



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

097.13 DPWH

03.06.2023

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DEPARTMENT ORDER)

NO. 23)

Series of 2023)
A 3/6/2023

SUBJECT: **AMENDED GUIDELINES ON
MODIFICATION OF ALLOTMENT
UNDER THE GENERAL
APPROPRIATIONS ACT**

This Department Order is issued as updated guidelines in the modification of allotments under the General Appropriations Act (GAA).

A. DEFINITIONS

Modification- refers to any change within an activity or project, change in operating unit (OU), allotment class, object of expenditure within an agency or department budget.

Project Modification – change in details of the project but within the same Project Category (OO), and within the same Operating Unit (OU), and within the same Implementing Office (IO) unless funds are centrally released e.g. OU is Central Office.

Program/Activity/Project (P/A/P) - Specified under the GAA.

Operating Unit – The organizational entity that initially receives the appropriations as specified in the GAA (e.g. Central Office (CO), District Engineering Office (DEO))

Project – is a special agency undertaking within a definite timeframe and which is designed to produce pre-determined works, goods and services.

Project Component – is a distinct Task or Activity in the life cycle of a project that is tracked separately for the management and monitoring purposes. The types of project component are Right of Way Acquisition, Civil Works and Engineering Administrative Overhead (EAO). Distinct types or items of infrastructure are treated as separate components.

B. GENERAL GUIDELINES

1. As a general rule, the Department shall spend what is programmed in their respective appropriations in the GAA. Realignment is not allowed.
2. Project Modification of allotments released from appropriations from one project/scope of work to another may be approved by the DPWH Secretary or his duly authorized representatives, or by Department of Budget and Management (DBM), in accordance with the criteria specified in the General Provisions and Special Provisions of the GAA.

- 2.1 For modifications involving typographical errors, setting of targets resulting in increase of unit costs of no more than Twenty (20) percent of the DPWH standard unit cost and when the setting of targets results in decrease in unit cost, the approving authority shall be the concerned Undersecretary for Operations provided that there is recommending approval by the Undersecretary for Planning Service;
 - 2.2 For all the other modifications, the approval shall be by the Secretary upon recommendation of the concerned Undersecretary for Operations and the Undersecretary for Planning Service;
 - 2.3 In case there is change in IO, the approval of request for modification shall be based on the approved IO provided that in cases where the change in cost is more than Twenty (20) percent, the approval shall still be with the Secretary.
3. All modifications shall be undertaken at the earliest possible time and must be conducted in accordance with R.A. 9184. In case the validity of budget as provided in the GAA is one (1) year, all requests for modifications shall be until the second quarter of the fiscal year except when due to force majeure. In the event that the GAA provides for two (2) years validity, all requests for modification shall be until the end of the first year except when due to force majeure.
 4. All modifications in the allotment shall not entail any increase in the total amount appropriated for a program, sub-program, activity or project. In the case of programs with several activities and/or projects, modifications may only be done within each activity and/or project.
 5. Modification of OUs from DEO to CO (including regional offices) shall be approved by the Department of Budget and Management (DBM).
 6. All modification requests must be supported by sufficient and acceptable justifications in accordance with existing laws, rules and regulations.
 7. Total appropriation for each Activity and/or Project should be maintained and cannot be increased.
 8. A project cannot be modified if there is already a Notice of Award (NOA) or if funds have already been obligated and/or disbursed.
 9. No modification shall be allowed for projects under approved augmentation.

C. SPECIFIC GUIDELINES

1. Types of Modification

- 1.1. Typographical errors;
- 1.2. Change in station limits, due to increase or decrease in budget;
- 1.3. Change in physical target;
- 1.4. Change in location, if such LGU is not existing;



- 1.5. Change in implementing office (IO), requiring the change in the operating unit (OU);
- 1.6. Overlapped Sections of Work.

The above is neither an exclusive list, nor a jurisdiction for approval of a Modification. The guiding principle is that Modifications should be minimized in order to improve transparency, especially in relation to monitoring targets set out in the GAA.

Modification requests that are evaluated as not conforming to the DPWH guidelines may be sent to DBM for review on case-by-case basis.

2. Procedure

The Planning Service has issued an updated procedure for all requests for modification which is attached hereto as **Annex "A"**.

This Order shall take effect immediately and shall amend Department Order 13, Series of 2023, insofar as the provisions inconsistent herewith as well as all other issuances.

For strict compliance.


