



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
MALACANANG, MANILA

NATIONAL BUDGET CIRCULAR

No. 446  
Series of 1995

T O : Heads of Departments, Bureaus, Offices and Agencies of the National Government, Including Government-Owned and/or -Controlled Corporations, State Universities and Colleges, Local Government Units and All Others Concerned

SUBJECT : Guidelines on the Acquisition and Rental of Motor Vehicles

1.0 PURPOSE

This Circular is being issued to:

- 1.1 Provide guidelines in the application of existing policies on the acquisition and rental of motor vehicles; and
- 1.2 Prescribe specifications for motor vehicles allowed to be purchased for government use.

2.0 GENERAL POLICY

It is the policy of the government to ensure the efficient and effective use of government motor vehicles. For this purpose, motor vehicles to be acquired shall be limited to those deemed necessary and appropriate for the officials authorized to use official transport vehicles or for the performance of functions or activities requiring transport mobility.

3.0 SPECIFIC POLICIES

- 3.1 Restrictions on the Use of Funds. Pursuant to Section 14, General Provisions, FY 1995 General Appropriations Act (R.A. 7845), no government funds shall be utilized to purchase motor vehicles, except: (a) medical ambulances, military and police patrol vehicles,

other utility vehicles, road construction equipment, motorized bancas, and those used for mass transport when necessary in the interest of the public service, upon authority of the department or agency head and the Secretary of the Department of Budget and Management; and (b) those authorized by the President, the Senate President, the Speaker of the House of Representatives, or the Chief Justice of the Supreme Court.

3.2 Official Vehicles and Transport. Likewise, Section 34, General Provisions, FY 1995 General Appropriations Act, provides that government motor transportation may be used by the following officials:

- a. The President of the Philippines;
- b. The Vice-President;
- c. The President of the Senate;
- d. The Speaker of the House of Representatives;
- e. The Chief Justice of the Supreme Court;
- f. The Secretaries, Undersecretaries and officials of equivalent rank;
- g. The Presiding Justice of the Court of Appeals;
- h. Ambassadors, Ministers Plenipotentiary and Consuls in charge of Consulates, in their respective stations abroad;
- i. The Chief of Staff, the Vice-Chief of Staff and the Commanding Generals of the major services of the Armed Forces of the Philippines;
- j. The Heads of Constitutional Commissions; and
- k. Those who may be specifically authorized by the President of the Philippines, the President of the Senate with respect to the Senate, and the Speaker with respect to the House of Representatives, with costs chargeable to the appropriations authorized for their respective offices.

3.3 Limitation on Rental of Motor Vehicles. Section 76, Chapter 7, Book VI of Executive Order No. 292 (Administrative Code of 1987) provides that no appropriations authorized in the General Appropriations Act shall be used for renting motor transport equipment for a continuous period of more than fifteen days, except as may be authorized by the Secretary of Budget and Management.

#### 4.0 AUTHORITY TO PURCHASE

4.1 National government agencies (NGAs), government-owned and/or controlled corporations (GOCCs) and local government units (LGUs) may purchase the following types of vehicle chargeable against their respective appropriations upon approval by the Agency Head and the Secretary of Budget and Management:

- o medical ambulances
- o military and police patrol vehicles
- o fire trucks
- o road construction equipment such as graders, payloaders, dump trucks, road rollers, etc.
- o motorized bancas
- o mass transport when necessary in the interest of public service
- o motorcycles
- o other utility vehicles with locally manufactured chassis and body, and with engine displacement of not more than 1600cc for gasoline and 2500cc for diesel. (Examples are Asian Utility Vehicles and other locally assembled and fabricated jeepneys/vehicles of similar design or configuration.)

4.2 The purchase of the following motor vehicles is subject to the approval of the President:

- o cars or sedans
- o passenger vans/wagons and other service vehicles with fully imported chassis and body
- o pick-ups and all-terrain vehicles with fully imported chassis and body, and four-wheel drive
- o aircrafts and seacrafts

4.3 In lieu of the approval by the President, the purchase of motor vehicles in the Legislative and Judicial Branches of government is subject to the approval of the Senate President, Speaker of the House of Representatives or Chief Justice of the Supreme Court, as the case may be.

#### 5.0 TYPE, CLASSIFICATION AND SPECIFICATIONS

5.1 The type, classification and specifications of motor vehicles which may be authorized to be purchased shall be in accordance with the Motor Vehicle Classification and Specifications Guide (MVCSG) prescribed under Annex A of this Circular.

5.2 The Department of Budget and Management reserves the right to reduce and/or alter the type and specifications of the proposed motor vehicle from a higher to a lower model/category to conform with the MVCSG and what is considered economical, cost-effective and more

appropriate to the needs of the requesting agency and the resources of the government.

## 6.0 COST OF ACQUISITION

- 6.1 The cost of the motor vehicle authorized to be purchased shall be based strictly on the type and specifications approved for the motor vehicle.
- 6.2 The purchase of the motor vehicle shall be subject to the pertinent accounting and auditing rules and regulations.

## 7.0 MODES OF ACQUISITION

- 7.1 Motor vehicles may be acquired through outright purchase wherein brand new motor vehicles are paid for on a single, lump-sum basis.
- 7.2 Alternatively, motor vehicles may be assembled, (usually owner-type jeeps and AUV-type vehicles) utilizing locally-fabricated chassis and body and fitted with surplus/reconditioned engine.

However, regardless of whether the funding source is capital outlay or maintenance and other operating expenses, acquisition by assembly shall be subject to the approval by the agency head and the Secretary of Budget and Management and may be resorted to when any of the following conditions are satisfied:

- o Where a brand new utility vehicle is not available in the locality, or if available, the cost is prohibitive because of distance from the nearest market source; or
- o Where an assembled vehicle is deemed more durable as the design and type of parts used are made suitable to the road condition/terrain in the locality such as in remote barangays/municipalities.

## 8.0 ENTITLEMENT TO OFFICIAL VEHICLES

- 8.1 In addition to those specifically authorized by law as stated under Section 3.2 hereof, the following officials are entitled to official transport vehicles subject to the approval of the President:
  - o Assistant Secretaries (SG 29) and officials with equivalent rank. For this purpose, the rank equivalence is based primarily on salary grade (SG) and applies to officials occupying regular positions identified in the:

- a. Personal Services Itemization (PSI), in the case of NGAs;
  - b. Staffing pattern approved by DBM, in the case of GOCCs; and
  - c. Position Allocation List (PAL) maintained by the Compensation and Position Classification Bureau-DBM, in the case of LGUs.
- o Bureau directors, department-wide and bureau-wide regional directors, and executive directors and other directors who are heads of bureau-level organizational units identified in the PSI.
- 8.2 An official entitled or authorized to use an official transport shall be allowed only one (1) motor vehicle. However, a Cabinet Secretary or an official holding a position of equivalent rank may be allowed a back-up vehicle for security personnel. Acquisition of the additional vehicle for security personnel is subject to the approval of the need for a security detail by the Secretary of the Interior and Local Government upon the recommendation of the Director-General of the Philippine National Police.

## 9.0 REPLACEMENT OF MOTOR VEHICLES

- 9.1 Motor vehicles may be replaced under the following conditions:
- 9.1.1 For high official function cars/sedans, passenger vans/wagons, and other service vehicles - If the motor vehicle is at least seven (7) years old and has traveled at least 175,000 kms.
  - 9.1.2 For utility vehicles - If the utility vehicle is at least five (5) years old and has traveled at least 150,000 kms.
  - 9.1.3 Replacements may also be allowed even before the conditions in 9.1.1 and 9.1.2 above are met, when:
    - o The vehicle, for justifiable reasons, is declared as unserviceable, in which case, a duly accomplished Inventory and Inspection Report of Unserviceable Property shall be submitted together with the request for replacement; or
    - o The average annual cost of recurring repair/reconditioning during the immediate past two (2) years is at least thirty percent (30%) of

the current price of a new similar unit. In this case, a statement of the recurring repair/reconditioning expenses for the two-year period prepared by the chief accountant and certified by the agency head shall accompany the request.

#### 10.0 SUBMISSION OF A MOTOR VEHICLES INVENTORY

- 10.1 Within sixty (60) days from the effectivity of this Circular, all NGAs, GOCCs and LGUs shall submit an up-to-date, accurate and complete (including those in the central, regional and other field offices) INVENTORY of their motor vehicles using the Motor Vehicles Inventory Form - Annex B (with sample entries) to the DEPARTMENT of BUDGET and MANAGEMENT, attention the ORGANIZATION & PRODUCTIVITY IMPROVEMENT BUREAU.
- 10.2 The agencies concerned shall ensure the completeness and accuracy of the Inventory as this will be a ONE-TIME submission and that the information contained therein will constitute a data base on which all future actions on motor vehicles will be based/referred to. All agencies concerned shall inform the Organization and Productivity Improvement Bureau of all new acquisitions as well as disposal of old motor vehicles to update the data base.
- 10.3 NGAs, GOCCs and LGUs which have no motor vehicles shall accomplish and submit the Motor Vehicles Inventory Form just the same, indicating thereon that the NGA/GOCC/LGU has no motor vehicle.
- 10.4 Requests of NGAs/GOCCs/LGUs without the Motor Vehicles Inventory required under this Circular shall be returned without action.

#### 11.0 SUPPORTING DOCUMENTS TO REQUESTS

- 11.1 All requests for authority to purchase motor vehicles submitted to the Department of Budget and Management shall be duly approved/endorsed by the head of the NGA, GOCC or LGU, and shall be accompanied by:
  - 11.1.1 The duly accomplished Motor Vehicles Inventory Form required under 10.0 above, if none had been submitted yet.
  - 11.1.2 Certification of fund source and availability, as follows:
    - o Equipment Outlay in the General Appropriations Act and/or other authorized appropriation source, in the case of NGAs; or

- o A certification that the purchase of the motor vehicle has been previously authorized under the corporate operating budget approved by the President, in the case of GOCCs; or
- o A certification by the local Treasurer that funds are available for the purpose together with a copy of the Sanggunian Resolution endorsing the purchase and citing pertinent provision(s) in the local Appropriations Ordinance authorizing funds therefor, in the case of LGUs.

11.1.3 The number, type, specifications and cost of requested vehicle.

11.1.4 User-official, deployment by organizational unit, and/or activities/purposes for which the vehicle will be used.

11.2 In the case of replacement units, a duly accomplished Inventory and Inspection Report of Unserviceable Equipment covering the vehicle intended to be replaced shall be submitted in addition to the requirements under Section 11.1 above.

## 12.0 RENTAL OF MOTOR VEHICLES

12.1 Heads of Agencies are authorized to rent motor transport equipment for a continuous period not exceeding fifteen (15) days chargeable against agency appropriations under the following circumstances/ situations:

- o Where the motor vehicle will be used in the performance of agency functions, such as investments promotion, foreign affairs, international trade and tourism, that require transportation services for agency official guests/visitors;
- o Where the motor vehicle will be used in conventions, seminars, athletic/sports events and similar gatherings wherein the nature of the gathering requires the travel or transport of participants from one location to another;
- o Where the motor vehicle will be used by a Presidential ad-hoc body/agency mandated to perform a specific task within a specific period. In which case, motor vehicle rental is deemed more economical, expedient and convenient than outright purchase;
- o Where the motor vehicle will be used in urgent and/or emergency cases such as in search and rescue

operations during natural or man-made disasters or calamities; and

o Under other situations similar to the above.

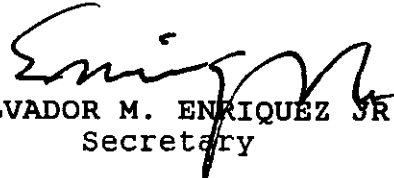
12.2 Rental of motor vehicles/transport equipment for a continuous period of more than fifteen (15) days may be allowed, subject to the approval by the Secretary of Budget and Management.

12.3 Information Requirements. - Requests for authority to rent shall be accompanied by the following:

- o Detailed justification for the rental of the motor/transport vehicle(s) proposed, including the duration of the specific program, project and activity for which the motor vehicle(s) will be rented;
- o The number, type and specifications of vehicle(s) to be rented, and the proposed rate(s);
- o Period of rental of the motor vehicle(s); and
- o Certification of fund source and availability.

