



FEB 24 2011

DepEd MEMORANDUM
No. **50**, s. 2011

**NATIONAL AND LOCAL GOVERNMENT COUNTER-PARTING PROGRAM
FOR CLASSROOM CONSTRUCTION**

To: Regional Secretary, ARMM
Regional Directors
Schools Division/City Superintendents
Heads, Public Elementary and Secondary Schools
All Others Concerned

1. On February 3, 2011, the Department of Education (DepEd) forged a Memorandum of Agreement (MOA) on the **National and Local Government Counter-Parting Program for Classroom Construction** with the Department of Budget and Management (DBM) and the League of Provinces of the Philippines (LPP) at the *Bulwagan ng Karunungan*, DepEd Central Office. Likewise, this Department entered into similar Agreements with the League of Cities of the Philippines (LCP) on January 8, 2011 and with the League of Municipalities of the Philippines (LMP) on January 31, 2011.
2. The Counter-Parting Program provides a facility whereby the DepEd and the Local Government Units (LGUs) can share the cost of classroom construction on a fifty-fifty (50-50) basis. Public schools experiencing acute shortage of classrooms will be prioritized for Counter-Parting Program. Please see the proforma of the mother MOA and individual MOAs for provinces and cities contained in Enclosure Nos. 1 and 2 for reference.
3. The DepEd Regional and Division Key Officials are requested to coordinate with the Office of the Governor/Mayor in their respective localities to facilitate the possible adoption of the Program.
4. For more information, please visit the Physical Facilities and Schools Engineering Division (PFSED), 4th Floor, Bonifacio Bldg., DepEd Central Office, Meralco Ave., Pasig City, or contact this Office at telephone no. (02) 633-7638 and/or Ms. Theresa Anne Manalastas at telephone no.: (02) 633-9342; telefax no. (02) 631-9640 or send her an e-mail at trissamanalastas@gmail.com.
5. Immediate dissemination of this Memorandum is desired.

FRANCISCO M. VARELA
Undersecretary



Encl.:
As stated

Reference:

N o n e

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

FUNDS
PROGRAM
SCHOOL BUILDING

JoBM, DM MOA Counterparting Program
February 11, 2011/2-17-11

ANNEX A

MEMORANDUM OF AGREEMENT

(On National and Local Government Counter-Parting for
Classroom Construction)

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement made and entered into in the City of, this ____ day of _____ 2011 by and among:

The **Department of Education**, a national government agency duly organized and existing under the laws of the Philippines with office address at DepEd Complex Meralco Ave., Pasig City Metro Manila, represented by its Secretary, **Br. Armin A. Luistro FSC**, herein referred to as **DepEd**;

The _____, a provincial/city/municipal government duly organized and existing under the laws of the Philippines, with office address at _____, represented herein by its Governor/Mayor, _____, acting pursuant to Sangguniang Panlalawigan/Panglungsod Resolusyon Blg., ____ hereinafter referred to as **Participating Local Government**;

WITNESSETH:

WHEREAS, the DepEd is the government agency responsible for managing the basic education system of the Philippines;

WHEREAS, in accordance with the principles of local autonomy and integrated development, there is a need to coordinate national government policies and programs with those of LGUs in order to realize the common objective of ensuring the sufficiency of classrooms serving Filipino school children nationwide;

WHEREAS, mindful of the budgetary constraints of the national government, the parties have agreed to participate in a

nationwide cooperative endeavor to be known as a **Counter-Parting Program** (Program) whereby the Participating Local Government shall share with the national government the cost of building new classrooms in areas experiencing acute shortage of classrooms;

WHEREAS, DepEd recognizes that the Participating Local Government has the managerial and technical capability to undertake the procurement of construction projects involving new school buildings and the implementation of this MOA;

WHEREAS, the classrooms constructed under this Agreement shall be deemed the property of DepEd;

NOW THEREFORE, for and in consideration of the foregoing premises and of their mutual covenants herein stated, the parties have agreed as follows:

Article I

Scope and Coverage

This Agreement covers the construction of a _____ classroom school building in _____ hereinafter referred to as Construction Works to be procured by the Participating Local Government with a total cost of _____.

