



DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG)

DILG Memorandum Circular No. 2018-61

Date: May 3, 2018

TO : LOCAL CHIEF EXECUTIVES, MEMBERS OF THE LOCAL SANGGUNIANS, MEMBERS OF THE LOCAL FINANCE COMMITTEES, HEADS AND DIRECTORS OF THE CENTRAL AND REGIONAL OFFICES/FIELD OFFICES OF DILG AND ALL OTHERS CONCERNED

SUBJECT : POLICY GUIDELINES AND PROCEDURES IN THE IMPLEMENTATION OF THE F.Y. 2018 LOCAL GOVERNMENT SUPPORT FUND-ASSISTANCE TO MUNICIPALITIES (LGSF-AM) PROGRAM

1.0 BACKGROUND

Local governments confront rising public expectations regarding the delivery of services. Despite more than two decades of implementation of Republic Act (R.A.) No. 7160 (Local Government Code of 1991), local governments still face various challenges in the exercise of devolved service delivery functions. Foremost among these is the raising of sufficient funds for local development.

Part of the F.Y. 2018 Local Government Support Fund (LGSF) is the Assistance to Municipalities (AM) Program, which seeks to equitably assist all municipalities in the delivery of basic services by providing financial subsidy to municipalities for the implementation of their priority programs and projects.

2.0 PURPOSE

This Memorandum Circular is being issued to prescribe the general policies and procedures in the implementation of the AM Program and ensure that all concerned are able to abide by the prescribed processes and be accountable for the overall implementation of the Program.

3.0 LEGISLATIVE COMPLIANCE

Cognizant of the need to provide further support to the Municipalities to enable them to fully carry out functions devolved to them while at the same time, building their capacity towards genuine fiscal autonomy, the National Government has scaled up its efforts to ensure meaningful devolution by providing a Local Government Support Fund (LGSF) under the R.A. No. 10964 otherwise known as F.Y. 2018 General Appropriations Act (GAA).

4.0 COVERAGE OF THE PROGRAM

The Program covers 1,373 municipalities specified in the F.Y. 2018 GAA, R.A. No. 10964. As provided in the second paragraph of Section 2 - Assistance to Municipalities of the Special Provisions of the LGSF under the F.Y. 2018 GAA, page 585, the projects to be funded under the Program were culled out from the Local Development Investment Plans (LDIPs) of municipalities and shall be limited to:

- 4.1 Local Access Roads
- 4.2 Local Bridges
- 4.3 Potable Water System Projects
- 4.4 Evacuation Center and Disaster Risk Reduction-related equipment
- 4.5 Small Water Impounding Projects
- 4.6 Rain Water Catchment Facilities
- 4.7 Sanitation and Health Facilities
- 4.8 Municipal Drug Rehabilitation Facility

5.0 DEFINITION OF TERMS

For purposes of this Memorandum Circular, the following terminologies are used and defined as follows:

- 5.1 **Aide Memoire** – Refers to an official document (Annex I) that summarizes the findings, recommendations, and agreements as a result of the project monitoring visit conducted by the DILG Technical Team.
- 5.2 **Certificate of Completion and Acceptance** – Refers to a document issued by the LGU (Annex L-1, if project is implemented By Contract), or issued by the LGU and the End-user (Annex L-2, if project is implemented By Administration), accepting the project after 100% physical completion based on the Final Completion Inspection Report by the LGU Inspectorate Team (Annex K). The Certificate is signed by the LCE for projects implemented By Contract, or signed by the LCE and the End-user for projects implemented By Administration.
- 5.3 **Certificate of Final Acceptance**¹ – Refers to a document (Annex O) issued by the LGU upon final acceptance of the works, after the one-year Period of Warranty (Defects Liability Period) and after all defects, deficiencies and failures, if any, have been corrected and supplied, based on the Final Acceptance Inspection Report by the LGU Inspectorate Team (Annex N). The Certificate is signed by the LCE.
- 5.4 **Disaster Risk Reduction (DRR) - Related Equipment** – Refers to motor vehicle or rescue equipment/tools used for immediate response and rescue/relief operations during disasters and calamities.
- 5.5 **End-user** – Refers to the project beneficiary/ies (i.e. barangay/s, etc.) who will be the signatory/ies on the Certificate of Acceptance (Annex L-2) for project implemented By Administration.

¹ Section 62.2 of the 2016 RIRR of R.A. No. 9184

- 5.6 Evacuation Center** – Refers to a place designed and constructed to protect people living in the locality during an emergency, especially during natural disasters such as typhoons, flooding, and earthquake.
- 5.7 Final Acceptance Inspection Report** – Refers to a document (Annex N) that summarizes the narrative of the Inspectorate Team’s findings during the conduct of Final Acceptance Inspection. It indicates defects/deficiencies observed by the Inspectorate Team and repair works done by the contractor after the one-year Defects Liability Period (Period of Warranty). If the initial conduct of Final Acceptance Inspection shows defects/deficiencies, use the Acceptance Inspection Report form (Annex M) instead of this report form. Attach the previous Acceptance Inspection Reports, if any.
- 5.8 Final Completion Inspection Report** – Refers to a document (Annex K) that summarizes the narrative of the Inspectorate Team’s findings during the conduct of Completion Inspection. It indicates any defects/deficiencies observed by the Inspectorate Team and repair works done by the Contractor. If the initial conduct of Completion Inspection shows defects/deficiencies, use the Completion Inspection Report form (Annex J) instead of this report form. Attach the previous Completion Inspection Reports, if any.
- 5.9 Geo-resistivity Study** - Refers to a field survey that locates and identifies areas that have groundwater potential.
- 5.10 Inspectorate Team** – Refers to the LGU Monitoring Team that is tasked, among others, to conduct punch-listing prior the issuance of the Certificate of Completion and Acceptance (Annex L-1 if implemented By Contract or Annex L-2 if implemented By Administration) and Certificate of Final Acceptance (Annex O).
- 5.11 Local Access Roads and Bridges** – Refers to local roads, specifically municipal and barangay roads and its bridge components that enhances the connectivity of the LGU road network. These provide constituents with better access to basic services, or support the economic and commercial growth of the LGU by improving the mobility of products, goods, and services.
- 5.12 Monitoring** – Refers to the method of collecting and analyzing information to determine the program’s development or progress in reference to its overall objectives. Monitoring outputs are used to come up with sound management decisions.
- 5.13 Municipal Drug Rehabilitation Center** – Refers to a treatment and rehabilitation center used exclusively for the non-residential (outpatient) treatment and rehabilitation of drug dependents. A Non-Residential Treatment and Rehabilitation Center is a facility that provides diagnosis, treatment, and management of drug dependents on an outpatient basis.
- 5.14 Notice of Authority to Debit Account Issued (NADAI)** – Refers to a document issued by the Regional Bureau of Treasury (BTr) to the Municipality informing that the funds have been deposited into the general fund account.
- 5.15 Notice of Cash Allocation (NCA)** – Refers to the Cash authority issued by the DBM to Central, Regional through the authorized government servicing

banks of the Modified Disbursement Scheme (MDS), to cover the cash requirements of the agencies.

- 5.16 Notice of Defects/Deficiencies** – Refers to a document (Annex P) issued by the LGU to officially notify the Contractor (if By Contract) or the LGU Implementing Office (if By Administration) of the noted defects/deficiencies and required corrective repair works found during Punch-listing.
- 5.17 Office of Project Development Services - Project Management Offices (OPDS-PMOs)** – Refers to the established three (3) sectoral offices under the OPDS of the DILG, namely 1) Water Supply and Sanitation PMO; 2) Local Access Roads PMO; and 3) Disaster Risk Reduction and Other Infrastructure PMO, which shall be responsible for the overall program management of AM.
- 5.18 Oversight Project Monitoring Office (OPMO)** - Refers to the office established in the DILG to: (i) ensure, among others, that the Local Development Council (LDC) in LGUs at all levels are fully functional and shall comply with the requirements provided in Title VI of R.A. No. 7160; and (ii) ensure that all local development investment programs are aligned with the results matrix of the Philippine Development Plan, as provided in the Special Provisions F.Y. 2018 GAA under XV, Department of the Interior and Local Government, Office of the Secretary, (2) Support for the Local Governance Program.
- 5.19 Period of Warranty²** – Refers to the one (1) year Defects Liability Period within which the Contractor guarantees the quality of work he/she had contracted and completed as defined in the DPWH D.O. 99 Series 2015. It shall commence upon issuance of the Certificate of Completion and Acceptance as defined in Section 5.2 of this Guidelines and ends after the issuance of the Certificate of Final Acceptance as defined in Section 5.3 of this Guidelines. In addition to the regular repairs done by the Contractor during the Period of Warranty, at least two (2) weeks before its expiry date, the project shall again be inspected by the Inspectorate Team to determine any defects thereon. All discovered defects, if any, shall be repaired by the Contractor (if project is implemented By Contract) or by the LGU (if project is implemented By Administration) to the satisfaction of the Inspectorate Team after which the Certificate of Final Acceptance shall be issued to the Contractor by the LGU and/or by the End-user.
- 5.20 Potable Water** – Refers to the water that has passed the Potability Test/Water Quality Test.
- 5.21 Potability Test/ Water Quality Test** - Refers to the physical, chemical, and bacteriological examinations of water from newly-constructed systems or sources before and during construction, before they are operated and opened for public use, and a regular periodic conduct of the same after completion as part of the project sustainability.
- 5.22 Projects** – Refers to the projects culled out from the LDIPs of municipalities and shall be limited to: (i) local access roads; (ii) local bridges; (iii) potable water system projects; (iv) evacuation centers and disaster risk reduction-

