	1,219,362,000
TOTAL AGENCY BUDGET	231,105,000	935,257,000	53,000,000	1,219,362,000

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: 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 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. 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:

New Appropriations, by Programs/Activities/Projects

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
<b>PROGRAMS</b>				
0000010000000000 General Administration and Support	66,505,000	39,574,000		106,079,000
1030010001000000 General management and supervision	P 53,484,000	P 39,574,000		P 93,058,000
1030010002000000 Administration of Personnel Benefits	13,021,000			13,021,000
Sub-total, General Administration and Support	66,505,000	39,574,000		106,079,000
0000030000000000 Operations	164,600,000	895,683,000	53,000,000	1,113,283,000
0000030100000000 MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION	164,600,000	895,683,000	53,000,000	1,113,283,000
1210030101000000 Planning and development of arms manufacturing processes and procedures	10,724,000	6,902,000		17,626,000
1210030102000000 Manufacture, storage and security of small arms ammunition	153,876,000	888,781,000	53,000,000	1,095,657,000
Sub-total, Operations	164,600,000	895,683,000	53,000,000	1,113,283,000
<b>TOTAL NEW APPROPRIATIONS</b>	<b>P 231,105,000</b>	<b>P 935,257,000</b>	<b>P 53,000,000</b>	<b>P 1,219,362,000</b>

Obligations, by Object of Expenditures

CYs 2015-2017  
(In Thousand Pesos)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Current Operating Expenditures</b>			
<b>Personnel Services</b>			
<b>Civilian Personnel</b>			
Permanent Positions			
Basic Salary	113,702	111,958	126,008
Total Permanent Positions	113,702	111,958	126,008
Other Compensation Common to All			
Personnel Economic Relief Allowance	14,615	14,376	14,952
Representation Allowance	655	348	390

Transportation Allowance	505	348	390
Clothing and Uniform Allowance	2,980	2,995	3,115
Productivity Incentive Allowance	1,149		
Mid-Year Bonus - Civilian			10,500
Year End Bonus	9,512	9,330	10,500
Cash Gift	3,082	2,995	3,115
Step Increment	61	722	1,234
Collective Negotiation Agreement	15,235		
Productivity Enhancement Incentive	9,700	2,995	3,115
Performance Based Bonus	4,330		
Total Other Compensation Common to All	<u>61,824</u>	<u>34,109</u>	<u>47,311</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	139	300	300
Magna Carta for Science & Technology Personnel	37,629	36,417	37,217
Quarters Allowance	947	1,347	1,347
Night Shift Differential Pay	1,486	804	3,917
Other Personnel Benefits	348		
Total Other Compensation for Specific Groups	<u>40,549</u>	<u>38,868</u>	<u>42,781</u>
Other Benefits			
Retirement and Life Insurance Premiums	13,648	13,435	15,121
PAG-IBIG Contributions	728	719	747
PhilHealth Contributions	1,341	1,285	1,408
Employees Compensation Insurance Premiums	730	718	747
Retirement Gratuity	837	798	
Terminal Leave	9,132	4,592	12,103
Total Other Benefits	<u>26,416</u>	<u>21,547</u>	<u>30,126</u>
TOTAL PERSONNEL SERVICES	<u>242,491</u>	<u>206,482</u>	<u>246,226</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	7,963	6,400	6,592
Training and Scholarship Expenses	8,759	4,450	4,584
Supplies and Materials Expenses	638,133	746,719	829,948
Utility Expenses	19,103	36,000	42,377
Communication Expenses	7,223	1,686	1,736
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	128	130	130
Professional Services	5,092	10,505	10,505
General Services	54,078	15,382	20,794
Repairs and Maintenance	16,066	8,650	14,339
Taxes, Insurance Premiums and Other Fees	155,785	2,087	2,087
Other Maintenance and Operating Expenses			
Advertising Expenses	216	300	309
Printing and Publication Expenses	27	64	66
Representation Expenses	1,095	610	628
Transportation and Delivery Expenses	3,046	948	976
Subscription Expenses	134	186	186
Other Maintenance and Operating Expenses	41,865		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>958,713</u>	<u>834,117</u>	<u>935,257</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>1,201,204</u>	<u>1,040,599</u>	<u>1,181,483</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures	22,618		
Machinery and Equipment Outlay	338	49,000	53,000
TOTAL CAPITAL OUTLAYS	<u>22,956</u>	<u>49,000</u>	<u>53,000</u>
GRAND TOTAL	<u>1,224,160</u>	<u>1,089,599</u>	<u>1,234,483</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Stable national security environment achieved

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

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	2017 Targets
Supply of small arms ammunition increased to the level of demand		
Percentage of Small Arms Ammunition requirement supplied (at 2 basic load)		116.25%

MFO / PIs	2017 Targets
MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION	
Number of small arms ammunition (SAA) manufactured	40.0 M Rounds
Percent supportability to AFP SAA requirements (combat requirements)	116.25%
Percentage acceptance based on standards	98.00%