



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
Manila

097.130 PWH
01-28-2015

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DEPARTMENT ORDER
NO. **12**
Series of 2015 *01.28.15*

**SUBJECT: GUIDANCE ON PROJECT
MODIFICATION, REALIGNMENT AND USE
OF SAVINGS UNDER THE FY 2015 GENERAL
APPROPRIATIONS ACT (GAA)**

This Department Order is issued to guide DPWH Operating Units/Implementing Units (OUs/IUs) on Project Modification, Realignment and Use of Savings under the FY 2015 GAA including the roles and responsibilities in managing these.

A. DEFINITIONS

1. Program/Activity/ Project (P/A/P) : Specific under the GAA
 2. Project Category – Major Final Outputs (MFOs)
 - a. National Road Network Services (MFO-1)
 - b. Flood Management Services (MFO-2)
 - c. Construction and Maintenance Services of Other Infrastructure (MFO-3)
 3. Subcategory : Eg. MFO-1 Subcategories - Rehabilitation or Reconstruction of National Roads and Road Upgrading Preventive Maintenance of National Roads and Bridges
 4. Project Modification – change in details of the projects but within the same Project Category (MFO) and within the same OU/IU; and in case of the Local Infrastructure Program(LIP), change in project category but within the same OU/IU.
 5. Realignment – change in OU/IU, P/A/P; or Project Category (MFO)
 6. Savings - refer to portion or balances of any released appropriations in the GAA which have not been obligated or result from: (a) final discontinuance of abandonment of an on-going P/A/P by the head of the agency due to causes not attributable to the fault or negligence of the said agency which would not render it possible for the agency to implement the said P/A/P during the validity of the appropriation; (b) non-commencement of the P/A/P for which the appropriation is released due to natural or man-made calamities; (c) decreased cost resulting from improved efficiency during implementation provided that the agencies will still be able to deliver the targets; and (d) difference between the approved budget for the contract and the contract award price.
 7. Sub-project – civil works contract within a Foreign Assisted Project
 8. Overlap –work locations that coincide or are duplicated amongst several programs or projects either in terms of the same type of work or with respect to warranty periods
 9. Augmentation - the act of the head of offices authorized to use savings in their respective appropriations to provide additional funding to cover an actual deficiency incurred for the current year in any existing item of their respective appropriations.
- A deficiency in the appropriation of P/A/P may result from:
- Justified modification or adjustments in the P/A/P authorized in this Act; or
 - Adjustment in the cost of implementing P/A/P due to justified causes.
- [Handwritten signature]*

B. PROJECT MODIFICATION

1. The Secretary of Public Works and Highways is authorized to modify projects provided that the same may only be undertaken once and not later than the end of the second quarter of the current fiscal year, and that modification, which would entail augmentation of an item of appropriation, shall comply with the rules on savings and augmentation in the said GAA.
2. Sufficient and acceptable justification must support any request for project modification. Project modification shall be undertaken at the earliest possible time and should be approved first before the project is bid out.

C. REALIGNMENT

1. The general rule is that appropriations must be spent for what is programmed. Therefore, realignment is an exception to the rule. Any request to realign will be strictly construed against the OU/IU requesting it. Sufficient and acceptable justification must support any request for realignment.
2. Except when there is change in OU/IU or Project Category (MFO), the Secretary is authorized to realign, provided that the realignment is within the same P/A/P and may only be undertaken until the second quarter of the year; provided further that realignment which would entail augmentation of an item of appropriation, shall comply with the rules on savings and augmentation in the said GAA.
3. Any realignment that will entail reallocation of funds from one allotment class (PS, MOOE, CO), to another without augmentation of the amount of the amount appropriated for the said P/A/P shall be subject to approval by the DBM, provided, that realignment from CO to another allotment class may only be undertaken until the third quarter of the year. Submission to DBM is through Planning Service.
4. Total appropriation for each of the MFO-1 Sub-Categories should be maintained and cannot be decreased:
 - a. Rehabilitation or Reconstruction of National Roads and Road Upgrading
 - b. Preventive Maintenance of National Roads and Bridges
5. **Use of Funds for Foreign Assisted Projects.** The amount appropriated for the implementation of foreign-assisted projects (FAPs), composed of loan proceeds and peso counterpart components may be used for other FAPs after considering the allocation per every component: PROVIDED, that an agency may, with valid reason use funds allotted for one sub-project to another within the same FAP as long as total project cost as prescribed in the relevant loan agreement is not exceeded.



