



Republic of the Philippines

DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, West Triangle, Quezon City

<http://www.dilg.gov.ph>



**OPERATIONAL GUIDELINES ON THE IMPLEMENTATION OF
PERFORMANCE CHALLENGE FUND (PCF) FOR FY 2019**

Memorandum Circular No: 2019-202

Date: 22 NOV 2019

1. Background

Established in 2010, the Performance Challenge Fund (PCF) is a performance-based reform program of the DILG that seeks to rationalize inter-governmental transfers of the national government to Local Government Units (LGUs) and encourage the convergence of local development initiatives with national development agenda and priorities under the Philippine Development Plan (PDP) 2017-2022 and Sustainable Development Goal (2017-2030) as one of our international commitments. It is a subsidy given to eligible LGUs under the Local Governance Performance Management Program of the Department to support high-impact local development projects identified as a priority by the LGU.

For 2019, the PCF shall be given to LGUs that passed the Seal of Good Local Governance (SGLG): Pagkilala sa Katapatan at Kahusayan ng Pamahalaang Lokal. The SGLG is an awards program encouraging and challenging all provinces, cities and municipalities to improve on their performance and service delivery.

2. Purpose

This Memorandum Circular is issued to prescribe the general policies and procedures in the implementation of the PCF program for FY 2019. It will serve as guide to the 1.) PCF LGU beneficiaries to effectively and efficiently implement their PCF-funded projects; 2.) DILG on the management of PCF which includes release of financial subsidy, monitoring and reporting; and 3.) other concerned stakeholders.

3. Scope/Coverage

All DILG Regional/Provincial/City Directors, Cluster Leaders, CLGOOs/MLGOOs, Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) Chief Minister, Governors and Mayors of PCF Recipient LGUs and others concerned.

4. Guiding Principles

- Support the Philippine Development Plan (PDP) 2017-2022 as the first medium-term plan to be anchored on the 0-10-point Socioeconomic Agenda geared towards the Ambisyon Natin 2040 that articulates the Filipino people's collective vision of a MATATAG, MAGINHAWA, AT PANATAG NA BUHAY PARA SA LAHAT.
- Support the government's advocacy of improving overall LGU performance in governance and delivery of basic services;
- Expand opportunities for performing LGUs to accelerate local inclusive development, giving constituencies better access to education, health care, and tourism development among others;
- Sustain the provision of incentives to LGUs commensurate to their performance level;
- Foster and sustain cooperation among government stakeholders, development partners, NGOs, and CSOs to influence greater LGU performance;
- Enhance the LGU's program/project conceptualization, implementation, monitoring and evaluation;
- Ensure that project processes include gender-sensitivity, disability-inclusiveness, human development index, and other thematic concerns that promote the welfare of the most vulnerable sectors in the community.

5. Policy Content and Guidelines

5.1. Eligibility Requirements

5.1.1. Eligible LGUs

LGUs that passed the Seal of Good Local Governance (SGLG) for FY 2019 with no pending (on-going and not-yet-started) PCF project from 2010 – 2017 shall be eligible to avail the PCF.

5.1.2. Eligible Projects

5.1.2.1. The PCF subsidy shall be used to finance local development projects supportive of the following:

- **Attainment of Sustainable Development Goals:** (e.g. School Buildings, Rural Health Units/Health Centers, Birthing or Lying-in Facilities, Water and Sanitation, Housing and Settlements, Rehabilitation Centre, Patrol Cars and Public Safety and Security Command Centre Equipment, etc.)
- **Stimulating Local Economic Development and Promotion of Ease of Doing Business** (e.g. core local roads and bridges, access roads, irrigation systems, post-harvest facilities, cold storage facilities, ports and wharves and other economic structures and growth enhancement

projects like tourism facilities, market, slaughter house, automation of permits and licenses (hardware/software), etc.)

- **Building Resilient Communities (DRR-CCA)** (e.g. flood control, storm drainage, dikes, seawall and related flood protection measures and slope protection, evacuation centres, rainwater collection facility, early warning system/devices and rescue equipment, etc.)
- **Promoting Environmental Protection** (e.g. purchase of solid waste management equipment, material recovery facilities, sewerage system, etc.)
- **Furthering Transparency and Accountability** (e.g. website development and equipment, etc.)

5.1.2.2. PCF subsidy shall not be utilized for the following:

- Projects exclusively on training or capacity development;
- Financing of micro credits and loans;
- Administrative expenses such as cash gifts, bonuses, food allowance, medical assistance, uniforms, supplies, meetings, communication, water and light, petroleum products and the like;
- Salaries, wages or overtime pay;
- Travelling expenses, whether domestic or foreign;
- Registration or participation fees on training, seminars, conferences or convention;
- Construction, repair or refurbishing of administrative offices;
- Purchase of administrative office furniture, fixtures, equipment or appliances;
- Purchase of Lot; and
- Purchase of Second Hand Vehicles.

5.1.2.3. Projects must be implemented **within a period of one year upon receipt of the PCF Subsidy** from the DILG Regional Office.

5.1.2.4. Proposed project must be a **whole single project** and not a component of other projects. Also, no inter-agency counterpart for PCF Projects would be allowed.

5.2. Implementation Procedures

5.2.1. Issuance of Notice of Eligibility

The DILG Regional Director, shall issue the Notice of Eligibility (Annex A) to qualified LGUs within three (3) working days upon receipt of the final list of awardees of the Seal of Good Local Governance (SGLG) from the DILG-Central Office.

5.2.2. Release of PCF Subsidy to Recipient LGUs

The DILG Central Office shall immediately sub-allot PCF subsidy to DILG Regional Office upon receipt of Notice of Transfer Allocation (NTA) from DBM, on the other hand, the DILG Regional Office will obligate and prepare payment to recipient LGU by issuing the PCF check or the List of Due and Demandable Accounts Payable – Advice to Debit Account (LDDAP-ADA) upon receipt of the following documentary requirements:

- Menu/Checklist of Projects (Annex B) duly certified by the Local Chief Executive; and
- Certified True Copy of the Annual Investment Program (AIP) CY 2019/2020 or Operational Local Development Investment Program (LDIP)/Provincial Development Investment Program (PDIP) covering the period of implementation (page indicating the project proposal) by the Secretary to the Sanggunian.
- A Government Bank Certificate stating that the LGU has an **existing Trust Account** for 1st time PCF recipients as certified by local treasurer.

