



JAN 0 6 2011

DepEd O R D E R  
No. **1** ,s. 2011

**GUIDELINES FOR THE IMPLEMENTATION OF THE 2011  
BASIC EDUCATIONAL FACILITIES FUNDS**

To : Regional Secretary, ARMM  
Regional Directors  
Schools Division/City Superintendents  
Physical Facilities Coordinators  
All Others Concerned

1. The CY 2011 DepEd Basic Educational Facilities Funds (BEFF) in lump sum amount of Eleven Billion Two Hundred Ninety-One Million Two Hundred Thirty-Six Thousand Pesos (**PhP 11,291,236,000.00**) shall be utilized to address the classroom, water and sanitation facilities, and furniture requirements of the schools belonging to the “red and black” zones of the Basic Education Information System (BEIS), as well as the repair and rehabilitation of classrooms, the Gabaldon and other heritage buildings. The funding allocation per legislative district has been based on a 1:45 single shift classroom-student ratio.

2. The detailed guidelines for the implementation of the different projects under the BEFF are in the following Enclosure Nos. 1, 2 and 3 of this DepEd Order:

**Enclosure No. 1 -** Guidelines for the Implementation of School Building Program For Areas Experiencing Acute Classroom Shortage (Red and Black Schools) to be Funded under the CY 2011 DepED Basic Educational Funds (BEFF).

**Enclosure No. 2 -** Guidelines For the Implementation of Repair/Rehabilitation of Classrooms Including Water and Sanitation Facilities to be Funded under the CY 2011 DepEd Basic Educational Facilities Funds.

**Enclosure No. 3 -** Guidelines for the Implementation of the CY 2011 School Furniture Program to be Funded under the CY 2011 DepEd Basic Educational Facilities Funds.



3. The lists of red and black schools were drawn from the updated Instructional Room Analysis of the BEIS. The budgetary ceiling for each region, the provincial costing and allocation list per legislative district/schools division shall be provided by the Regional Office, through the Regional Physical Facilities Coordinator (RPFC), or by the Physical Facilities and Schools' Engineering Division (PFSED) of the Central Office.
4. The PFSED shall draw up the initial priority list from BEIS data and forward the same to the Division Physical Facilities Coordinator (DPFC), for validation of the proposed school recipients, and approval of the Schools Division Superintendent. The allocation for both the elementary and secondary schools shall not exceed the budgetary ceiling of the legislative district/schools division.
5. In preparing the list of recipient schools, the format shown in **Enclosure No. 4** shall be followed.
  - a. The final list shall be prepared in triplicate copies, one copy to be submitted to PFSED, second copy to the Regional Office, and the third copy to be retained by the Division Office concerned.
  - b. It was agreed during the 6th National Convention of Physical Facilities Coordinators at Cagayan de Oro City that the deadline set for the submission of list is December 31, 2010. However, to provide ample time for the preparation of said list, extension is being given until January 14, 2011. Failure to comply shall mean that PFSED Central Office shall determine the recipient schools based on the updated BEIS.
  - c. The Division Physical Facilities Coordinator (DPFC) shall indicate his/her contact numbers (telephone number, fax number, mobile/cellular phone number) in the list for easy access, in case clarification on the contents is needed.
6. To comply with the timely completion of the project, the **"No Realignment"** policy shall be imposed except for duplication of projects/funds and errors in the data entry made by DepED. Thus, in preparing the final list of recipient schools, thorough conduct of assessment considering all factors that may affect its implementation shall be exercised by the Division Offices.
7. In the assessment of the proposed recipient schools, the following shall be considered:
  - a. Proper site adaptation of the standard detailed engineering designs specifically for proposed multi-storey buildings wherein the conduct of soil investigation shall be judiciously followed;

- b. Priority Schools located in typhoon prone areas or those in the Eastern Seaboard shall adopt the Hazard Resilient School Building (HRSB) Design;
- c. The use of indigenous materials is encouraged.

8. To prevent duplication of recipient schools in the Regular School Building Program (RSBP) implemented by the Department of Public Works and Highways (DPWH), or in any other School Building Projects being implemented by other agencies and non-government organizations (NGOs), the Schools Division/City Superintendents, or their representatives, may coordinate with the concerned Representative of the Legislative District, Local Government Unit (LGU) through the School Board, and other concerned entities, on the preparation of the final list of recipient schools.