Article II

Financing Agreement

A. Funding Agreement

Counter-part funds will be on a fifty fifty(50/50) sharing wherein initial funds will come from LGUs. Release of DepEd counter-part funds will be made upon receipt of certification by the participating LGU that the latter's fifty percent(50%) share has been fully spent for the project and another certification from the concerned DepEd Schools Division Superintendent duly concurred by the Division Chief of DepEd Physical Facilities and Schools Engineering Division (PFSED) that project construction is fifty percent (50%) completed based on the prescribed program of works. DepEd shall be free from any liability for variation/additional works prescribed by the Participating LGU

during Program implementation or for unpaid contracts entered into by the LGUs in the implementation of this MOA.

B. Transfer of Funds

Upon receipt of the Special Allotment Release Order (SARO) and Notice of Cash Allowance (NCA) from the DBM, DepEd shall transfer funds to the Participating LGU subject to the conditions in the above paragraph.

C. Control and Accounting of Funds

Upon receipt of the fund, the Participating Local Government shall deposit the funds in a Trust Account. All payments made from the Trust Account shall follow government accounting and auditing rules and regulations.

D. Liquidation of Funds

The Participating Local Government shall submit a report of disbursement using the prescribed disbursement voucher. The report shall be submitted to DepEd's Division Office ten (10) days after the end of the Construction Works. The DepEd's Division Office shall submit the reports to the Project Accountant DepEd-Central Office- Accounting Division ten (10) days after receiving the reports from the Participating Local Government.

The Participating Local Government shall keep all financial records, including receipts and other supporting documents for auditing by the Participating Local Government.

ARTICLE III

Working Arrangement and Procedures

A. Duties and Responsibilities of DepEd

- 1.1. Upon recommendation of the Regional/Division Office, approve the list of priority projects for the construction of new classrooms in areas with acute classroom shortage;

- 1.2. Prepare the program of works and detailed estimate based on DepEd's standard classroom designs and specifications;
- 1.3. Match the counterpart fund offered by the Participating Local Government and commit its counterpart fund from its allocation for capital outlay intended for acute classroom shortage and from such other sources of funds as may be identified for the implementation of the Program;
- 1.4. Submit to DBM: (i) Special Budget Request together with all supporting documents for release of allotment; (ii) monthly reports on status of the Program with copies of individual MOA duly signed with the Participating Local Government; and (iii) certification that Participating Local Government has complied with its obligations under this MOA as basis for issuance of NCA;
- 1.5. Monitor the implementation of the Program thru its PFSED, Regional and Division Offices in coordination with the Participating Local Government to ensure that the school building is being constructed in accordance with DepEd's standard design, specifications and program of works;
- 1.6. Review and concur, thru its PFSED, the percentage of accomplishment of the Construction Works as prerequisite to the release of DepEd's counterpart funding;
- 1.7. Review and evaluate disbursements accomplishments and completion reports submitted by the Participating Local Government;
- 1.8. Conduct a joint inspection of the project for purposes of punchlisting to determine the items of work that need to be rectified by the contractor prior to final payment;
- 1.9. Signs, thru its Division Office representative the Certificate of Completion; and

- 1.10. Perform such acts necessary for the effective implementation of the Program in accordance with the rules and procedures jointly formulated by the DepEd, the Department of Budget and Management (DBM), and the League of Provinces/Cities/Municipalities of the Philippines.