² Section 62.2.2 of the 2016 RIRR of R.A. No. 9184

related equipment; (v) small water impounding projects; (vi) rain water catchment facilities; (vii) sanitation and health facilities; and (viii) municipal drug rehabilitation facilities, as provided in the second paragraph of Section 2-Assistance to Municipalities of the Special Provisions of the LGSF under the F.Y. 2018 GAA, page 585.

- 5.23 Project Completion** – Refers to 100% physical accomplishment of the works, or goods as per contract/approved Program of Works.
- 5.24 Public Financial Management (PFM)** – Refers to all aspects of resource mobilization and expenditure management in government. It is about the way government mobilizes resources and manages its expenditures to deliver essential services to its citizens along the areas which generally improve the lives of citizens.
- 5.25 Punch-listing** – Refers to the activity conducted by the Inspectorate Team when the project reaches 95% physical accomplishment (coinciding with the Pre-final Inspection) to determine the overall completeness of the works. Punch-list is secured and usually attached to the Completion Inspection Report (Annex J). It will contain, among others, the remaining works, work deficiencies for necessary corrections, and the specific duration/time to fully complete the project considering the approved remaining contract time.
- 5.26 Rainwater Catchment Facility** – Refers to a structure used to collect, convey, and store rain water from the roof surface area of a government-owned facility for domestic use. It should have the four basic elements:(1) collection (catchment) area; (2) conveyance system consisting of pipes and gutters; (3) storage facility; and (4) delivery system consisting of a tap or pump.
- 5.27 Regional Hubs (RHubs)** – Refers to the Regional WATSAN Hubs composed of higher educational institutions (university/college), water districts, private sectors, and NGOs, that will assist the DILG in capacity building of the Municipalities.
- 5.28 Sanitary Toilet and Hygiene Facilities** - Refers to a secured permanent structure providing the public a sanitary and hygiene facilities for urination and defecation.
- 5.29 Small Water Impounding Projects (SWIP)** - is a water harvesting and storage earthfill structure constructed across narrow valleys or depression consist of an earth embankment spillway, outlet works, and canal facilities.
- 5.30 Unimplemented Projects** – Refers to projects which have not successfully completed the bidding process or if in case of By Administration, projects that are not 100% physically completed until December 31, 2019.
- 5.31 Variation Orders** – Refers to modification in the scope of works in a construction or supply contract in the form of addition, substitution, or omission from the original scope of works, the issuance of which shall be in accordance with Annex E of the Revised IRR of R.A. No. 9184.

5.32 Warranty Security – Refers to the financial instrument submitted by the Contractor/Supplier/Municipality concerned in the form of cash, letter of credit, bank guarantees, surety bond callable on demand, to guarantee against structural defects/failures in the case of works, or against manufacturing defects in the case of goods, during the applicable Period of Warranty after project acceptance, the posting of which shall be consistent with the relevant provisions of the R.A. 9184 and its Revised IRR.

5.33 Water Source Validation – Refers to the confirmation of viability of water source in terms of quality and quantity to be developed for the intended beneficiaries.

5.34 WATSAN (iWaSH) Council – Refers to the local oversight body on Water Supply, Sanitation and Hygiene (iWaSH/WATSAN) matters of the whole locality. It also serves as governance and coordination body for the implementation of iWaSH at the local level.

6.0 POLICY CONTENT AND GUIDELINES

6.1 Fund

6.1.1 AM F.Y. 2018 GAA (R.A. No. 10964)

The amount of Eleven Billion Seven Hundred Fourteen Million One Hundred Thirty-Three Thousand Pesos (Php11,714,133,000.00) appropriated under the Local Government Support Fund-Assistance to Municipalities (LGSF-AM) Program pursuant to Paragraph 1 Section 2 of the Special Provision under the Local Government Support Fund of the F.Y. 2018 GAA.

6.1.2 Fund Allocation

As specified in Special Provision No. 2 of the LGSF in the F.Y. 2018 GAA, budget allocation for Municipalities is determined based on equal share, fiscal capacity, per-capita share, and share for good performance.

6.2 LGU Counterpart

The LGU shall provide cash counterpart for the following:

6.2.1 In case the project cost exceeds the national subsidy and shall be deposited into the trust account used for the implementation of the AM projects.

6.2.2 All expenses incurred in the conduct of preliminary activities (e.g. social preparation, community consultations, feasibility study/project proposal preparation, procurement activities, etc.), and other administrative costs in the supervision of the project during implementation including the hiring of Project Engineers (if current manpower is not sufficient), and installation of community billboards.

- 6.2.3** Expenses incurred in attending trainings/meetings/workshops related to project implementation.

6.3 Fund Release

- 6.3.1** The release of funds under the AM Program shall be subject to the compliance of the concerned municipalities with the following conditions vis-a-vis based on the assessment, to wit:

- 6.3.1.1** The requirements of the DILG Seal of Good Financial Housekeeping (GFH);

- 6.3.1.2** The requirements of the DILG Local Development Council functionality; and

- 6.3.1.3** Public Financial Management (PFM) systems and adoption of the corresponding PFM measures.

- 6.3.2** The deadline for compliance with the requirements shall be until **30 June 2018**. Funds for the non-compliant Municipalities shall no longer be released.

- 6.3.3** The DILG, through the OPMO, shall consolidate the list of the municipalities that have complied with the conditions for fund release under Items 6.3.1 and 6.3.2 hereof.

- 6.3.4** The DILG shall endorse to the DBM the list of municipalities eligible for fund release and the projects to be funded and their corresponding cost (per project).

Based on the endorsed list of Municipalities, the DILG, through the OPDS-PMOs, shall disseminate the list to DILG-ROs and prepare letters to LGUs informing them of their eligibility to receive the fund allocation for their approved projects and advising them of the documentary requirements for submission to the concerned DILG-RO through the MLGOO.

- 6.3.5** Subsequently, upon endorsement of the compliant Municipalities by the DILG and in accordance with the established mechanisms, the DBM will issue the corresponding Notice of Cash Allocation (NCA) to the Modified Disbursement System (MDS)-Authorized Government Servicing Bank (AGSB) and the Advice of NCA Issued (ANCAI) to the BTr, which will directly download the funds to the Municipalities.

- 6.3.6** In accordance with the established mechanisms, the funds will be directly downloaded by the BTr to the Municipalities thru the issuance of the ADA to the AGBS concerned. A Notice of Authority to Debit Account Issued (NADAI) will likewise be issued by the BTr. Copies of NADAI will be furnished to the DBM, COA-Regional Offices, and DILG-OPDS and Regional Offices (ROs) concerned, as well as the Local Auditors in charge of the beneficiary Municipalities.

6.3.7 All other applicable provisions under DOF-DBM Joint Circular No. 2016-1 dated January 4, 2016 shall be observed.

6.4 Fund Management

6.4.1 Consistent with Section 7 of the Special Provisions and Section 90 (c) of the General Provisions of the FY 2018 GAA, R.A. No.10964, the funds shall be released directly by the BTr to the beneficiary LGU through AGSBs. The amount released to the Municipalities shall be recorded as Trust Fund to be used for the specified purpose. Moreover, the Municipality shall maintain a separate subsidiary ledger for each project to record each transaction.

6.4.2 Within 15 days after receipt of the fund, the beneficiary LGU thru the Municipal Treasurer shall confirm with the DILG-RO through DILG-PO and concerned MLGOO that the funds have been recorded as Trust Fund using the template shown under Annex A (Municipality's Confirmation on the Receipt of 2018 AM Fund) hereof.

6.4.3 The Municipality shall exclusively utilize the fund (a portion of the fund mentioned in Section 6.1 and Section 6.2.1 of this Guidelines) for the implementation of the project for its intended purpose, in accordance with the existing government budgeting, procurement, accounting and auditing laws, rules and regulations.