The Schools Division/City Superintendent (SDS) shall be responsible in ensuring that the Congressional Representatives and Local Government Units (LGUs) of their respective Division are informed of the list of priority recipients schools of this particular program. **Enclosure No. 5 (A and B)** contains the pro-forma information letter to the Representatives and LGUs.

9. The priority lists of schools shall be submitted to the Physical Facilities and Schools' Engineering Division - Office of Planning Service (PFSED-OPS), at the 4th Floor, Bonifacio Building, DepED Complex, Meralco Avenue, Pasig City with telefax numbers (02)-633-7263/(02) 638-7110/(02) 638-4108 and e-mail address: pfsed\_010305@yahoo.com.

10. The default mode of implementation of the projects is by Contract and shall strictly follow the Implementing Rules and Regulations (IRR) of Republic Act No. 9184.

Implementation shall be based on the following threshold:

<b>Implementing Unit</b>	<b>Implementing Threshold</b>
Central Office	Above 20 Million worth of projects per contract
Regional Office	Above 15 Million up to 20 Million worth of projects per contract
Division Office	Above 5 Million up to 15 Million worth of projects per contract
Schools with Fiscal Autonomy	Not more than 5 Million worth of projects per contract

For Implementing Units (IUs) which have shown poor performance (those implementing units who have pending unimplemented projects in the previous years) under the 2010 SBP, upon analysis and recommendation of the PFSED, the next higher IU shall manage the implementation of the projects.

11. Local Government Units (LGUs) which are interested to implement the project on a counterparting scheme shall submit their letter of intent to the SDS. Upon evaluation of the Division, the SDS shall request approval from the

Office of the Undersecretary for Finance and Administration, through the Physical Facilities and Schools Engineering Division (PFSED) using the proforma Memorandum of Agreement (MOA) specified in the counterparting scheme between DepED and the Leagues of Provinces/Cities/Municipalities. If there are proposed amendments to the proforma MOA, the documents shall be reviewed by the Undersecretary for Legal Affairs.

12. Projects identified in areas with peace and order problem may be implemented by the Armed Forces of the Philippines (AFP) Engineering Brigade by the Administration. A corresponding MOA shall be made and entered by and between the Department of National Defense (DND) and the DepED Division Office to be approved by the Office of the Undersecretary for Finance and Administration, through the PFSED.

13. Procurement shall immediately commence while waiting for the release of the Special Allotment Release Order (SARO) by the Department of Budget and Management (DBM), to ensure that the school buildings, water and sanitation facilities can be used by the start of SY 2011-2012. Please see **Enclosure No. 6** for the Government Procurement Policy Board relative to the conduct of bidding in the absence of SARO and **Enclosure No. 7** for the Implementation Schedule of these programs for reference and guidance.

14. The Constructor's Performance Evaluation System (CPES) as stipulated in DepED Order No. 114 s. 2010 shall be implemented. Likewise, the involvement of the Civil Society Monitors shall also be considered in accordance with DepED Order No. 59 s. 2007.

15. In order to determine the compliance of the different Implementing Units (IUs) in the implementing guidelines set herein, the Internal Audit Service (IAS) of the DepED Central Office shall conduct random audits. Likewise, failure to comply with the provisions of this Order shall be subject to sanctions duly imposed in accordance to Civil Service Rules and Regulations.

16. Immediate dissemination of and compliance with this Order is directed.

  
**BR. ARMIN A. LUISTRO FSC**  
Secretary

Encls.: As stated

References: DepEd Order: Nos.: 59, s. 2007 and 114, s. 2010

To be indicated in the Perpetual Index  
under the following subjects:

FUNDS  
POLICY  
SCHOOLBUILDINGS

**GUIDELINES FOR THE IMPLEMENTATION OF SCHOOLBUILDINGS FOR  
AREAS EXPERIENCING ACUTE CLASSROOM SHORTAGE (RED AND BLACK  
SCHOOLS) TO BE FUNDED UNDER THE  
CY 2011 DEPED BASIC EDUCATIONAL FACILITIES FUND (BEFF)**

**1. MANNER OF ALLOCATION**

The lumpsum appropriation of Php **7,891,236,000.00** for the CY 2011 Red and Black Schools shall be equitably distributed to all legislative districts on the basis of classroom shortage, as computed from the updated Basic Education Information System (BEIS), using 1:45 single shift session and giving special attention to "Forty (40) High Priority Divisions".