B. Duties and Responsibilities of the Participating LGU

- 2.1 Pass the appropriate ordinance or resolution voluntarily committing such portion of its Special Education Fund (SEF), Local Development Fund (LDF), Internal Revenue Allotment (IRA), and other sources of funds as are available for its disposition to provide fifty percent (50%) counterpart funding for the school building project covered by this Memorandum of Agreement;
- 2.2 Submit to DepEd a copy of the certification from the Local Treasurer on the availability of funds;
- 2.3 Undertake the procurement and implementation of the Construction Works in accordance with the provisions of Republic Act 9184, otherwise known as the Government Procurement Reform Act, its Implementing Rules and Regulations and applicable issuances of the Government Procurement Policy Board;
- 2.4 Ensure that its fifty percent (50%) of the project will be completed before requesting for the release of DepEd's counter-part fund.
- 2.5 Be responsible for variation/additional works it prescribes during project implementation or for unpaid contracts entered into in the implementation of this MOA;
- 2.6 Assign Technical Staff who will coordinate with PFSED, the Physical Facilities Unit of DepEd's Regional and Division Offices in the province and supervise the Construction Works to ensure that they are in accordance with DepEd's standard design, specifications and program of works;

- 2.7 Conduct a joint punchlisting with PFSED project engineers /architects to determine the items of work that need to be rectified by the contractor prior to final payment;
- 2.8 As prerequisite to final payment, ensure that the DepEd Office representative shall affix his signature in the Certificate of Completion;
- 2.9 Conduct twice a month project coordination meetings with PFSED's project engineers to assess the performance of the contractor in the project to ensure compliance with the project specifications;
- 2.10 Receive the counter-part funds from DepEd based on the approved disbursement scheme and account for the counterpart fund for the approved Program;
- 2.11 Ensure that it shall open and maintain a Trust Account and disburse the funds exclusively for the Construction Works and in accordance with government accounting and auditing rules and regulations. To issue to DepEd's Division Office of ____- the Official Receipt for the amount of the funding check received and maintain separate subsidiary ledgers and books of accounts in accordance with the existing government accounting and auditing rules and regulations to reflect the expenditures on account of which withdrawals are made from the deposits accounts;
- 2.12 Ensure that liquidation of all disbursements shall be according to government accounting and auditing rules and regulations;
- 2.13 Ensure the submission of Report of Disbursement on or before the ten (10) days after the completion of the Construction Works with copies of report furnished the DepEd-PFSED Office for records purposes;
- 2.14 Ensure remittances or unexpected balance to DepEd after all Construction Works including modifications at related activities are completed in accordance with existing government accounting and auditing rules and regulations;

- 2.15 Ensure the reimbursement/refund of ___ payments such as payments for Construction Works, which were implemented contrary to R.A. 9184 procurement procedures;
- 2.16 Maintain separate books of accounts for implementation of this MOA; and
- 2.17 Jointly formulate rules and procedures for the effective implementation of the Program with the DepEd and the DBM.

ARTICLE V
Further Acts and Assurances

Each of the Parties agree to execute and deliver all such further instruments and to do and perform all such further acts and deeds as shall be necessary or convenient to carry out the provisions of this Agreement.

ARTICLE VI
Supplements

This MOA shall be supplemented by terms of reference, letters of agreement, and other addenda that describe specifically the activities to be carried out or items to be required for the Program. Any action required or permitted to be taken and any document required or permitted to be executed under this Agreement shall be taken or executed by Sec. _____ DepEd in behalf of DepEd and Governor/Mayor ___ in behalf of the Province/City/Municipality of _____.

Article VII
Amendments

The parties may, by mutual consent, add, delete or amend any words, sentences or articles contained in this MOA.

Article VIII
Settlement of Conflict

In the unlikely event that differences arise concerning this MOA or any undertaking relating to this MOA, the parties agree to negotiate in good faith to settle these differences, and if no settlement is reached, to submit the issues for mediation.

Article IX
Effectivity

This MOA shall take effect on the date the parties affix their signatures, and shall remain valid for six (6) years unless mutually revoked by the parties.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures on the date and place indicated below.

PARTICIPATING LGU

DEPARTMENT OF EDUCATION

By:

By:

HON. _____
Governor / Mayor

BR. ARMIN A. LUISTRO FSC
Secretary

SIGNED IN THE PRESENCE OF

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)

CITY OF _____) ss.