MANUEL M. BONOAN
Secretary

Department of Public Works and Highways
Office of the Secretary



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**GUIDELINES ON MODIFICATION UNDER THE
GENERAL APPROPRIATIONS ACT (GAA)**

I. MODIFICATIONS

1. As a general rule, the Department shall spend what is programmed in their respective appropriations in the GAA. Realignment is not allowed.
2. Modification of allotments released from appropriations from one project/scope of work to another may be approved by the DPWH Secretary or his duly authorized representatives, or by Department of Budget and Management (DBM), in accordance with the criteria specified in the General Provisions and Special Provisions of the GAA.
 - 2.1. For modifications involving typographical errors, setting of targets resulting in increase of unit costs of no more than Twenty (20) percent of the DPWH standard unit cost and when the setting of targets results in decrease in unit cost, the approving authority shall be the concerned Undersecretary for Operations provided that there is recommending approval by the Undersecretary for Planning Service;
 - 2.2. For all the other modifications, the approval shall be by the Secretary upon recommendation of the concerned Undersecretary for Operations and the Undersecretary for Planning Service;
 - 2.3. In case there is change in Implementing Office (IO), the approval of request for modification shall be based on the approved IO provided that in cases where the change in cost is more than Twenty (20) percent, the approval shall still be with the Secretary.
3. All modifications shall be undertaken at the earliest possible time and must be conducted in accordance with RA 9184. In case the validity of budget as provided in the GAA is one (1) year, all requests for modifications shall be until the second quarter of the fiscal year except when due to force majeure. In the event that the GAA provides for two (2) years validity, all requests for modification shall be until the end of the first year except when due to force majeure.
4. A project cannot be modified if there is already a Notice of Award (NOA) or if funds have already been obligated and/or disbursed. This must be confirmed by attaching a Certificate of Availability of Funds (CAF).
5. All modifications in the allotment shall not entail any increase in the total amount appropriated for a program, sub-program, activity or project.
6. Modification of Operating Unit (OU) from DEO to CO (including regional offices) shall be approved by the Department of Budget and Management (DBM).
7. All modification requests must be supported by sufficient and acceptable justifications in accordance with existing laws, rules and regulations.
8. No modification shall be allowed for projects under approved augmentation.



9. Requests for modification of projects typically relate to the following or a combination of the following:

- 9.1. Typographical error on Project Description;
- 9.2. Overlapping Sections;
- 9.3. Change in Station Limits;
- 9.4. Change in Physical Target;
- 9.5. Change in Location, if such Local Government Unit (LGU) is not existing;
- 9.6. Change in Implementing Office (IO), requiring a change in the Operating Unit (OU).

The above is neither an exclusive list, nor a justification for approval of a Modification. The guiding principle is that Modifications should be minimized in order to improve transparency, especially in relation to monitoring targets set out in the GAA.

10. Modification categories, allowed for approval of the Secretary or his duly authorized representatives based on DBM guidelines are:

- 10.1. Typographical error on Project Description;
- 10.2. Overlapping Sections;
- 10.3. Change in Station Limits;
- 10.4. Change in Physical Target;
- 10.5. Change in Location, if such LGU is not existing:
 - Within same barangay;
 - Within same municipality/ city;
 - Within same province;

11. Modification requests that are evaluated as not conforming to the DBM guidelines may be sent to DBM for review on case-by-case basis.

12. The following are examples of modification requests and its evaluation based on the DBM guidelines:



No.	From	To	DBM Recommendation
1	Typographical Error in the Project Description		
	Catalban-Navotas (Bridge Construction) in support of Bag Making Industry made from Water Lily and Dried Fish Production, <u>ocos</u> . Norte	Catalban-Navotas (Bridge Construction) in support of Bag Making Industry made from Water Lily and Dried Fish Production <u>Ilocos</u> . Norte	Modification Allowed
2	Change in Station Limit		
	Bacolod North Rd -K0015 +730 - K0015 + 094, K0018 +164 - K0018 +915, K0018 + 922 - K0019 + <u>490</u>	Bacolod North Rd - K0015 +730 - K0015 + 094, K0018 +164 - K0018 +915, K0018 + 922 - K0019 + <u>495</u>	Modification allowed but there should be no overlapping with station limit of other project
	Bacolod North Rd - K0015 + 730 - K0018 + 094, K0018 +164 - K0018 + 915, K0018 +922 - K0019 + <u>480</u>	Bacolod North Rd - K0015 + 730 - K0018 + 094, K0018 +164 - K0018 + 915, K0018 + 922 - K0019 + <u>470</u>	
3	Change in Location		
	Construction of Multi-Purpose Building, Brgy. <u>Paninbonan</u> , Mabinay, Negros Oriental	Construction of Multi-Purpose Building, Brgy. <u>Bato</u> , Mabinay, Negros Oriental	Modification not allowed unless subject to justification i.e. no such barangay in that municipality; no such municipality/ city in that province/ or such location is not existing
	Construction of Flood Control Structure of Guinhalaran Creek along Bacolod North Road, <u>Silay</u> City, Negros Occidental	Construction of Flood Control Structure of Guinhalaran Creek along Bacolod North Road, <u>Cadiz</u> City, Negros Occidental	
	Construction of Multi-Purpose Building, Brgy <u>Paniabonan</u> , <u>Mabinay</u> , Negros Oriental	Construction of Multi-Purpose Building, Brgy <u>Iniwasan</u> , <u>Pamplona</u> , Mabinay, Negros Oriental	
	Construction of Flood Control Structure along Abra River, Sta. 0+000 - <u>Sta. 0-620, San Antonio, Bangued</u> , Abra	Construction of Flood Control Structure along Abra River, Sta. 0+000 - <u>Sta. 0-550, Napuilia Flood Control. La Paz</u> , Abra	