### 13.0 EFFECTIVITY

This Circular shall take effect immediately.

  
SALVADOR M. ENRIQUEZ JR.  
Secretary

November 24, 1995

### Attachments:

Annex A - Motor Vehicles Classification  
and Specifications Guide (MVCSG) ;

Annex B - Inventory of Motor Vehicles Form  
(Blank Form and with sample entries)

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## MOTOR VEHICLE CLASSIFICATION AND SPECIFICATIONS GUIDE (MVCSG)

(A) For approval of the department/agency head and the Secretary of Budget and Management

INTENDED USE/USER (Position or Organizational Unit)	TYPE OF VEHICLE/CLASSIFICATION	Description/Maximum Allowable Specifications
1.0 <u>Ambulance</u>		
1.1 For transport of sick and injured persons in hospitals. Also for LGUs which may want to provide transportation facilities for sick and/or injured constituents.	1.1.a Asian Utility Vehicle (AUV) for conversion into an ambulance and fitted with the necessary medical equipment and apparatus	1.1.a Any four-wheel vehicle with locally manufactured chassis and body and an engine with a displacement of not more than 1600cc for gasoline or 2500cc for diesel.  Allowable Options: AM/FM Stereo cassette player, air-conditioning, siren, rotating light and two-way radio
	- or -	- or -
	1.1.b Passenger van or wagon type motor vehicle for conversion into an ambulance and fitted with the necessary medical equipment and apparatus	1.1.b Any four-wheel van type vehicle with not less than four doors, a four-cylinder engine with a displacement of not more than 2000cc for gasoline and not more than 2500cc for diesel.  Allowable Options: AM/FM Stereo Cassette player, air-conditioning, siren, rotating light and two-way radio
	- or -	- or -
	1.1.c An ambulance originally built, designed and equipped as such. (Assumptions: The ambulance is airconditioned and has rotating or flashing lights installed)	1.1.c Specifications vary according to manufacturers. "Original ambulances" are imported directly either by the user or a local distributor, if any. Specifications and other pertinent data submitted by the requesting agency may be subject to DBM evaluation.  Allowable Options: Two-way radio and AM-FM stereo cassette player
2.0 <u>For police and military operations</u>		
2.1 For city and municipal patrol operations and related activities.	2.1.a Patrol car	2.1.a Any four-wheel vehicle with not less than four doors with a four-cylinder engine with a displacement of not more than 1400cc for gasoline or 2000cc for diesel  Allowable Options: Two-way radio, siren and rotating light
	- or -	- or -

INTENDED USE/USER (Position or Organizational Unit)	TYPE OF VEHICLE/CLASSIFICATION	Description/Maximum Allowable Specifications
	2.1.b Patrol vehicle (AUV)	2.1.b Any four-wheel vehicle with locally manufactured chassis and body and an engine with a displacement of not more than 1600cc for gasoline or 2500cc for diesel.  Allowable Options: Two-way radio, siren and rotating light
	- or -	- or -
	2.1.c Patrol motorcycle	2.1.c Any two-wheel vehicle with a two or four-stroke cycle engine having a displacement of not more than 125cc.  Allowable Options: Two-way radio, siren, rotating light, windscreen and saddlebag
2.2 For highway patrol operations where speed and stability are necessary when pursuing other speeding vehicles.	2.2.a Patrol car	2.2.a Any four-wheel vehicle with not less than four doors with a four-cylinder engine with a displacement of not more than 1600cc for gasoline or 2400cc for diesel.  Allowable Options:  Two-way radio, siren and rotating light
	- or -	- or -
	2.2.b Highway patrol motorcycle	2.2.b Any two-wheel vehicle with a two or four-stroke cycle engine having a displacement of not more than 350cc.  Allowable Options:  Two-way radio, siren, rotating light, windscreen and saddlebag
3.0 <u>For fire fighting operations</u>		
3.1 To provide basic fire fighting capability to the Bureau of Fire Protection units/stations in the different local government units	3.1 Fire truck	3.1 Specifications vary according to water tank capacity, manufacturer, features and other capabilities such as ladder for high rise buildings, etc. Specifications and other necessary data shall be supplied by the requesting agency subject to the evaluation of the DBM.
4.0 <u>For mass transport</u>		
1 For transport of students like those in state colleges and universities and similar educational institutions for the conduct of practicum and/or educational trips as part of the curriculum	4.0 School Bus	4.0 The specifications depend, among others, on the number of seats, e.g. Any six-wheel vehicle with a six-cylinder diesel engine with a displacement of not more than 6500cc and a 59-passenger sitting capacity.

INTENDED USER/USER (Position or Organizational Unit)	TYPE OF VEHICLE/CLASSIFICATION	Description/Maximum Allowable Specifications
	4.0 School Bus (cont'd)	Allowable Options:  AM/FM Stereo cassette player and airconditioning
5.0 <u>For general purpose/utility</u>	<u>General Purpose/Utility Vehicle</u>	
5.1 For transport of personnel, equipment, supplies, products and materials for project monitoring and implementation purposes.		
5.1.1 General Urban Use - For use in mostly urbanized areas where roads are gene- rally in good condition.	5.1.1.a Asian Utility Vehicle or AUV (High side pick-up with roof or HSPUR)	5.1.1.a Any four-wheel utility type vehicle, high side pick-up with roof, with locally manufactured chassis and body and an engine with a displace- ment of not more than 1600 cc for gasoline or 2500 cc for diesel  Allowable Options:  AM/FM Stereo Cassette player and car airconditioning
	- or -	- or -
	5.1.1.b Assembled vehicle	5.1.1.b Any four-wheel assembled vehicle with locally-fabricated chassis and body fitted with reconditioned/sur- plus engine  No allowable option
5.1.2 For field personnel/workers who by the nature of their functions have to travel to remote areas not normal- ly accessible to ordinary transport vehicles.	5.1.2 Motorcycle	5.1.2 Any two-wheel vehicle with a two or four-stroke cycle engine having a displacement of not more than 125cc.  Allowable Options:  Windscreen and saddlebag
6.0 <u>For water transport.</u>		
6.1 For inland waters and limited off-shore and inter-island transportation	6.1 Motorized banca	6.1 A boat with a locally manufactured wooden hull with not more than 15-pass- enger carrying capacity, with RH and LH rigs, roof, stainless steel propel- lers and an engine of not more than 30 hp. Specifications and other perti- nent data submitted by the requesting agency shall be subject to DBM evaluation.

INTENDED USER/USER (Position or Organizational Unit)	TYPE OF VEHICLE/CLASSIFICATION	Description/Maximum Allowable Specifications
7.0 <u>Road construction equipment</u>		
For construction and maintenance of roads within the jurisdiction of local government units	7.1 Graders, payloaders, dump trucks, road rollers and similarly related equipment	7.1 Specifications vary according to size, capacity, manufacturer, etc.. Data & specifications shall be supplied by the requesting agency, subject to DBM evaluation.

(b) For approval of the President

INTENDED USER/USER (Position or Organizational Unit)	TYPE OF VEHICLE/CLASSIFICATION	Description/Maximum Allowable Specifications
8.0 <u>For exercise of executive functions</u>	<u>High Official Function Cars</u>	
8.1 National Government Agencies (NGAs), Government-Owned and/or Controlled Corporations (GOCCs) and Local Government Units (LGUs)		
A. Department Secretary and other officials of equivalent rank in NGAs, GOCCs and LGUs	A. Car/Sedan of the model/category to provide appropriate representation/prestige to the office/agency represented by the official/intended user.	A. Any four-wheel vehicle with not less than four doors with a four-cylinder engine with a displacement of not more than 2000cc for gasoline or 2800cc for diesel.  Allowable Options:  Car airconditioning, AM/FM stereo cassette player and magwheels
B. Department Undersecretary and officials of equivalent rank in NGAs, GOCCs and LGUs.  Chief of Staff of the Armed Forces of the Philippines	B. Car/sedan of the model/category deemed appropriate for the position/rank of the official/intended user.	B. Any four-wheel vehicle with not less than four doors with a four-cylinder engine with a displacement of not more than 1800cc for gasoline or 2600cc for diesel.  Allowable Options:  Car airconditioning, AM/FM stereo cassette player and magwheels
C. Department Assistant Secretary and officials of equivalent rank in NGAs, GOCCs and LGUs.  Vice Chief of Staff and the Commanding Generals of the Major Services of the Armed Forces of the Philippines	C. Car/sedan of the model/category deemed appropriate for the position/rank of the official/intended user.	C. Any four-wheel vehicle with not less than four doors with a four-cylinder engine with a displacement of not more than 1600cc for gasoline or 2400cc for diesel.  Allowable Options:  Car airconditioning, AM/FM stereo cassette player and magwheels

INTENDED USE/USER (Position or Organizational Unit)	TYPE OF VEHICLE/CLASSIFICATION	Description/Maximum Allowable Specifications
D. Bureau Director, Regional Director of department-wide/bureau-wide regional offices, and officials of equivalent rank in NGAs, GOCCs and LGUs.	D. Car/sedan of the model/category deemed appropriate for the position/rank of the official/intended user.	D. Any four-wheel vehicle with not less than four doors with a four-cylinder engine with a displacement of not more than 1500cc for gasoline and 2200cc for diesel.  Allowable options:  Car airconditioning, AM-FM stereo cassette player and magwheels
<u>Service Vehicle</u>		
9.0 <u>For personnel/visitors service</u>		
9.1 For transport of personnel/visitors for activities related to tourism, trade and investment promotions, banking and finance, and foreign affairs.	9.1.a Passenger van          - or -  9.1.b Passenger wagon	9.1.a Any four-wheel van type vehicle with imported chassis and body with not less than four doors and an engine with displacement of not more than 2000 cc for gasoline or 2700 cc for diesel  Allowable Options:  AM/FM Stereo cassette player and car airconditioning  - or -
9.2 Heavy Field Use - For use in rural and remote areas with generally rugged road condition, mountainous and rugged terrain.	9.2.a Pick-up type vehicle, single or double/crew cab type	9.1.b Any four-wheel wagon type vehicle with a locally manufactured chassis and body, with not less than four doors and an engine with a displacement of not more than 1600 cc for gasoline and 2500 cc for diesel  Allowable Options:  AM/FM Stereo cassette player and car airconditioning
		9.2.a Any four-wheel pick-up type vehicle with imported chassis and body, and an engine with a displacement of not more than 2000cc for gasoline or 2600cc for diesel.  Allowable Options:  Four-wheel drive, AM/FM stereo cassette player and car airconditioning

INTENDED USE/USER (Position or Organizational Unit)	TYPE OF VEHICLE/CLASSIFICATION	Description/Maximum Allowable Specifications
	- or -	- or -
	9.2.b All-terrain vehicle	9.2.b Any four-wheel all-terrain vehicle with fully-imported heavy-duty chassis and body and an engine with a displacement of not more than 2000cc for gasoline or 2500cc for diesel.  Allowable options:  AM/FM stereo cassette player, car airconditioning and four-wheel drive
	<u>Aircrafts and Seacrafts</u>	
10.0 <u>For air and sea transport</u>		
10.1 For air transportation	10.1 All types of aircraft such as airplanes, helicopters, etc.	10.1 Specifications and other pertinent data submitted by the requesting agency shall be subject to DBM evaluation.
10.2 For inter-island water/sea transport and for fast water travel.	10.2 All types of sea vessels except motorized banca as described under Item 6.0 above  Examples are speed/motor boats with outboard motor, passenger vessels, research vessels, naval patrol craft, etc.	10.2 Specifications and other pertinent data submitted by the requesting agency shall be subject to DBM evaluation.