**2. IDENTIFICATION OF RECIPIENT SCHOOLS**

- a. In the identification of recipient schools for this Program, priority shall be given to schools in the following order of priority:
  - a.1. Schools under the BLACK code of the BEIS;
  - a.2. Schools under the RED code of the BEIS;
  - a.3. Schools declared to be located in hazard prone areas and needing immediate relocation;
  - a.4. Replacement of school buildings razed by fire, old and dilapidated structures which have been condemned as finally approved by the Schools Division Superintendent;
  - a.5. Schools with incomplete/partial constructions and still fall under the RED code of the BEIS.
  
- b. The identified recipient schools shall have sufficient buildable space in the school site for the construction of additional classrooms. These school sites must have any of the following ownership documents:
  - b.1. Transfer Certificate of Title;
  - b.2. Deed of Donation (preferably with approved Lot Plan);
  - b.3. Deed of Sale in the name of DepEd/ School;
  - b.4. Presidential Proclamation; and

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#### **b.5. Usufruct Agreement.**

Tax Declaration in the name of DepEd or the Local Government Unit (LGU) will be considered by the Department as an acceptable site ownership document, provided, however, that there is certification from the Assessor's Office that the lot has no adverse claimant.

### **3. STANDARD CLASSROOM DESIGN**

- a. The Conventional Design (7mx9m) shall be adopted for all public elementary and secondary schools, regardless of its location and class size.

Conduct of soil investigation is required for at least a three-storey school building, or as may be necessary, before the procurement of the project. Subsequent funds for this will be downloaded to the implementing office.

Design suitability shall be considered in the finalization of plans, specifications and allocation per School.

- b. Special Designs such as the Hazard Resilient School Building and the Wooden School Building, may be constructed in typhoon/flood-prone areas, and in far flung areas, respectively.
- c. The Medium-rise School Building shall be adopted for schools in the National Capital Region (NCR) and in urban areas or where the school is with limited space/ site. At least a 2-storey structure shall be planned to be erected.

### **4. STANDARD COST OF SCHOOL BUILDING**

The costs of school buildings are based on normal condition and prevailing costs of construction materials in a particular province. Hauling cost for the project shall be considered and no partial construction shall be programmed.

The Regional Office through the Physical Facilities Coordinators shall be in charge of the quarterly updating of the provincial costing.

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**GUIDELINES ON THE IMPLEMENTATION OF THE CONSTRUCTION,  
REPAIR/ REHABILITATION OF CLASSROOMS INCLUDING WATER AND  
SANITATION FACILITIES TO BE FUNDED UNDER THE CY 2011 DEPED  
BASIC EDUCATIONAL FACILITIES FUNDS**

**1. MANNER OF ALLOCATION**

The lumpsum allocation of Php **2,450,000,000.00** shall be equitably distributed to all legislative districts giving special attention to "Forty (40) High Priority Divisions" on the basis of the following considerations:

- a. Data on the reported schools with structural defects;
- b. Data on shortage of toilet and water facilities from the latest BEIS;
- c. Unfunded requirements for schools damaged by typhoon and other calamities;
- d. Data base on the reported cost of restoration of Gabaldon and other types of heritage buildings; and
- e. Other priority schools reported needing immediate repair/rehabilitation.

**2. IDENTIFICATION OF RECIPIENT SCHOOLS**

Prioritization of recipient schools for repair/rehabilitation of classrooms and construction of water and sanitation facilities shall be in the following order of priority:

- a. Repair and rehabilitation of school buildings including typhoon-damaged school buildings. The cost of repair shall not exceed 50% of the total cost of a new classroom;
- b. Construction and/or repair/ rehabilitation of toilet and water facilities in high need areas;
- c. Restoration of Gabaldon and other heritage type school buildings. The building must have retained at least 60% of its original features.
- d. Other priority and/or completion such as but not limited to structurally unsafe buildings.  
(Reference: DepEd Order No. 4, s. 2009 and DepEd Order No. 2, s. 2010)