6.4.4 The Municipality may use the difference between the Approved Budget for the Contract and Contract Award Price to finance Variation Orders for the same project, subject to Section 6.5.3.9 of this MC. Variation Order mentioned herein strictly refers to the Variation Orders as defined and as allowed in Item 1, Annex E, of the 2016 Revised Implementing Rules and Regulations for R.A. No. 9184. Otherwise known as the "Government Procurement Reform Act".

6.4.5 Reversion of Unutilized 2018 Funds to Bureau of Treasury (BTr)

6.4.5.1 Consistent with Section 90 (c) and Special Provision 7 of the LGSF under the Allocations to LGUs in the F.Y. 2018 GAA R.A. No. 10964, the funds that remain unutilized as of December 31, 2019 shall be reverted to the National Treasury by the recipient Municipalities. However, if at any point before December 31, 2019, the Municipality determines that the funds cannot be utilized, e.g. when the program or project cannot be implemented for any reason or the same has been funded from other sources, the amount received by the Municipality shall be immediately reverted to the National Treasury (same as BTr).

6.4.5.2 The Municipality shall revert to the BTr the unutilized funds after the completion of the projects as recognized by the Municipal Accountant within the year after the Final Payment.

6.4.5.3 The DILG may demand LGUs to revert the fund subsidy for specific project which has continually digressed conformance to any or all of the monitoring parameters (Annex R) set by the DILG and/or pursuant to applicable Sections of R.A. No. 10964.

6.4.5.4 The Municipal Accountant shall initiate the preparation of vouchers and the Municipal Treasurer shall cause the remittance of the unutilized fund to the BTr.

6.4.5.5 The Municipality shall provide copy to DILG-RO through DILG-PO and concerned MLGOO of the said transaction.

6.5 Project Implementation

The Municipality shall be accountable for the overall implementation of the projects. The Municipality shall ensure that the designs, plans, specifications, and construction of projects are in accordance with the National Government (NG) standards and within the range of costs of materials, labor, equipment, etc., and project duration of similar projects being implemented by a National Government Agency (NGA) in the same locality.

Detailed Engineering Designs (DEDs) and Programs of Works (POWs) shall be prepared in accordance with the NG standards and relevant provisions stipulated in the F.Y. 2018 GAA (Annex G).

6.5.1 Preparation and Submission of Documentary Requirements

6.5.1.1 Within two (2) months after receipt of funds, except for Potable Water System Projects which will be three (3) months, the Municipality shall submit to DILG-RO through DILG-PO and concerned MLGOO the following:

Duly notarized Certification (see template under Annex B-1 to Annex B-8 hereof) prepared by the Municipal Engineer and Municipal Planning and Development Coordinator, and signed by the Local Chief Executive (LCE) attesting that:

I. For infrastructure projects:

- i. The DED and the POW have been prepared and approved in accordance with the NG standards and relevant provisions of the R.A. No. 10964 (FY 2018 GAA) (refer to Annex G) and other applicable laws and issuances.

The approved DED and POW shall be attached to this Certification (Annex B-1 to B-8, as may be applicable).

Note: The Municipality may request technical assistance in the preparation of DED/POW from the DILG.

In case that the Municipality resorted to Design and Build (D&B) scheme, the provision of the Section 7 of Annex G of the 2016 Revised IRR of R.A. No. 9184 shall be included in the Certification in lieu of the DED and POW.

- ii. All bidding documents have been completed and the Municipality is ready to proceed with publication of Invitation to Bid/Advertisement (ITB/Ad).
- iii. *As may be applicable*, Environmental Compliance Certificate (ECC)/Certificate of Non-Coverage (CNC), National Commission on the Indigenous People (NCIP) and Water Permit applications have been submitted to the agencies concerned.
- iv. The site of the project has no issue/problem on Land Ownership and/or Road Right-of-Way (RROW).
- v. Project Specific Requirements

1. For Potable Water System Project

The water source has been validated by the Municipal Engineer and has been found to be:

- 1.1 Feasible for supplying water to the intended beneficiaries (based on the water source assessment feasibility study); and
- 1.2 Potable for drinking or scientific or engineering interventions/measures have been included in the design to make the water potable. Water is potable if it has passed the Potability Test/Water Quality Test conducted by DOH accredited laboratory.

Note: DILG Engineer may verify the yield of the water source, as applicable.

1.3 For Vertical Structures for Potable Water Supply Projects (i.e. Ground/Elevated Water Tank, Reservoir, Filtration Facilities, Pump House, etc.)

- 1.3.1 The project site is located in safe zone based on the MGB hazard map; or
- 1.3.2 The project is located in hazard zone but engineering mitigation measures have been included in the design to address the potential problems

2. For Sanitation Toilet and Hygiene Facilities

- 2.1 Project location has an existing functional water supply system; and
- 2.2 Project location is situated in public place owned by the government.

3. For Rain Water Catchment Facilities (RWCF)

- 3.1 RWCF will be installed in a government owned facility;
- 3.2 Design is in compliance with DILG's Memorandum Circular 2017-76 (Policies and Guidelines on the Implementation of Rainwater Collectors); and
- 3.3 RWCF shall be primarily used for non-potable purposes such as, but not limited to, general cleaning, flushing of toilets, etc. unless adequately treated, filtered or boiled.

4. For Local Access Roads

- 4.1 Pay Items, payment measurement, specifications, and quality control for the project shall be in accordance with the DPWH Standard Specifications for Highways, Bridges and Airports, Volume II Edition 2013, DPWH D.O. No. 5 Series of 2017 Revised Standardized Pay Items of Works for Civil Works Construction For Infrastructure Projects, and DPWH Highway Safety Design Standards, Part 2, Road Signs and Pavement Markings Manual, Series May 2012;
- 4.2 Surface Course-Item 311(1)-PCCP (Unreinforced), Thickness: 0.2 (minimum);
- 4.3 Provision of adequate road drainage structures (i.e. RCPC-minimum 0.910 m. diameter, RCBC, side drains, ditch, curb and gutter, etc.) to convey surface water run-off;
- 4.4 Provision of adequate base/subbase course/raising embankment to mitigate roadway flooding, where needed;
- 4.5 Provision of road safety structures, (i.e. pedestrian sidewalks, guardrails, road signage, pavement markings, etc.), where needed;

- 4.6 Provision of other road components (i.e. slope protection, street lights, etc.), where needed;
- 4.7 Accessibility Requirements for Persons with Disability (refer to DPWH D.O. No. 37, Series of 2009), where needed;
- 4.8 DED and POW are prepared in accordance with the following minimum design based on the DPWH Design Guidelines, Criteria and Standards (DGCS) Volume 4, 2015 Edition:

Municipal Road: (all dimensions in meters)

- RROW: 15.0 (minimum)
- Pavement Width: 6.1 (minimum, two lanes)
- Shoulder width: 1.5 in each side, Item 200 (minimum material)

Barangay Road: (all dimensions in meters)

- RROW: 10.0 (minimum)
- Pavement Width: 4.0 (minimum, two lanes)
- Shoulder width: 1.5 in each side) Item 200 (minimum material)

Note: Exceptions to the abovementioned standards in Section 6.5.1.1 Item I.v.4.8 may be considered in cases where the actual terrain/project site cannot accommodate the abovementioned design due to justifiable cause (i.e. due to environmentally critical sections, etc.). In such cases, the Municipality shall provide justification stating the reason and details of adjustment made in the design and inclusion of engineering mitigation measures (i.e. additional road safety signs, warning signs, retaining walls, covered ditch, paved shoulder, etc.) included in the DED, signed by the Municipal Engineer and approved by the LCE. The document shall be attached to the approved DED.

5. For Local Bridges

- 5.1 Pay Items, payment measurement, specifications, and quality control for the project shall be in accordance with the DPWH Standard Specifications for Highways, Bridges and Airports, Volume II Edition 2013, DPWH D.O. No. 5 Series of 2017 Revised Standardized Pay Items of Works for Civil Works Construction For Infrastructure Projects, and DPWH Highway Safety Design Standards, Part

2, Road Signs and Pavement Markings Manual, Series May 2012.