AS OF \_\_\_\_\_, 1995

Department/Bureau/Office/Agency/ : \_\_\_\_\_  
Gov't Corp./Local Gov't Unit : \_\_\_\_\_

LOCATION: Region: \_\_\_\_\_ Province: \_\_\_\_\_  
City/Municipality: \_\_\_\_\_

ASSIGNED TO: ORGANIZATIONAL UNIT & OFFICIAL	QTY	DESCRIPTION (Yr. of Mfr., Manufacturer's Name/Model, Etc.)	S P E C I F I C A T I O N S				ACQUISITION		RUNNING CONDITION	R E M A R K S
			VEHICLE TYPE/USE	NO. OF CYL.	ENG. DIS- PLACEMENT	Fuel Type	Year	C O S T		

Prepared by:

CERTIFIED CORRECT  
& SUBMITTED BY:

\_\_\_\_\_  
Administrative/Property Officer

\_\_\_\_\_  
Agency Head

AS OF July 31, 1995Department/Bureau/Office/Agency/ : Dept. of Agriculture, Region VIII  
Gov't Corp./Local Gov't Unit : \_\_\_\_\_LOCATION: Region: VIII Province: \_\_\_\_\_  
City/Municipality: Tacloban City

ASSIGNED TO: ORGANIZATIONAL UNIT & OFFICIAL	QTY	DESCRIPTION (Yr. of Mfr., Manufacturer's Name/Model, Etc.)	S P E C I F I C A T I O N S				ACQUISITION		RUNNING CONDITION	REMARKS
			VEHICLE TYPE/USE	NO. OF CYL.	ENG. DIS- PLACEMENT	Fuel Type	Year	C O S T		
		(SAMPLE ENTRIES)								
Office of the Regional Director										
Dir. J. dela Cruz	1	1993 Toyota Corolla XE	Car	4	1300cc	gasoline	1993	P430,000.00	Very good	
Field Operations Division										
Division Chief	1	1990 Toyota Tamaraw -High side pick-up w/roof	Utility	4	1500cc	gasoline	1990	330,000.00	Fair	
Operations Officers	3	1979 Ford Fiera -High side pick-up w/roof	Utility	4	1300cc	gasoline	1980	150,000.00 (P50,000 x 3)	1 Good 2 Very poor	For replace- ment
- do -	2	Owner-type jeep w/ locally fabricated chassis & gavanized body (assembled)	Utility	4	2200cc	diesel	1984	120,000.00	Fair	
Regulatory Division										
Division Chief	1	1987 Mitsubishi L200 Pick-up, crew cab	Service	4	2200cc	diesel	1987	430,000.00	Good	
Administrative Division										
Motor pool	2	1993 Mitsubishi L300 -High side pick-up w/ roof	Utility	4	2500cc	diesel	1993	690,000.00 (P345,000 x 2)	Very good	

Prepared by: (SGD.) AIDA RUIZ (AO III)

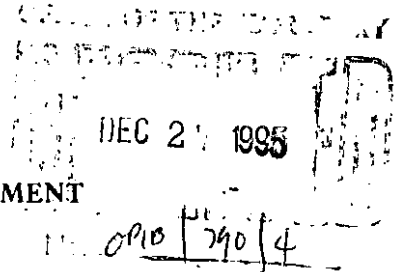
CERTIFIED CORRECT  
& SUBMITTED BY:

(SGD) J. dela Cruz (Director IV)





REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
MALACAÑANG, MANILA



December 21, 1995

MEMORANDUM

F o r : The Secretary Of Budget and Management  
F r o m Assistant Secretary Cynthia G. Castel  
Subject : Proposed National Budget Circular on Motor Vehicles  
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This refers to the Secretary's marginal note on the covering memo, dated November 14, 1995, of the proposed National Budget Circular (NBC) on the Acquisition and Rental of Motor Vehicles inquiring whether "the attached circular already reconciled w/ the COA comments."

As mentioned in the above-cited covering memo prepared by OPIB, in consultation with LLS, DBM's answers to COA's comments were contained in an attachment entitled "OPIB's Answers to COA's Comments/Observations" (attached).

However, we failed to mention that all COA comments were taken into consideration and incorporated in the final draft of the proposed NBC those we felt would improve its presentation.

For the Secretary's consideration.

*Cynthia G. Castel*  
CYNTHIA G. CASTEL

December 21, 1995

MEMORANDUM

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F r o m Assistant Secretary Cynthia G. Castel  
Subject : Proposed National Budget Circular on Motor Vehicles  
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CYNTHIA G. CASTEL /

*aut*  
CGC/DCA/GEL/JRS/jrs

## OPIB's ANSWERS TO COA's COMMENTS/OBSERVATIONS

No.	Sections Commented	COA's COMMENTS and OBSERVATIONS	OPIB's ANSWERS TO COA's COMMENTS
1.	1.1 2 7	The proposed Circular focuses on two modes of acquiring motor vehicles - purchase and assembly. Considering that there are other modes available (Section 43 of the Government Accounting and Auditing Manual), such as confiscation, attachments, seizure, transfer, and contribution or donation, it is suggested that the subject should be "Guidelines on the Acquisition of Motor Vehicles thru procurement or assembly and the Rental of Motor Vehicles."	"Other forms of acquisition" cited by COA such as confiscation, attachment and seizure are compulsory forms of acquisition by operation of law the purpose of which is not the same as that when an agency purchases or assembles a vehicle for its use. Transfer (presumably without cost), contribution and donation on the other hand are, likewise, governed by different procedural guidelines and do not emanate from the agency requiring the motor vehicle. Moreover, all of the above cited "other forms of acquisition would not require government funds, hence, these forms of acquisition need not be controlled or regulated which is the purpose of the proposed Circular. We, therefore, maintain that the title of the proposed Circular is appropriate as is.
2.	3.1 4	<p>For clarification:</p> <p>The Section cites Section 14 of the 1995 General Appropriations Act which classifies purchases either as those authorized by the agency head and the Secretary of the DBM or those authorized by the President.</p> <p>Section 75 of Book VI of the 1987 Administrative Code, on the other hand states that:</p> <p>"No appropriations for equipment authorized in the General Appropriations Act shall be used directly or indirectly for the purchase of automobiles, jeeps, jitneys, station wagons, motorcycles, trucks, launches, speedboats, airplanes, helicopters and other types of motor transports equipment unless specifically authorized by the President." (Underscoring COA's)</p>	<p>According to the Legal and Legislative Service, this particular general provision (Section 14) of the General Appropriations Act or similar provision in future GAAs, effectively "suspends" the COA-cited section of the 1987 Administrative Code.</p> <p>If the proposed National Budget Circular citing Section 14 of the FY 1995 GAA as the basis is issued, however, it will be effective only for one year, i.e., FY 1995 which is almost over. The effectivity of the Circular could be made longer if the same provision will be sustained in future GAAs.</p> <p>The authority, therefore, given to the agency head and the Secretary of Budget and Management to approve the purchase of motor vehicles is valid only for FY 1995 as far as Section 14 of the General Provisions of the GAA is concerned.</p>

# OPIB's ANSWERS TO COA's COMMENTS/OBSERVATIONS

No.	Sections Commented	COA's COMMENTS and OBSERVATIONS	OPIB's ANSWERS TO COA's COMMENTS
3.	5 and Annex A	<p>Section 5.2 states that:</p> <p>"The Department of Budget and Management reserves the right to reduce and/or alter the type and specifications of the proposed motor vehicle from a higher to a lower model/category to conform with the MVCSG and what is considered economical, cost effective and more appropriate to the needs of the requesting agency and the resources of the government."</p> <p>It was noted, however, that unlike Letter of Instructions 667 dated February 3, 1978, which established the maximum standard specifications of motor vehicles authorized to be purchased: the proposed Circular does not specify the price range of the vehicles.</p>	<p>This section was placed in the proposed Circular precisely to inform the requesting agencies beforehand of the possibility of changes to be made by DBM on the model, category or price of the motor vehicles they are proposing to purchase. For example, the car proposed for an Assistant Secretary has an engine displacement of 1800 cc (gasoline) but the MVCSG prescribes a 1600 cc engine for an Assistant Secretary, DBM therefore could reduce the engine displacement including the corresponding price.</p> <p>Prices were advertently omitted from the proposed NBC since prices change even within the month depending on foreign exchange and other market factors. The COA comments did not mention that under LOI 667 the price range for high official function cars with an engine displacement of "1600 cc or more" assuming the limit is 2000 cc for Secretaries (as in the proposed NBC) including options worth P15,000.00, was P55,000.00 to P75,000.00 while the present prices of cars of the same engine displacement would be from P487,000.00 to P860,000.00. If LOI 667 were still made effective today, since there is no issuance effectively superseding it, no agency can buy a motor vehicle at those mandated prices.</p> <p>To provide for changes in prices, Section 6.1 of the proposed NBC states that "The cost of the motor vehicle authorized to be purchased shall be based strictly on the type and specifications approved for the motor vehicle." The "cost" or price referred</p>

# OPIB's ANSWERS TO COA's COMMENTS/OBSERVATIONS

No.	Sections Commented	COA's COMMENTS and OBSERVATIONS	OPIB's ANSWERS TO COA's COMMENTS
3.	(cont'd)	<p>The MVCSG for Ambulance also does not specify certain options which should be considered allowable and necessary in convert-int motor vehicles into ambulances such as:</p> <p>Two-way radio, siren and rotating light</p>	<p>to here is the prevailing market price at the time of purchase of that particular motor vehicle with the given specifications.</p> <p>These observations are well taken. The reason the suggested options were not included is that siren and rotating light are standard "accessories" of ambulances and need not be categorically stated in the MVCSG. However, for clarity and in recognition of the observation made by COA, these options will be added to the MVCSG.</p>
4.	10	<p>The Section requires "a one time submission" of an Inventory of Motor Vehicles by agency to the DBM, Attention: the Organization and Productivity Improvement Bureau.</p> <p>The requirement is not unlike the masterlist of all government vehicles maintained by then Land Transportation Commission based on the form required to be filled in pursuant to Joint MOF and MOTC Circular 1-85 dated April 30, 1985. Coordination with the Land Transportation Office, in this connection, is suggested to ensure the accuracy of the information obtained.</p>	<p>The suggestion is well taken and the matter was checked with the Land Transportation Office. It was learned that each LTO registration agency/district is required to submit a quarterly report of government vehicles registered in their respective units to the Management Information Division (LTO Central Office). However, a number of these agencies/districts do not submit the required list regularly. Hence, the said "masterlist" is incomplete and therefore inaccurate for crosschecking purposes.</p> <p>Moreover, since unserviceable vehicles are no longer registered because they are no longer used, these vehicles may no longer be included in the list submitted by the LTO districts/agencies.</p>
5.	12	<p>Rental of Motor Vehicles</p> <p>The Section allows the rental of motor vehicles for not more than fifteen days under certain circumstances/situations. The Circular is however silent on:</p> <p>o whether agencies with available vehicles for the purposes noted in Section 12 should still be allowed to rent vehicles.</p>	<p>The fact that the rental period is limited to fifteen (15) days or less denotes that the circumstances/situations enumerated are assumed to be "very" temporary in nature and therefore may not consider the existing vehicles of the agency. It may be noted, however, that in case the agency requests for authority to rent beyond the fifteen-day limit, among the information items</p>

## OPIB's ANSWERS TO COA's COMMENTS/OBSERVATIONS

No.	Sections Commented	COA's COMMENTS and OBSERVATIONS	OPIB's ANSWERS TO COA's COMMENTS
(cont'd)		This is considering, too, that Sect. 9.1 of the MVCSG allows the purchase of service vehicles for the "transport of personnel/visitors for activities related to tourism, trade and investment promotions, banking and finance and foreign affairs."	required is the number, type and specifications of the vehicle(s) to be rented so that this can be crosschecked with or referred to the Inventory of Motor Vehicles required under Section 10 of the proposed Circular.
		o the category/type of service vehicles which can be rented based on the rank of the official guests/visitors.	Section 9.1 of the MVSG refers to the purpose for which service vehicles may be allowed under the "Service Vehicle" category and does not necessarily mean that if an agency has activities related to tourism, trade and investment promotion, etc., that agency will be automatically allowed to purchase the types of vehicles enumerated.
6.		The proposed Circular is supposed to cover local government units. However, the authority levels and motor vehicle classification and specifications guide provided in this Circular do not conform with those provided in Memorandum Circular No. 81 dated October 21, 1988 which authorizes the local government officials, specifically governors and city and municipal mayors, subject to certain conditions to purchase transport and heavy equipment for their respective provinces, cities and municipalities.	Definitely, the types/category of vehicles to be rented will depend on the purpose for which the vehicle will be rented and this need not be categorically classified.
			Again, according to the Legal and Legislative Service, Memorandum Circular No. 81 of the Office of the President dated October 21, 1988 authorizing governors, city and municipal mayors to purchase transport and heavy equipment had been superseded by the general provisions in the annual GAA. These provisions specifying the approving officials (the Secretary of Budget and Management and the President) removes the approving authority from the local government officials.