The LGU should issue Official Receipt (OR) to the Regional Office for subsidy received via PCF Check. In case of fund transfer to LGU through LDDAP-ADA, the issuance of Official Receipt will no longer be required. However, the LGU must submit copy of the Journal Entry Voucher (JEV) as proof of receipt of subsidy thru LDDAP-ADA.

The PCF Subsidy amount received **should not be utilized** by the recipient LGU prior to the receipt of Notice to Implement (NTI) from the DILG Regional Office.

The date of receipt of the PCF subsidy to recipient LGUs shall be considered as the starting date of the project implementation.

5.2.3. Conduct Regional Orientation

From the issuance of the notices of eligibility to the LGUs, the DILG-CO shall download funds to the Regional Offices for the conduct of the Regional PCF Orientation on this Guidelines.

The PCFMT shall develop and make available to Regional Offices a standard module to be used in the conduct of the Regional Orientation. The standard module shall contain, among others, the composition of the Regional Orientation Training Team.

The following officials shall attend the Regional Orientation, or his/her representative who should provide a coaching or re-echoing of the orientation on the PCF Guidelines whenever necessary:

- Concerned LCEs, Planning Officers, Engineers and Accountants of Eligible Provinces, Cities and Municipalities;
- Concerned DILG/Provincial/City Directors;
- Concerned DILG Cluster Leaders;
- Concerned City/Municipal Local Government Operations Officers (C/MLGOOs); and
- Concerned Provincial Focal Persons.

5.2.4. Submission of Complete Administrative Documents by the LGU for the issuance of NTI.

The LGUs shall submit for review all of the following documentary requirements to the DILG Regional Office thru channels upon receipt of the PCF check/LDDAP-ADA not exceeding 60 calendar days:

- 5.2.4.1.** The Project Proposal (Annex C) and all its pertinent administrative requirements based on their submitted AIP/LDIP/PDIP.

The hard and digitized copy of the Project Proposal, Certified true copy of AIP/LDIP/PDIP (page indicating the project) and high-resolution picture of the proposed project site or the site of the proposed deployment/exact location in case of motor vehicle/equipment must be submitted by the LGU for uploading to the PCF website.

LGU's Project Proposal shall include the following documents:

- Administrative/Executive Order creating the LGU PCF Project Implementation Unit/Team;
- Program of Works with Detailed Estimates and Quantity Take-off; and
- Pictures of the proposed site (in high-resolution geotagged photos taken in two different angles).

For Infrastructure Projects

(must be consistent with existing National Standards)

- Detailed Engineering Design (DED)
- Detailed Estimates
- Program of Work
- Bar Chart/S-curve

**All Infrastructure projects under PCF shall comply with existing laws on Accessibility, Gender Responsiveness, etc. LGUs shall have the sole responsibility in securing necessary documents such as but not limited to Environmental Compliance Certificate (ECC)/Certificate of Non-Coverage (CNC)/Water Permits, etc.*

For Procurement of Brand-New Motor Vehicles

The project proposal of the LGU must include the following requirements for the approval of the Authority to Purchase Brand New Motor Vehicles and other requirements pursuant to Administrative Order No. 233 s. 2008 as amended by AO No. 15 s. 2011, Budget Circular (BC) No. 2010-02, National Budget Circular (NBC) No. 446 s. 1995, as amended by NBC No. 446-A s. 1998, and BC No. 2017-1 amending BC 2016-5, DBM BC 2019-2 dated March 4, 2019 and DBM BC 2019-3 dated May 16, 2019.

- Technical Specifications of the Vehicle;
- Unit Cost of the proposed Motor Vehicle; and
- Report of the physical count of vehicle and heavy equipment

The process owner of the APMV shall review the technical specifications and documentary requirements of the motor vehicle and submit recommendations to the PCF Regional Office.

Note: If the Motor Vehicle to be purchased by the recipient LGU is under the DRRM category and which requires DBM approval, the LGU shall submit documents directly to the DBM Regional Office per DBM Department Order No. 2015-15 dated November 16, 2015 authorizing the DBM Regional Office to recommend approval of acquisition/purchase of DRRM equipment and motor vehicles under Bottom-Up Budgeting and DILG Performance Challenge Fund (PCF). ROs shall ensure the transfer of registration of acquired motor vehicles in the name of the LGU as Asset Account to protect the interest of the government.

The Appraisal Review and Approval Form (ARAF) (Annex D) will serve as checklist in the review of the LGU's compliance to the PCF administrative requirements.

Whenever practicable, the DILG Provincial Office/HUC Office shall be responsible for the appraisal of the projects and the completeness of documents, while the DILG Regional Office shall be responsible for the Approval of the Project Proposal.

The DILG Regional Office shall issue regular advisories or updates on the status of submission of documentary requirements to the concerned LGU beneficiaries.

5.2.5. Notice to Implement

Within five (5) working days upon **approval of the project proposal**, the Regional Office **shall issue a Notice to Implement (NTI)** (Annex E) authorizing the LGU's start of the fund utilization given that the following have been conformed:

5.2.5.1. LGUs with previous PCF (2010-2017) that have complied with all of the following requirements:

- Those that have completed the project and submitted all administrative documentary requirements and pertinent Annexes to DILG Regional Office;
- Certification, with pictures of corrected or built items that were recommended during the final inspection or monitoring by the joint DILG and LGU team of the previous PCF project/s;
- Those that have submitted to DILG Regional Office the following:
 - i. Project Completion Report;
 - ii. Certificate of Completion;
 - iii. Physical Accomplishment Report with high resolution pictures; and
 - iv. Copy of the Final Report of Disbursement duly-received by COA assigned in the LGU at the time of application if the "verified correct" Report of Disbursement is not yet available.

In case the proposed project is Purchase of Motor Vehicle, LGU recipient should secure first the NTI issued by the DILG Regional Office before requesting the Authority to Purchase Motor Vehicle (APMV).

Concerned Regional Office shall secure a receiving copy of the said NTI and upload it in the PCF website.

5.2.6. Project Timeline

5.2.6.1. All projects must be completed and liquidated **within 12 months** upon receipt of PCF subsidy from the Regional Office. The **date of receipt of PCF subsidy** from the DILG regional office shall be considered the project's start-up date. All LGU recipients are expected to implement the project based on the approved Project Proposal and Program of Works.