D. USE OF SAVINGS

1. The authority to use savings is exclusive to the Constitutional Officers mentioned in the GAA. Priority in its use shall be for (1) Payment of personnel benefits; and (2) priority P/A/Ps.
2. Once savings are determined by its definition, the OU/IU must return the funds to the Central Office, through Planning Service, by issuing a Certificate of Availability of Funds indicating the source of savings.
3. The OU/IU may request to use the savings for augmentation but the request must be supported by sufficient and acceptable technical and economic justifications, POW, BP 202, detailed estimates, geo-tagged photograph of proposed location and CAF. Submission of request to use savings to DBM is through Planning Service.

E. ROLES AND RESPONSIBILITIES OF REGIONAL PLANNING AND DESIGN DIVISIONS AND CENTRAL OFFICE PLANNING SERVICE IN MANAGING PROJECT MODIFICATION , REALIGNMENT AND USE OF SAVINGS REQUESTS

In order to compel Regional Offices to utilize the planning applications in the preparation of the Project Modification, Realignment and Use of Savings Requests; further to provide a single point of responsibility in ensuring that such requests are properly validated and vetted based on RBIA, BMS, RTIA and GIS; and to ensure that physical targets are kept, the responsibilities of the Regional Planning and Design Divisions and the Central Office Planning Service Programming Division are:

E.1 Regional Planning and Design Division

1. Preparation and Evaluation of Project Modification, Realignment and Use of Savings Requests that shall include:
 - a. Economic and Technical Justification;
 - b. Supporting data and analysis (e.g. Road/ Bridge Condition, Traffic Volume Capacity Ratio, Road Safety assessment, Geo-tagged photographs);
 - c. Ensuring no overlaps of project locations among Foreign-Assisted Projects, Locally-Funded Projects, MVUC Projects and Calamity Fund Projects;
 - d. Ensuring no overlaps with projects under warranty periods;
 - e. Project Impact Analysis for Flood Control Projects ; and
 - f. Ensuring compliance with all other applicable laws, rules and regulations.
 2. Updating the RBIA with all project details and location in accordance with the Location Reference System (LRS) based on changes within five (5) calendar days from approval of Project Modification, Realignment and Use of Savings Requests.
 3. Posting every change on the official website of the Department within five (5) calendar days from its approval.
 4. Monitoring of Regional and District Targets against the targets specified in the GAA.
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E.2 Central Office, Planning Service Programming Division

1. Overall oversight of Project Modification, Realignment and Use of Savings Process;
2. Preparation of request by the Secretary to the Office of the President through DBM;
3. Periodic check/examination of Evaluation Results done by Regional Planning and Design Divisions, if they conform with the process and existing guidelines, including conduct of field visits if warranted;
4. Reporting with action recommendation to the Secretary based on these periodic checks;
5. Monitoring of National, Regional and District targets against the baseline in the GAA;
6. Training of Regional Planning and Design Divisions on enhanced and improved processes and procedures including Multi-Year Programming System Application.;
7. Submission to DBM the Project Modification, Realignment and Use of Savings Requests that require OP or DBM approval.
8. Monitoring-compliance of website posting of changes made by the Regional Planning and Design Divisions on the official website of the DPWH within five (5) calendar days from its approval with action recommendation, where necessary.

F. GENERAL INSTRUCTIONS

1. Project Modification, Realignment or Use of Savings Evaluation must include the following:
 - a. For MF0-1 National Road Network Services:
 - Project location details in terms of the LRS;
 - Asset Preservation projects (*national road preventive maintenance/ repair, rehabilitation and reconstruction/ bridge repair, rehabilitation/reconstruction and maintenance*) must be supported with justification in terms of Road and Bridge Condition data from the RBIA;
 - Network Development projects (*widening, by-passes, diversion roads, flyovers/interchanges/underpasses, construction of new bridges, off-carriageway improvement, missing gap construction*) must be supported by justification for widening or new alignments, or based on Feasibility Study or Master Plan;
 - Must be justified in economic terms (*benefit-cost ratio or net present value*);
 - Where field conditions have changed in relation to data in the RBIA, Bridge Management System or Road Traffic Information Application, new survey data should be collected by the Regional Office to substantiate the submission, together with an explanation.
 - b. For MF0-2 Flood Management Services:
 - Technical and economic justification, Project Impact Analysis and with reference to National Policies and Directives, Master Plans and/or Feasibility Studies or other applicable laws and regulations.
 - c. For MFO 3 Construction And Maintenance Services Of Other Infrastructure:
 - Must include technical and economic justification and with reference to National Policies and Directives, Master Plans and/or Feasibility Studies or other applicable laws and regulations.

