



Republic of the Philippines
OFFICE OF THE SECRETARY
Elliptical Road, Diliman
1100 Quezon City

ADMINISTRATIVE ORDER NO. 01
Series of 2021

SUBJECT : GUIDELINES ON THE PROCESSING OF THE COMPREHENSIVE REQUEST FOR AUTHORITY TO PURCHASE GOVERNMENT MOTOR VEHICLES FOR THE PRIORITY PROGRAMS OF THE DEPARTMENT OF AGRICULTURE (DA) AND ITS REGIONAL FIELD OFFICES (RFOs)

WHEREAS, the Office of the President (OP) and the Department of Budget and Management (DBM) issued several guidelines on the acquisition and use of government motor vehicles to promote transparency, efficiency, and public accountability on the utilization of government funds while recognizing the indispensability of motor vehicles for efficient and effective performance and delivery of essential government services.

WHEREAS, as stipulated in the OP Administrative Order No. 14-2018, and the Budget Circular Nos. 1-2017, 2-2019, and 3-2019 of the DBM, motor vehicles shall refer to any self-propelled, four-wheeled vehicles, motorcycles, delivery trucks, heavy equipment, all-terrain vehicles, armored vehicles, special-purpose vehicles, aircraft, motorized boat and seacraft, and the like.

WHEREAS, to ensure prudence in the utilization of funds allotted to motor vehicles, the above issued guidelines identified approving authorities for the different offices of the government. For the departments and its bureaus and attached agencies and corporations, approval of the Authority to Purchase is through the Secretary of DBM.

WHEREAS, the Department of Agriculture (DA) through the Regional Field Offices (RFOs), is implementing agricultural mechanization projects where motor vehicles are procured including four-wheeled machinery and equipment such as but not limited to tractors, self-propelled/truck-mounted drilling rig, forklifts, truck-mounted sprayers, and hauling vehicles utilized for agricultural purposes.

WHEREAS, due to the considerable number of DA projects and procuring DA-RFOs, the DBM recommended the consolidation of requests for Authority to Purchase Motor Vehicles (APMV).

NOW THEREFORE, to facilitate the timely issuance of APMV, this Administrative Order is hereby promulgated and issued by the DA which will serve as reference of the

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DA-RFOs on the process to be followed and the corresponding documentary requirements towards a comprehensive request.

SECTION I. RATIONALE

The DA is implementing agricultural mechanization projects where the agency procures motor vehicles including four-wheeled machinery and equipment such as but not limited to tractors, self-propelled/truck-mounted drilling rig, forklifts, truck-mounted sprayers and hauling vehicles utilized for agricultural purposes.

Based on the definition of motor vehicles in the issuance of the OP and the DBM, followed by the series of discussions with the DBM, any motor vehicles for the transport of personnel, equipment, supplies, products, and materials will be covered by the issuances. Considering the projects of the DA, any type of road vehicles, machinery and equipment integral or mounted on four-wheeled road vehicles, motorcycles and motor boats will be subjected to the approval of the request for Authority to Purchase. On the other hand, other farm machinery such as planters, crawler-type combine harvesters, dryers and the like will no longer need an authority from the DBM prior to procurement.

While there are limited types of machinery and equipment that are subjected to the OP and DBM issuances, the DBM recommended the consolidation of requests for APMV since the DA has various implementing offices.

Thus, to facilitate the timely issuance of the APMV, this Administrative Order will serve as guide of the DA-RFOs on (i) the process to be followed; and (ii) the corresponding documentary requirements for a comprehensive request.

SECTION II. OBJECTIVES

The guidelines aim to expedite the processing of the request for the Authority to Purchase Government Motor Vehicles for the priority programs of the Department of Agriculture (DA) and its Regional Field Offices (RFOs). Specifically, the Administrative Order aims to:

- 1) Provide immediate reference for the DA and its RFOs on the prescribed procedures in processing the request for APMV;
- 2) Facilitate consolidation of requests from DA and its RFOs towards a more comprehensive request to be submitted to the DBM;
- 3) Facilitate timely issuance of the APMV as requirement for procurement; and

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- 4) Identify clear delineation of duties and responsibilities between concerned offices and desired outputs from each of the processes identified.