BEFORE ME this _____ (date) _____,
personally appeared:

Name _____ CTC No./Passport No. _____ Date _____ and Place
Issued _____

Br. Armin A. Luistro FSC
Governor/Mayor _____

Known to me and to me known to be the same persons who executed the foregoing instrument, and they acknowledged to me that the same is their free and voluntary act and deed. This Memorandum of Agreement consist of _____ pages including this page in which this acknowledgement is written, signed by the parties in their instrumental witnesses each and every page thereof.

WITNESS MY HAND AND NOTARIAL SEAL, on the date at the place first written above.

NOTARY PUBLIC

Doc. No. _____

Page No. _____

Book No. _____

Series of _____

MEMORANDUM OF AGREEMENT

(On National and Local Government Counter-Parting for
Classroom Construction)

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement made and entered into in the City of Manila, this ____ day of _____ 2011 by and among:

The **Department of Budget and Management**, a national government agency duly organized and existing under the laws of the Philippines, with office address at General Solano St., San Miguel, Manila, represented herein by its Secretary, **Hon. Florencio B. Abad**, hereinafter referred to as **DBM**;

The **Department of Education**, a national government agency duly organized and existing under the laws of the Philippines with office address at DepEd Complex Meralco Ave., Pasig City, Metro Manila, represented by its Secretary, **Br. Armin A. Luistro FSC**, herein referred to as **DepEd**;

The **League of Provinces of the Philippines**, an association duly organized and existing under the laws of the Philippines, with office address at Unit 1510 West Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City, Metro Manila, represented herein by its National President, **Hon. Alfonso V. Umali**, hereinafter referred to as **LPP**;

The League of Cities of the Philippines, an association duly organized and existing under the laws of the Philippines, with office address at Units J & K, 7th Floor CyberOne Building, Eastwood, Libis, Quezon City, Metro Manila, represented herein by its National President, **Hon. Oscar S. Rodriguez**, hereinafter referred to as **LCP**;

The **League of Municipalities of the Philippines**, an association duly organized and existing under the laws of the Philippines, with office address at 2nd Floor LMP Bldg., 265 Ermin Garcia St., Cubao, Quezon City, Metro Manila, represented herein by its National President, **Hon. Strike B. Revilla**, hereinafter referred to as **LMP**;

LPP, LCP and LMP shall be collectively referred to as **Local Government Leagues**.

WITNESSETH:

WHEREAS, the DBM is the government agency responsible for the sound and efficient use of government resources in order to meet socio-economic development goals;

WHEREAS, the DepEd is the government agency responsible for managing the basic education system of the Philippines;

WHEREAS, the Local Government Leagues are associations of local government units (LGUs) organized for the purpose, among others, of collaborating with national and other local government agencies for the attainment of efficient and effective inter-governmental relations, and assisting the national government in the formulation and implementation of policies, programs, and projects affecting LGUs, including the delivery of basic services and facilities such as school buildings and other facilities for public elementary and secondary schools;

WHEREAS, in accordance with the principles of local autonomy and integrated development, there is a need to coordinate national government policies and programs with those of LGUs in order to realize the common objective of ensuring the sufficiency of classrooms serving Filipino school children nationwide;

WHEREAS, the Annual GAA allocates funds, under the budget of the DepEd, for the construction of school buildings and facilities, giving priority to areas experiencing acute classroom shortage, subject to certain conditions;

WHEREAS, mindful of the budgetary constraints of the national government and pursuant to their own mandate and development goals, the Local Government Leagues desire to assist the national government in eliminating classroom shortages.