No.	From	To	DBM Recommendation
4	Change in Scope of Work		
	<u>Completion</u> of four (4) storey, twelve (2) classrooms School Building, Malabon national High-School, Brgy. Hulong-Duhat, Malabo City	<u>Construction</u> of four (4) storey, twelve (2) classrooms School Building, Malabon national High-School, Brgy. Hulong-Duhat, Malabo City	Not considered as modification, but use of savings may be authorized if original projects will not be implemented to augment a deficient existing P/A/P, subject to Office of the President (OP) approval
	<u>Construction</u> of Various Multi-Purpose Building, Sants, Ilocos Sur	<u>Rehabilitation</u> of Various Multi-Purpose Building, Sants, Ilocos Sur	
5	Different Project		
	Dumaditim Bridge (B01933LZ) along Cordon-Aurora Bdry Rd (Isabela Bdry-JCT Dumabat	Jacob Bridge (B02390LZ) along JCT Vicioria-Maddela-Alida Kasibti Bdry Rd (Jet Vicioria-Kasibu Bdry)	Not considered as modification, but use of savings may be authorized if original projects will not be implemented to augment a deficient existing P/A/P, subject to Office of the President (OP) approval

Source: DBM Letter dated February 13, 2018 regarding DBM Policy Guidance for Modification

13. All project Work Locations must be provided in accordance with Department Order No. 65 series of 2014, or the latest, with the associated geographic referencing requirements. A map of the proposed project Work Location with "before" photos shall be provided with the submission. The IO is responsible for geotagging the "before" photos in accordance with Department Order No. 85 series of 2020, or the latest. The map shall include the proposed project together with clearly marked locations of adjacent projects that are either:
 - 13.1. Ongoing;
 - 13.2. Scheduled for implementation within the current year;
 - 13.3. Projects under warranty;
 - 13.4. Subject of completed or ongoing feasibility study;
 - 13.5. Committed under Foreign Assistance;
 - 13.6. Committed under the Motor Vehicle User Charge (MVUC).

14. Project work locations must be confirmed to ensure there are no overlaps with sections under Warranty Periods from projects completed in previous years. It is the responsibility of each Regional PDD Office to maintain a list of completed projects and their warranty periods to support this initiative.
15. Justification must be provided and be specific to the modification that is being requested. Below is the structure of justification that must be followed:

Request Statement. Includes the change that needs to be implemented. For example, "Decrease in physical target for CW1 – Construction of Concrete Road from 5 Lane km to 2 Lane km and ROW – Right of Way Acquisition from 36,000 sqm to 20,000 sqm." Keep the statement clear and concise.

Establish Reasons. Explanation on why the requested change is necessary, this will be in a minimum of 2 bullet points. For example:

- Unit costs increased due to the revised costs of construction materials based on updated canvassed prices in pursuant to DO 63 s. 2022 Guidelines in Addressing the Effect of the Increasing Prices of Construction Materials and Equipment Rental Rates Utilized for Infrastructure Projects.
- Adjustment of RROW area because of less structures/improvements that will be affected due to the decrease in length of the project. The derived unit cost for ROW Acquisition is based on current market values in the locality.

Supporting Documents. Enumerate the supporting documents provided for review by the evaluators. For example, "Attached are the following supporting documents: Approved Program of Works (POW), Detailed Engineering Design (DED), Certificate of Availability of Funds (CAF), BP 202, Geotagged photos, and GIS Map."

