



JUL 12 2023

PPA MEMORANDUM ORDER
NO. 011 - 2023

SUBJECT: Guidelines on the Management of Funds and Implementation of the Tourism and Social Reform-Related Ports Projects of the Department of Transportation (DOTr)

1. Objectives

- 1.1 To define the responsibilities of PPA as the implementing agency in the construction of the tourism and social reform-related ports projects as identified in the DOTr Budget under the General Appropriations Act (GAA);
- 1.2 To define the collaborative procedures to be observed by the Project Management Team Office (PMTO) and the concerned Department and Port Management Office (PMO) in the implementation of the projects;
- 1.3 To provide the procedures to be observed in the management and utilization of funds to be transferred to PPA by DOTr as the source agency; and
- 1.4 To ensure that the transferred funds are used only for the intended purposes and adhere to the standards and fundamental accounting principles for financial reporting on the utilization and liquidation of the funds.

2. Basis / Authority

- 2.1 Department of Transportation (DOTr) General Appropriations Act (GAA);
- 2.2 Memorandum of Agreement (MOA) between DOTr and PPA;
- 2.3 COA Circular No. 94-013 dated December 13, 1994, Rules and Regulations in the Grant, Utilization and Liquidation of Funds Transferred to Implementing Agencies; and
- 2.4 COA Circular No. 2012-001 dated 14 June 2012, Prescribing the Revised Guidelines and Documentary Requirements for Common Government Transactions, particularly Item 3 on Fund Transfers; and as amended by COA Circular Nos. 2016-002 and 2017-002 dated 31 May 2016 and 25 October 2017, respectively, Updates on Prescribing the Revised Guidelines and Documentary Requirements for Fund Transfers.

3. Scope

This shall govern the implementation of the port projects and the management of funds to be transferred by the DOTr, as the source agency, to PPA, as the implementing agency.

4. General Guidelines

- 4.1 The funds to be transferred to PPA as the implementing agency, by DOTr as the source agency, is not a subsidy to PPA, but corresponds to the DOTr Budget provided in their GAA intended to be used for the implementation of DOTr Tourism and Social Reform-Related Ports Projects.

- 4.2 The applicable provisions embodied in COA Circular No. 94-013 and Item 3 on Fund Transfers, COA Circular No. 2012-001, as amended, shall govern the grant, utilization and liquidation of funds transferred by DOTr for the construction of the port projects.

Under no such case shall the fund be used for other purposes other than the construction of port projects. Excess funds shall be refunded to the source agency (DOTr) upon completion of the project; except for the percentage of the programmed amount of the port project which covers the expenses until the expiration of the warranty of the completed project.

- 4.3 The **Legal Services Department (LSD)** shall prepare, review, and finalize the Memorandum of Agreement (MOA) for the port projects; and its presentation to the PPA Board of Directors for approval, signing and notarization. The LSD shall handle all the legal concerns of the port projects.
- 4.4 The **Treasury Department (TD)** shall open a separate account where the cash/money to be transferred by DOTr shall be deposited clearly identifying that the account is for and on behalf of DOTr project implementation.
- 4.5 The **Controllership Department (CD)** shall record cash/money received from DOTr under the special account "Trust Liability – DOTr", as provided for in the COA Circular. It shall monitor the proper accounting of the fund by the PMTO in accordance with COA Circular No. 94-013 and other applicable government laws, rules, and regulations. To facilitate the monitoring of the projects and provide distinction from the PPA-funded projects, a separate project ID code shall be created in the system.
- 4.6 The **PMTO** shall directly be responsible for the management of funds for the port project. For this purpose, a separate operating code shall be created/assigned in the Administrative and Financial Management System (AFMS). Signatories to all financial documents shall be in accordance with the delegation of authority approved by the Board specific for this undertaking. Likewise, the limit of the bond coverage of authorized officers shall be correspondingly adjusted.