5.2 Design Considerations for Bridges and Footbridges:

- Permanent structures only (concrete/steel)
- Structural design based on AASHTO HL-93 Loading, using peak ground acceleration for seismic analysis and 50-year flood frequency for hydraulic analysis
- Hydraulic clearance/freeboard: 1.5 (rivers carrying debris) and 1.0 (other bridges)
- Vehicular Vertical Clearance (if above roadway): not less than 4.88 plus allowance of 0.15 meters for future road resurfacing
- Navigational Vertical Clearance, if above body of water: $Vertical\ Clearance = HWL + HV + K$ (where HWL–highest water level recorded within the area of responsibility, HV–height of vessel, K–1.0 meter allowance)
- Conduct of Soil Analysis and Boring Tests of the project site
- Provision of adequate standard drain pipe: 100 mm. diameter G.I. pipe (for concrete deck)
- Provision of load and dimension restriction signs at each end
- Provision of miscellaneous structures for the protection of foundation/slopes, as needed
- Light fixtures, as needed

5.3 DED and POW are prepared in accordance with the following minimum design:

Bridge component of Municipal / Barangay Roads:
(all dimensions in meters)

- Carriageway: (a) 4.0 (minimum) for bridge adjacent to roads with pavement width less than or equal to 4.0; (b) 6.10 (minimum) for bridge adjacent to roads with pavement width greater than 4.0; (c) may adapt 6.10 or higher value for future improvement of roads adjacent to the bridge
- Pedestrian sidewalk: (minimum 1.20 with railings and posts, at each side)

Footbridges: (all dimensions in meters)

- Deck width: 1.50 (minimum)

Note: Exceptions to the abovementioned standards in Section 6.5.1.1 Item I.v.5.3 may be considered in cases where the actual terrain/project site cannot accommodate the

abovementioned design due to justifiable cause (i.e. due to environmentally critical sections, excessive earthworks, extensive damage to private properties, etc.). In such cases, the Municipality shall provide justification stating the reason and details of adjustment made in the design and inclusion of engineering mitigation measures (i.e. additional safety signs, warning signs, etc.) included in the DED, signed by the Municipal Engineer and approved by the LCE. The document shall be attached to the approved DED.

6. For Small Water Impounding Projects

- Project proposal and DED and POW has been reviewed by the Municipal Agricultural Officer and MPDC; and
- Proof of application at Bureau of Soils and Water Management for Small Scale Impounding Projects (BSWM SSIP) standards.

7. For Municipal Drug Rehabilitation Facility

The design of the center conforms to the following:

- design standards set by the DOH for Non-Residential Treatment and Rehabilitation Center as stipulated in the "Manual of Operations for Drug Abuse Treatment and Rehabilitation Centers";
- can withstand wind speed of three hundred (300) kilometers per hour and moderate seismic activity of at least 8.0 magnitude on the Richter scale;
- utilized natural ventilation and rainwater through the inclusion of a rainwater catchment/harvesting system; and
- located in the safe zone based on the latest vulnerability, risk assessment and geo-hazard maps of the DENR

8. For Evacuation Centers

The design and site location are compliant with the requirements of "Evacuation Centers", Volume I-A,

Special Provisions No. 7 of the FY 2018 GAA under the DILG:

"In the design and construction of evacuation center, the DILG shall ensure that the centers can withstand wind speed of three hundred (300) kilometers per hour and moderate seismic activity of at least 8.0 magnitude on the Richter scale; utilized natural ventilation and rainwater through the inclusion of a rainwater catchment/harvesting system; and include facilities for the special needs of women, children, the elderly, persons with disabilities (PWDs) and such other physical provisions guaranteeing a humane condition for evacuees. In the selection of sites, the DILG shall consider site stability and susceptibility to landslide or flooding based on the latest vulnerability, risk assessment and geo-hazard maps of the DENR. No center shall be located on a no-build zone. The evacuation centers shall be turned over to the LGU concerned which shall be responsible for maintenance and operation of the centers."

II. For Non-infrastructure projects:

1. For Disaster Risk Reduction-related Equipment

- The motor vehicle/DRR-related equipment will be used for Disaster response and rescue/relief operations.
- Specifications are based on relevant characteristics, functionality and/or performance requirements without reference to brand names except for items or parts that are compatible with the existing fleet or equipment of the same make and brand, and to maintain the performance, functionality and useful life of the equipment.

1.1 For Rescue Vehicles

- The proposed motor vehicle is in accordance with the guidelines and policies issued by the DBM and DILG for the purpose.
- The Municipality had already sent letter request to DBM-RO thru DILG-RO through DILG-PO and concerned MLGOO, requesting authority to purchase (ATP) motor vehicles using AM Fund.

1.2 For Rescue Equipment

- The proposed equipment are not expendable items.
- vi. Municipal funds shall be made available for the maintenance, repairs and insurance, where applicable, once the project is completed.
- vii. Project implementation schedule, including procurement timelines, prepared by the Municipal Engineer and approved by the LCE, using the template under Annex C hereof (Pro-forma Implementation Schedule).

The approved Annex C shall be submitted together with Annex B-1 to Annex B-8, and copies of approved Annex C be submitted for every revision thereof.

- viii. The abovementioned documents shall be made available to the DILG during field monitoring visits and/or as may be requested. Any failure on the part of the LGU to present the above documents shall be a ground for possible disqualification or ineligibility in accessing the NG assistance in the future.

6.5.1.2 Implementation of project prior to the submission of documentary requirements mentioned above shall be considered as non-compliance and may be considered as ground for sanction as stipulated in Section 8.0 of this Guidelines.

6.5.2 Procurement by the Municipality

6.5.2.1 Pursuant to Section 18 of the General Provisions of the F.Y. 2018 GAA, all agencies of the government shall strictly adhere to the provisions of R.A. No. 9184, its IRR, and GPPB guidelines in the procurement of goods, infrastructure projects and consulting services.

- a. All project procurement shall be through competitive bidding, in strict compliance with the provisions of R.A. No. 9184 (Government Procurement Reform Act) and its 2016 Revised IRR and GPPB Guidelines. The Municipality shall use the latest standard bidding documents, 5th Edition, for procurement of works issued by the GPPB which can be accessed at www.gppb.gov.ph
- b. The Municipality shall be allowed to implement projects "By Administration" only after two (2) failed biddings and failed negotiated bidding and/or upon compliance with the requirements stipulated in the R.A. No. 9184, Appendix 1, Section 3.0, Conditions and Requirements for the use of

"By Administration", and 2016 Revised IRR of R.A. No. 9184, Section 62, Warranty as provided under Section 3.6 of Appendix 1 for projects to be implemented by Administration.

- c. To promote transparency and achieve efficiency in the procurement process, the Philippine Government Electronic Procurement System (PhilGEPS) shall be the primary source and a repository of information on government procurement.
- d. All projects must be included in the Annual Procurement Plan of the Municipality.
- e. The concerned MLGOO, CSOs and other entities shall be invited to observe particularly during pre-bid conference and/or bid opening.
- f. In the event of a failed bidding, the BAC shall conduct a mandatory review and evaluation of the terms, conditions, and specifications in the Bidding Documents, including its cost estimates.
- g. The Municipality shall start the re-bidding process within five (5) working days after the Head of the Procuring Entity (HOPE) has approved the BAC Resolution declaring a failure of bidding. Within the same period, the Municipality shall submit to DILG-RO through DILG-PO and concerned MLGOO a revised procurement schedule indicating the revised target dates for the bidding.
- h. In the event that the Municipality will have to resort to negotiated procurement after two (2) failed biddings, the negotiation shall commence within five (5) days after the HOPE has approved the resolution declaring a failure of bidding and shall be completed within thirty (30) days. Within the same period, the Municipality shall submit to the DILG-PO through DILG-PO and concerned MLGOO a revised procurement schedule indicating the revised target dates.
- i. The Municipality shall provide copy of Notice to Proceed (NTP) to DILG-PO through the concerned MLGOO.
- j. The Municipality shall submit to the Local Auditor assigned to the Municipality a copy of the contract and other required supporting documents within five (5) days from the execution of the contract, in accordance with Section 3.1 of COA Circular No. 2009-001 dated 12 February 2009.
- k. Pursuant to paragraph 4 (ii) of Section 2 of the Special Provisions under the Local Government Support Fund of the F.Y. 2018 GAA, a duly accredited CSO representative

who is a signatory to the Municipality's list of priority projects may actively participate to sit as observer in the Bids and Awards Committee (BAC), which will undertake the procurement activities for the implementation of AM projects. The CSO duly accredited by the Municipality is in addition to the identified observer under Section 13 of R.A. No. 9184 and its 2016 Revised IRR.

6.5.2.1 The Municipality shall ensure the following:

- a. That there is a valid Contractor's Letter of Credit or guarantee instrument equivalent to the un-recoup amount of the advance payment;
- b. The Contractor's All Risk Insurance is valid throughout the approved project duration, including time extension;
- c. Performance security by Contractors is valid/updated within the approved project duration including approved time extension;

6.5.2.3 The Municipality shall ensure that project construction shall commence within seven (7) days after the issuance of the Notice to Proceed (NTP).

6.5.3 Project Execution

6.5.3.1 The Municipality shall have the primary responsibility in ensuring the quality of works and the implementation of the project shall be in accordance with the approved design, plans, and specifications consistent with the relevant provisions of applicable laws, circulars, and issuances.