SECTION III. SCOPE

The Guidelines will cover the activities involved from the preparation and consolidation of requests for APMV from DA and its RFOs and the subsequent release of the approved APMV from the DBM.

A. Implementing Offices

The DA's Comprehensive Request for APMV will include requests from the DA and its RFOs thru the implementing units of the priority programs, to wit:

1. Rice Program;
2. Corn Program;
3. High Value Crops Development Program;
4. Livestock Program;
5. Organic Agriculture Program;
6. Special Area for Agricultural Development Program;
7. Halal Food Industry Development Programs;
8. Regional Agricultural Engineering Division (RAED)-Mechanization Programs;
and
9. Other Priority Programs not stated herein.

On the other hand, requests from Bureaus, Attached Agencies, and Corporations will not be included in the consolidation process but shall still be endorsed to the DBM thru the DA Secretary consistent with applicable rules, regulations, and laws.

B. Type of Motor Vehicles

The type/classification of motor vehicles that will be covered by the comprehensive request for APMV will include but will not be limited to the following:

10. Four-wheeled Tractors;
11. Self-propelled/Truck-Mounted Drilling Rigs;
12. Hauling Vehicles/Trucks;
13. Four-wheeled Forklifts;
14. Truck-mounted Sprayers;
15. Motorcycles;



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16. Motorized Banca/Boat;
17. Four-wheeled Harvester with or without Baler/Forage Chopper; and
18. Other machinery and equipment integral/mounted on four-wheeled road vehicles.

For new types of motor vehicles, machine, or equipment to be procured, Annex A of the DBM Budget Circular No. 1, Series of 2017 may be visited for reference, which contains the typology of government motor vehicles and their corresponding classification and specifications.

C. Project Appropriations

The comprehensive request will include motor vehicles to be procured under the following services implemented by the DA and its RFOs thru the implementing units of the priority programs:

1. Production Support Services (PSS);
2. Extension Support, Education, and Training Services (ESETS); and
3. Agricultural and Fisheries Machinery, Equipment, and Facilities Support Services (AFMESS)

Meanwhile, as provided by Section 5.0 of the DBM Circular 2019-3, the confirmation letters issued by the DBM to the agencies to confirm their respective budgets included in the National Expenditure Program (NEP) shall serve as their "authority to purchase motor vehicle/s" or APMV, provided that said letter, or its attachment, contains the following information, among others:

1. Intended use and/or user;
2. Quantity;
3. Cost; and
4. Motor vehicle classification and specifications.

On the other hand, an APMV from the DBM shall still be required in the following special cases:

1. The funding for the motor vehicle to be acquired are from prior years' appropriations;

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2. The confirmation letter referred to in Section 5.1 hereof did not provide the details of the motor vehicle/s for acquisition, such as those issued to GOCCs without budgetary support from the National Government, and SUCs;
3. The government entities were not issued confirmation letters referred to in Section 5.1 hereof during the budget preparation phase, such as in the case of LGUs; and
4. The acquisition of motor vehicle/s by the agency will deviate from the details in the confirmation letter, e.g., change in intended use and/or user, and/or specifications.

For motor vehicles approved under the Sub-object Classification of Donation, where the fund will be transferred to an implementing office outside the DA, the processing of the APMV shall be undertaken by the DA-RFO concerned and its implementing units as a requisite of the procurement process and inherent obligation of the donor agency, consistent with OP and DBM issuances and other applicable rules, regulations, and laws.