2. In all cases, geo-tagged photographs of proposed project location clearly showing the key elements of the new project must be submitted.
3. Exceptional justification must be provided for Project Modification or Realignment Request that will result in decrease of original targets of any project. The overall targets for each MFO cannot be decreased and therefore a decrease in a target of a project must be offset by a corresponding increase of the same in other projects.
4. The attached Form in the evaluation of Project Modification, Realignment or Use of Savings Requests is prescribed.
5. Right of Way must be available for the new project and not constrained by environmental issues and impacts such as "no build zones" or declared heritage/cultural sites, and with proper environmental clearance and necessary tree cutting permits, where required by law. The Heads of OUs/IUs must ensure compliance to this. The Heads of OUs/IUs are directly responsible for the accuracy of all data and information supporting the requests.
6. Finally, strictly be guided by the other provisions of FY 2015 GAA in the implementation of the projects. Violations shall be dealt with in accordance with the law.


ROGELIO L. SINGSON
Secretary

Department of Public Works and Highways
Office of the Secretary



WIN5Q32102

3.1/MCEC

Form for Evaluation of Realignment Request (2015, version 1.0)

| A. GENERAL | | | |
|--|--|--|---|
| 1. REGION Click here to enter text. | 2. DEO Click here to enter text. | 3. LEGISLATIVE DISTRICT Click here to enter text. | |
| B. ORIGINAL PROJECT | | C. NEW PROJECT | |
| 4. UACS (Unified Account Structure as defined in GAA) Click here to enter text. | | 17. UACS (to be entered only upon approval of realignment) Click here to enter text. | |
| 5. Project Id Click here to enter text. | | 18. Project Id (to be entered only upon approval of realignment) Click here to enter text. | |
| 6. MFO Choose an item. | | 19. MFO Choose an item. | |
| 7. MFO Program Choose an item. | | 20. MFO Program Choose an item. | |
| 8. MFO Activity Choose an item. | | 21. MFO Activity Choose an item. | |
| 9. PROJECT DESCRIPTION (as recorded in GAA) Click here to enter text. | | 22. PROJECT DESCRIPTION (of the new project) Click here to enter text. | |
| 10. ALLOCATION (P'000) (as recorded in GAA) Click here to enter text. | 11. OBLIGATION (This must be checked to confirm there are no obligations) <input type="checkbox"/> NO | 23. ESTIMATED COST(P'000) Click here to enter text. | 24. CAF (To be obtained from Financial Management office) <input type="checkbox"/> YES |
| 12. PHYSICAL TARGET (Enter Target and Unit e.g. 2.5 km) Click here to enter text. | 13. UNIT COST (P'000 / km) (Applicable to roads projects only) Click here to enter text. | 25. PHYSICAL TARGET Click here to enter text. | 26. UNIT COST (for roads, P'000 / km; for bridges, P'000 / m²) Click here to enter text. |
| 14. PROJECT LOCATION (Must be defined in strict accordance with DO 65 Series 2014) Click here to enter text. | | 27. PROJECT LOCATION (Must be defined in strict accordance with DO 65 Series 2014) Click here to enter text. | |
| 15. ROAD CLASSIFICATION (if applicable) Choose an item. | | 28. ROAD CLASSIFICATION (if applicable) Choose an item. | |
| 16. IMPLEMENTING OFFICE (Record the Implementing Office of the original project) Click here to enter text. | | 29. IMPLEMENTING OFFICE (Record the Implementing Office of the new project) Click here to enter text. | |
| | | 30. OVERLAP? Click here to enter text. | |
| | | 31. WARRANTY Click here to enter text. | |
| D. EVALUATION & JUSTIFICATION | | | |

ASSET PRESERVATION (ROADS)

- | | |
|--|---------------------------|
| 32a. Existing Surface Type (from RBIA) | Click here to enter text. |
| 32b. Roughness (IRI) (from RBIA) | Click here to enter text. |
| 32c. RoCOND (from RBIA) | Click here to enter text. |

ASSET PRESERVATION (BRIDGES)

- | | |
|--|---------------------------|
| 32d. General Bridge Type (from BMS) | Click here to enter text. |
| 32e. Bridge Needs Ratio (BNR) (from BMS) | Click here to enter text. |

NETWORK DEVELOPMENT

- | | |
|--|---------------------------|
| 32f. Existing Surface Type (from RBIA) | Click here to enter text. |
| 32g. Volume Capacity Ratio (VCR) (from RBIA) | Click here to enter text. |
| 32h. Endorsement of Regional Development Council (RDC) | Click here to enter text. |
| 32i. Feasibility and Other Technical Studies for Bridges | Click here to enter text. |

FLOOD CONTROL

- | | |
|------------------------------|---------------------------|
| 32j. Project Impact Analysis | Click here to enter text. |
| 32k. Master Plan | Click here to enter text. |

33. JUSTIFICATION

Click here to enter text.