REPUBLIC OF THE PHILIPPINES  
Department of Budget and Management  
ORGANIZATION AND PRODUCTIVITY IMPROVEMENT BUREAU  
DBM Bldg I Gen. Solano, San Miguel, Manila

November 14, 1995

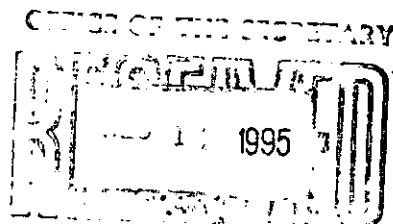
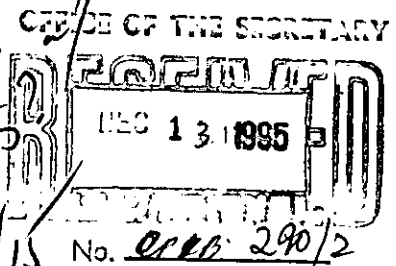
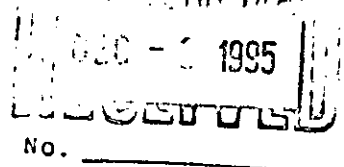
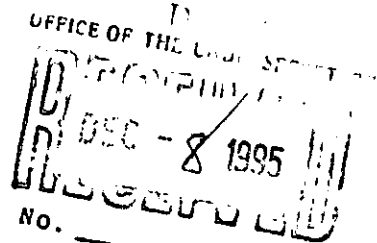
MEMORANDUM

F o r : The Secretary Of Budget and Management  
T h r u : Undersecretary Emilia T. Boncodin  
Assistant Secretary Cynthia G. Castel  
F r o m : The Director, OPIB  
Subject : COA's Comments/Observations on the Proposed  
National Budget Circular on Motor Vehicles  
-----

Attached herewith is OPIB's answers to COA's comments/observations on the proposed National Budget Circular on the Purchase and Rental of Motor Vehicles. Also attached is the final copy of the proposed NBC for the Secretary's consideration and possible issuance.

  
DOMINADOR C. AUSTRIA

*As per Castel,  
Is the attached  
circular already the  
revised  
COA comments  
7/14/15*





REPUBLIC OF THE PHILIPPINES  
COMMISSION ON AUDIT  
Commonwealth Avenue, Quezon City, Philippines

October 16, 1995

Hon. Salvador M. Enriquez, Jr.  
Secretary  
Department of Budget and Management  
Malacañang, Manila

mtty  
5A-0195

Dear Sir:

As requested in your letter dated September 7, 1995, we are forwarding our comments on the draft National Budget Circular on the acquisition and rental of motor vehicles, as follows:

1. Sections 1.1; 2; 7

The proposed Circular focuses on two modes of acquiring motor vehicles - purchase and assembly. Considering that there are yet other modes available (Section 423 of the Government Accounting and Auditing Manual), such as confiscation, attachment, seizure, transfer, and contribution or donation, it is suggested that the subject should be "Guidelines on the Acquisition of Motor Vehicles thru procurement or assembly and the Rental of Motor Vehicles."

2. Sections 3.1; 4

For clarification:

The Section cites Section 14 of the 1995 General Appropriations Act which classifies purchases either as those authorized by the agency head and the Secretary of the DBM or those authorized by the President.

Section 75 of Book VI of the 1987 Administrative Code, on the other hand states that:

"No appropriation for equipment authorized in the General Appropriations Act shall be used directly or indirectly for the purchase of automobiles, jeeps, jitneys, station wagons,



motorcycles, trucks, launches, speedboats, airplanes, helicopters and other types of motor transport equipment unless specifically authorized by the President." (underscoring ours)

3. Section 5 and Annex A

Section 5.2 states that:

"The Department of Budget and Management reserves the right to reduce and/or alter the type and specifications of the proposed motor vehicle from a higher to a lower model/category to conform with the MVCSG and what is considered economical, cost effective and more appropriate to the needs of the requesting agency and the resources of the government."

It was noted, however, that unlike Letter of Instructions 667 dated February 2, 1978 which established the maximum standard specifications of motor vehicles authorized to be purchased; the proposed Circular does not specify the price range of the vehicles.

The MVCSG for Ambulances also does not specify certain options which should be considered allowable and necessary in converting motor vehicles into ambulances such as:

Two-way radio, siren and rotating light

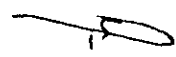
4. Section 10

The Section requires "a one time submission" of an Inventory of Motor Vehicles by agency to the DBM, Attention: the Organization and Productivity Improvement Bureau.

The requirement is not unlike the masterlist of all government vehicles maintained by then Land Transportation Commission based on the form required to be filled in pursuant to Joint MOF and MOTC Circular 1-85 dated April 30, 1985. Coordination with the Land Transportation Office, in this connection, is suggested to ensure the accuracy of the information obtained.

5. Section 12 Rental of Motor Vehicles

The Section allows the rental of motor vehicles for not more than fifteen days under certain circumstances/situations. The Circular is however silent on:



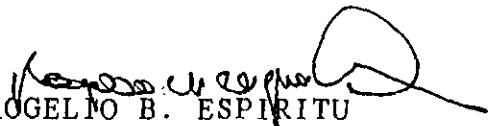
- o whether agencies with available vehicles for the purposes noted in Section 12 should still be allowed to rent vehicles. This is considering, too, that Sect. 9.1 of the MVCSG allows the purchase of service vehicles for the "transport of personnel/visitors for activities related to tourism, trade and investment promotions, banking and finance and foreign affairs."
  - o the category/type of service vehicles which can be rented based on the rank of the official guests/visitors.
6. The proposed Circular is supposed to cover local government units. However, the authority levels and motor vehicle classification and specifications guide provided in this Circular do not conform with those provided in Memorandum Circular No. 81 dated October 21, 1988 which authorizes the local government officials, specifically governors and city and municipal mayors, subject to certain conditions to purchase transport and heavy equipment for their respective provinces, cities and municipalities.

For your consideration.

Thank you and warmest regards.

Very truly yours,

By Authority of the Chairman

  
ROGELIO B. ESPIRITU  
Commissioner

PSG  
FBE/JAV/cgc  
c:vehicle



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
MALACANANG, MANILA

COMMISSION ON AUDIT  
Office of the Chairman

September 7, 1995

Received By: *mda*

Date: *9/26*

Ref. No. *CRD 195692402*  
~~Chairman Celso Gangan~~

Commission on Audit  
COA Bldg., Constitution Hills 1119  
Quezon City

*DBM*  
*choy n. c.*

COMMISSION ON AUDIT	
RECORDS DIVISION	
RECEIVED BY	<i>rep</i>
DATE	<i>9/22</i>
TIME	<i>9:10</i>
REF. NO.	<i>109220/44</i>

Dear Chairman Gangan:

Section 14.1 of the General Provisions of RA 7845, the FY 1995 General Appropriations Act (GAA), provides for, among others, restrictions on the use of government funds in the purchase of motor vehicles.

The same section also provides that implementation of the general provision shall be in accordance with the rules and regulations issued by the Department of Budget and Management, in coordination with the Commission on Audit.

In view thereof, we have drafted the attached National Budget Circular on the acquisition and rental of motor vehicles which we are submitting for your comments.

Thank you for your usual cooperation.

Best regards.

Very truly yours,

*Enriquez Jr.*  
SALVADOR M. ENRIQUEZ, JR.  
Secretary

PENDING

Sec. 14. Restrictions on the Use of Government Funds. No government funds shall be utilized for the following purposes:

1. To purchase motor vehicles, except: (a) medical ambulances, military and police patrol vehicles, other utility vehicles, road construction equipment, motorized bancas and those used for mass transport when necessary in the interest of the public service, upon authority of the department or agency head and the Secretary of the Department of Budget and Management; and (b) those authorized by the President, the Senate President, the Speaker of the House of Representatives, or the Chief Justice of the Supreme Court;
2. To defray foreign travel expenses of any government official or employee, except in the case of training seminar or conference abroad when the officials and other personnel of the foreign mission cannot effectively represent the country therein and travels necessitated by international commitments;
3. To provide fuel, parts, repair and maintenance to any government vehicle which is not permanently marked "For Official Use Only" with the name or logo of the agency, nor otherwise properly identified as a government vehicle and does not carry its official government plate number, except official vehicles assigned to the President, Vice-President, Senate President, Speaker of the House of Representatives, Chief Justice of the Supreme Court and Chairmen of the Constitutional Commissions and those used by personnel performing intelligence and national security functions: PROVIDED, That in case of transport crisis, such as that occasioned by street demonstrations, melong bayan, floods, typhoons and other emergencies, all government vehicles of any type whether luxury cars or utility vehicles, shall be made available to meet the emergency and utilized to transport for free the commuters on a round-the-clock basis;
4. To pay honoraria, allowances or other forms of compensation to any government official or employee, except those specifically authorized by law;
5. To be invested in non-government securities, money market placements and similar investments or deposited in private banking institutions.

The provisions of this section shall apply to local government units, political subdivisions and government-owned and/or controlled corporations.

The implementation of this section shall be in accordance with the rules and regulations issued by the Department of Budget and Management, in coordination with the Commission on Audit.

Sec. 15. Mandatory Expenditures. The amounts released, particularly for, but not limited to, petroleum, oil and lubricants as well as for water, illumination and power services, telephone and other communication services, rents, retirement gratuity and terminal leave requirements shall be disbursed solely for such items of expenditures in accordance with the Work and Financial Plan as approved by the Secretary of Budget and Management: PROVIDED, That any savings generated from these items may be realigned only in the last quarter upon prior approval of the Secretary of the Department of Budget and Management.

The use of funds in violation of this Section shall be null and void, and shall subject the erring officials and employees to disciplinary action under the provisions of Sections 43 and 80 of Book VI, E.O. No. 292 and to appropriate criminal action under existing penal laws.

Sec. 16. Intelligence and Confidential Funds. No amount appropriated in this Act shall be released or disbursed for confidential and intelligence activities unless specifically identified and authorized as such intelligence or confidential fund in this Act.

Intelligence and confidential funds provided for in the budgets of departments, bureaus, offices or agencies of the national government, including amounts from savings authorized by Special Provisions to be used for intelligence and counter-intelligence activities, shall be released only upon approval of the President of the Philippines: PROVIDED, That at least eighty percent (80%) of intelligence and confidential funds shall be used for field operations.

All departments, bureaus and offices shall submit to the Secretary of the Department of Budget and Management, the Chairman of the House Committee on Appropriations and the Chairman of the Senate Committee on Finance, a quarterly report on the utilization of intelligence and confidential funds.

Sec. 17. Prohibited Expenses in Revolving Funds and Use of Income. No amount of the revolving funds or agency income authorized in this Act for use by the agency shall be used for the payment of discretionary and representation expenses.



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
MALACANANG, MANILA

NATIONAL BUDGET CIRCULAR NO. \_\_\_\_\_ -95

August , 1995

T O : Heads of Departments, Bureaus, Offices and Agencies of the National Government, Including Government-Owned and/or -Controlled Corporations, State Universities and Colleges, Local Government Units and All Others Concerned

SUBJECT : Guidelines on the Acquisition and Rental of Motor Vehicles

#### 1.0 PURPOSE

This Circular is being issued to:

- 1.1 Provide guidelines in the application of existing policies on the acquisition and rental of motor vehicles; and
- 1.2 Prescribe specifications for motor vehicles allowed to be purchased for government use.

#### 2.0 GENERAL POLICY

It is the policy of the government to ensure the efficient and effective use of government motor vehicles. For this purpose, motor vehicles to be acquired shall be limited to those deemed necessary and appropriate for the officials authorized to use official transport vehicles or for the performance of functions or activities requiring transport mobility.