SECTION IV. REFERENCES

- 1) **Office of the President-Administrative Order No. 14, Series of 2018** Consolidating and Rationalizing the Rules on the Acquisition of Government Motor Vehicles, Adopting a Centralized System of Procurement therefor, and for other Purposes
- 2) **DBM Budget Circular No. 1, Series of 2017**, An Amendment containing the revised and updated definition/description, classification and specifications of certain motor vehicles that are being allowed for acquisition and use by government agencies under Budget Circular No. 2016-5
- 3) **DBM Budget Circular No. 2, Series of 2019**, Guidelines Implementing Certain Provisions of Administrative Order No. 14, S. 2018 on allowable engine displacements of motor vehicles that may be purchased by government agencies; and approving authorities for the acquisition of government motor vehicles.
- 4) **DBM Budget Circular No. 3, Series of 2019**, Guidelines To Implement The Centralized Procurement Of Government Motor Vehicles Pursuant To Administrative Order No. 14, S. 2018





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- 5) **Resolution No. 20-2019**, Approving the Delisting of Motor Vehicles in the List of Common-Use Supplies and Equipment of the Procurement Service

SECTION V. DEFINITION OF TERMS

- 1) Motor Vehicle - refers to any of the following:
 - a. Any self-propelled, four-wheeled road vehicle, including but not limited to, sedans, coupes, station wagons, convertibles, pick-ups, vans, assembled owner- or passenger-type jeeps/jitneys/jeepneys, Sports Utility Vehicles (SUVs), Asian Utility Vehicles (AUVs), Crossover Utility Vehicles (CUVs), and Multi-Purpose Vehicles (MPVs);
 - b. Motorcycles;
 - c. Delivery trucks, fire trucks, dump trucks, and buses;
 - d. Heavy equipment, such as bulldozers, payloaders, graders, forklifts, amphibian trucks, and cranes;
 - e. All-terrain vehicles, armored vehicles, and specific-purpose vehicles;
 - f. Aircraft; and
 - g. Motorized bancas/boats, and seacraft, as may be defined in relevant laws and issuances.
- 2) DA - Regional Field Offices (RFOs) – refer to counterpart offices, on a regional level, of the National Office of the DA directly involved in the provision of support services towards the promotion of agricultural development.
- 3) Implementing Unit – refers to any unit of DA Offices, in the national and regional level, responsible for the implementation of the mechanization projects starting from planning and procurement until operation and monitoring of the machinery and equipment.
- 4) National Expenditure Program (NEP) - is submitted to assist Congress in the review and deliberation of the proposed national budget for the legislation of the annual appropriations measures for the next fiscal year. It contains the details of the government's proposed programs.
- 5) General Appropriations Act (GAA) - The GAA is the legislative authorization that contains the new appropriations authorized by Congress in terms of MOOE and CO authorized to be spent for the implementation of programs, activities and projects (P/A/Ps) of all departments, bureaus and offices of government for a given year.