In case of change location of their project/s, recipient LGUs shall secure DILG Regional Office approval. In case of change order or deviation order, recipient LGU shall submit the revised Project Proposal for approval of the DILG Regional Office and furnish copies of the change order. Variation order is not allowed in the last quarter of the implementation period or at its 95% nearby completion.

*Total change of the approved project proposal is not allowed.

5.3. Fund Management

5.3.1. Entry to Regional Books of Account

PCF Subsidy shall be taken up as an outright expense in the Book of Accounts of the Regional Offices. Upon release of the subsidy to LGUs, the entry should be **Financial Assistance** to Local Government Units.

5.3.2 Entry to LGU Books of Account

Upon receipt of the subsidy, the entry in the LGU Books of Account shall be **"Due to other Government Agencies"** or its equivalent account used by the LGUs. Completed projects and procured motor vehicles/equipment shall be recognized in the LGU Books of Account as **"Asset Account"** which is debited and the Income Account (Subsidy from Other Gov't Agencies) is credited.

5.3.3 Refund of Unexpended Balance After Project Completion

Unexpended balances shall be returned either to the Local Bureau of Treasury or the concerned DILG Regional Office following existing guidelines on the transfer of funds. Proof of such remittance/refund shall be submitted to the concerned DILG regional office (LGU to secure a copy), the same should be retained by the Regional Office copy furnished Financial Management Service (FMS) and the Bureau of Local Government Development (BLGD).

*once returned to the national treasury or claimed as “reverted”, please note that the request for the use of said fund will no longer be allowed.

5.4. Monitoring and Reporting

5.4.1. Progress Monitoring

The LGU shall submit a Monthly Progress Accomplishment Report not later than the 5th day of the ensuing month using the Statement of Work Accomplished (SWA) (**Annex F**) to the Regional Office thru channel. Whereas, the Statement of Receipts and Disbursement (SORD) (**Annex G**) shall be submitted by the LGU as deemed necessary, whenever a progress billing is issued by the Contractor. LGUs shall use the prescribed SWA and SORD template to ensure uniformity and uploading/encoding purposes.

5.4.2. Conduct of Monitoring Visits

The DILG Regional Team shall conduct regular quarterly monitoring visits to PCF subsidized projects or as often as necessary. Upon notification of the DILG monitoring team of its findings, the concerned LGUs shall make the necessary corrections during the project implementation.

The National PCF Management Team shall conduct M & E through field validation and spot-checking.

5.4.3. Data Uploading on the PCF website

To fast track submission of PCF Project Accomplishment Reports of recipient LGUs, the Cluster Leaders (CLs) and PCF Provincial Focal Person shall upload the status of LGU project implementation on a monthly basis (not later than the 5th day of the ensuing month) directly at the PCF website.

Cluster leaders shall encode Accomplishment Reports of recipient component cities and municipalities under their coverage while the PCF Provincial Focal Person shall encode reports from the recipient province.

Regional Office shall encode data for Highly Urbanized Cities or LGUs that are not under the coverage of Cluster leader or Provincial Focal Person.

Also, an electronic copy of the following must be submitted by the LGU to the Regional Office thru channels for proper uploading of the concerned person on the PCF website:

Start-up Phase

- Project Proposal;
- AIP or LDIP or PDIP (certified true copy by the Secretary to the Sanggunian of the page indicating the project);
- Purchase Order (for vehicle);
- Project Implementing Team (Executive Order);
- Program of Works; and
- 2 High-resolution **geo-tagged** jpeg photos of the project site taken from two angles.

Implementation Phase

- Monthly Accomplishment Reports through Statement of Work Accomplished (SWA) vis-à-vis Program of Work (POW);
- Statements of Receipts and Disbursements (SORD), whenever necessary;
- Authority to Purchase Motor Vehicle from DBM; and
- 2 High-resolution **geo-tagged** jpeg photos of the on-going project taken from two angles.

Project Completion Phase

- List of corrective measures conducted based on the monitoring report of the DILG monitoring team inspection;
- Final Statement of Receipts and Disbursement (SORD) ;
- Project Completion Report;
 - Certificate of Completion
 - Certificate of Turnover and Acceptance (if by Contractor)
- 2 High-resolution **geo-tagged** jpeg photos of the completed project taken from two angles; and
- Copy of OR/CR for purchase of Brand-New Motor Vehicle

The Regional Focal Person shall conduct regular monitoring of PCF website updating by the Cluster Leader/ PCF Provincial Focal Persons and provide technical assistance as necessary.

Regional Focal Persons/Cluster Leaders/Provincial Focal Persons are the only authorized personnel to upload and encode data in the PCF website. LGU recipients shall not be given access to the PCF website as it may create conflict of interest and affect the integrity of data.

5.4.4. Reporting of Completed Projects

Within 10 calendar days of project completion, the LGUs shall submit the copy of their Project Completion Reports (PCRs) (**Annex H**) to the DILG Regional Office thru channels. The PCRs to be submitted by LGUs shall include the following attachments:

- Certificate of Project Completion by the Local Chief Executive;
- Certificate of Turnover and Acceptance, if by contractor;
- Copy of Statement of Receipts and Disbursement (SORD); and
- 2 High-resolution geo-tagged jpeg photos of the completed project taken from two angles;

For projects involving acquisition of motor vehicles, the LGU shall accomplish and submit the Motor Vehicle Report Form (**Annex I**) within 15 calendar days upon delivery or completion of the procurement process.

5.4.5. Permanent Markers

A Permanent Marker shall be installed in noticeable, exposed place within the area for completed projects. Markers can be funded thru the PCF by indicating said marker as part of the items in the Program of Works.

- **For horizontal projects**, permanent markers shall be placed or displayed at the beginning of the completed infrastructure on either a concrete stand or a post signage, depending on the preference of the implementing office. Whereas **for vertical projects**, markers shall be installed on the wall near the entrance or main door, preferably within eye level. Material used for the marker of both horizontal and vertical projects should be weather-resistant, may be non-corrosive metal (brass, aluminum, etc.) or plastic (acrylic, fiberglass, corrugated, etc.). Please refer to Annex J for Sample Marker with corresponding specifications.
- **For vehicles, goods and IT equipment/systems**, permanent markers to be used are stickers. For vehicles, stickers shall be installed at the driver's side (left front door) of the vehicle whereas for Goods/IT Equipment, stickers shall be installed to the visible area where the equipment is placed and/or on the CPU of the main computer used. Scaling of the sticker may be considered depending on the size and type of equipment/vehicles (e.g. for vehicles – 8.5"x11", for system/equipment/computers – 4"x4", for birthing facilities – 3"x3"). Please refer to Annex K for Sample Marker with corresponding specifications.