6.5.3.2 The Municipality shall be responsible in providing supervision in the project implementation through the Office of the Municipal Engineer. The Municipal Engineer shall assign a dedicated Project Engineer to ensure that each project will be completed on time and within the contract cost, based on the approved plans and specifications, adhering to National Standards in design and quality of workmanship. The responsibilities of the Project Engineer include, but not limited to:

- a) Inspect regularly the progress of work;
- b) Verify and check the quantities of items of work accomplished by the Contractor as against the approved plans, specifications, and programs of work;
- c) Verify and check the quality of workmanship of the Contractor as against the approved plans, specifications, and programs of work and National Standards;

- d) Verify and check whether quality control is observed, quality tests are conducted and construction logbook is maintained at the project site;
- e) Issue instructions to expedite works and for corrections of defects/deficiencies on the work;
- f) Verify and recommend for approval of statements of work accomplished and certificate of project completed by the Contractor;
- g) Review and recommend for approval the progress and final billings of the Contractor; and
- h) Secure/compile records of project (i.e. photographs, as-staked, as-built drawings of the completed projects, test results, etc.) and make available during inspections or as requested;
- i) Verify whether the required securities, warranties, and insurance are valid as stipulated in Section 6.5.3.17 of this Guidelines.

6.5.3.3 Adherence to National Government Standards and Policies

The Municipality shall abide by the standards and policies set by the National Government, which are applicable to all phases of subproject preparation and implementation which include but not limited to the following:

- a. Buildings and other vertical structures per the C.Y. 2005 Revised Edition of the RIRR of the National Building Code (PD 1096), and Volume 1, 7th Edition of the National Structural Code of the Philippines published on C.Y. 2015 by the Association of Structural Engineers of the Philippines
- b. DPWH Standard Specifications for Highways, Bridges, and Airports, Volume II Edition 2013 and DPWH D.O. No. 5 Series of 2017 Revised Standardized Pay Items of Works for Civil Works Construction For Infrastructure Projects
- c. "No-build" zone in accordance with F.Y. 2018 GAA
- d. Philippine National Standard for Drinking Water pursuant to DOH Administrative Order (AO) 2007-0012
- e. Rainwater Collection Facilities pursuant to R.A. 6716
- f. Code on Sanitation of the Philippines pursuant to Presidential Decree (PD) 856

g. Clean Water Act of 2014 pursuant to R.A. 927

- 6.5.3.4** Infrastructure subprojects shall provide architectural and structural features, design, or facilities that will reasonably enhance mobility, safety, and welfare of persons with disability pursuant to Batas Pambansa (BP) 344 and R.A. No. 7277.
- 6.5.3.5** Infrastructure subprojects shall integrate energy-saving solutions in planning and implementation to mitigate the effect of climate change pursuant to R.A. No. 9729.
- 6.5.3.6** Consistent with R.A. No. 6685 dated 12 December 1988, the Municipality shall hire or ensure that the Contractor hires at least fifty percent (50%) of the unskilled and at least thirty percent (30%) of the skilled labor requirements from the available bona fide residents in the municipality where the subproject is located. The Municipality shall ensure that the following are strictly observed: (1) adoption of the standard labor salary rate, (2) adoption of rotation process, as possible, to accommodate as many community members in the labor force, (3) transparency in the criteria for selection, and (4) prioritization of those from the community with no current employment and are abled.
- 6.5.3.7** The Municipality shall submit or cause the Contractor to submit a monthly report on the labor force employed within the subproject-based.
- 6.5.3.8** The Municipality shall ensure that quality control and assurance are observed, quality tests (Annex H) are conducted and construction logbook is maintained at the project site, and shall be made available to DILG during visits and/or as may be requested. In case of time extension request, construction logbook, and other pertinent documents, shall be used to support the Contractor's request.
- 6.5.3.9** Any variation order shall strictly comply with Annex E (Contract Implementation Guidelines for the Procurement of Infrastructure Projects) of the 2016 Revised IRR of R.A. No. 9184, and the provisions of the Contract. Any variation order and contract time extension shall be approved by the LCE. If the revised cost, which includes the variation order, exceeds the approved allocation for the project, the Municipality shall provide the required additional funds. The Municipality shall inform the concerned DILG-RO through DILG-PO and concerned MLGOO of any approved variation order and contract time extension, and shall ensure that all related documents are readily available during monitoring by DILG personnel and/or as may be requested.

6.5.3.10 In case of delay in the implementation of the project, the Municipality shall perform the following actions:

a. Negative slippage of 5%

- i. By Contract - issue a Warning Letter with a requirement for the Contractor to submit a Catch-up Plan
- ii. By Administration – submit Catch-up Plan to DILG-RO through DILG-PO and concerned MLGOO

b. Negative slippage of 10%

- i. By Contract - terminate the contract for default when the project has incurred a negative slippage of ten percent (10%) or more in the completion of the work due to the contractor's fault and after the contract time has expired, pursuant to Annex I Section III 2(b) of the 2016 Revised Implementing Rules and Regulations of the R.A. 9184.
- ii. By Administration – submit justification on the cause of delay and catch-up plan to the concerned DILG-RO through DILG-PO and concerned MLGOO, supported by adequate resources such as materials, workforce and equipment

c. Negative slippage of 15%

- i. By Contract - termination process in accordance with Annex E, in conjunction with Annex I, of the 2016 Revised IRR of R.A. No. 9184.
- ii. By Administration – submit justification on why the DILG-RO through DILG-PO and concerned MLGOO should not impose sanction mentioned in Section 8.0.

6.5.3.11 In case the Contractor fails to complete the work within the specified contract duration and any approved time extension, the Municipality shall impose liquidated damages in accordance with Annex E of the 2016 Revised IRR of R.A. No. 9184.

6.5.3.12 The Municipality shall terminate the contract as deemed necessary on the grounds stipulated in Annex I, Section III.2 (c) of the 2016 Revised IRR of R.A. No. 9184.

6.5.3.13 In accordance with Annex E of the 2016 Revised IRR of R.A. 9184, the Municipality shall conduct preliminary inspection (punch-listing) upon reaching 95% physical accomplishment. Immediately after the preliminary inspection, the Municipality shall provide a punch-list to the contractor in preparation for the final turnover of the project. Said punch-list will contain,

among others, the remaining works, work deficiencies for necessary corrections, and the specific duration/time to fully complete the project considering the approved remaining contract time. This, however, shall not preclude the procuring entity's claim for liquidated damages.

6.5.3.14 The Municipality shall inform the DILG-RO/PO through the concerned MLGOO that the project has been substantially completed (95%).

6.5.3.15 The Project is deemed physically complete once the Municipality issued Certificate of Completion and Acceptance (Annex L-1 or Annex L-2).

6.5.3.16 Upon Issuance of Certificate of Completion and Acceptance, the Municipality shall prepare, within 30 calendar days, the Project Completion Report using the prescribed format (Annex Q), and submit the same to the DILG-PO thru the MLGOO.

6.5.3.17 The Municipality shall ensure that the warranty security by Contractors is valid/updated throughout the warranty period.

6.5.3.18 The Municipality shall issue Certificate of Final Acceptance (Annex O) after the one-year warranty period (liability period) and after all defects and failures, if any, have been corrected.

6.5.4 Information and Publicity of Projects

6.5.4.1 As LGU counterpart, within a month after receipt of the fund, the Municipality shall install the Community Billboard within the premises of the municipal hall in accordance with the specifications prescribed in Annex D (Community Billboard) hereof. The Municipality shall ensure the regular monthly updating of the project status in the latter.

6.5.4.2 The Municipality shall ensure the installation of the project signboard/s at each project location in accordance with COA Circular No. 2013-004 dated 30 January 2013 and ensure the regular updating thereof.

6.5.4.3 The Municipality shall comply with the reportorial and posting requirements stipulated in the following laws, to wit:

- a. Rule XI Section 37.4.2 of the 2016 Revised IRR of R.A. No. 9184 and any relevant policies issued by the GPPB
- b. Full Disclosure Policy of the DILG
- c. Section 98 of the F.Y. 2018 GAA General Provisions
- d. Section 91 of the F.Y. 2018 GAA General Provisions

- e. Last paragraph of Section 2 of the F.Y. 2018 GAA Special Provisions under the LGSF
- f. For projects funded under the FY 2018 GAA and thereafter, submit quarterly reports (use Annex W: LGU Quarterly Report) to the DBM, and to the Speaker of the House of Representatives, the President of the Senate, the House Committee on Appropriations and the Senate Committee on Finance, by posting said reports on LGU website for a period of three (3) years. The Municipal Mayor shall send written notice to the said offices when said reports have been posted on the LGU website, which shall be considered the date of submission. Once the Unified Reporting System becomes available for use by LGUs, the submission to DBM shall be through the said System.