### 3. PARAMETERS FOR REPAIR/ REHABILITATION OF CLASSROOMS

- a. **Minor Repair-** is the replacement of school building components which are not subjected to critical structural loads and stresses and which are estimated to cost less than 10% of the cost of the standard unit, such as repair of windows, doors, partitions and the like. Minor repair keeps a building in fit condition for use without increasing its capacity or otherwise adding to its normal value as an asset.
- b. **Major Repair-** is the replacement of school building components which are subjected to critical structural loads and stresses and are estimated to cost 10% or more of the cost of a standard building unit such as repair of roof, frames, posts, exterior walls, etc. Major repair materially increases the value or extend the useful life of the building.
- c. **Rehabilitation-** is intended to put back the school building to its original or previous condition and involves a general overhauling or a comprehensive repair of the whole building or a major section of it. A school building which has been blown down by a typhoon or destroyed by an earthquake or a flood may be rehabilitated if the estimated cost is considered economically practical by the Appraisal Team.
- d. **Renovation/ Restoration-** involves any physical change made on a building to ensure its value, utility and/or to improve its aesthetic quality. Renovation is applied to old buildings which have weathered the years and remained sturdy, but need some face lifting to restore their original conditions.

Old Spanish school buildings/ Gabaldon buildings and other heritage school buildings may be restored for their historical value. Old posts, floor, etc. may be replaced keeping them close to their original architectural designs, with the health and safety of the pupils/ students and teachers in mind.

### 4. STANDARD DESIGNS AVAILABLE FOR TOILETS AND HAND WASHING FACILITIES

The following are the available standard designs of toilet facilities. However, in order to better address this kind of need, a minimum of three (3) seater toilet shall be constructed in targeted schools. In the programming of these facilities, provision for availability of water sources shall be considered. Likewise, construction of toilet facilities inside a classroom is discouraged.



- a. For toilet, the available designs are as follows:
  1. One-seater (detached)
  2. Two-seater (detached)
  3. Three-seater (detached) – Type 1, 2 and 3
  4. Four seater
  
- b. For Hand Washing Facilities, the available designs are as follows
  1. Type 1- Hand Washing Counter Detached (10 units of faucet)
  2. Type 2- Hand Washing Counter Detached (5 units of faucet)
  3. Type 3- Hand Washing Counter Detached (Manual)

## **5. CONSIDERATIONS IN CONSTRUCTING WATER FACILITIES**

- a. Whenever available, potable water requirements for schools shall be supplied from existing municipal or city waterworks system.
  
- b. The quality of drinking water from meteoric surface, or underground sources shall conform to the National Standards for Drinking Water.
  
- c. The design, construction and operation of deep wells for the abstraction of ground water shall be subject to the provisions of The Water Code of the Philippines (PD 1067).
  
- d. Water Piping Installation for water supply, and distribution to each fixture (including waste water drainage) inside school buildings, shall conform to the provision of the Revised National Plumbing Code of the Philippines.

## **6. ON SEWAGE DISPOSAL OF SCHOOLS**

- a. Sanitary sewage from school buildings shall be discharged directly into the nearest sanitary sewer main of existing municipal or city sanitary sewerage system, following the criteria set in the Code on Sanitation of the Philippines and by the Department of Environment and Natural Resources (DENR).
  
- b. For schools located in areas where there is no available sanitary sewerage system, they shall dispose their sewage to septic tank and subsurface fill or to a suitable disposal system (per the Code of Sanitation of the Philippines and the Revised National Plumbing Code of the Philippines).

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**GUIDELINES FOR THE IMPLEMENTATION OF THE CY 2011  
SCHOOL FURNITURE PROGRAM**

The Schools Furniture Program in the amount of **Php 950,000,000.00** included under the CY 2011 Basic Educational Facilities Funds (BEFF) shall be equitably distributed to all legislative districts in accordance with the actual need determined from the recent BEIS data on school furniture analysis. The budget shall be used for the procurement of school furniture, following the hereunder implementation guidelines.

**a. Manner of Allocation**

The appropriation shall be distributed in the following manner:

1. The seventy five percent (75%) of the nationwide budget shall be allocated for the procurement of school furniture from the manufacturers/suppliers and/or from cooperatives. This budget shall be allocated to the Division Offices.
2. The fifteen percent (15%) of the nationwide budget shall be allocated to the Regional Offices. The budget shall be used by the Regional Offices to procure school furniture only from cooperatives engaged in the manufacture and fabrication of school furniture.
3. The ten percent (10%) of the nationwide budget shall be retained at the Central Office for its procurement of school furniture from cooperatives formed by Persons With Disability (PWD).