5.4.6. Reportorial Requirements under the General Appropriations Act (GAA)

Based on the GAA, the DILG shall update the following: Department of Budget and Management (DBM) through the unified reporting system, House of Representatives, and the Senate with quarterly and annual reports that note financial and physical accomplishments of PCF. The same report shall also be posted on the DILG website in compliance to such reportorial requirements, hence, submission of reports by the recipient LGUs thru channels and up-to-date encoding of DILG Field Officers in the PCF website is necessary.

5.4.7. CSO Participation

The Regional Office through channel must ensure the regular monitoring of the implementation of PCF funded projects with the local CSOs such as faith-based organizations and other sectoral groups on a voluntary basis. CSO participation in field monitoring and evaluation is highly encouraged.

5.5. Transparency in the Implementation of Projects

All recipient LGUs shall strictly follow the provisions of COA Circular No. 2013-004 dated January 30, 2013 entitled "Information and Publicity on Programs/Projects/Activities of Government Agencies", as amended by COA Circular No. 2016-003 dated August 16, 2016.

6. Penal Provisions

Non-compliance to the provisions of this Memorandum Circular shall be dealt with in accordance with pertinent laws, rules and regulations.

7. References

- 7.1. RA 11260 - General Appropriations Act (GAA) 2019
- 7.2. COA Circular No. 2016-003 dated August 16, 2016
- 7.3. Budget Circular No. 2016-5 dated August 22, 2016
- 7.4. RA 9184 – Government Procurement Reform Act
- 7.5. Administrative Order No. 15 s.2011 (Amending Administrative Order No. 233 (S. 2008))
- 7.6. DBM-DILG Joint Memorandum Circular 2017-1 dated February 22, 2017
- 7.7. DBM BC 2019-2 dated March 4, 2019
- 7.8. DBM BC 2019-3 dated May 16, 2019

8. Annexes

Annex A:	Notice of Eligibility
Annex B:	Checklist of Projects
Annex C:	PCF Project Proposal Format
Annex D:	Appraisal Review and Approval Form (ARAF)
Annex E:	Notice to Implement
Annex F:	Statement of Work Accomplished (SWA)
Annex G:	Statement of Receipts and Disbursements (SORD)
Annex H:	LGU Project Completion Report
Annex I:	Motor Vehicle Report Form
Annex J:	Permanent Markers
Annex K:	Motor Vehicle and Equipment Sticker
Annex L:	Certificate of Completion and Acceptance
Annex M:	Executive Order for Project Implementing and Monitoring Team

9. Effectivity

This Memorandum Circular shall take effect immediately and shall remain in force unless otherwise superseded or modified by subsequent policies and other issuances. All DILG Regional Directors are hereby directed to cause the widest dissemination of this Circular.

10. Approving Authority


EDUARDO MAÑO
Secretary



11. Feedback

For related queries, kindly contact the Bureau of Local Government Development (BLGD) at Tel. Nos. (02) 927-7852 or 925-0356, or e-mail address at pcf.dilg@gmail.com

Annex A: Notice of Eligibility

(DILG REGION LETTERHEAD)

Date

Hon. _____
Province/City/Mun

Dear Hon. _____:

We are pleased to inform you that the LGU of _____, being a Seal of Good Local Governance (SGLG) recipient for CY 2019 can now access the Performance Challenge Fund (PCF) subsidy in the amount of _____ Pesos (Php _____).

Kindly prepare the following documentary requirements to start the project implementation, to wit:

1. Menu/Checklist of Projects (Annex B) duly certified by the LCE
2. Certified True Copy of the Annual Investment Program for the year the PCF is to be implemented or Operational LDIP/PDIP covering the period of implementation (page indicating the project proposal) by the Secretary of the Sanggunian
3. A Government Bank Certificate stating that they have an existing Trust Account

Please submit said requirements within fifteen (15) working days upon receipt of this notice.

Our warmest regards.

Very truly yours,

Regional Director

ANNEX B: MENU/CHECKLIST OF PROJECTS

Region: _____ Province: _____

PCF Recipient LGU: _____ Income Class of LGU: _____

This is to certify that the Performance Challenge Fund Year amounting to Php ____M shall be utilized for the implementation of the following project/s with corresponding project cost.

Project Category	Proposed Project Title	Project Cost
<u>Attaining Sustainable Development Goals (SDGs)</u>		
<input type="checkbox"/> School building		
<input type="checkbox"/> Rural Health Unit/Health Centers		
<input type="checkbox"/> Birthing facility/Lying-In		
<input type="checkbox"/> Water and Sanitation		
<input type="checkbox"/> Housing & Settlements		
<input type="checkbox"/> Rehabilitation Centre		
<input type="checkbox"/> Patrol Car		
<input type="checkbox"/> Public Safety and Command Centre Equipment		
<input type="checkbox"/> Others, specify		
<u>Stimulating Local Economic Development and</u>		
<input type="checkbox"/> Tourism facility		
<input type="checkbox"/> Access Road, Core local roads and Bridges		
<input type="checkbox"/> Public market		
<input type="checkbox"/> Irrigation Systems		
<input type="checkbox"/> Cold Storage Facilities		
<input type="checkbox"/> Ports and Wharves		
<input type="checkbox"/> Post-Harvest Facilities		
<input type="checkbox"/> Slaughterhouse		
<input type="checkbox"/> Automation of Permits and Licenses (hardware &		
<input type="checkbox"/> Others, specify		
<u>Preparing for Disaster & Adapting to Climate Change</u>		
<input type="checkbox"/> Evacuation facility		
<input type="checkbox"/> Flood Control		
<input type="checkbox"/> Early Warning System/Device		
<input type="checkbox"/> Rescue Equipment		
<input type="checkbox"/> Motor Vehicle		
<input type="checkbox"/> Slope Protection		
<input type="checkbox"/> Dikes/Sea Wall		
<input type="checkbox"/> Drainage/Canal		
<input type="checkbox"/> Others, specify		
<u>Promoting Environmental Protection</u>		
<input type="checkbox"/> Material Recovery Facility		
<input type="checkbox"/> Solid waste management equipment		
<input type="checkbox"/> Sewerage System		
<input type="checkbox"/> Others, specify		
<u>Furthering Transparency and Accountability</u>		
<input type="checkbox"/> website development and equipment		
<input type="checkbox"/> Others, specify		

Confirmed/Certified by:

Local Chief Executive

Disclaimer: The above-stated projects are recommendatory, thus, LGUs have the option to propose other eligible projects which are not included in the menu.