6.5.4.4 The LCEs and web administrators or their equivalent shall be responsible for ensuring compliance with this Provisions. The LCE shall assign a web administrator or its equivalent in case there is none. The LGUs shall create and maintain their respective websites for this purpose.

6.5.5 Project Monitoring

The Municipality, in coordination with the DILG and duly accredited CSOs, shall be responsible in monitoring the implementation of the AM projects.

The Municipality shall provide efficient and accurate physical and financial information and data in relation to project implementation during project monitoring.

- 6.5.5.1** During project monitoring/inspection, the Municipality shall observe the following:
- a. Construction materials are available on-site in accordance with the approved plans and specifications
 - b. Appropriate equipment are on-site, in accordance with the Equipment Schedule
 - c. Actual implementation/construction is in accordance with the approved Plans and Technical Specifications
 - d. Quality Control (QC) tests are conducted consistent with the frequency specified in the Technical Specifications for each item of work. The tests are conducted by accredited testing centers/laboratory/DPWH-accredited Materials Engineer.

- e. Waste disposal is done in accordance with prescribed standards
- f. Health and Safety standards set by DOLE are implemented

6.5.5.2 The Municipality shall invite the presence of DILG (PO / RO) during major activities such as, but not limited to the following:

- a. Well drilling
- b. Source Validation and/or Pumping test
- c. Pipe laying
- d. Leakage/hydro testing/commissioning
- e. Water sampling for potability (before, during and after construction)
- f. Punch-listings and Inspections

6.5.5.3 The Municipality shall have a functional Project Monitoring Team. The Municipality may utilize or reactivate the existing Municipal Project Monitoring Committee (MPMC) or may create a Monitoring Team under the Municipal Development Council (MDC) in accordance with the existing guidelines issued for the purpose.

6.5.5.4 A separate Guidelines on the details for Monitoring the F.Y. 2018 LGSF-AM shall be issued by the DILG.

6.5.6 Project Reporting

6.5.6.1 The Municipality shall submit status report twice a month to the DILG-PO, through Municipal Local Government Operations Officer (MLGOO), using the prescribed template attached as Annex E-LGU Bi-monthly Report, seven (7) calendar days before the prescribed dates of submission stipulated in the schedule of report submission as Annex F (Schedule of Report Submission) hereof. Copies of the approved Statement of Work Accomplished – SWA (Annex V-1 or V-2) and Report of Disbursements (ROD) shall be submitted.

6.5.6.2 The DILG-PO shall evaluate the reports submitted by the Municipality to check the consistency between the reported and the actual works accomplished. As necessary, the DILG-PO/RO shall join inspections with the Municipality to resolve inconsistencies.

- 6.5.6.3** The DILG-Provincial Office (DILG-PO) shall submit to the DILG-RO copy of the report with the corresponding findings and recommendations.
- 6.5.6.4** The DILG-RO concerned shall prepare Regional Consolidated Reports, both financial and physical accomplishments, based on the reports submitted by the Municipality and submit the same to the DILG-CO.
- 6.5.6.5** The DILG-CO shall prepare the overall Project Consolidated Report, both financial and physical accomplishments, based on the reports submitted by the DILG-ROs and submit the same either by printed form or by way of electronic documents to the concerned agencies stipulated in the F.Y. 2018 GAA and the said reports are likewise be posted to the DILG website.
- 6.5.6.6** The beneficiary Municipality shall submit Reportorial Requirements as mentioned in Section 6.5.4.3 of this Guidelines.

7.0 RESPONSIBILITIES AND ACCOUNTABILITIES

7.1 Municipalities

- 7.1.1** The LCE and the concerned local officials shall be responsible and accountable for the proper disbursement and utilization of the funds provided, for ensuring the timeliness and quality of works in the implementation of the projects which shall be in accordance with the approved design, plans, and specifications consistent with the relevant provisions of applicable laws, circulars, and issuances.

Moreover, it shall be the responsibility of the Municipality to ensure that no duplication and/or overlapping of funding will occur. As such, the Municipality shall immediately inform the DILG-RO if it has received funding from other sources for the same programs of projects.

- 7.1.2** The Municipal Accountant shall recognize the completed project as asset in the book of accounts of the Municipality pursuant to COA Circular 2015-008 for road infrastructure projects and Government Accounting Manual for other infrastructure projects.
- 7.1.3** The specific responsibilities of the Municipality are stipulated in the applicable provisions of this Guidelines.

7.2 DILG

7.2.1 Central Office (CO)

Three (3) sectoral PMOs, namely 1) Water Supply and Sanitation PMO; 2) Local Access Roads PMO; and 3) Disaster Risk Reduction and Other Infrastructure PMO, have been established in the DILG-CO under the

OPDS, which shall be responsible in overseeing the overall project implementation, monitoring and evaluation, including the provision of technical assistance and capacity development for Municipalities, in close coordination with DILG-ROs, DBM and line agencies, and other stakeholders. The PMOs shall specifically be responsible for the following:

7.2.1.1 Oversight

- a. Formulate/Update Implementation Guidelines and Strategies for effective implementation, in coordination with DBM and other stakeholders
- b. Overall physical and financial planning in coordination with the DILG-ROs
- c. Based on the endorsed list of eligible Municipalities to DBM, inform the concerned Municipalities through the DILG-ROs of the funds to be released by the DBM
- d. Monitor Program Accomplishments at the Regional level
- e. Prepare and submit consolidated bi-monthly, quarterly, annual and other reports to the DILG Management and other oversight and partner agencies as provided in the F.Y. 2018 GAA provisions
- f. Conduct of regular consultations/dialogues with DBM, other agencies and stakeholders on matters related to project implementation
- g. If the circumstances warrant, notify the Municipality, copy furnished Municipal/Regional COA and DILG-RO, in any noted deviation to the provisions of this Guidelines and non-compliance with the recommended corrective actions during implementation

7.2.1.2 Capacity Development

- a. Develop and implement Capacity Development Programs for DILG Field Offices and Municipalities
- b. Develop and maintain database of conducted Capacity Development Interventions
- c. Develop Evaluation Tool and conduct an evaluation to measure the impact of conducted Capacity Development Interventions

7.2.1.3 Technical Assistance

- a. Provide advisory and technical assistance to DILG Field Offices and Municipalities in the development,

implementation, operation, and management of projects, as needed

- b. Disseminate national standards for quality assurance and control in the implementation of projects to DILG-ROs and Municipalities

7.2.1.4 Monitoring and Evaluation

- a. Develop and implement monitoring and evaluation framework and system
- b. Monitor submission of and analyze reports submitted by DILG-ROs
- c. Conduct Risk Assessment and analysis as basis for management actions including provision of Technical Assistance
- d. If circumstances warrant, assist the DILG-ROs in the conduct of detailed assessment for non-functional projects based on the result of the Rapid Subproject Sustainability Assessment (RSSA)

7.2.1.5 Communications and Advocacy

- a. Provide support to DILG-ROs in the documentation of Good Practices in the implementation of the Program
- b. Provision and maintenance of information materials for social media and DILG website at the National level
- c. Spearhead the conduct of Knowledge Fora to showcase Good Practices in the implementation of the Program at the National level

7.2.2 Regional Office (RO)

The RO shall take the lead in the progress monitoring and evaluation and is responsible in overseeing the implementation of the program at the regional level to ensure efficiency and effectiveness.

This includes the provision of technical assistance, monitoring and evaluation and capacity development for Municipalities.

7.2.2.1 Regional Director (RD) shall:

- a. Oversee the AM Program implementation in the Region to ensure that national standards and policies are considered during project preparation and actual implementation by

the Municipalities.

- b. Disseminate project policies issued by the DILG-CO, including other issuances related to project implementation, national standards for quality assurance. If warranted, conduct orientation to ensure that the Municipalities are well-informed on the application of such issuances.
- c. In coordination with the OPDS Director, report to the DILG Undersecretary for Local Government on the status of program implementation.
- d. Issue Warning Letters (Annex U-1 to Annex U-3) and Notice of Project Cancellation (Annex Z), if no action has been done by the Municipality regarding submissions/non-compliance/deviations vis-à-vis the Monitoring Parameters (Annex R) by the LGU.
- e. Submit consolidated reports to DILG-CO-OPDS on/before the dates stipulated in the Schedule of Report Submission (Annex F).
- f. Review the regional risk assessment reports and track possible interventions/actions at the RO level. Endorse issues and concerns for possible interventions/actions of DILG-CO level, if deemed necessary.
- g. Mobilize the PDMU for provision of technical assistance to the LGU, if necessary, or may request personnel support from the DILG-CO-OPDS.
- h. Submit Financial Accomplishments Reports of the utilization of M&E fund every 10th day of the following month to DILG-FMS copy furnished OPDS.
- i. Mobilize the Regional Information Officer to conduct documentation of good practices in the implementation of the Program within the region.
- j. Supervise the POs' in the discharge of their responsibilities and provide assistance, if needed.
- k. On behalf of the DILG, enter into a Partnership Agreement with RHubs and other accredited CSOs and POs for the provision of Technical Assistance and capacity development to the Municipalities and in the implementation of CSO participation as provided in Section 7.4 of this Guidelines.