In cases where the Division Office fails to implement the previous year's budget (i.e. budget lapsed, D.O.s with outstanding procurement legal issues/cases), the 75% budget allocation for its current school furniture procurement program shall be released to the regional office. The regional office shall then implement the procurement of the school furniture requirement of the division.

In the same manner, if the regional office fails to implement the previous year's budget, the 15% budget allocation for its current school furniture procurement program shall not be released. The Central Office shall then implement the 15% budget allocation of the concerned region intended for cooperatives.

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**b. Identification of Recipient Schools**

- 1) Schools programmed under the BEF Funds school building projects should be given priority. The Divisions shall provide recommendation based on the available school furniture inventory;
- 2) Schools which are recipients of new academic classrooms under the CY 2010 Regular School Building Program implemented by the DPWH and other funding sources;
- 3) Schools with high shortage of classroom seats. The result of the Furniture Analysis in the latest Basic Education Information System (BEIS) shall be used as basis in determining classroom furniture needs. Preference shall be given to schools belonging to black, red, orange and gold zones.
- 4) The priority list for the 10% National Reserved Fund, implemented by the Central Office, shall be allocated to schools needing immediate assistance such as burned school furniture, those damaged by typhoons and other calamities, and other priorities of the Office of the Secretary.

**c. Quantity and Type of School Furniture**

1. The minimum number of elementary (for every 23 tables are 46 chairs) secondary armchairs (minimum of 45) to be allocated per school/ classroom shall be good for 45 seats and a set of Table and Chair for the teacher, which is equivalent to the standard number of pupil/ student being considered in the BEIS data analysis (45:1).
2. The minimum standard number of elementary/ secondary armchairs and a set of teacher's table and chair shall be included in the package for the newly constructed academic classrooms implemented by DepEd.
3. The 10% allocation for bamboo materials required under EO No. 879, and the other 10% for the cooperatives formed by persons with disability, which shall be implemented by the Central Office, shall likewise be the minimum standard number of elementary/ secondary armchairs with a set of teacher's table and chair.
4. The Division Office shall determine the quantity and type of school furniture to be procured/ implemented in their respective Divisions, which can be any of the following:
  - i. Elementary Table and Chairs
  - ii. Elementary and Secondary Armchairs

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- iii. Teacher's Table and Chair
  - iv. Science Laboratory Table and Stools
  - v. Workbenches (for Industrial Arts)
  - vi. Library Table and Chairs
5. Should the Division find the need for science laboratory table and stools for secondary schools, and workbenches for elementary and secondary schools, the allocation shall not exceed 50% of the division budget allocation. A minimum number of 8 science laboratory tables and 48 stools shall be provided for a standard science laboratory classroom (7m x 18m dimensions), and 6 workbenches shall be provided for a standard industrial arts/ workshop room.
6. The Division may opt to purchase additional teacher's table and chair and library tables and chairs. This shall not exceed 20% of the total allocation of the Division and that the actual need for armchairs (student school furniture) shall not be compromised.

**d. Design and Specifications**

1. The procurement of school furniture shall be in accordance with the DepEd standard designs and specifications, to include the design of bamboo as recommended by DTI.
2. The specification to be used in the procurement of school furniture shall be identified by the Procuring Entity and shall be clearly stipulated in the Bid Document, particularly in the Invitation To Bid to be posted in the manner required by the procurement guideline. In cases where the implementing entity opted to procure school furniture with several specifications, the procurement should be in a per lot/ package basis per kind of specifications, so that the bid evaluation per package shall be on equal footing, which shall be determined in accordance with each individual cost ceiling approved by the Department.
3. The procuring entity shall require the supplier to comply with the hereunder required markings on each delivered school furniture:

"DepED Project  
CY 2011 SFP  
Name of Supplier

4. To identify the procuring unit of the school furniture, color coding of the markings shall be as follows:

Division Office – Green  
Regional Office – Blue  
Central Office – White

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**e. Procurement Method**

1. Procurement shall be in accordance with Republic Act No. 9184 otherwise known as the "Government Procurement Reform Act" and its Revised Implementing Rules and Regulations. The Central/ Regional/ Division Offices shall ensure transparency in all procurement processes. Advertisement in the national newspaper and posting in the PhilGEPS shall be strictly observed.
2. The seventy five percent (75%) budget allocation shall be procured by the Division Bids and Awards Committee (BAC) from eligible manufacturers, suppliers or cooperatives through competitive public bidding and/ or be contracted to arts and trades schools and other similar government technical/ vocational schools which have the manufacturing capacity through negotiated procurement following provisions of R.A. 9184. The Division BAC shall invite arts and trades schools and other similar government technical/ vocational schools if they are interested to supply and deliver the school furniture requirement of the Division. The BAC shall evaluate the technical capability and the production capacity of the interested school which shall be the basis for the contract amount.
3. The fifteen percent (15%) budget allocation shall be used by the Regional Bids and Awards Committee (BAC) for the purchase of school furniture manufactured and fabricated by cooperatives following the provisions of R.A. 9184.
4. The ten percent (10%) budget allocation earmarked for cooperatives of Persons With Disability (PWD), shall be procured only from cooperatives of PWDs engaged in the manufacture and fabrication of school furniture, following RA 9184.
5. The allocation for the (10%) using bamboo materials and the other ten percent (10%) National Reserved Fund shall be procured by the Central Office through competitive bidding following provisions of R.A. 9184. Eligible manufacturers, suppliers and cooperatives may participate in the conduct of the bidding.

Enclosure No. 4 to DepEd Order No. 1, s. 2011

Republic of the Philippines  
 Department of Education  
 Region \_\_\_\_\_  
 Division of \_\_\_\_\_

**CY 2010 SCHOOL BUILDING PROGRAM FOR RED AND BLACK SCHOOLS**

Name of School	Municipality/Location	Physical Targets	Amount (P'000)	Design		Type of Construction	Remarks (Academic, Science, Lab, MPWB, Toilet)
				(Standard/Modified 7x7, 7x9)	(Complete, Partial, Completion, Repair, Etc.)		
<b>A. Elementary</b>							
1							
2							
3							
<b>Sub-Total Elementary</b>							
<b>B. Secondary</b>							
1							
2							
3							
<b>Sub-Total Secondary</b>							
<b>Grand Total (ES + SS)</b>							

Prepared by: \_\_\_\_\_

Division Physical Facilities Coordinator \_\_\_\_\_

Tel. No. \_\_\_\_\_  
 Cel. No. \_\_\_\_\_

Verified by: \_\_\_\_\_

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

Area Manager \_\_\_\_\_

Schools Division/City Superintendent \_\_\_\_\_

Enclosure No. 5A to DepEd Order No. 1, s. 2011

Hon. \_\_\_\_\_  
Representative:  
\_\_\_\_\_ District, \_\_\_\_\_  
House of Representatives  
Quezon City, Metro Manila

Dear Representative \_\_\_\_\_,

We are pleased to furnish you the list of priority recipient schools in the \_\_\_\_\_ District of \_\_\_\_\_ under the CY 2011 Basic Educational Facilities Funds.

The list was drawn from the updated Basic Education Information System (BEIS).

The schools are as follows:

Schools	Classroom Construction No. of Classrooms	Toilets NC/Repair
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Please let us know if you have comments or clarifications regarding this matter. We look forward to continuing to work with you in providing for the education needs of the children in your district.

Very truly yours,

\_\_\_\_\_  
Schools Division Superintendent

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Enclosure No. 5B to DepEd Order No. 1, s. 2011

Hon. \_\_\_\_\_  
Governor/City Mayor/Municipal Mayor:  
Province/City/Municipality

\_\_\_\_\_  
\_\_\_\_\_

Dear Governor/Mayor \_\_\_\_\_:

We are pleased to furnish you the list of priority recipient schools in the \_\_\_\_\_ Province/City/Municipality of \_\_\_\_\_ under the CY 2011 Basic Educational Facilities Funds.

The list was drawn from the updated Basic Education Information System (BEIS).