Annex C: PCF Project Proposal Format

Performance Challenge Fund Project Proposal Format

Project Code	
(i.e., SDGs)	2
School Building	

I. Identifying Information

Project title:	
LGU: (Mun./ Province)	
(Region/Cong. District)	
Project Location:	
Proposed start date:	Proposed completion date:
No. of Beneficiaries:	
Direct:	Women : _____ Men : _____
Indirect:	Women : _____ Men : _____
Type of Beneficiary: (e.g., Fisherfolk)	
LGU Income Class:	
LCE/Contact Person:	

II. Project Description

A. Brief Summary of the Project (maximum of 2 paragraphs, not exceeding 3 sentences per paragraph).

A description of what the project intends to do based on the problem/s it wants to address and its immediate impacts over a period of 12 months or less.

B. Problem Statement (maximum of 2 paragraphs or 1 paragraph per problem it wants to address, substantiating the problem/s or opportunity/ies)

For example, the project wants to rehabilitate a 1-kilometer Access Road destroyed by flooding. To substantiate, state the number of families affected, their source of income, level of income, hectares planted to agricultural crops, etc., that would warrant the approval of the project.

C. Project Goal and Objectives

Since the PCF projects are implementable only over a period of 12 months or less:

- Only 1 goal should be stated; and,
- Limit the statement of objectives to 2 or 3. These objectives should be SMART (specific, measurable, attainable, realistic, and time bound).

D. Project Components / Expected Output/s / Timetable

- It is recommended that 1 objective correspond to 1 component. For example:

OBJECTIVE/S	COMPONENT
1. Construction of 2 Classroom School Building	A. Construction of 2 Classrooms
2.	B.

A Timetable or Project Implementation Plan is presented using the following table. For example:

COMPONENT	ACTIVITIES	EXPECTED OUTPUT/S	IMPLEMENTATION PERIOD	PERSON RESPONSIBLE
A. Construction of 2 Classroom School Building	1. Finalization of Surveying Work	Final Surveying Work	January 20__	Project Engineer
	2. Finalization of Engineering Plans and POWs	Final POWs	January	-do-
	3. Procurement	Contract signed	Feb	BAC
	4. Construction	2 Classrooms Constructed	April	Contractor
B				

III. Budget

Line Items	LGU Counterpart (if any)	Other Partners' Support (if any)	PCF Subsidy / Grant Amount Requested	TOTAL PROJECT COST
Total				
% share				

IV. Project Management / Monitoring and Evaluation

Name the key officers and staff (LGU Project Management Team) that will be directly accountable for the project and their tasks. Describe the monitoring and evaluation schemes to be utilized in accordance with PCF guidelines.

V. Project Sustainability

- Describe how the project will be sustained after PCF assistance in terms of policy, user's fees and charges (i.e., water tariff) and related resolutions/ordinances; office/unit responsible for the operation and maintenance.

VI. Risk Management

- Describe under what conditions the project will go wrong. Indicate what preventive and mitigation mechanisms need to be installed.

Annex D: Appraisal Review and Approval Form

Region:	
Province:	
City/Municipality:	
Congressional District:	
Name of LCE:	
Income Class:	
Project Title:	
Appraised Project Cost:	
Contact Number:	
Civil Society Organization (CSO), If any	
Subproject Stages and Requirements	Remarks
PRE – QUALIFICATION	
1. Letter of Intent (LOI)	
2. Executive Order (EO) creating PCFIU	
3. Project Proposal	
4. Certification that the project is included in the current Annual Investment Program (AIP) or Local Development Investment Program or Provincial Development Investment Program	
5. Program of Work (POW) with Detailed Estimates and Quantity Take-Off - Installation of Permanent Marker	
6. Detailed Engineering Design (DED)	
APPRAISAL	
1. Institutional	Remarks
1.1 Proof of land ownership (Deed of Donation/Sale, Tax Declaration, Transfer Cert. of Title, Certificate of Land Ownership under CARP, Certificate/Title of Ancestral Domain)	
1.2 Land Use/Zoning (agricultural, residential, commercial, institutional, public land)	

1.3. Right of way/ownership	
1.3.1 Deed of Donation/Sale –for roads/water supply	
1.3.2 Waiver/ consent letter of land owners– for water supply system	
1.4 No non-compensable negative effects on affected indigenous peoples (IPs)/marginalized sector/s	
1.5 Peace and order situation (proposed subproject site)	
2. Technical	Remarks
2.1 Infrastructure	
2.1.1 The proposed site is not susceptible to excessive surface run-off or flooding except for small water impounding projects and inland fishery projects.	
2.1.2 The proposed site is not located on a slope that is prone to landslide or erosion.	
2.1.3 The proposed site is not located within or near a faultline.	
2.1.4 The proposed site will not disturb historical and monumental markers.	
2.1.5 Completeness of detailed engineering design (drawing plans)	
2.1.6 Priced bill of quantities and detailed estimates	
2.1.7 Construction schedule, bar chart/S-curve	
2.1.8 Technical specifications	
2.1.9 Pictures of proposed project site	
2.1.10 Installation of Permanent Marker	
2.2 Goods/Equipment/Services	
2.2.1 Availability of Goods/ Equipment/ Services to support the operation of the project	
2.2.2 Specifications and quantities	