#### 3.0 SPECIFIC POLICIES

- 3.1 Restrictions on the Use of Funds. Pursuant to Section 14, General Provisions, FY 1995 General Appropriations Act (R.A. 7845), no government funds shall be utilized to purchase motor vehicles, *except*: (a) medical ambulances, military and police patrol vehicles,

other utility vehicles; road construction equipment, motorized bancas, and those used for mass transport when necessary in the interest of the public service, upon authority of the department or agency head and the Secretary of the Department of Budget and Management; and (b) those authorized by the President, the Senate President, the Speaker of the House of Representatives, or the Chief Justice of the Supreme Court.

3.2 Official Vehicles and Transport. Likewise, Section 34, General Provisions, FY 1995 General Appropriations Act, provides that government motor transportation may be used by the following officials:

- a. The President of the Philippines;
- b. The Vice-President;
- c. The President of the Senate;
- d. The Speaker of the House of Representatives;
- e. The Chief Justice of the Supreme Court;
- f. The Secretaries, Undersecretaries and officials of equivalent rank;
- g. The Presiding Justice of the Court of Appeals;
- h. Ambassadors, Ministers Plenipotentiary and Consuls in charge of Consulates, in their respective stations abroad;
- i. The Chief of Staff, the Vice-Chief of Staff and the Commanding Generals of the major services of the Armed Forces of the Philippines;
- j. The Heads of Constitutional Commissions; and
- k. Those who may be specifically authorized by the President of the Philippines, the President of the Senate with respect to the Senate, and the Speaker with respect to the House of Representatives, with costs chargeable to the appropriations authorized for their respective offices.

3.3 Limitation on Rental of Motor Vehicles. Section 76, Chapter 7, Book VI of Executive Order No. 292 (Administrative Code of 1987) provides that no appropriations authorized in the General Appropriations Act shall be used for renting motor transport equipment for a continuous period of more than fifteen days, except as may be authorized by the Secretary of Budget and Management.

#### 4.0 AUTHORITY TO PURCHASE

4.1 National government agencies (NGAs), government-owned and/or controlled corporations (GOCCs) and local government units (LGUs) may purchase the following types of vehicle chargeable against their respective appropriations upon approval by the Agency Head and the Secretary of Budget and Management:

- o medical ambulances
- o military and police patrol vehicles
- o fire trucks
- o road construction equipment such as graders, pay-loaders, dump trucks, road rollers, etc.
- o motorized bancas
- o mass transport when necessary in the interest of public service
- o motorcycles
- o other utility vehicles with locally manufactured chassis and body, and with engine displacement of not more than 1600cc for gasoline and 2500cc for diesel. (Examples are Asian Utility Vehicles and other locally assembled and fabricated jeepneys/vehicles of similar design or configuration.)

4.2 The purchase of the following motor vehicles is subject to the approval of the President:

- o cars or sedans
- o passenger vans/wagons and other service vehicles with fully imported chassis and body
- o pick-ups and all-terrain vehicles with fully imported chassis and body, and four-wheel drive
- o aircrafts and seacrafts

4.3 In lieu of the approval by the President, the purchase of motor vehicles in the Legislative and Judicial Branches of government is subject to the approval of the Senate President, Speaker of the House of Representatives or Chief Justice of the Supreme Court, as the case may be.

#### 5.0 TYPE, CLASSIFICATION AND SPECIFICATIONS

5.1 The type, classification and specifications of motor vehicles which may be authorized to be purchased shall be in accordance with the *Motor Vehicle Classification and Specifications Guide (MVCSG)* prescribed under Annex A of this Circular.

5.2 The Department of Budget and Management reserves the right to reduce and/or alter the type and specifications of the proposed motor vehicle from a higher to a lower model/category to conform with the MVCSG and what is considered economical, cost-effective and more

appropriate to the needs of the requesting agency and the resources of the government.

## 6.0 COST OF ACQUISITION

- 6.1 The cost of the motor vehicle authorized to be purchased shall be based strictly on the type and specifications approved for the motor vehicle.
- 6.2 The purchase of the motor vehicle shall be subject to the pertinent accounting and auditing rules and regulations.

## 7.0 MODES OF ACQUISITION

- 7.1 Motor vehicles may be acquired through outright purchase wherein brand new motor vehicles are paid for on a single, lump-sum basis.
- 7.2 Alternatively, motor vehicles may be assembled, (usually owner-type jeeps and AUV-type vehicles) utilizing locally-fabricated chassis and body and fitted with surplus/reconditioned engine.

However, regardless of whether the funding source is capital outlay or maintenance and other operating expenses, acquisition by assembly shall be subject to the approval by the agency head and the Secretary of Budget and Management and may be resorted to when any of the following conditions are satisfied:

- o Where a brand new utility vehicle is not available in the locality, or if available, the cost is prohibitive because of distance from the nearest market source; or
- o Where an assembled vehicle is deemed more durable as the design and type of parts used are made suitable to the road condition/terrain in the locality such as in remote barangays/municipalities.

## 8.0 ENTITLEMENT TO OFFICIAL VEHICLES

- 8.1 In addition to those specifically authorized by law as stated under Section 3.2 hereof, the following officials are entitled to official transport vehicles subject to the approval of the President:
  - o Assistant Secretaries (SG 29) and officials with equivalent rank. For this purpose, the rank equivalence is based primarily on salary grade (SG) and applies to officials occupying regular positions identified in the:



- a. Personal Services Itemization (PSI), in the case of NGAs;
  - b. Staffing pattern approved by DBM, in the case of GOCCs; and
  - c. Position Allocation List (PAL) maintained by the Compensation and Position Classification Bureau-DBM, in the case of LGUs.
- o Bureau directors, department-wide and bureau-wide regional directors, and executive directors and other directors who are heads of bureau-level organizational units identified in the PSI.
- 8.2 An official entitled or authorized to use an official transport shall be allowed only one (1) motor vehicle. However, a Cabinet Secretary or an official holding a position of equivalent rank may be allowed a back-up vehicle for security personnel. Acquisition of the additional vehicle for security personnel is subject to the approval of the need for a security detail by the Secretary of the Interior and Local Government upon the recommendation of the Director-General of the Philippine National Police.

## 9.0 REPLACEMENT OF MOTOR VEHICLES

- 9.1 Motor vehicles may be replaced under the following conditions:
- 9.1.1 For high official function cars/sedans, passenger vans/wagons, and other service vehicles - If the motor vehicle is at least seven (7) years old and has traveled at least 175,000 kms.
  - 9.1.2 For utility vehicles - If the utility vehicle is at least five (5) years old and has traveled at least 150,000 kms.
  - 9.1.3 Replacements may also be allowed even before the conditions in 9.1.1 and 9.1.2 above are met, when:
    - o The vehicle, for justifiable reasons, is declared as unserviceable, in which case, a duly accomplished Inventory and Inspection Report of Unserviceable Property shall be submitted together with the request for replacement; or
    - o The average annual cost of recurring repair/reconditioning during the immediate past two (2) years is at least thirty percent (30%) of

the current price of a new similar unit. In this case, a statement of the recurring repair/reconditioning expenses for the two-year period prepared by the chief accountant and certified by the agency head shall accompany the request.

#### 10.0 SUBMISSION OF A MOTOR VEHICLES INVENTORY

- 10.1 Within sixty (60) days from the effectivity of this Circular, all NGAs, GOCCs and LGUs shall submit an up-to-date, accurate and complete (including those in the central, regional and other field offices) INVENTORY of their motor vehicles using the *Motor Vehicles Inventory Form* - Annex B (with sample entries) to the DEPARTMENT of BUDGET and MANAGEMENT, attention the ORGANIZATION & PRODUCTIVITY IMPROVEMENT BUREAU.
- 10.2 The agencies concerned shall ensure the completeness and accuracy of the Inventory as this will be a ONE-TIME submission and that the information contained therein will constitute a data base on which all future actions on motor vehicles will be based/referred to. All agencies concerned shall inform the Organization and Productivity Improvement Bureau of all new acquisitions as well as disposal of old motor vehicles to update the data base.
- 10.3 NGAs, GOCCs and LGUs which have no motor vehicles shall accomplish and submit the Motor Vehicles Inventory Form just the same, indicating thereon that the NGA/GOCC/LGU has no motor vehicle.
- 10.4 Requests of NGAs/GOCCs/LGUs without the Motor Vehicles Inventory required under this Circular shall be returned without action.

#### 11.0 SUPPORTING DOCUMENTS TO REQUESTS

- 11.1 All requests for authority to purchase motor vehicles submitted to the Department of Budget and Management shall be duly approved/endorsed by the head of the NGA, GOCC or LGU, and shall be accompanied by:
  - 11.1.1 The duly accomplished Motor Vehicles Inventory Form required under 10.0 above, if none had been submitted yet.
  - 11.1.2 Certification of fund source and availability, as follows:
    - o Equipment Outlay in the General Appropriations Act and/or other authorized appropriation source, in the case of NGAs; or

- o A certification that the purchase of the motor vehicle has been previously authorized under the corporate operating budget approved by the President, in the case of GOCCs; or
- o A certification by the local Treasurer that funds are available for the purpose together with a copy of the Sanggunian Resolution endorsing the purchase and citing pertinent provision(s) in the local Appropriations Ordinance authorizing funds therefor, in the case of LGUs.

11.1.3 The number, type, specifications and cost of requested vehicle.

11.1.4 User-official, deployment by organizational unit, and/or activities/purposes for which the vehicle will be used.

11.2 In the case of replacement units, a duly accomplished Inventory and Inspection Report of Unserviceable Equipment covering the vehicle intended to be replaced shall be submitted in addition to the requirements under Section 11.1 above.

## 12.0 RENTAL OF MOTOR VEHICLES

12.1 Heads of Agencies are authorized to rent motor transport equipment for a continuous period not exceeding fifteen (15) days chargeable against agency appropriations under the following circumstances/ situations:

- o Where the motor vehicle will be used in the performance of agency functions, such as investments promotion, foreign affairs, international trade and tourism, that require transportation services for agency official guests/visitors;
- o Where the motor vehicle will be used in conventions, seminars, athletic/sports events and similar gatherings wherein the nature of the gathering requires the travel or transport of participants from one location to another;
- o Where the motor vehicle will be used by a Presidential ad-hoc body/agency mandated to perform a specific task within a specific period. In which case, motor vehicle rental is deemed more economical, expedient and convenient than outright purchase;
- o Where the motor vehicle will be used in urgent and/or emergency cases such as in search and rescue operations during natural or man-made disasters or

calamities; and

o Under other situations similar to the above.

12.2 Rental of motor vehicles/transport equipment for a continuous period of more than fifteen (15) days may be allowed, subject to the approval by the Secretary of Budget and Management.

12.3 Information Requirements. - Requests for authority to rent shall be accompanied by the following:

- o Detailed justification for the rental of the motor/transport vehicle(s) proposed, including the duration of the specific program, project and activity for which the motor vehicle(s) will be rented;
- o The number, type and specifications of vehicle(s) to be rented, and the proposed rate(s);
- o Period of rental of the motor vehicle(s); and
- o Certification of fund source and availability.

### 13.0 EFFECTIVITY

This Circular shall take effect immediately.