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SECTION VI. PROCEDURES

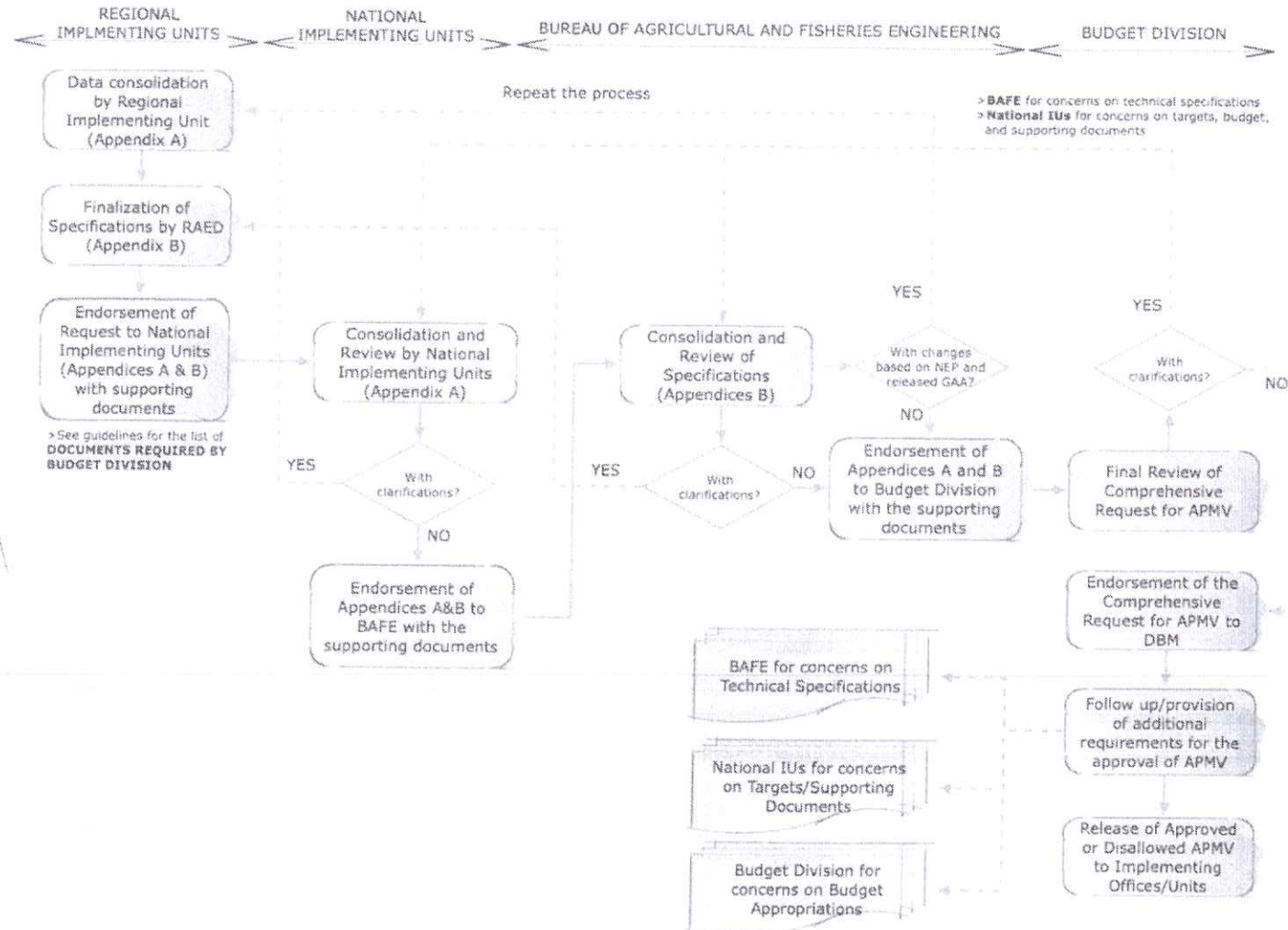


Figure 1. Process Flow for the Preparation, Approval, and Release of Authority to Purchase Motor Vehicles

Table 1. Detailed Procedures and Documentary Requirements for the Processing of the Request for Authority to Purchase Motor Vehicles