2.2.3 Cost estimates based on the canvass made by the LGU and validated by the RPCFT	
2.2.4 Delivery schedule	
2.3 Motor Vehicle/Equipment	
2.3.1 Technical Specifications	
2.3.2 Unit cost of the proposed Motor Vehicle	
2.3.3 Report of the Physical Count of Vehicle/ Equipment	
2.3.4. Proof of Ownership / Transfer of Registration	
3. Environmental	Remarks
3.1 IEE/ECC application, if applicable	
4. Sustainability	Remarks
4.1 Unit/Personnel identified for the operation and maintenance of the facility	
4.2. Annual budget for operation and maintenance	
4.3. Proposed users' fees and charges for income-generating projects, if required (funding requirement)	
4.4. Imposed Resolutions/Ordinances	
5. Complementary Projects to	Remarks
5.1 ADM	
5.2 Salintubig	
5.3 etc (specify)	

Other Comments for consideration: _____

Reviewed and Appraised By:

PDMU Staff/RPCF Team Member

Annex E : Sample Notice to Implement

(Date)

Hon. _____
Province/City/Municipality of _____

Thru: _____
Provincial Director

Attention: _____
MLGOO/CLGOO

Dear Governor/Mayor _____:

Pursuant to the completion of documents submitted to this level, you are hereby **NOTIFIED TO IMPLEMENT** the *(Project Title) at (Project Location) to be charged against the Performance Challenge Fund (PCF) in the amount of Php _____*. The maximum time for the completion of the project set forth in the agreement is twelve (12) months starting upon the LGU receipt of the PCF Subsidy. Failure to implement the proposed project within the prescribed timeline can be used as ground for disqualification of your LGU in the next SGLG assessment.

Please be advised of the timely submission to this level, thru channels, of the reports and other pertinent documents using the prescribed forms as stipulated in the DILG Memorandum Circular No. _____ dated _____.

For your compliance.

Very truly yours,

Regional Director

Annex F: Statement of Work Accomplished (SWA)

**PERFORMANCE CHALLENGE FUND
MONTHLY PROGRESS ACCOMPLISHMENT REPORT**

For the month of _____

Project Title: _____

Prov/City/Mun.: _____

PCF Year: _____

PCF Amount: _____

Project Total Amount: _____

Contract Amount: _____

Date of Actual Start of Implementation: _____

Date of Completion: _____

Project Duration: _____

Variance: _____

Program of Works					Actual Implementation				
No.	Items of Work/Description	Quantity	Item Cost	(% Weight	Previous Physical Accomplishment (%)	Physical Accomplishment for the month(%)	Total Physical Accomplishment to Date (%)	Paid Items(Php)	
								PCF	LGU Fund (If Any)
TOTAL									

Prepared By: _____

P/C/M Engineer

Date: _____

Approved: _____

Governor/Mayor/Authorized Representative

Date: _____

Annex G: Statement of Receipts and Disbursements (SORD)

City/Municipality of _____
Province of _____

DILG – PERFORMANCE CHALLENGE FUND CY _____
STATEMENT OF RECEIPTS AND DISBURSEMENTS (SORD)
For the Month of _____

PROJECT TITLE:

PROJECT COST:

						DILG Equity	Total
Beginning Balance:						xxx	Xxx
Receipt of Funds:							
	Date	<u>Reference No./Check No.</u>	<u>Particulars</u>	<u>Amount</u>			
Total Receipts						xxx	Xxx
Less: Disbursements							
	Date	Check No.	Disbursement Voucher No.	Payee/Particulars	Amount		
Total Disbursements						xxx	xxx
Balance as of						xxx	xxx
Cummulative Summary:						DILG	TOTAL
Total Receipts						Xxx	Xxx
Total Disbursements						Xxx	Xxx
Total Balance						xxx	Xxx

I hereby certify that the foregoing statements are true and correct:

Certified Correct:
(As to Report)

Certified Correct:
(As to Disbursement)

Approved by:

P/C/M Accountant

P/C/M Treasurer

P/C/M Governor/Mayor / Authorized Representative

Annex H: LGU Project Completion Report

PERFORMANCE CHALLENGE FUND-SUPPORTED PROJECT LGU Project Completion Report

I. Identifying Information

Project title:	
LGU: (Province/City/Mun.)	
(Region/Cong. District)	
Project Location:	
No. of Beneficiaries:	
Direct	Women : _____ Men : _____
Indirect	Women : _____ Men : _____
Sector/s Involved: (e.g.,Fisherfolk)	
LGU Income Class:	
LCE/Contact Person	

II. Assessment of Accomplishments

Stated Objectives	Activities Conducted	Achievement of Objectives	Outcome/s (contribution to MDG, LED, support to DRR and CCA, good governance)

III. Difficulties Encountered and Measures Taken

IV. Unanticipated Benefits of the Project, if any

V. Finances (Actual Expenditure vs. Budget)

VI. Sustainability (Funding Requirements to sustain the project, Resolutions/Ordinances, etc.)

VII. Recommendations

VIII. Attachments (Pictorials (Projects, Permanent Markers, Stickers), Certificate of Completion, Certificate of Turnover and Acceptance if by Contractor, etc.)

Prepared by:

(Sgd.)LGU-PCF Team Leader

Date: _____

Approved By:

(Sgd)Local Chief Executive

Date: _____

Annex I - Motor Vehicle Report Form

**Performance Challenge Fund
Motor Vehicle Report Form**

Type of Motor Vehicle	Brand	Engine Displacement	No. of Unit/s	Classification	No. of Cylinders	Fuel Type	Unit Cost	Seller of Vehicle	Deployment	OR/CR No.

Prepared By:

Prov'l/Mun/City/ Accountant

Date: _____

Approved By:

Governor/Mayor/ Authorized Representative

Date: _____

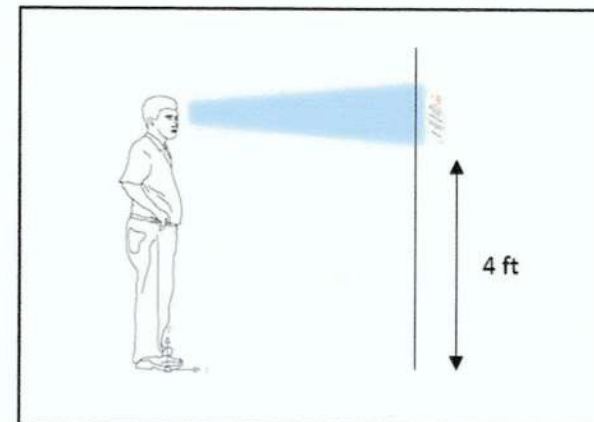
Annex J: Permanent Marker for Completed Projects

FOR VERTICAL PROJECTS

SIZE: 8.5 inches width x 11 inches height

MATERIAL: Must be weather-resistant, may be non-corrosive metal (brass, aluminum, etc.) or plastic (acrylic, fiberglass, corrugated, etc.).