Given the above, below is an example of a justification:

Decrease in physical target for CW1 – Construction of Concrete Road from 5 Lane km or 2 Lane km and ROW – Right of Way Acquisition from 36,000 sqm to 20,000 sqm due to the following:

- *Unit costs for CW1 increased due to the revised costs of construction materials based on updated canvassed prices in pursuant to DO 63 s. 2022 Guidelines in Addressing the Effect of the Increasing Prices of Construction Materials and Equipment Rental Rates Utilized for Infrastructure Projects.*
- *Adjustment of RROW area because of less structures/improvements that will be affected due to the decrease in length of the project. The derived unit cost for ROW Acquisition is based on current market values in the locality.*

Attached are the following supporting documents: Approved Program of Works (POW), Detailed Engineering Design (DED), Certificate of Availability of Funds (CAF), BP 202, Geotagged photos, and GIS Map.



16. Documents are provided to properly review the modification requests. Below are the required documents for different modification categories.

16.1. For typographical error on Project Description:

- 16.1.1. Endorsement from the Regional Director
- 16.1.2. Modification Request Form version 01-2023 (including Annexes)
- 16.1.3. Certificate of Availability of Fund / Allotment
- 16.1.4. Annual Infrastructure Program (AIP) based on GAA

16.2. For all other modification categories:

- 16.2.1. Endorsement from the Regional Director
- 16.2.2. Modification Request Form version 01-2023 (including Annexes)
- 16.2.3. Geotagged Photos and GIS Map
- 16.2.4. Certificate of Availability of Fund / Allotment
- 16.2.5. Program of Works / Detailed Unit Price Analysis
- 16.2.6. Plans (Cover Page, Summary of Quantities and Cross Section showing Changes)
- 16.2.7. Certification from LGU (only for those non-existing location)
- 16.2.8. Annual Infrastructure Program (AIP) based on GAA

17. Figure 1 describes the detailed procedure for the evaluation and approval of Modification requests for all modification categories.

18. Attached with this document is the latest version of the Modification Request Form that can be downloaded from the DPWH Intranet on the Planning Applications Website.

II. ROLES AND RESPONSIBILITIES

In order to compel Regional Offices to utilize the planning applications in the preparation of the Project Modification 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 Implementing Offices, Regional Planning and Design Divisions, UPMOs, Bureaus, Office of the Director for Planning Service, Office of the Assistant Secretary for Planning Service, Offices of the Undersecretaries for Operations and Office of the Undersecretary for Planning Service are:

Implementing Offices

1. The preparation of Requests for Modification should originate from the Implementing Offices. However other proponents may also submit requests. Irrespective of, all requests must be substantiated with appropriate justification.



Regional Office, Planning and Design Divisions; and UPMOs/Bureaus Concerned

1. The Office of the UPMO Cluster Head / Regional Director have responsibility for evaluation of all requests. All submissions shall be checked for compliance with the procedures and criteria before submission and endorsement to the Undersecretary for Operations.
2. Evaluate the Modification Requests that shall include the following, as necessary, based on the Guidelines:
 - a. Economic and Technical Justification;
 - b. Supporting data and analysis (e.g. Geo-tagged photographs);
 - c. Ensuring no overlaps of project work locations or funds among Foreign-Assisted Projects, Locally-Funded Projects, Special Road Support Fund 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.
3. Post every change on the official website of the Department within five (5) working days from its approval.
4. Monitor Regional and District Targets against the targets specified in the GAA.
5. Follow up with Central Office on status of approval until the approval is received.

Central Office, Planning Service - Programming Division (PS-PD)

1. Check Modification Requests based on the latest DBM guidelines.
2. Consult with DBM for Modifications outside the DBM guidelines.
3. Prepare transmittal to DBM for Modification of OU.
4. Update MYPS with all project details and location in accordance with the Locational Referencing System (LRS) based on changes within five (5) working days from receipt of the approved Project Modification.
5. Monitor compliance of website posting of changes made by the Regional Planning and Design Divisions and UPMOs/Bureaus.



Central Office, Office of the Director for Planning Service and Assistant Secretary for Planning Service

1. Review the Modification Request and forward to the Undersecretary for Planning Service.

Central Office, Offices of the Undersecretaries for Operations

1. The Office of the Undersecretary for Operations will evaluate the request and determine the type being requested as either:
 - a. Change in OU (requires DBM Approval)
 - b. Modification (requires evaluation and recommendation by Undersecretaries for Operations, and checking by Programming Division for compliance with the latest DBM guidelines with recommendation from the Undersecretary for Planning and PPP for Secretary Approval)
2. Overall supervision of the Project Modification process.
3. Aligned with D.O. 13 s. 2023, the Undersecretary for Operations shall approve or recommend approval of the Modification Requests to the DPWH Secretary.