SALVADOR M. ENRIQUEZ JR.  
Secretary

### Attachments:

Annex A - *Motor Vehicles Classification  
and Specifications Guide (MVCSG)*

Annex B - *Inventory of Motor Vehicles Form  
(Blank Form and with sample entries)*

c:\ws\vehicles\NBCFINAL

## MOTOR VEHICLE CLASSIFICATION AND SPECIFICATIONS GUIDE (MVCSG)

- (a) For approval of the department/agency head and the Secretary of Budget and Management

INTENDED USE/USER (Position or Organizational Unit)	TYPE OF VEHICLE/CLASSIFICATION	Description/Maximum Allowable Specifications
1.0 <u>Ambulance</u>		
1.1 For transport of sick and injured persons in hospitals. Also for LGUs which may want to provide transportation facilities for sick and/or injured constituents.	1.1.a Asian Utility Vehicle (AUV) for conversion into an ambulance	1.1.a Any four-wheel vehicle with locally manufactured chassis and body and an engine with a displacement of not more than 1600cc for gasoline or 2500cc for diesel.  Allowable Options:  AM/FM Stereo cassette player and car airconditioning
	- or -	- or -
	1.1.b Passenger van or wagon type motor vehicle for conversion into an ambulance	1.1.b Any four-wheel van type vehicle with not less than four doors, a four-cylinder engine with a displacement of not more than 2000cc for gasoline and not more than 2500cc for diesel.  Allowable Options:  AM/FM Stereo Cassette player and car airconditioning
	- or -	- or -
	1.1.c An ambulance originally built, designed and equipped as such.	1.1.c Specifications vary according to manufacturers. "Original ambulances" are imported directly either by the user or a local distributor, if any. Specifications and other pertinent data submitted by the requesting agency shall be subject to DBM evaluation.
2.0 <u>For police and military operations</u>		
2.1 For city and municipal patrol operations and related activities.	2.1.a Patrol car	2.1.a Any four-wheel vehicle with not less than four doors with a four-cylinder engine with a displacement of not more than 1400cc for gasoline or 2000cc for diesel  Allowable Options: Two-way radio, siren and rotating light
	- or -	- or -

INTENDED USE/USER (Position or Organizational Unit)	TYPE OF VEHICLE/CLASSIFICATION	Description/Maximum Allowable Specifications
4.0	School Bus (cont'd)	Allowable Options:
		AM/FM Stereo cassette player and airconditioning
	<u>General Purpose/Utility Vehicle</u>	
5.0	<u>For general purpose/utility</u>	
5.1	For transport of personnel, equipment, supplies, products and materials for project monitoring and implementation purposes.	
5.1.1	General Urban Use - For use in mostly urbanized areas where roads are generally in good condition.	5.1.1.a Any four-wheel utility type vehicle with locally manufactured chassis and body and an engine with a displacement of not more than 1600cc for gasoline and 2500cc for diesel.
	5.1.1.a Asian Utility Vehicle or AUV (High side pick-up with roof or HSPUR)	Allowable Options:
		AM/FM Stereo Cassette player and car airconditioning
	- or -	- or -
	5.1.1.b Assembled vehicle	5.1.1.b Any four-wheel assembled vehicle with locally-fabricated chassis and body fitted with reconditioned/surplus engine
		No allowable option
	5.1.2 Motorcycle	5.1.2 Any two-wheel vehicle with a two or four-stroke cycle engine having a displacement of not more than 125cc.
		Allowable Options:
		Windscreen and saddlebag
6.0	<u>For water transport.</u>	
6.1	For inland waters and limited off-shore and inter-island transportation	6.1 A boat with a locally manufactured wooden hull with not more than 15-passenger carrying capacity, with RH and LH rigs, ruf, stainless steel propellers and an engine of not more than 30 hp. Specifications and other pertinent data submitted by the requesting agency shall be subject to DDM evaluation.

INTENDED USE/USER (Position or Organizational Unit)	TYPE OF VEHICLE/CLASSIFICATION	Description/Maximum Allowable Specifications
7.0 Road construction equipment		
7.1 For construction and maintenance of roads within the jurisdiction of local government units	7.1 Graders, payloaders, dump trucks, road rollers and similarly related equipment	7.1 Specifications vary according to size, capacity, manufacturer, etc.. Data specifications shall be supplied by the requesting agency, subject to D evaluation.

(b) For approval of the President

INTENDED USE/USER (Position or Organizational Unit)	TYPE OF VEHICLE/CLASSIFICATION	Description/Maximum Allowable Specifications
8.0 For exercise of executive functions	<u>High Official Function Cars</u>	
8.1 National Government Agencies (NGAs), Government-Owned and/or Controlled Corporations (GOCCs) and Local Government Units (LGUs)		
A. Department Secretary and other officials of equivalent rank in NGAs, GOCCs and LGUs	A. Car/Sedan of the model/category to provide appropriate representation/prestige to the office/agency represented by the official/intended user.	A. Any four-wheel vehicle with not less than four doors with a four-cylinder engine with a displacement of not more than 2000cc for gasoline or 2800cc for diesel.  Allowable Options:  Car airconditioning, AM/FM stereo cassette player and magwheels
B. Department Undersecretary and officials of equivalent rank in NGAs, GOCCs and LGUs.  Chief of Staff of the Armed Forces of the Philippines	B. Car/sedan of the model/category deemed appropriate for the position/rank of the official/intended user.	B. Any four-wheel vehicle with not less than four doors with a four-cylinder engine with a displacement of not more than 1800cc for gasoline or 2600cc for diesel.  Allowable Options:  Car airconditioning, AM/FM stereo cassette player and magwheels
C. Department Assistant Secretary and officials of equivalent rank in NGAs, GOCCs and LGUs.  Vice Chief of Staff and the Commanding Generals of the Major Services of the Armed Forces of the Philippines	C. Car/sedan of the model/category deemed appropriate for the position/rank of the official/intended user.	C. Any four-wheel vehicle with not less than four doors with a four-cylinder engine with a displacement of not more than 1600cc for gasoline or 2400cc for diesel.  Allowable Options:  Car airconditioning, AM/FM stereo cassette player and magwheels

INTENDED USE/USER (Position or Organizational Unit)	TYPE OF VEHICLE/CLASSIFICATION	Description/Maximum Allowable Specifications
D. Bureau Director, Regional Director of department-wide/bureau-wide regional offices, and officials of equivalent rank in NGAs, GOCCs and LGUs.	D. Car/sedan of the model/category deemed appropriate for the position/rank of the official/intended user.	D. Any four-wheel vehicle with not less than four doors with a four-cylinder engine with a displacement of not more than 1500cc for gasoline and 2200cc for diesel.  Allowable options:  Car airconditioning, AM-FM stereo cassette player and magwheels
<u>9.0 For personnel/visitors service</u>		
9.1 For transport of personnel/visitors for activities related to tourism, trade and investment promotions, banking and finance, and foreign affairs.	9.1.a Passenger van or wagon	9.1.a Any four-wheel van or wagon type vehicle with not less than four doors a four-cylinder engine with a displacement of not more than 2000cc for gasoline or 2500cc for diesel  Allowable Options:  AM/FM Stereo cassette player and car airconditioning
- or -		
	9.1.b Car/sedan	9.1.b Any four-wheel vehicle with not less than four doors with a four-cylinder engine with a displacement of not more than 1400cc for gasoline and 2000cc for diesel.  Allowable options:  Car airconditioning, AM-FM stereo cassette player and magwheels
9.2 Heavy Field Use - For use in rural and remote areas with generally rugged road condition, mountainous and rugged terrain.	9.2.a Pick-up type vehicle, single or double/crew cab type	9.2.a Any four-wheel pick-up type vehicle with imported chassis and body, and an engine with a displacement of not more than 2000cc for gasoline or 2600cc for diesel.  Allowable Options:  Four-wheel drive, AM/FM stereo cassette player and car airconditioning
- or -		



INTENDED USE/USER (Position or Organizational Unit)	TYPE OF VEHICLE/CLASSIFICATION	Description/Maximum Allowable Specifications
	9.2.b All-terrain vehicle	<p>9.2.b Any four-wheel all-terrain vehicle with fully-imported heavy-duty chassis and body, and an engine with a displacement of not more than 2000cc for gasoline or 2500cc for diesel.</p> <p>Allowable options:</p> <p>AM/FM stereo cassette player, car airconditioning and four-wheel drive</p>
	<u>Aircrafts and Seacrafts</u>	
10.0 <u>For air and sea transport</u>	10.1 All types of aircraft such as airplanes, helicopters, etc.	10.1 Specifications and other pertinent data submitted by the requesting agency shall be subject to DBM evaluation.
10.1 For air transportation	<p>10.2 All types of sea vessels except motorized banca as described under Item 6.0 above</p> <p>Examples are speed/motor boats with outboard motor, passenger vessels, research vessels, naval patrol craft, etc.</p>	10.2 Specifications and other pertinent data submitted by the requesting agency shall be subject to DBM evaluation.
10.2 For inter-island water/sea transport and for fast water travel.		

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AS OF \_\_\_\_\_, 1995

Department/Bureau/Office/Agency/  
Gov't Corp./Local Gov't Unit \_\_\_\_\_LOCATION: Region: \_\_\_\_\_ Province: \_\_\_\_\_  
City/Municipality: \_\_\_\_\_

ASSIGNED TO: ORGANIZATIONAL UNIT OFFICIAL	QTY	DESCRIPTION (Yr. of Mfr., Manufacturer's Name/Model, Etc.)	S P E C I F I C A T I O N S				ACQUISITION		RUNNING CONDITION	R E M A R K S
			VEHICLE TYPE/USE	NO. OF CYL.	ENG. DIS- PLACEMENT	Fuel Type	Year	C O S T		

Prepared by: \_\_\_\_\_

Administrative/Property Officer

CERTIFIED CORRECT  
& SUBMITTED BY: \_\_\_\_\_

Agency Head

AS OF July 31, 1995Department/Bureau/Office/Agency/ Dept. of Agriculture, Region VIII  
Gov't Corp./Local Gov't Unit \_\_\_\_\_LOCATION: Region: VIII Province: \_\_\_\_\_  
City/Municipality: Tacloban City

ASSIGNED TO: ORGANIZATIONAL UNIT & OFFICIAL	QTY	DESCRIPTION (Yr. of Mfr., Manufacturer's Name/Model, Etc.)	S P E C I F I C A T I O N S				ACQUISITION		RUNNING CONDITION	REMARKS
			VEHICLE TYPE/USE	NO. OF CYL.	ENG. DIS- PLACEMENT	Fuel Type	Year	C O S T		
		(SAMPLE ENTRIES)								
Office of the Regional Director										
Mr. J. dela Cruz	1	1993 Toyota Corolla XE	Car	4	1300cc	gasoline	1993	P430,000.00	Very good	
Field Operations Division										
Division Chief	1	1990 Toyota Tamaraw - High side pick-up w/roof	Utility	4	1500cc	gasoline	1990	330,000.00	Fair	
Operations Officers	3	1979 Ford Fiera - High side pick-up w/roof	Utility	4	1300cc	gasoline	1980	130,000.00 (P50,000 x 3)	1 Good 2 Very poor	For replace- ment
- do -	2	Owner-type Jeep w/ locally fabricated chassis & galvanized body (assembled)	Utility	4	2200cc	diesel	1984	120,000.00	Fair	
Regulatory Division										
Division Chief	1	1987 Mitsubishi L200 Pick-up, crew cab	Service	4	2200cc	diesel	1987	430,000.00	Good	
Administrative Division										
Motor pool	2	1993 Mitsubishi L300 - High side pick-up w/ roof	Utility	4	2500cc	diesel	1993	630,000.00 (P345,000 x 2)	Very good	

Prepared by: (SGD.) AIDA RUIZ (AO III)

Administrative/Property Officer

CERTIFIED CORRECT  
& SUBMITTED BY:

(SGD) J. dela Cruz (Director IV)

Agency Head



released + ETB  
11/23/

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
MALACANANG, MANILA

November 17, 1995

MEMORANDUM

F o r : The Secretary of Budget and Management  
T h r u : Undersecretary Emilia T. Boncodin  
F r o m : Assistant Secretary Cynthia G. Castel  
Subject : Budget Execution Guidelines for Action  
on Motor Vehicle Requests  
-----

Pursuant to the Secretary's instructions, we are submitting herewith the draft Budget Execution Guidelines (BEG) in the processing of Agency Requests for Authority to Purchase Motor Vehicles for FY 1995.

Basic in the guidelines is the use of the criteria for evaluation as contained in the Manual of Standards on the Purchase of Motor Vehicles and NBC No. 438 dated January 11, 1995. The within draft BEG defines the area of responsibility, inter-unit, in the DBM and the signing authority in behalf of the Secretary in the processing of such requests.

The BEG prescribes the use of the following forms:

1. MV Form I - Evaluation Sheet for Requests for Authority to Purchase Motor Vehicles. This is self-explanatory and primarily for Analyst's use only. This presents the technical evaluation and serves as basis for the issuance of the APMV.
2. MV Form II - Authority to Purchase Motor Vehicles or APMV (DBM Secretary's approval) - This will do away with the use of individual letters of authority that are sent to agencies. This reflects essential information about the units approved, the total cost as basis of release of DBM and the obligation by the agency.
3. MV Form III - Acknowledgment letter to agency.
4. MV Form IV - DBM Recommendation on Requests to Purchase Motor Vehicles for use of OPIB in consolidating recommendation on requests for referral to the Office of the President.
5. MV Form V - Report of Actions on Requests for Authority to Purchase Motor Vehicles to be prepared monthly.