CONDITION/S: Must be installed on the wall near the entrance or main door, preferably within eye level (4-5 ft)



FOR HORIZONTAL PROJECTS (CONCRETE STAND OR POST SIGNAGE)

OPTION 1

should be weather-resistant, may be non-corrosive metal (brass, aluminum, etc.) or plastic (acrylic, fiberglass, corrugated, etc.).

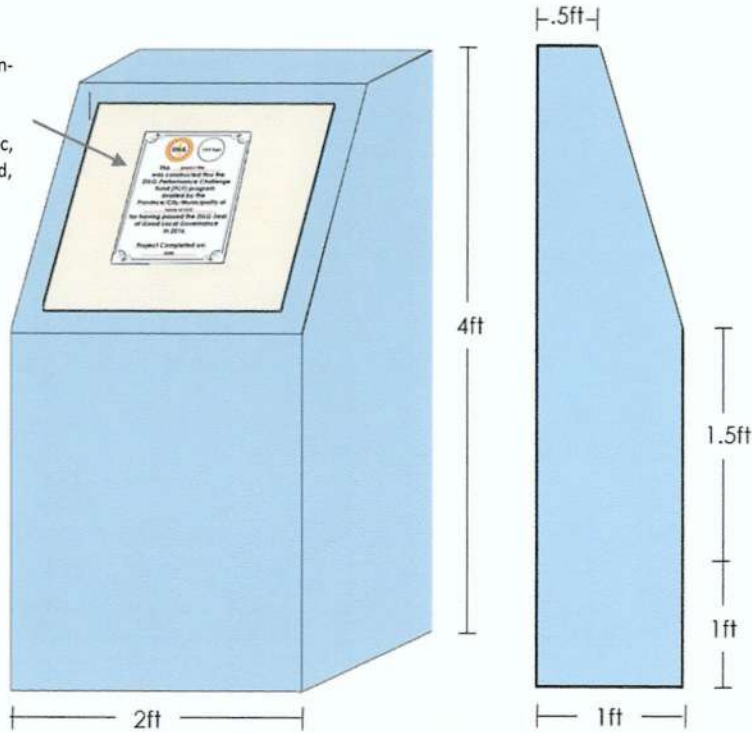


Figure 1. Concrete Stand
(Same with the Marker used for vertical projects)

OPTION 2

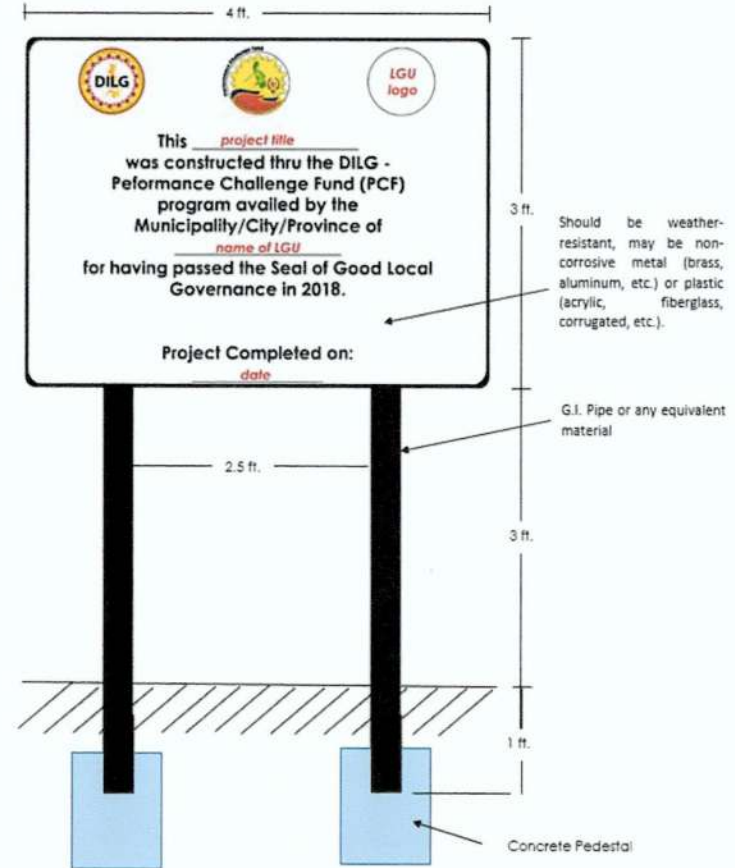


Figure 2. Post Signage

ANNEX K: PCF Motor Vehicle and Equipment Sticker/Marker

This MOTOR VEHICLE/ EQUIPMENT
was procured through the

Department of the Interior
and Local Government:
"PERFORMANCE CHALLENGE FUND"

by the

PROVINCE / CITY / MUNICIPALITY

for having been conferred with the
SEAL OF GOOD LOCAL GOVERNANCE
for CY: **2019**.

Procured on: MONTH/DAY/YEAR



LGU LOGO



Specifications:

Font: Century Gothic

Standard Color Pallet: #ffde15 (Yellow), #2049ce (Blue), #be1e2e (Red), Black, White, and other shades

Prescribed Size: 8x8in, scalable per desired size and as appropriate to item/equipment/vehicle size
(Minimum of 8x8in for Vehicle)

Annex L: Certificate of Completion and Turnover/Acceptance

Republic of the Philippines
Province/City/Municipality of _____
OFFICE OF THE _____

(Date)

CERTIFICATE OF ACCEPTANCE

I hereby certify that the project described below has been found satisfactorily completed in accordance with approved plans and specifications as certified by the Municipal Engineer or Authorized Representatives. Final payment is therefore recommended.

Name of Project: _____

Noted by: (ADMINISTRATION/CONTRACTOR)

Recommended by:

(Name of P/C/M Engineer)
POSITION

Accepted by:

(Name of Local Chief Executive)
POSITION

Republic of the Philippines
Province/City/Municipality of _____
OFFICE OF THE _____

CERTIFICATE OF PROJECT COMPLETION

This is to certify that the _____ (Title of the Project) _____ has been duly completed as of (Date of Completion) by _____ (this administration / (Name of Contractor) _____, and that all works incorporated therein as to quantity and quality of materials were done in accordance with the approved plans, specifications and other requirements.

