



Republic of the Philippines  
**DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS**

**DEPARTMENT ORDER NO. 2013-07**

**SUBJECT : GUIDELINES AND PROCEDURES ON REALIGNMENT OF FUNDS FOR PROJECTS AT THE DOTC-CENTRAL OFFICE**

**DATE : 15 MAY 2013**

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**I. Purpose:**

1. This Memorandum is issued pursuant to Item No. 9 of the Special Provisions of the CY 2013 DOTC Budget under Page 1144 of the General Appropriations Act or Republic Act No. 10352; and
2. To provide the budgetary guidelines, rules and regulations on the realignment of infrastructure funds and/or modification of original description of projects at the DOTC-CO.

**II. Coverage:**

1. This Guidelines shall cover all infrastructure projects funded out of the Department's annual appropriations both locally funded and foreign assisted projects such as:
  - 1.1 Airport, Port and Lighthouse Development Projects
  - 1.2 Construction of Office Buildings
  - 1.3 Railway Projects
  - 1.4 Procurement of Transport Equipment (e.g. helicopters, multi-role response vessels, etc.) and Air Navigational Equipment/Facilities

**III. Definition of Terms:**

1. **Realignment of Allotment** – refers to variation/alteration of the original description of the project which may involve modification/ change in scope of work/ location of the capital outlay projects under the General Appropriations Acts (GAA).
2. **Project category**- refers to the type and/or classification of programs/ projects/activities funded under the GAA (e.g. airport, port, railway, building and lighthouse projects).

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3. **Splitting of Project-** Pursuant to the IRR of RA 9184, the division or breaking up of project into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of evading or circumventing the requirements of law and the said IRR, especially the necessity of public bidding and the requirements for the alternative methods of procurement.
4. **Locally-Funded Project** –refers to projects which are fully funded by local/peso fund appropriated under Fund 101.
5. **Foreign-Assisted Project-** refers to projects which are partly funded out of loans from other countries.
6. **Allotment Class-** Classification of expenditures under the following categories:
  1. Personal Services (100)
  2. Maintenance and other Operating Expenses (200)
  3. Capital Outlays (300)
7. **Object of Expense/Expenditures** – specific expenditure items under the allotment classes:
  1. **Personal Services (100)**  
Salaries, Personal Emergency Relief Allowance (PERA), PAG-I.B.I.G, etc.
  2. **Maintenance and other Operating Expenses (200)**  
Traveling expenses, Rent, Supplies and Materials Expenses , etc
  3. **Capital Outlays (300)**  
Office Equipment, Building and Structures Outlay, Land and Land Improvements, Public Infrastructures, etc.
8. **Implementing Unit-** refers to the unit or office having direct supervision or administration over the implementation of the contract such as the Project Management Office (PMO) or the end-user unit.

#### IV. Guidelines

As provided under Section 9 of the Special Provisions of the CY 2013 General Appropriations Act, the Secretary is authorized to approve the following

1. Realignment of allotment released from appropriations of the Department from one project/scope of work to another, subject to the following conditions:

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- 1.1 The realignment shall be made only once to another project/scope of work within the same project category as the original project and within the same DOTC Implementing Unit (IU); and
  - 1.2 The allotment released has not been obligated for the original project/scope of work.
2. Realignment of unutilized allotment from a project/scope of work that are:
- 2.1 still available after completion or final discontinuance or abandonment of the work, activity or purpose for which the allotment is authorized; or
  - 2.2 realized from the implementation of measures resulting in improved systems and efficiencies allowing for lesser cost in project implementation.

The above realignment shall be made in favor of an existing program, activity or project of the Department and within the same DOTC Implementing Unit.

3. Splitting of projects or deliberate creation of gaps to justify itemization of a single project shall in no case be allowed.
4. Sections 54 and 62 of the CY 2013 GAA relative to realignment shall be strictly complied with.
5. All requests for alignment shall be coordinated with the concerned offices and representative of the legislative district.
6. All approved realignments should be included in the Supplemental Agency Procurement Plan.

## V. PROCEDURES

1. Office of the Assistant Secretary for Project Implementation, thru the Project Management Service (PMS)/ implementing unit coordinates with the concerned offices/representative of the legislative district and submits request for realignment to the Project Development Service (PDS) for concurrence together with the following requirement/documents:
  - 1.1 Letter-request of the concerned office/representative of the legislative district
  - 1.2 Justification(s) for the proposed realignment.
2. Office of the Assistant Secretary for Planning , thru the PDS evaluates request for realignment of locally funded /foreign-assisted projects and prepares specific

scope of work and indicative/budgetary estimates, if the detailed estimates and program of work are not yet available; and proposed Program of Work(s) (POWs) for the new project. Forwards request to Budget Division (BD).

3. Budget Division (BD) prepares a Financial Plan (see Annex A) to reflect the realignment for approval of the Secretary upon the recommendation of the Undersecretaries for Planning, and Project Management.
4. In cases where the request involves utilization of savings, procedures 1 & 2 shall be followed and BD prepares a request to DBM for signature of the authorized official, together with a Financial Plan and a Certificate of Availability Savings.
5. BD furnishes the concerned official of all approved realignments.
6. Budget Division informs the Department of Budget and Management (DBM), in writing, of every such alignment within five (5) calendar days from its approval and furnishes the Management Information Service (MIS) a copy of approved realignment for posting to DOTC Website.
7. MIS posts the re-alignment on the DOTC website within the same period.
8. Office of the Assistant Secretary for Planning, thru the PDS prepares documents for the proposed bidding of the project.

## VI. EFFECTIVITY

This Memorandum Order shall take effect immediately.

For strict compliance.

  
**JOSEPH EMILIO AGUINALDO ABAYA**  
Secretary

*/Guide realignment of funds  
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DOTC-OSEC OUTGOING 13-00715

ANNEX A

BEF 200: FINANCIAL PLAN  
BY PROGRAM/ACTIVITY/PROJECT

Department	Agency/Bureau	Fund Code	Fiscal Year	QUARTERLY BREAKDOWN OF NET PROGRAM			
				1st	2nd	3rd	4th
PROGRAM/ACTIVITY/PROJECT	Expense Code	Total Authorized Appropriation R.A. #	Net Program	1st	2nd	3rd	4th
(1)	(2)	(3)	(5)	(6)	(7)	(8)	(9)
TRANSPORTATION AND COMMUNICATIONS							

Recommended by: \_\_\_\_\_ Approved: \_\_\_\_\_

Undersecretary for Planning Undersecretary for Proj. Implementation Secretary of Transp. & Comms.