34. GEOTAGGED PHOTOS SUBMITTED NO YES

35. EVALUATED BY: Name

36. DATE: Click here to enter a date.

E. REVIEW AND APPROVAL

| | | |
|-----------------------------|--|--|
| REVIEWED: | Chief Planning and Design Division | DATE: Click here to enter a date. |
| RECOMMENDED: | Regional Director / District Engineer | DATE: Click here to enter a date. |
| ENDORSED / APPROVED: | Secretary of Department of Public Works and Highways | DATE: Click here to enter a date. |

Form for Evaluation of Modification Request (2015, version 1.0)

| A. GENERAL | | | |
|--|--|---|---|
| 1. REGION Click here to enter text. | 2. DEO Click here to enter text. | 3. LEGISLATIVE DISTRICT Click here to enter text. | |
| B. ORIGINAL PROJECT | | C. NEW PROJECT | |
| 4. UACS (Unified Account Structure as defined in GAA) Click here to enter text. | | 17. UACS (to be entered only upon approval of modification) Click here to enter text. | |
| 5. Project Id Click here to enter text. | | 18. Project Id (to be entered only upon approval of modification) Click here to enter text. | |
| 6. MFO Choose an item. | | 19. MFO Choose an item. | |
| 7. MFO Program Choose an item. | | 20. MFO Program Choose an item. | |
| 8. MFO Activity Choose an item. | | 21. MFO Activity Choose an item. | |
| 9. PROJECT DESCRIPTION (as recorded in GAA) Click here to enter text. | | 22. PROJECT DESCRIPTION (of the new project] Click here to enter text. | |
| 10. ALLOCATION (P'000) (as recorded in GAA) Click here to enter text. | 11. OBLIGATION (This must be checked to confirm there are no obligations) <input type="checkbox"/> NO | 23. ESTIMATED COST(P'000) Click here to enter text. | 24. CAF (To be obtained from Financial Management office) <input type="checkbox"/> YES |
| 12. PHYSICAL TARGET (Enter Target and Unit e.g. 2.5 km) Click here to enter text. | 13. UNIT COST (P'000 / km) (Applicable to roads projects only) Click here to enter text. | 25. PHYSICAL TARGET Click here to enter text. | 26. UNIT COST (for roads, P'000 / km; for bridges, P'000 / m²) Click here to enter text. |
| 14. PROJECT LOCATION (Must be defined in strict accordance with DO 65 Series 2014) Click here to enter text. | | 27. PROJECT LOCATION (Must be defined in strict accordance with DO 65 Series 2014) Click here to enter text. | |
| 15. ROAD CLASSIFICATION Choose an item. | | 28. ROAD CLASSIFICATION Choose an item. | |
| 16. IMPLEMENTING OFFICE (Record the Implementing Office of the original project) Click here to enter text. | | 29. IMPLEMENTING OFFICE (if this is different from original implementing Office, then use the Realignment Request form) Click here to enter text. | |
| | | 30. OVERLAP? Click here to enter text. | |
| | | 31. WARRANTY Click here to enter text. | |
| D. EVALUATION & JUSTIFICATION | | | |

ASSET PRESERVATION (ROADS)32a. Existing Surface Type (from RBIA) [Click here to enter text.](#)32b. Roughness (IRI) (from RBIA) [Click here to enter text.](#)32c. RoCOND (from RBIA) [Click here to enter text.](#)**ASSET PRESERVATION (BRIDGES)**32d. General Bridge Type (from BMS) [Click here to enter text.](#)32e. Bridge Needs Ratio (BNR) (from BMS) [Click here to enter text.](#)**NETWORK DEVELOPMENT**32f. Existing Surface Type (from RBIA) [Click here to enter text.](#)32g. Volume Capacity Ratio (VCR) (from RBIA) [Click here to enter text.](#)32h. Endorsement of Regional Development Council (RDC) [Click here to enter text.](#)32.i Feasibility and Other Technical Studies for Bridges [Click here to enter text.](#)**FLOOD CONTROL**32j. Project Impact Analysis [Click here to enter text.](#)32k. Master Plan [Click here to enter text.](#)**33. JUSTIFICATION**[Click here to enter text.](#)34. GEOTAGGED PHOTOS SUBMITTED NO YES

35. EVALUATED BY: Name

36. DATE: [Click here to enter a date.](#)**E. REVIEW AND APPROVAL**REVIEWED: Chief Planning and Design Division **DATE:** [Click here to enter a date.](#)RECOMMENDED: Regional Director / District Engineer **DATE:** [Click here to enter a date.](#)ENDORSED/
APPROVED: Secretary **DATE:** [Click here to enter a date.](#)