ACTIVITY	SOURCE	INPUT	OUTPUT	END USER	TIMELINE
A. Data consolidation and processing of supporting documents by Regional Implementing Unit	Regional Implementing Unit	1) Approved NEP	1) Appendix A	RAED	1 week after NEP approval, Previous Year
B. Finalization of technical specifications of motor vehicles	RAED	1) Appendix A	1) Appendix B	Regional Implementing Unit	2-3 weeks after NEP approval, Previous Year
C. Endorsement of consolidated request to the National Implementing Unit/s	Regional Implementing Unit	1) Endorsement Letter 2) Appendix A 3) Appendix B		National Implementing Unit	4 weeks after NEP approval, Previous Year
D. Consolidation and review of regional requests by National Implementing Unit	National Implementing Unit	1) All Appendix A 2) All Appendix B	1) Consolidated Appendix A 2) All Appendix B	BAFE	5-7 weeks after NEP approval, Previous Year
E. Endorsement of the consolidated and reviewed requests to BAFE		1) Endorsement Letter 2) Consolidated Appendix A 3) All Appendix B			8 weeks after NEP approval, Previous Year
F. Consolidation and review of Technical Specifications by Implementing Unit by Region	BAFE	1) Endorsement Letter 2) Consolidated Appendix A 3) All Appendix B	1) Consolidated Appendix A 2) Consolidated Appendix B	BAFE	9-12 weeks after NEP approval, Previous Year
G. Revision of requests based on changes in the NEP and released GAA	Regional/National Implementing Units RAED BAFE	1) Revised Appendix A 2) Revised Appendix B	1) Revised Appendix A 2) Revised Appendix B	BAFE	7 working days after release of GAA, Current Year
H. Endorsement of the Consolidated Requests/ Reviewed Specifications to Budget Division	BAFE	1) Endorsement Letter 2) Revised Appendix A 3) Revised Appendix B		Budget Division	7 th working day after release of GAA, Current Year

I. Final Review of the Comprehensive Request for APMV and preparation of Endorsement Letter	Budget Division	1) Endorsement Letter 2) Revised Appendix A 3) Revised Appendix B	1) Endorsement Letter to DBM 2) Final Appendix A 3) Final Appendix B	Office of the Secretary	12 working days after release of GAA, Current Year
J. Signing of Endorsement Letter to DBM	Office of the Secretary	1) Endorsement Letter to DBM 2) Final Appendix A 3) Final Appendix B	1) Signed Endorsement Letter to DBM 2) Final Appendix A 3) Final Appendix B	Budget Division	17 working days after release of GAA, Current Year
K. Endorsement of the Comprehensive Request for APMV to DBM	Budget Division	1) Signed Endorsement Letter to DBM 2) Final Appendix A* 3) Final Appendix B*		DBM	17 th working day after release of GAA, Current Year
L. Follow up, submission of additional requirements, and approval of the APMV	National Implementing Units BAFE	a) Further Revisions b) Clarifications/Justifications c) Additional Supporting Documents		Budget Division	-
M. Release of the Approved/Disallowed APMV	Budget Division	1) Endorsement Letter to Implementing Units 2) Approved APMV from DBM		National Implementing Units (cc BAFE)	2 working days after receipt of Approved APMV

*Appendix A: List of Motor Vehicles/Machine/ Equipment

*Appendix B: Technical Specifications of Motor Vehicles/Machine/ Equipment

SECTION VII. SPECIAL CASES

In cases of procurement of motor vehicles under Continuing/Savings/Realigned Funds, the same procedures will be followed from the preparation and consolidation of the requests until the release of the approved request from the DBM.

However, additional documentary requirements shall be attached as required by the Budget Division. These documents include the following:

1. Endorsement Letter for the DBM thru the DA Secretary signed by the Regional Executive Director;
2. Certificate of Fund Source and Availability;
3. Justification for the Acquisition of the Motor Vehicle;
4. Approved Annual Procurement Plan (APP);
5. BEDs 1, 2, and 3;
6. Quotations and Sample Pictures;
7. Duly Accomplished Motor Vehicles Inventory Form;
8. Inventory and Inspection Report of Unserviceable Equipment covering the vehicle to be replaced;
9. User, deployment plan, and intended purpose/activity of the vehicle
10. Summary of Details
 - a. Vehicle Classification
 - b. Quantity
 - c. Specifications
 - d. Appropriations (Cost and Object Code)

Review of eligibility and completeness of such documents shall be evaluated by the Budget Division and clarifications shall be directed to concerned office/unit.

SECTION VIII. EFFECTIVITY

This Order shall take effect upon approval of the DA Secretary.

Done this 4th day of January, 2021.


WILLIAM D. DAR, PhD.
Secretary

DEPARTMENT OF AGRICULTURE

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