Issued this _____ day of (Month, Year) in _____ (Location)_____.

Prepared by:

(Name of Contractor)

(Name of Authorized Representative)
CONTRACTOR

Inspected by:

(Name of P/C/M Engineer)
POSITION

Recommended by:

(Name of Local Chief Executive)
POSITION

Republic of the Philippines
Province/City/Municipality of _____
OFFICE OF THE _____

(Date)

CERTIFICATE OF TURNOVER AND ACCEPTANCE

By way of the issuance of the Certificate of Completion for the:

Project Title: _____
Location: _____
Source of Fund: _____
Project Cost: _____
Date Started: _____
Date Completed: _____

The Department of the Interior and Local Government (DILG) is hereby formally turning over to the Local Government Unit (LGU) of Province/City/Municipality the completed facility as above described.

NAME
Provincial Director

ACCEPTANCE

By virtue of this certificate, through the undersigned, hereby accepts the completed project as above described and confirms assumption of responsibility with regard to custody, security, care and maintenance of the structure and its facilities.

NAME
Governor/City/Municipal Mayor

Issued this ____ day of (Month, Year).

NOW THEREFORE, I, (Name of Local Chief Executive) of (Name of LGU) by virtue of power vested in me by law and the Constitution do hereby create the PCF Project Implementation Team (PCF-PIT) in the (Name of LGU) .

Section 1. CREATION. There shall be created a PCF Project Implementing Team to the (Name of LGU) .

Section 2. COMPOSITION. The PCF Project Implementing Team of the City Government of Bacoor shall be composed of the following members:

Chairman	<u> (Name of LCE) </u>
Co-Chairman	<u> (Name of Vice-Mayor/Governor) </u>
Members	<u> (Name of LGU Planning and Development Officer) </u> <u> (Name of LGU Engineer) </u> <u> (Name of Budget Officer) </u> <u> (Name of LGU Accountant) </u> <u> (Name of LGU Administrator) </u> <u> (Name of M/CLGOO) </u> <u> (Others, if applicable) </u>

Section 3. FUNCTION, DUTIES AND RESPONSIBILITIES. The PCF Project Implementation Team (PCF-PIT) shall have the following function, duties and responsibilities:

1. Ensure that the project implementation abides the provisions on the DILG MC 2019- _____ dated _____;
2. Facilitate the preparation and submission of all documentary requirements for the release of the PCF Subsidy;
3. Assist in the preparation of the project proposal to be submitted to the Chairman of the PCF-PIT for review and approval;
4. Assist in the preparation of the Program of Works, Detailed Cost Estimates and Detailed Engineering Design in case of Infrastructure project;
5. Prepare the project action plan and budget, subject to the approval of the LCE;
6. Determine and approve propose project to be funded by the PCF;
7. Monitor the progress and oversee the implementation of the PCF-funded project;
8. Facilitate the preparation and submission to the DILG Regional Office progress reports of the following:

Annex M: Project Implementing Unit

(LGU LETTERHEAD)

EXECUTIVE ORDER NO. __

AN ORDER CREATING THE PERFORMANCE CHALLENGE FUND (PCF) PROJECT IMPLEMENTATION TEAM
OF THE _____ (Name of LGU) _____

WHEREAS, the Performance Challenge Fund (PCF) is a performance-based reform program of the DILG that seeks to rationalize inter-governmental transfers of the national government to Local Government Units (LGUs) and encourage the convergence of local development initiatives with national development agenda and priorities under the Philippine Development Plan (PDP) 2017-2022 and Sustainable Development Goal (2017-2030) as one of our international commitments. It is a subsidy given to eligible LGUs under the Local Governance Performance Management Program of the Department to support high-impact local development projects identified as a priority by the LGU.

WHEREAS, the PCF is a progressive incentive system given to an eligible LGU in the form of a counterpart fund to finance high impact local development projects prioritized by the LGU, and to further influence and encourage the LGU to deliver public service more effectively;

WHEREAS, through the PCF, the LGU is encourage to promote effective and honest governance through intensive campaign on full disclosure policy, as the Seal of Good Local Governance is one of the criteria in order for the LGU to be eligible for the PCF;

WHEREAS, the _____ (Name of LGU) _____ received a Notice of Eligibility dated _____ from _____ (Name of Regional Director) _____, DILG Region __, informing that this office passed the Seal of Good Local Governance (SGLG) FY _____, and eligible to avail the Performance Challenge Fund (PCF) (Year) subsidy in the amount of _____;

WHEREAS, one of the requirements in availing the PCF is the creation of Project Implementation Team to facilitate and monitor the implementation of the projects prioritized by the LGU.

- a. Monthly Submission of the Statement of Work Accomplished (SWA) every 5th day of the ensuing month
 - b. Submission of Statement of Report and Disbursements (SORD), as deemed necessary, when the contractor/administration issues a progress billing
 - c. Reports on projects involving procurement of goods and services
9. Submit Project Completion Report once project is completed supported with pictorials accompanied by the following:
- a. Certificate of Completion
 - b. Certificate of Turnover and Acceptance (if project is by contract)
 - c. Final Report of Disbursements duly received and verified by the Local COA;
10. Performs such other functions related to the PCF Implementation and management as may be prescribed by competent authorities.

Section 4. MEETINGS. The PCF-PIT shall have its meeting as it may deemed necessary, to discuss, assess, review and evaluate any matters relative to its function as mentioned hereof.

Section 5. REPEALING CLAUSE. Previous issuance or any portion thereof, which are inconsistent with the provision of this Executive Order are hereby amended, modified, superseded or repealed accordingly.

Section 6. SEPARABILITY CLAUSE. If any section or provision of this Executive Order is declared void, ineffective or invalid by a court of competent jurisdiction, the holding of such section or provision to be void or invalid for any cause whatsoever shall in no way affect the validity of the remaining sections and provisions, which shall remain in full force and effect.

Section 7. EFFECTIVITY CLAUSE. This Executive Order shall take effect immediately upon the date hereof and shall remain in effect until rescinded, repealed or amended.

SO ORDERED.

Done this ___th day of (Month, Year) at the Office of the ___(Name of LGU)___, Philippines.

(Name of LCE)

Governor / City/Municipal Mayor