The schools are as follows:

Schools	Classroom Construction No. of Classrooms	Toilets NC/Repair
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

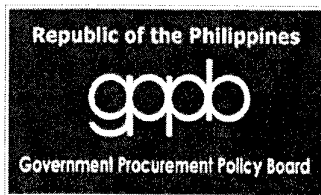
Please let us know if you have comments or clarifications regarding this matter. We look forward to continuing to work with you in providing for the education needs of the children in your district.

Very truly yours,

\_\_\_\_\_  
Schools Division Superintendent

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Unit 2506 Raffles Corporate Center,  
F. Ortigas Jr. Road, Ortigas Center,  
Pasig City, Philippines 1605

**CIRCULAR 01-2009**

20 January 2009

**TO : Heads of Departments, Bureaus, Offices and Agencies of the National Government including State Universities and Colleges, Government Owned and/or Controlled Corporations, Government Financial Institutions, and Local Government Units**

**SUBJECT : Guidelines Clarifying the Procurement Activities which may be Undertaken Without an Issued Allotment**

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**1.0 Purpose**

This Circular is being issued to clarify the procurement procedures an agency may undertake prior to the receipt of the funds/allotment programmed for the purpose.

**2.0 Coverage**

- 2.1 All departments, bureaus, offices and agencies of the national government (NG) including state universities and colleges (SUCs).
- 2.2 Government-owned and/or controlled corporations (GOCCs) and local government units (LGUs), only when tapped as implementing units and recipients of fund transfers from the national government.

**3.0 Definition of Terms**

As used in this Circular, the following terms are defined, as follows:

- 3.1 *Allotment* – document issued by the Department of Budget and Management (DBM) which authorizes an agency to incur obligations for a specified amount as contained in a legislated appropriation. The allotment issued may either be through the Agency Budget Matrix (ABM) which covers the comprehensive release of specifically appropriated items in the agency's budget or through the Special Allotment Release Order (SARO).
- 3.2 *Annual Procurement Plan (APP)* - the requisite document that the agency must prepare to reflect the entire procurement activity (i.e., goods, services, civil works to be procured) that it plans to undertake within the calendar year. This document contains the following information:

- 3.2.1 Name of the procurement program/project;
- 3.2.2 Project management office or end-user unit;
- 3.2.3 General description of the procurement;
- 3.2.4 Procurement method to be adopted;
- 3.2.5 Time schedule for each procurement activity;
- 3.2.6 Source of fund; and,
- 3.2.7 Approved Budget for the Contract.

3.3 *Approved Budget for the Contract (ABC)* - refers to the following:

NGs including SUCs (referred to in Section 2.1)

3.3.1 For specifically appropriated items as reflected in the annual budget of the national government agency, the amount corresponding to either the **full cost** of a single year or multi-year program/project/activity. For multi-year projects, for which a Multi-Year Obligational Authority has been issued, the ABC shall be the amount reflected in the Multi-Year Obligational Authority.

3.3.2 For lump sum allocation of a department or agency, this corresponds to the allocation of the specific implementing unit as determined by the head of the department/agency.

GOCCs and LGUs (referred to in Section 2.2)

3.3.3 In the case of GOCCs, including government financial institutions as well as LGUs, the ABC represents the amount of fund transfers which they receive from a national government agency to implement a program/project/activity.

3.4 *Implementing Units (IUs)* - agencies or bureaus within a department of the national government, or a GOCC or LGU tasked to undertake a program/project/activity.

3.5 *Lump-sum Appropriations and Centrally Managed Items (CMI)s* - those items in the budget of agencies for which the Implementing Units and the specific amounts allocated for each have not been identified in the National Expenditure Program (NEP) or the General Appropriations Act (GAA).

3.6 *Multi-Year Projects (MYP)* - refers to budgetary programs/projects/activities which will take more than one (1) year to complete.

3.7 *Single Year Projects (SYPs)* - refers to programs/projects/activities which have an implementation period of not more than a year.

3.8 *Multi-Year Obligational Authority (MYOA)* - a document issued by DBM either for locally funded projects or foreign assisted projects implemented by agencies in order to authorize the latter to enter into multi-year contracts for the full project cost. A MYOA, which contains an annual breakdown of the full project cost, obligates agencies to

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include in their budget proposal for the ensuing years the amount programmed for the said year(s).