The BEG and the forms are intended for initial implementation for 1995. These were intended for OPIB's office use only but may also be considered by Usec. Daleja for her area.

For 1996, another draft BEG is also submitted. While we have prepared these BEG together with the Forms as well as its reporting requirements, perhaps the signing authority may also choose to develop their own for implementation in 1996.

For consideration.

*Cynthia G. Castel*  
CYNTHIA G. CASTEL



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
MALACANANG, MANILA

BUDGET EXECUTION GUIDELINES

NO. 95 - \_\_\_\_\_

SUBJECT: Operating Procedures in the Evaluation and Processing of Agency Requests for Authority to Purchase Motor Vehicles in FY 1995  
-----

1.0 Purpose

To facilitate the evaluation and processing of requests for authority to purchase motor vehicles by defining the agency coverage and responsibilities of the bureaus and offices concerned in the DBM.

2.0 Assignments and Responsibilities

- 2.1 The following bureaus and offices shall be responsible for evaluating and processing transport equipment proposals of the following agencies:
- 2.1.1 OPIB - National Government Agencies and Local Government Units
  - 2.1.2 BFB-A to D - Foreign-Assisted Projects of National Government Agencies
  - 2.1.3 BFB-E - GOCCs
  - 2.1.4 BFB-F - requests chargeable against the Countrywide Development Fund (CDF)
  - 2.1.5 RCS - NCR-State Universities and Colleges
  - 2.1.6 DBM ROs - State Universities and Colleges in their respective regions and requests from agency regional offices submitted to them
- 2.2 In the case of those requiring the approval by OP, these shall be forwarded to the Office of Assistant Secretary G. Castel for consolidation and submission to the Secretary for consideration.

2.3 In the case of those that do not need approval by OP, the signing authority is delegated as follows:

2.3.1 Undersecretary Irene G. Daleja shall sign for the Secretary all actions on requests for motor vehicles from GOCCs.

2 3.2 Assistant Secretary Cynthia G. Castel shall sign for the Secretary all actions on requests for motor vehicles from NGAs, FAPs of NGAs, LGUs and those funded from CDF.

### 3.0 Policy Guidelines

3.1 The evaluation of motor vehicle proposals shall be in accordance with the National Budget Circular No. \_\_\_\_ (Guidelines on the Acquisition and Rental of Motor Vehicles).

3.2 Funds chargeable against CDF shall be released to NGA/LGU/GOCC provided the purpose for which the motor vehicle is granted is within its mandate.

### 4.0 Procedural Guidelines

4.1 Evaluation and processing of requests shall use the following forms:

4.5.1 MV Form I - Evaluation Sheet: Requests to Purchase Motor Vehicles

4.5.2 MV Form II - Authority to Purchase Motor Vehicles (if action is approval)

4.5.3 MV Form III - Acknowledgment letter (if action is denial or for the President's consideration)

4.2 Recommendations that will involve the President's approval shall use MV Form IV - DBM Recommendations on Requests to Purchase Motor Vehicles, in addition to MV Forms I and III.

4.3 For funds that have already been released for the purpose, authorization (MV Form II) shall be sent directly to the agency, copy furnished the BFB concerned, RCS or ROs.

4.4 For funds that have yet to be released, the BFB concerned as well as RCS and ROs, where applicable, shall prepare the necessary release documents upon receipt of the approved Authority to Purchase Motor Vehicles.

- 4.5 Upon request of the agency, the BFB concerned may likewise release any deficiency in the amount required to purchase the approved motor vehicle, chargeable to the available balance of the equipment outlay, provided that there are no changes in the motor vehicle specifications, copy furnished OPIB.
- 4.6 Likewise, RCS and ROs shall release for the deficiency chargeable against the agency internal budget for the purpose.
- 4.7 Requests to purchase vehicles received during the month shall be acted upon during the month or the succeeding month at the latest.

#### 5.0 Reporting Requirement

Undersecretary Daleja and Assistant Secretary Castel shall submit a monthly report to the Secretary on the actions they have taken on requests for motor vehicles in their respective coverages, using MV Form V - Report of Actions on Requests for Authority to Purchase Motor Vehicles.

#### 6.0 For compliance.

SALVADOR M. ENRIQUEZ JR.  
Secretary

November \_\_, 1995



## REQUEST TO PURCHASE MOTOR VEHICLES

(For NGAs, SUCs and LGUs)

[illegible]

EVALUATION SHEET FOR REQUESTS TO PURCHASE MOTOR VEHICLES  
INSTRUCTIONS

This form shall be used by OPIB as basis for the issuance of the Authority to Purchase Motor Vehicles (APMV).

The form shall be accomplished as follows:

1. DEPARTMENT/AGENCY HEAD - This refers to the official to whom the authority is issued depending on the proponent, as follows:

To whom issued -----	Proponent -----
a. Department head	- Department, its staff units and regional/field offices
b. Line bureau/agency head	- Line bureau/agency and its Regional/field offices
c. State college/ university head	- Various SUCs
d. Local chief executive- (Provincial Governor and City/Municipal Mayor)	- Local government units

2. DATE - Date the Authority is issued.
3. FUNDING SOURCE - Source of funding, e.g. GAA for FY 1995 indicating object class and Program/Activity/Project or PAP, where applicable; realignment; savings; income; etc.
4. PARTICULARS:

- a. Type - Classification of vehicle, e.g. car, ambulance, etc.
- b. Specifications - Technical description which includes the number of cylinders, e.g. 4 cylinders, engine displacement, e.g. 1600 cc or 1.6 liters, and other pertinent descriptions like passenger capacity, manual transmission, etc. and allowable options like airconditioning and stereo-cassette player. Indicate deployment/user before the specifications.
- c. Number and Amount - Indicate the proposed, recommended for approval/disapproval and referred to OP, number of units of similar or same type of vehicles with respective amounts in corresponding columns. Reflect total amount below each column.

In case the recommended specifications are different from that proposed, reflect this separately in the box.

6. TOTAL AMOUNT - State the indicative total amount, authorized, in figures and in words.

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REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
MALACANANG, MANILA

(Date)

APHU No. DBM \_\_\_\_\_ -95

(AGENCY HEAD)  
(NAME OF AGENCY/DEPT.)  
(ADDRESS)

**AUTHORITY TO PURCHASE MOTOR VEHICLES**

PARTICULARS:		
No.	Type	Specifications/Description
TOTAL AMOUNT IN WORDS:		P _____
FUNDING SOURCE:		
C O N D I T I O N S :		
<ol style="list-style-type: none"><li>1. The purchase shall be subject to pertinent budgeting and accounting and auditing rules and regulations.</li><li>2. The agency SHALL SUBMIT, within thirty (30) days from the date of acquisition, a report on the purchased motor vehicles to the Organization and Productivity Improvement Bureau, DBM, in the case of Central Office-based agencies or to the DBM Regional Office concerned in the case of SUCs and the DECS and DOH regional offices pursuant to National Budget Circular No. 438 (Prescribing Guidelines on the Purchase of Equipment) dated January 11, 1995.</li><li>3. The agency shall also submit a report on the disposal of the vehicles being replaced by the units under this Authority, pursuant to the Presidential Memorandum dated September 26, 1994.</li></ol>		

APPROVED:

SALVADOR M. ENRIQUEZ JR.  
Secretary

C/FLOH/APHU-1X  
JRS 11/16/95

**AUTHORITY TO PURCHASE MOTOR VEHICLES  
INSTRUCTIONS**

This AMHV form shall serve as the official document authorizing departments/agencies to purchase motor vehicle/s pursuant to Section 14 1(a) of the General Provisions of the General Appropriations Act for FY 1995.

The form shall be accomplished as follows:

1. **DEPARTMENT/AGENCY HEAD** - The official to whom the authority is issued depending on the proponent, as follows:

To whom issued -----	Proponent -----
a. Department head	- Department, and attention to: its staff units and departmental regional/field offices as originator and ultimate user
b. Line bureau/agency head	- Line bureau/agency and its Regional/field offices
c. State college/ university head	- Various SUCs
d. Local chief executive (Provincial Governor and City/Municipal Mayor)	- Local government units

2. **DATE** - Date the Authority is issued.

3. **FUNDING SOURCE** - Source of funding, e.g GAA for FY 1995 indicating object class and Program/Activity/Project or PAP, where applicable; realignment; savings; income; etc. If funds have been released, include GARO/SARO number and date of release.

4. **PARTICULARS:**

- a. **Number** - Authorized number of units of similar or same type of vehicles.
- b. **Type** - Classification of vehicle, e.g. car, ambulance, etc.
- c. **Specifications** - Technical description which includes the number of cylinders, e.g. 4 cylinders, engine displacement, e.g. 1600 cc or 1.6 liters, and other pertinent descriptions like passenger capacity, manual transmission, etc. and allowable options like airconditioning

and stereo-cassette player. Indicate deployment/user of the vehicle before the technical description.

5. TOTAL AMOUNT - State the indicative total amount, authorized, in figures and in words.
6. NUMBERING SYSTEM - The APMV form shall be numbered sequentially by OPIB upon release, indicating therein the Office identification, the year, and the number.  
Example: APMV No. DBM-95-01.
7. In case the space provided is not enough for the entries, attach a separate sheet for the continuation.

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glo-pamip



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
MALACANANG, MANILA

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

Attention: (If necessary)

Sir/Madam:

May we acknowledge receipt of your request for authority to purchase (number and type of vehicle(s)).

The request for (number and type of vehicle(s))

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

[ ] has been referred to the Office of the President for consideration pursuant to Section 14, b, General Provisions of RA7845.

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

[ ] has not been acted upon favorably as

[ ] no funds are available

[ ] agency already has adequate number of vehicles

[ ] others

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

Very truly yours,

Undersecretary/  
Assistant Secretary





REPORT OF ACTIONS ON  
REQUESTS FOR AUTHORITY TO PURCHASE MOTOR VEHICLES  
For the period \_\_\_\_\_

MV Form V

DEPARTMENT/AGENCY	REQUEST/FUNDING SOURCE	JUSTIFICATION	RECOMMENDATION	ACTION TAKEN

:\mvbatch\files\osacfire2.k

Submitted by:

Date:



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
MALACANANG, MANILA

NATIONAL BUDGET CIRCULAR

No. \_\_\_\_\_  
Series of 1995

T O : Heads of Departments, Bureaus, Offices and Agencies of the National Government, Including Government-Owned and/or -Controlled Corporations, State Universities and Colleges, Local Government Units and All Others Concerned

SUBJECT : Guidelines on the Acquisition and Rental of Motor Vehicles

1.0 PURPOSE

This Circular is being issued to:

- 1.1 Provide guidelines in the application of existing policies on the acquisition and rental of motor vehicles; and
- 1.2 Prescribe specifications for motor vehicles allowed to be purchased for government use.

2.0 GENERAL POLICY

It is the policy of the government to ensure the efficient and effective use of government motor vehicles. For this purpose, motor vehicles to be acquired shall be limited to those deemed necessary and appropriate for the officials authorized to use official transport vehicles or for the performance of functions or activities requiring transport mobility.

3.0 SPECIFIC POLICIES

- 3.1 Restrictions on the Use of Funds. Pursuant to Section 14, General Provisions, FY 1995 General Appropriations Act (R.A. 7845), no government funds shall be utilized to purchase motor vehicles, except: (a) medical ambulances, military and police patrol vehicles,

other utility vehicles, road construction equipment, motorized bancas, and those used for mass transport when necessary in the interest of the public service, upon authority of the department or agency head and the Secretary of the Department of Budget and Management; and (b) those authorized by the President, the Senate President, the Speaker of the House of Representatives, or the Chief Justice of the Supreme Court.