7.2.2.2 Project Development and Management Unit (PDMU) or its equivalent Unit

The PDMU or its equivalent unit shall be the monitoring and evaluation arm at the regional level. It shall be responsible for the following, specifically:

- a. Consolidate and analyze all provincial risk assessment reports and prepare regional risk assessment report. Identify and recommend to the RD possible interventions/ actions to be taken at the RO level and those to be endorsed at the DILG-CO level.
- b. Upon receipt of DILG AM Bi-monthly Report (Annex X) from the POs, supply other required project data gathered from the Engineers assigned in the RO. Consolidate the said reports, for submission to DILG-CO-OPDS on/before the dates stipulated in the Schedule of Report Submission (Annex F).
- c. The PDMU may immediately field or mobilize the Engineers assigned in the RO to provide technical assistance to the LGU, if necessary, or may request personnel support from the DILG-CO-OPDS.
- d. Assist DILG-PO in checking the consistency of the documents stipulated in the Annexes during monitoring and accomplish the Validation Form (Annex T).
- e. Maintain regional database and electronic copies of LGU submissions transmitted by the POs and be made available during inspection.
- f. Prepare a quarterly regional monitoring plan based on agreed deliverables. Submit a summarized accomplishment report to DILG-CO-OPDS.
- g. The PDMU shall field or mobilize the Engineers assigned in the RO to monitor the projects based on the monitoring plan. Use the Project Monitoring Templates (Annex S) when conducting site visits and spot checks during project implementation and monitor the following, but not limited to:
 - i. Implementation timelines;
 - ii. Availability of construction materials on-site, in accordance with the approved plans and specifications;
 - iii. Availability of appropriate equipment on-site, in accordance with the Equipment Schedule and manpower;

- iv. Works are in accordance with the approved Plans and Specifications;
 - v. Quality test conducted and construction logbook is being maintained;
 - vi. Proper waste disposal is done in accordance with prescribed standard set by MENRO; and
 - vii. Health and Safety standards set by DOLE shall be implemented.
- h. Validate and monitor regularly the update of the SubayBayan in accordance with the corresponding Guidelines to be issued by DILG. Provide the missing/required project data.
 - i. Assist the DILG-PO on the Conduct of RSSA one (1) year after the completion of projects, or as necessary and prepare detailed assessment for non-functional projects based on the result.
 - j. Monitor the validity of warranty security per project.
 - k. Conduct regional physical and financial planning in coordination with DILG-POs.
 - l. Assist the DILG-CO-OPDS in the conduct of Communication and Advocacy Program
 - m. Facilitate the conduct of consultations/dialogues at the regional level with DILG-POs, Municipalities and other stakeholders to resolve issues on project implementation
 - n. Assist the DILG-CO-OPDS-PMOs in the conduct of capacity development programs.
 - o. May attend bid openings, if warranted.
 - p. Ensure the completeness of the project information/data submitted to the DILG-CO-OPDS-PMOs.
 - q. If warranted, participate in the conduct of punch-listing and final inspection to ensure that all issues and concerns were addressed before the issuance of corresponding certifications.
 - r. Monitor reversion of unutilized funds by the Municipalities as provided for in Section 6.4.5 of this Guidelines.

7.2.2.3 Provincial Director (PD)

The DILG-Provincial Director (DILG-PD) assists the RO in monitoring overall program implementation at the provincial level, to ensure efficient and effective implementation of the projects. It shall be responsible for the following:

- a. Issue Warning Letters (Annex U-1 to Annex U-3) and/or Reminder Letters (Annex Y), if no action has been done by the Municipality regarding submissions/non-compliance/deviations vis-à-vis the Monitoring Parameters (Annex R) by the LGU.
- b. Track the Municipalities' compliance with this Guidelines and any recommended corrective actions during implementation.
- c. In coordination with the Cluster Heads, prepare and submit to DILG-RO the Provincial risk assessment reports and track possible interventions/actions at the PO level. Endorse issues and concerns for possible intervention/actions of DILG-RO level, if deemed necessary.
- d. Upon receipt of DILG AM Bi-monthly Report (Annex X) from the MLGOOs, supply other required project data gathered from the Engineers assigned in the PO. Consolidate the said reports and submit the same to DILG-RO before the dates stipulated in the Schedule of Report Submission (Annex F).
- e. The PD may immediately field or mobilize the Engineers assigned in the PO to provide technical assistance to the LGU, if necessary, or may request personnel support from the DILG-RO-PDMU.
- f. In coordination with the Cluster Heads, check the consistency of the documents stipulated in the Annexes during monitoring and accomplish the Validation Form (Annex T).
- g. Maintain the copies of LGU submissions transmitted by the MLGOOs and be made available during inspection. Scanned copies should be provided to DILG-RO-PDMU.
- h. Track all submissions from LGUs including revisions and reflect the data in the consolidated AM Bi-monthly Report (Annex X) at the Provincial Level
- i. Submit to DILG-RO a quarterly monitoring plan.
- j. Mobilize the Engineers assigned in the PO to monitor the projects based on the monitoring plan. Use the Project Monitoring Templates (Annex S) when conducting site

visits and spot checks during project implementation and monitor the following, but not limited to:

- i. Implementation timelines;
 - ii. Availability of construction materials on-site, in accordance with the approved plans and specifications;
 - iii. Availability of appropriate equipment on-site, in accordance with the Equipment Schedule and manpower;
 - iv. Works are in accordance with the approved Plans and Specifications;
 - v. Quality test conducted and construction logbook is being maintained;
 - vi. Proper waste disposal is done in accordance with prescribed standard set by MENRO; and
 - vii. Health and Safety standards set by DOLE shall be implemented.
- k. Monitoring the Municipalities' compliance with this Guidelines and any recommended corrective actions during implementation.
- l. Ensure that other required project data are uploaded to SubayBAYAN prior to vetting of the DILG-RO.
- m. Conduct the Rapid Subproject Sustainability Assessment for completed projects within the prescribed timelines.
- n. Monitor the validity of warranty security per project.
- o. Conduct provincial physical and financial planning in coordination with DILG-RO.
- p. Provide advisory and technical assistance to Municipalities.
- q. Assist the DILG-RO and/or OPDS-PMOs in the conduct of Communication and Advocacy Program.
- r. Facilitate the conduct of consultations/dialogues at the provincial level with DILG-RO, Municipalities and other stakeholders to resolve issues on project implementation.
- s. Assist the DILG-RO and/or OPDS-PMOs in the conduct of capacity development programs.

t. May attend bid openings, if warranted.

7.2.2.4 Cluster Heads shall:

- a. Assist the DILG-PO in monitoring the Municipalities' compliance with these Guidelines and recommend corrective actions during implementation.
- b. Orient the MLGOOs on the Policy, Monitoring, and Reporting Guidelines.
- c. Consolidate all reports for submission to DILG-RO before the dates stipulated in the Schedule of Report Submission (Annex F).
- d. Monitor compliance to the regular update of SubayBAYAN by the MLGOOs.
- e. Monitor the project data uploaded by the MLGOOs in the SubayBAYAN.
- f. Review the target monitoring plan prepared by the MLGOOs.
- g. Oversee the maintenance of documents and LGU submissions transmitted by the MLGOOs.
- h. Supervise the MLGOOs in the discharge of their responsibilities and provide assistance, if needed.
- i. If warranted, participate in the conduct of punch-listing and final inspection to ensure that all issues and concerns are addressed before the issuance of corresponding certifications.

7.2.2.5 The Municipal Local Government Operations Officer (MLGOO) shall:

- a. Monitor the LGUs compliance on the provisions in this Guidelines.
- b. Brief the Municipality on the documentary requirements and project timelines upon receipt of the endorsed list of Municipalities eligible for fund release. Subsequently, monitor if the Municipality has received the AM fund as mentioned in Section 6.4.1 of this Guidelines and its transfer to the trust account including the LGU counterpart mentioned in Section 6.2.1 of this Guidelines, if any.
- c. Based on the Bi-monthly report submitted by the

Municipality (Annex E) with Annex V-1 or V-2 (Contractor Bi-monthly SWA), prepare the DILG AM Bi-monthly Report using Annex X and submit the same to DILG-PO seven (7) calendar days before the prescribed dates of submission stipulated in Annex F (Schedule of Report Submission).