WHEREAS, to address the classroom shortage, the parties have agreed to participate in a nationwide cooperative endeavor to be known as a **Counter-Parting Program** (Program)

whereby the participating members of the Local Government Leagues shall share with the national government the cost of building new classrooms prioritizing areas experiencing acute classroom shortage subject to terms and conditions provided in an individual MOA with DepEd, copy of which is attached and made an integral part hereof as Annex "A";

WHEREAS, the counter-part funding scheme will be on a fifty fifty(50/50) sharing wherein initial funds will come from participating LGUs. Release of DepEd counter-part funds will be made upon receipt of certification from LGU's that their fifty percent (50%) share has been fully spent for the project and a certification from DepEd's Schools Division Superintendent that indeed construction is fifty percent (50%) complete based on the program of works;

WHEREAS, the classrooms constructed under this Agreement shall be deemed the property of DepEd;

NOW THEREFORE, for and in consideration of the foregoing premises and of their mutual covenants herein stated, the parties have agreed as follows:

Article I

General Obligations of the Parties

- A. The DepEd, as the government agency charged with providing quality basic education, shall:
- (1) submit to DBM a Special Budget Request (SBR) for release of allotment supported by a detailed list of school buildings to be constructed, cost per school building and location in every local government;
 - (2) determine the classroom requirements of the Participating Local Governments in accordance with the list submitted to DBM;
 - (3) ensure that the individual projects to be implemented under the Program are in accordance with DepEd's

Standard Classroom design, program of works and detailed estimates subject to pertinent laws and regulations as well as the guidelines and procedures to be formulated by DBM, DepEd, and the Local Government Leagues, as may be necessary;

- (4) submit a monthly report to DBM on status of the Program together with copies of individual MOAs duly signed with Participating Local Governments; and
- (5) commit and release its counter-part funds to the Participating Local Government upon receipt of certification that the latter's fifty percent (50%) share has been fully spent for the project and another certification from the concerned DepEd Schools Division Superintendent duly concurred by the Division Chief of DepEd Physical Facilities and Schools Engineering Division that project construction is fifty percent (50%) completed based on the program of works. DepEd is free from any liability for variations/additional works prescribed by the Participating Local Government during Program implementation or for unpaid contracts entered into by the LGUs in the implementation of this MOA.

The DepEd shall take into account the pro-active participation of concerned LGUs in the building of classrooms in planning the deployment of other critical inputs to education, including teacher items, textbooks, furniture and other related items.

B. The DBM, as the government agency charged with the allocation of funds to support government programs, shall:

- (1) assist and guide the DepEd in identifying the appropriate funding sources under its budget;
- (2) facilitate the release of allotment upon receipt of the SBR together with all supporting documents;
- (3) issue the Notice of Cash Allocation (NCA) upon receipt of certification from DepEd that Participating Local Government has complied with its obligations under the individual MOA; and

- (4) perform such acts necessary to ensure strict implementation of the MOA. It shall formulate, together with the DepEd and the Local Government Leagues, the guidelines and procedures for the effective implementation of the Program, as necessary.

C. The Local Government Leagues shall encourage the full participation of its member LGUs in the Program in order to make the same a truly nationwide cooperative endeavor. They shall ensure that Participating LGUs shall:

- (1) pass the appropriate ordinance or resolution voluntarily committing such portion of its Special Education Fund (SEF), Local Development Fund (LDF), Internal Revenue Allotment (IRA), and other sources of funds as are available for its disposition to provide fifty percent (50%) counterpart funding for school building projects it desires to undertake under the Program;
- (2) offer the earmarked amount to DepEd for the purpose of constructing new classrooms giving priority to areas experiencing acute shortage of classrooms and submit the required certification from the Local Treasurer on the availability of funds;
- (3) execute with DepEd the implementing MOA and undertake the procurement of the Construction Work in accordance with the provisions of Republic Act 9184, otherwise known as the Government Procurement Reform Act, its Implementing Rules and Regulations and applicable issuances of the Government Procurement Policy Board;
- (4) release the fifty percent (50%) counter-part fund as the initial fund of the project;
- (5) assign Technical Staff who will coordinate with the Physical Facilities Unit of DepEd's Division Office in the supervision of the Construction Works to ensure that they are in accordance with approved plans and specifications. Acceptance documents shall be countersigned by the Chief of the Physical Facilities and