3.2 Official Vehicles and Transport. Likewise, Section 34, General Provisions, FY 1995 General Appropriations Act, provides that government motor transportation may be used by the following officials:

- a. The President of the Philippines;
- b. The Vice-President;
- c. The President of the Senate;
- d. The Speaker of the House of Representatives;
- e. The Chief Justice of the Supreme Court;
- f. The Secretaries, Undersecretaries and officials of equivalent rank;
- g. The Presiding Justice of the Court of Appeals;
- h. Ambassadors, Ministers Plenipotentiary and Consuls in charge of Consulates, in their respective stations abroad;
- i. The Chief of Staff, the Vice-Chief of Staff and the Commanding Generals of the major services of the Armed Forces of the Philippines;
- j. The Heads of Constitutional Commissions; and
- k. Those who may be specifically authorized by the President of the Philippines, the President of the Senate with respect to the Senate, and the Speaker with respect to the House of Representatives, with costs chargeable to the appropriations authorized for their respective offices.

3.3 Limitation on Rental of Motor Vehicles. Section 76, Chapter 7, Book VI of Executive Order No. 292 (Administrative Code of 1987) provides that no appropriations authorized in the General Appropriations Act shall be used for renting motor transport equipment for a continuous period of more than fifteen days, except as may be authorized by the Secretary of Budget and Management.

#### 4.0 AUTHORITY TO PURCHASE

4.1 National government agencies (NGAs), government-owned and/or controlled corporations (GOCCs) and local government units (LGUs) may purchase the following types of vehicle chargeable against their respective appropriations upon approval by the Agency Head and the Secretary of Budget and Management:

- o medical ambulances
- o military and police patrol vehicles
- o fire trucks
- o road construction equipment such as graders, payloaders, dump trucks, road rollers, etc.
- o motorized bancas
- o mass transport when necessary in the interest of public service
- o motorcycles
- o other utility vehicles with locally manufactured chassis and body, and with engine displacement of not more than 1600cc for gasoline and 2500cc for diesel. (Examples are Asian Utility Vehicles and other locally assembled and fabricated jeepneys/vehicles of similar design or configuration.)

4.2 The purchase of the following motor vehicles is subject to the approval of the President:

- o cars or sedans
- o passenger vans/wagons and other service vehicles with fully imported chassis and body
- o pick-ups and all-terrain vehicles with fully imported chassis and body, and four-wheel drive
- o aircrafts and seacrafts

4.3 In lieu of the approval by the President, the purchase of motor vehicles in the Legislative and Judicial Branches of government is subject to the approval of the Senate President, Speaker of the House of Representatives or Chief Justice of the Supreme Court, as the case may be.

#### 5.0 TYPE, CLASSIFICATION AND SPECIFICATIONS

5.1 The type, classification and specifications of motor vehicles which may be authorized to be purchased shall be in accordance with the Motor Vehicle Classification and Specifications Guide (MVCSG) prescribed under Annex A of this Circular.

5.2 The Department of Budget and Management reserves the right to reduce and/or alter the type and specifications of the proposed motor vehicle from a higher to a lower model/category to conform with the MVCSG and what is considered economical, cost-effective and more

appropriate to the needs of the requesting agency and the resources of the government.

## 6.0 COST OF ACQUISITION

- 6.1 The cost of the motor vehicle authorized to be purchased shall be based strictly on the type and specifications approved for the motor vehicle.
- 6.2 The purchase of the motor vehicle shall be subject to the pertinent accounting and auditing rules and regulations.

## 7.0 MODES OF ACQUISITION

- 7.1 Motor vehicles may be acquired through outright purchase wherein brand new motor vehicles are paid for on a single, lump-sum basis.
- 7.2 Alternatively, motor vehicles may be assembled, (usually owner-type jeeps and AUV-type vehicles) utilizing locally-fabricated chassis and body and fitted with surplus/reconditioned engine.

However, regardless of whether the funding source is capital outlay or maintenance and other operating expenses, acquisition by assembly shall be subject to the approval by the agency head and the Secretary of Budget and Management and may be resorted to when any of the following conditions are satisfied:

- o Where a brand new utility vehicle is not available in the locality, or if available, the cost is prohibitive because of distance from the nearest market source; or
- o Where an assembled vehicle is deemed more durable as the design and type of parts used are made suitable to the road condition/terrain in the locality such as in remote barangays/municipalities.

## 8.0 ENTITLEMENT TO OFFICIAL VEHICLES

- 8.1 In addition to those specifically authorized by law as stated under Section 3.2 hereof, the following officials are entitled to official transport vehicles subject to the approval of the President:
  - o Assistant Secretaries (SG 29) and officials with equivalent rank. For this purpose, the rank equivalence is based primarily on salary grade (SG) and applies to officials occupying regular positions identified in the:

- a. Personal Services Itemization (PSI), in the case of NGAs;
  - b. Staffing pattern approved by DBM, in the case of GOCCs; and
  - c. Position Allocation List (PAL) maintained by the Compensation and Position Classification Bureau-DBM, in the case of LGUs.
- o Bureau directors, department-wide and bureau-wide regional directors, and executive directors and other directors who are heads of bureau-level organizational units identified in the PSI.
- 8.2 An official entitled or authorized to use an official transport shall be allowed only one (1) motor vehicle. However, a Cabinet Secretary or an official holding a position of equivalent rank may be allowed a back-up vehicle for security personnel. Acquisition of the additional vehicle for security personnel is subject to the approval of the need for a security detail by the Secretary of the Interior and Local Government upon the recommendation of the Director-General of the Philippine National Police.

#### 9.0 REPLACEMENT OF MOTOR VEHICLES

- 9.1 Motor vehicles may be replaced under the following conditions:
- 9.1.1 For high official function cars/sedans, passenger vans/wagons, and other service vehicles - If the motor vehicle is at least seven (7) years old and has traveled at least 175,000 kms.
  - 9.1.2 For utility vehicles - If the utility vehicle is at least five (5) years old and has traveled at least 150,000 kms.
  - 9.1.3 Replacements may also be allowed even before the conditions in 9.1.1 and 9.1.2 above are met, when:
    - o The vehicle, for justifiable reasons, is declared as unserviceable, in which case, a duly accomplished Inventory and Inspection Report of Unserviceable Property shall be submitted together with the request for replacement; or
    - o The average annual cost of recurring repair/reconditioning during the immediate past two (2) years is at least thirty percent (30%) of

the current price of a new similar unit. In this case, a statement of the recurring repair/reconditioning expenses for the two-year period prepared by the chief accountant and certified by the agency head shall accompany the request.

#### 10.0 SUBMISSION OF A MOTOR VEHICLES INVENTORY

- 10.1 Within sixty (60) days from the effectivity of this Circular, all NGAs, GOCCs and LGUs shall submit an up-to-date, accurate and complete (including those in the central, regional and other field offices) INVENTORY of their motor vehicles using the Motor Vehicles Inventory Form - Annex B (with sample entries) to the DEPARTMENT of BUDGET and MANAGEMENT, attention the ORGANIZATION & PRODUCTIVITY IMPROVEMENT BUREAU.
- 10.2 The agencies concerned shall ensure the completeness and accuracy of the Inventory as this will be a ONE-TIME submission and that the information contained therein will constitute a data base on which all future actions on motor vehicles will be based/referred to. All agencies concerned shall inform the Organization and Productivity Improvement Bureau of all new acquisitions as well as disposal of old motor vehicles to update the data base.
- 10.3 NGAs, GOCCs and LGUs which have no motor vehicles shall accomplish and submit the Motor Vehicles Inventory Form just the same, indicating thereon that the NGA/GOCC/LGU has no motor vehicle.
- 10.4 Requests of NGAs/GOCCs/LGUs without the Motor Vehicles Inventory required under this Circular shall be returned without action.

#### 11.0 SUPPORTING DOCUMENTS TO REQUESTS

- 11.1 All requests for authority to purchase motor vehicles submitted to the Department of Budget and Management shall be duly approved/endorsed by the head of the NGA, GOCC or LGU, and shall be accompanied by:
  - 11.1.1 The duly accomplished Motor Vehicles Inventory Form required under 10.0 above, if none had been submitted yet.
  - 11.1.2 Certification of fund source and availability, as follows:
    - o Equipment Outlay in the General Appropriations Act and/or other authorized appropriation source, in the case of NGAs; or

- o A certification that the purchase of the motor vehicle has been previously authorized under the corporate operating budget approved by the President, in the case of GOCCs; or
- o A certification by the local Treasurer that funds are available for the purpose together with a copy of the Sanggunian Resolution endorsing the purchase and citing pertinent provision(s) in the local Appropriations Ordinance authorizing funds therefor, in the case of LGUs.

11.1.3 The number, type, specifications and cost of requested vehicle.

11.1.4 User-official, deployment by organizational unit, and/or activities/purposes for which the vehicle will be used.

11.2 In the case of replacement units, a duly accomplished Inventory and Inspection Report of Unserviceable Equipment covering the vehicle intended to be replaced shall be submitted in addition to the requirements under Section 11.1 above.

## 12.0 RENTAL OF MOTOR VEHICLES

12.1 Heads of Agencies are authorized to rent motor transport equipment for a continuous period not exceeding fifteen (15) days chargeable against agency appropriations under the following circumstances/ situations:

- o Where the motor vehicle will be used in the performance of agency functions, such as investments promotion, foreign affairs, international trade and tourism, that require transportation services for agency official guests/visitors;
- o Where the motor vehicle will be used in conventions, seminars, athletic/sports events and similar gatherings wherein the nature of the gathering requires the travel or transport of participants from one location to another;
- o Where the motor vehicle will be used by a Presidential ad-hoc body/agency mandated to perform a specific task within a specific period. In which case, motor vehicle rental is deemed more economical, expedient and convenient than outright purchase;
- o Where the motor vehicle will be used in urgent and/or emergency cases such as in search and rescue



operations during natural or man-made disasters or calamities; and

- o Under other situations similar to the above.

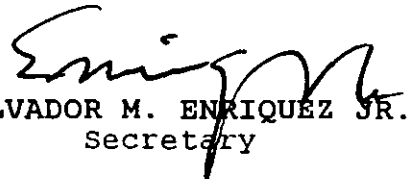
12.2 Rental of motor vehicles/transport equipment for a continuous period of more than fifteen (15) days may be allowed, subject to the approval by the Secretary of Budget and Management.

12.3 Information Requirements. - Requests for authority to rent shall be accompanied by the following:

- o Detailed justification for the rental of the motor/transport vehicle(s) proposed, including the duration of the specific program, project and activity for which the motor vehicle(s) will be rented;
- o The number, type and specifications of vehicle(s) to be rented, and the proposed rate(s);
- o Period of rental of the motor vehicle(s); and
- o Certification of fund source and availability.

### 13.0 EFFECTIVITY

This Circular shall take effect immediately.

  
SALVADOR M. ENRIQUEZ JR.  
Secretary

November \_\_, 1995

### Attachments:

Annex A - Motor Vehicles Classification  
and Specifications Guide (MVCSG)

Annex B - Inventory of Motor Vehicles Form  
(Blank Form and with sample entries)

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# DISCREPANCIES DISCOVERED IN THE REVIEW OF BARANGAYS

REGION/CITY/MUN/BARANGAY	
<b>REGION X</b>	
Province of Bukidnon	Total Population should be
Province of Misamis Occidental	Total Population should be
Province of Misamis Oriental	Total Population should be
<b>REGION XI</b>	No discrepancy
<b>REGION XII</b>	
<b>COLUMN 1</b>	
1. Province of Lanao del Sur a. Municipality of Balabagan  <i>Handwritten:</i> <del>1. Bogangud</del> <i>Handwritten:</i> <del>2. Ilian</del> <i>Handwritten:</i> <del>3. Lower Itil</del> <i>Handwritten:</i> <del>4. Lumbac</del> <i>Handwritten:</i> <del>5. Macao</del> <i>Handwritten:</i> <del>6. Matampay</del> <i>Handwritten:</i> <del>7. Matanog</del> <i>Handwritten:</i> <del>8. Pindolonan</del> <i>Handwritten:</i> <del>9. Tataya</del> <i>Handwritten:</i> <del>10. Upper Itil</del>	7-150 Not appearing in the 199 1. Bogangud 2. Ilian 3. Lower Itil 4. Lumbac 5. Macao 6. Matampay 7. Matanog 8. Pindolonan 9. Tataya 10. Upper Itil
<i>Handwritten:</i> Balabagan	Appearing in the Final IF 1. Lati 2. Malaig