- d. Monitor LGU posting of ITB/Ad, NOA, and NTP for each project in Philgeps and/or conspicuous places within the Municipality within 7 calendar days after the submission of Annexes B and C.
- e. If warranted, MLGOO may attend bid openings, note CSO participation in the procurement process, note irregularities, if any, and submit report to DILG-PO thru the Cluster Head.
- f. Notify DILG-PO of "Failed Biddings" and advise LGU to submit Revised Annex C (Pro-forma Implementation Schedule).
- g. Remind the Head of Procuring Entity (HOPE) of noted irregularities in procurement, if any.
- h. Monitor the installation and updating of Project Billboard.
- i. Organize the conduct of project monitoring visit cum exit conference with the Municipality. Secure a copy of the Aide Memoire (Annex I) signed by the parties present, copy furnished DILG-PO.
- j. Review the completeness of the required documents submitted by the Municipality before submission to the DILG-PO.
- k. Take geotagged photos of the project site (0%, 30%, 60%, 90%, 100%, Turn-over) and promptly upload the geotagged photos and project data in the SubayBAYAN.
- l. Monitor the actions initiated by the LGU towards the contractor of each project, in case the contractor incurred negative slippages of 5%, 10%, and 15%. Secure copies of the communication letters, Notice of Terminations, justifications, and pertinent documents addressing the negative slippage.
- m. Send Reminder Letters (Annex Y) to the Municipality, copy furnished DILG-PO Cluster Head.
- n. Check consistency of the details of completed project on the LGU website based on the Project Completion Report (Annex Q).
- o. Check whether the LGU already booked the project as asset upon final acceptance.

- p. Receive the LGU Certification of provision of annual maintenance fund specifically for the concerned project/s.
- q. Assist the DILG-PO in the conduct of the capacity development activities at the provincial/municipal level.
- r. Provide timely reports/feedback to the DILG-PO thru the Cluster Head on the progress of activities in all phases of project implementation.

7.3 Procedure on the issuance of Notice of Municipality's Non-Compliance:

7.3.1 After the project monitoring/validation, the DILG shall ensure the issuance of Aide Memoire (Annex I). Municipality's non-compliance with the recommended corrective actions during project implementation is indicated in the aide memoire and any deviation of the provision of this Guidelines. The following actions shall be undertaken:

7.3.1.1 Upon recognition by the DILG of the non-compliance of the Municipality, the MLGOO shall immediately call the attention of the LCE by issuing a Reminder Letter (Annex Y) within five (5) working days prior to the agreed compliance date and inform the Cluster Head.

7.3.1.2 Within five (5) calendar days after the acknowledgement of information about the LGU's continued inaction until the agreed compliance date from the MLGOO, Cluster Head shall endorse to PD the MLGOO's observed non-compliance. The PD shall officially notify the LCE (First Warning Letter, Annex U-1), copy furnished MLGOO of the LGU's non-compliance and advise them to initiate/address the said issues.

7.3.1.3 If no action has been initiated by the concerned Municipality after fifteen (15) calendars days after the receipt of First Warning Letter (Annex U-1), the MLGOO shall notify the PD of the Municipality's non-action, and subsequently the PD shall notify the LGU by sending Second Warning Letter (Annex U-2), requiring the concerned LGU to provide justifications and actions within fifteen (15) calendar days to address their non-compliance.

7.3.1.4 If after fifteen (15) calendar days, the Municipality failed to submit their justification and had not acted on their non-compliance and/or after DILG-PO evaluation/validation, the concerned Municipality's justification is not acceptable, DILG-PO shall notify DILG-RO of the same. DILG-RO shall officially notify the LGU by sending the Third Warning Letter (Annex U-3) and Notice of Project Cancellation (Annex Z), copy furnished DILG-PO, MLGOO, DILG-OUSLG, and Regional COA.

7.3.1.5 If there is an appeal for the termination of project, the LGU shall send justification and catch-up plan to the DILG-Office of

the Secretary. If the circumstances warrant, the concerned DILG-CO-OPDS-PMO shall evaluate and validate the request and prepare recommendations to the DILG-OUSLG. If the appeal is approved, the concerned Municipality shall immediately comply with the corrective action(s) as recommended and that non-compliance may be a ground for imposition of sanction(s) as stipulated in the last paragraph of Section 8.0 of this Guidelines, copy furnished DILG-RO, Local COA, and COA-LGS.

7.4 CSO Participation in Project Monitoring

7.4.1 Pursuant to Section 2 of the F.Y. 2018 GAA Special Provisions, duly accredited Civil Society Organizations and citizens may actively participate in the implementation by way of:

7.4.1.1 Municipal Development Council Project Monitoring

The implementation of this Provision shall be covered by a separate guidelines to be issued by the DILG.

7.4.1.2 Observer in the procurement process

7.4.1.3 Third party monitoring and evaluation

The implementation of this Provision shall be covered by a separate guidelines to be issued by the DILG.

7.4.1.4 Citizen feedback mechanism

Any interested party may send their feedback, complaints, comments and suggestions including geo-tagged photos to the contact information indicated in the community and project billboard and to the to the SubayBAYAN and any other portal that will be developed for the purpose.

8.0 SANCTIONS/PENAL PROVISIONS

8.1 Projects not implemented in accordance with the provisions of this Guidelines including all other applicable laws but not limited to the following:

8.1.1 R.A. No. 3019 "*Anti-Graft and Corruption Practices Act*"

8.1.2 R.A. No. 9485 "*An act to improve efficiency in the delivery of government service to the public by reducing bureaucratic red tape, preventing graft and corruption, and providing penalties therefor*"

8.1.3 R.A. No. 9184 "*The Government Procurement Reform Act and its Revised Implementing Rules and Regulations*"

8.1.4 Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292

8.1.5 Pertinent Provisions of R.A. No. 10964 – FY 2018 General Appropriations Act

may result in the:

- filing by concerned parties of appropriate civil, criminal and/or administrative cases against the local public officials and/or employees concerned for acts or omissions in relation to the performance of their duties
- non-inclusion and/or disqualification of the Municipality in the future National Government assistance

9.0 ISSUES FOR RESOLUTION

Interpretation of the provisions of this Memorandum Circular, including issues and concerns not covered herein, shall be submitted to the DILG for resolution.

10.0 REPEALING CLAUSE

All provisions of existing issuance that are inconsistent with this Memorandum Circular are hereby repealed/amended accordingly.

11.0 ANNEXES

Annex A	Municipality's Confirmation on the Receipt of 2018 AM Fund
Annex B-1	Notarized LGU Certification for Local Access Roads / Bridges / Footbridges Projects
Annex B-2	Notarized LGU Certification for Potable Water System Projects
Annex B-3	Notarized LGU Certification for Evacuation Center Projects
Annex B-4	Notarized LGU Certification for Municipal Drug Rehabilitation Facility Projects
Annex B-5	Notarized LGU Certification for Small Water Impounding Projects
Annex B-6	Notarized LGU Certification for Disaster Risk Reduction-Related Equipment Projects
Annex B-7	Notarized LGU Certification for Rain Water Catchment Facility Projects
Annex B-8	Notarized LGU Certification for Sanitary Toilet and Hygiene Facility
Annex C	Pro-forma Implementation Schedule
Annex D	Community Billboard
Annex E	Pro-forma LGU Bi-monthly Report

Annex F	Schedule of Report Submission
Annex G	FY 2018 GAA Provisions
Annex H	Minimum Test Requirements for Infrastructure Projects
Annex I	Pro-forma Aide Memoire
Annex J	Completion Inspection Report
Annex K	Final Completion Inspection Report
Annex L-1	Certificate of Completion and Acceptance (By Contract)
Annex L-2	Certificate of Completion and Acceptance (By Administration)
Annex M	Acceptance Inspection Report
Annex N	Final Acceptance Inspection Report
Annex O	Certificate of Final Acceptance
Annex P	Notice of Defects / Deficiencies
Annex Q	Project Completion Report
Annex R	Monitoring Parameters
Annex S	Project Monitoring Templates
Annex T	Validation Form
Annex U-1	Warning Letter No. 1
Annex U-2	Warning Letter No. 2
Annex U-3	Warning Letter No. 3
Annex V-1	Contractor Bi-monthly Statement of Work Accomplished
Annex V-2	LGU Bi-monthly Statement of Work Accomplished
Annex W	LGU Quarterly Report
Annex X	DILG AM Bi-monthly Monitoring Report
Annex Y	Reminder Letter
Annex Z	Notice of Project Cancellation

12.0 EFFECTIVITY

This Circular shall take effect immediately upon posting in the DILG website.


EDUARDO M. AÑO
 Officer-In-Charge, DILG