- 3.9 *National Expenditure Program (NEP)* – the proposed national budget submitted by the President to Congress in accord with Section 22, Article VII of the Constitution. The NEP shall be the basis of the general appropriations bill, which upon its enactment, becomes the General Appropriations Act (GAA).

#### **4.0 General Guidelines**

- 4.1 Consistent with Section 7 of the Implementing Rules and Regulations Part A (IRR-A) of Republic Act 9184 (R.A 9184), all government procurement shall be undertaken in accordance with the APP as approved by the head of the procuring entity.
- 4.2 To facilitate the immediate implementation of projects even pending approval of the GAA, the ABC shall be based on the budget levels under the NEP submitted to Congress.
- 4.3 For specifically appropriated projects, agencies can proceed with the procurement activities prior to issuance of the notice of award using as basis the NEP figures.
- 4.4 For lump-sum appropriations or CMIs under the agency's budget, the head of the agency shall identify and thereafter notify the IUs of the amount allocated for the projects they are to implement. On the basis of said notification, the heads of the respective IUs, as procuring entities, can proceed with the procurement activities prior to issuance of the notice of award.
- 4.5 For MYPs, for which the initial funding -- sourced from either the existing/current year's budget or the NEP -- is not sufficient to cover the total cost of the project, it is required that a MYOA must already have been issued in accord with DBM Circular Letter 2004-12 prior to commencement of any procurement activity.

Thus, the MYOA shall be a pre-requisite for procurement of a multi-year contract. All procurement activities should be within the total project cost and categories reflected in the MYOA issued by DBM for the said MYP.

- 4.6 As prescribed under Section 47, Chapter 8, Subtitle B, Title I, Book V of the Administrative Code of 1987, no contract involving the expenditure of public funds shall be entered into unless the proper accounting official of the procuring entity shall have certified as to the availability of funds and the allotment to which the expenditure or obligation may be properly charged.
- 4.7 The notice of award, regardless of whether the procurement is to be conducted through competitive bidding or any of the alternative methods of procurement, shall only be made under the following instances:



- 4.7.1 Upon receipt of the ABM or SARO for the full cost of the project; and
- 4.7.2 Upon receipt of actual cash transfer for GOCCs/LGUs.
- 4.8 The notice of award shall also be made within the bid validity period. Should it become necessary to extend the validity of bids and, if applicable, the bid securities, the procuring entity concerned shall request in writing all those who submitted bids for such extension before the expiration date. Bidders, however, shall have the right to refuse to grant such extension without forfeiting their bid security.
- 4.9 Pursuant to Section 41 of the IRR-A of R.A. 9184, the procuring entity reserves the right to declare a failure of bidding if the funds/allotment for the program/project/activity has been withheld or reduced through no fault of the procuring entity.

For transparency, procuring entities shall ensure that their bid documents expressly reserve their right to reject bids, declare a failure of bidding, and not to award the contract without incurring any liability if the funds/allotment for said program/project/activity has been withheld or reduced through no fault of its own. They are also encouraged to emphasize this reservation clause during pre-bid conference or submission of bids.

- 5.0 The provisions of GPPB Circular 02-2008 dated 01 August 2008 which are inconsistent with any of the provisions of this Circular are hereby revoked or modified accordingly.
- 6.0 This Circular shall take effect immediately.
- 7.0 For guidance and compliance.

*(Original Signed)*

**ROLANDO G. ANDAYA, JR.**

*Chairperson*



Enclosure No. 7 to DepEd Order No. 1, s. 2011

Department of Education  
Office of the Planning Service  
Physical Facilities and Schools Engineering Division

2011 SBP IMPLEMENTATION TIMELINES

ACTIVITY	2011												
	Dec 2010	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1 Completion of Balances from 2009-2010		SBP CY 2009 Batch 1											
2 Preparation and Issuance of DepED Order with Allocation List	2011 Batch 1&2												
3 Preparation and submission of priority list of schools		2011 B1&2											
4 Submission of Final List to DBM		2011 B1											
5 Preparation of detailed engineering/site appraisal			2011 B2										
6 Issuance of SARO and Sub-AROs		2010B 2 RnB		2011 B2									
			2011 B1										
7 Procurement		2010B2 RnB			2011 B2								
			2011 B1										
8 Contract Implementation				2010B2 RnB									
				2011 B1									
					2011 B2								