5. Responsibility of Engineering Offices and RC/Unit Concerned

- 5.1 The **Dredging and Survey Department (DSD)** shall conduct the necessary survey works, such as topographic and hydrographic survey, of the projects for implementation by PPA.
- 5.2 The **Port Planning and Design Department (PPDD)** shall be over-all responsible in the preparation, review, and facilitation of the following:
- Program of Work (POW) including project's detailed engineering;
 - Bid Documents and pertinent documents;
 - Terms of Reference (TOR) and POW for the consultancy of the technical services for the conduct of soil investigation, if necessary;
 - Request DOTr for the release of funds and other related works; and
 - Coordination with DOTr on the design and other related concerns during the pre-construction stage.
- 5.3 The **PPA – Head Office or PMO BAC** shall undertake procurement of project and the conduct of bidding in accordance with RA 9184.
- 5.4 The **Port Construction and Maintenance Department (PCMD)** shall manage and supervise the implementation/construction of the port project procured by the **PPA - Head Office BAC**, following the provision of the IRR of RA 9184; and the PCMD shall
- 5.4.1 Provide and maintain adequate personnel complement and all the necessary resources from pre-construction stage to completion and final acceptance of the projects;
- 5.4.2 Review of bid, construction plans, project documents, proposed changes / plan modifications during project implementation, progress / final billings;

- 5.4.3 Conduct routinary project inspection, monitor progress of work and quality control / assurance program;
 - 5.4.4 Prepare and submit monthly reports on the accomplishment of the project until its completion and maintenance / warranty period;
 - 5.4.5 Provide administrative and financial services for the projects;
 - 5.4.6 Attend meetings / conferences and coordinate with other agencies pertaining to the projects; and
 - 5.4.7 Perform other tasks / assignments relative to the projects, whenever necessary.
- 5.5 The **Port Management Office (PMO), as an Implementing Unit**, if applicable, shall manage and supervise the implementation/construction of the port project procured by the **PMO BAC**; and shall
- 5.5.1 Prepare and submit all necessary documentary requirements from detailed engineering, pre-construction stage to completion and final acceptance of the projects following the provision of the IRR of RA 9184;
 - 5.5.2 Adhere to the standards and fundamental accounting principles for financial reporting on the utilization and liquidation of the funds; and all financial transactions, including handling of taxes relative to the implementation of the project;
 - 5.5.3 Prepare and submit to DOTr the consolidated monthly financial reports, which include among others, Report of Checks Issued and Report of Disbursements in accordance with existing government laws, rules and regulations.
- 5.6 The **Project Management Team Office (PMTO)** under the **Office of the AGM for Engineering (OAGME)**, shall manage the funds and oversee the implementation of the project; and shall
- 5.6.1 Inspect and monitor the projects until completion and upon expiration of the warranty/maintenance period;
 - 5.6.2 Prepare and submit to DOTr the consolidated monthly status report of physical and financial accomplishments of the port projects;
 - 5.6.3 Coordinate with designated DOTr Officers on matters requiring decisions or guidance on project implementation;
 - 5.6.4 Adhere to the standards and fundamental accounting principles for financial reporting on the utilization and liquidation of the funds;
 - 5.6.5 Prepare and submit to DOTr the consolidated monthly Report of Checks Issued and Report of Disbursements, duly signed by the authorized officers, on the utilization of funds;
 - 5.6.6 Coordinate with DOTr's technical divisions – Project Management Services (PMS) and Project Monitoring and Evaluation Services (PMES) on the conduct of final completion inspection and warranty / maintenance inspection, respectively; and
 - 5.6.7 Prepare and submit to DOTr the pertinent documents on completion and warranty. Oversee the turn-over to DOTr of the completed project and equipment or assets acquired through the project, if applicable.

6.0 Separability

If any provision of this circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

7.0 Repeal

All issuances, orders, rules and regulations or part thereof which are inconsistent with the provisions of this circular are hereby repealed and modified accordingly.

8.0 Effectivity

This memorandum circular takes effect immediately.


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