Schools Engineering Division (PFSED) of DepEd-Central Office;

- (6) receive the counter-part funds from DepEd based on the approved disbursement scheme and account for DepEd's counterpart fund for the approved Program;
- (7) ensure that it shall open and maintain a Trust Account and disburse the funds exclusively for the Construction Works in accordance with government accounting and auditing rules and regulations;
- (8) issue to the appropriate DepEd Division Office the Official Receipt for the amount of the funding check received and maintain separate subsidiary ledgers and books of accounts in accordance with existing government accounting and auditing rules and regulations to reflect the expenditures on account of which withdrawals are made from the deposit accounts;
- (9) ensure that liquidation of all disbursements shall be according to government accounting and auditing rules and regulations;
- (10) ensure the submission of Report of Disbursement on or before the ten (10) days after the completion of the construction Works with copies of report furnished the DepEd-PFSED Office for records purposes;
- (11) ensure remittances or unexpected balance to DepEd after all Construction Works are completed in accordance with existing government accounting and auditing rules and regulations;
- (12) ensure the reimbursement/refund of payments such as payments for Construction Works, which were implemented contrary to R.A. 9184 procurement procedures; and
- (13) execute legal documents to vest DepEd with full ownership of the classrooms and the land on which they stand, after completion of the construction of the classrooms.

The Local Government Leagues shall also monitor the performance of Participating Local Governments to help ensure the attainment of Program objectives.

The Local Government Leagues shall formulate, together with the DBM and DepEd, the guidelines and procedures for the effective implementation of the Program as necessary.

Article 2 **Supplements**

This MOA shall be supplemented by terms of reference, letters of agreement, and other addenda that describe specifically the activities to be carried out or items to be required for the Program.

Article 3 **Amendments**

The parties may, by mutual consent, add, delete or amend any words, sentences or articles contained in this MOA.

Article 4 **Settlement of Conflict**

In the unlikely event that differences arise concerning this MOA or any undertaking relating to this MOA, the parties agree to negotiate in good faith to settle these differences, and if no settlement is reached, to submit the issues for mediation.

Article 5 **Effectivity**

This MOA shall take effect on the date the parties affix their signatures, and shall remain valid for six (6) years unless mutually revoked by the parties.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures on the date and place indicated below.

**DEPARTMENT OF BUDGET AND DEPARTMENT OF EDUCATION
MANAGEMENT**

By:

By:

**HON. FLORENCIO B. ABAD
SECRETARY**

**BR. ARMIN A. LUISTRO FSC
SECRETARY**

**LEAGUE of PROVINCES of the
PHILIPPINES**

**LEAGUE of CITIES of the
PHILIPPINES**

By:

By:

**HON. ALFONSO V. UMALI
Governor**

**HON. OSCAR S. RODRIGUEZ
Mayor**

**LEAGUE of MUNICIPALITES of the
PHILIPPINES**

By:

**HON. STRIKE B. REVILLA
Mayor**

SIGNED IN THE PRESENCE OF

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)

CITY OF _____) ss.

BEFORE ME this _____ (date) _____,
personally appeared:

Name Passport/Valid ID No. Date and Place
Issued

Sec. Florencio B. Abad
Br. Armin A. Luistro FSC
Gov. Alfonso V. Umali
Mayor Oscar S. Rodriguez
Mayor Strike B. Revilla

Known to me and to me known to be the same persons who executed the foregoing instrument, and they acknowledged to me that the same is their free and voluntary act and deed. This Memorandum of Agreement consist of _____ pages including this page in which this acknowledgement is written, signed by the parties in their instrumental witnesses each and every page thereof.

WITNESS MY HAND AND NOTARIAL SEAL, on the date at the place first written above.

NOTARY PUBLIC

Doc. No. _____
Page No. _____
Book No. _____
Series of _____