Central Office, Office of the Undersecretary for Planning Service

1. Recommend approval of the Modification Request to the Undersecretary for Operations based on Planning Service Concurrence and that the Modification Request complies with DBM Guidelines.


MARIA CATALINA E. CABRAL, Ph.D., CESO I
Undersecretary for Planning and PPP Services

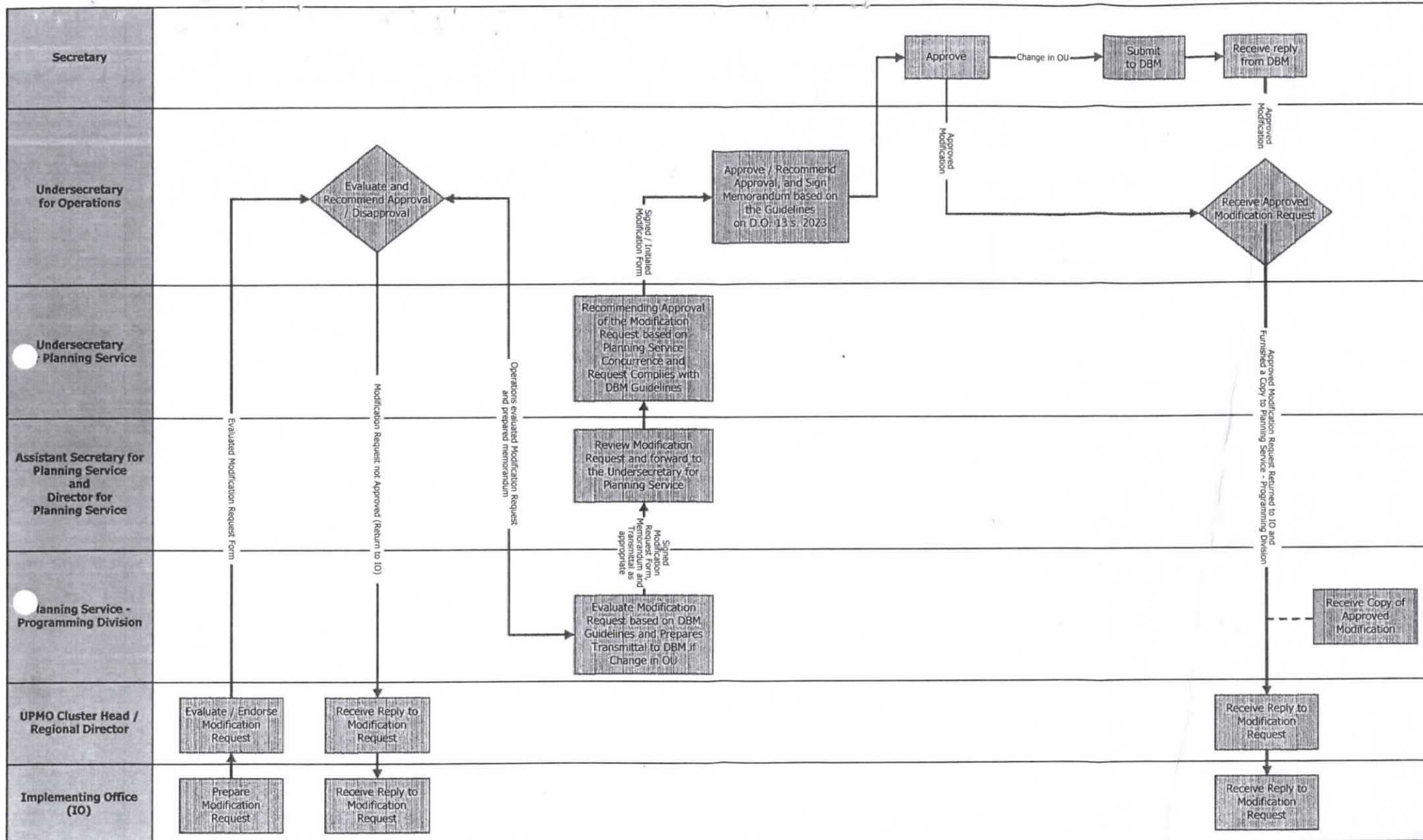


Figure 1 : Modification Procedure for Approval

Prepared by:

ALEX G. BOTE

Director IV, Planning Service

Submitted by:

CONSTANTE A. LLANES, JR., CESO III

Assistant Secretary for Planning Service

Approved by:

MARIA CATALINA E. CABRAL, Ph.D., CESO I

Undersecretary for Planning and PPP Services