

MEMORANDUM CIRCULAR

TO: THE DEPUTY ADMINISTRATOR, ASSISTANT ADMINISTRATORS, DEPARTMENT MANAGERS, REGIONAL IRRIGATION/OPERATIONS MANAGERS, PROVINCIAL IRRIGATION ENGINEERS, IRRIGATION SUPERINTENDENTS/OFFICERS-IN-CHARGE, REGIONAL/PROJECT ACCOUNTANTS/EQUIPMENT MANAGERS, AND ALL OTHERS CONCERNED. THIS AGENCY

SUBJECT: ESTABLISHMENT OF A "REVOLVING FUND FOR EQUIPMENT REPAIRS"
(REFER).

In line with the Agency's policy to decentralize operations, and in order to improve equipment utilization by accelerating their repair, a Revolving Fund in the amount of ₦1.0M for every Regional/Operation Office is hereby established for the purpose.

A. Fund Disbursement Requirements and Limitations:

1. The field offices concerned shall prepare a Program of Work (POW) for the construction equipment and motor vehicles intended to be repaired under the Fund. This POW shall be reviewed and evaluated by the Regional/Operation Equipment Manager (REM/OEM) and submitted to the RIM/OM for approval in accordance with existing delegated authorities. In addition, a pre-repair evaluation report shall be prepared and approved by the REM/OEM and RIM/OM, respectively. As part of the Agency's internal control system, a copy shall be furnished the Auditor, as required under Par. 6.6 of COA Circular No. 89-299A and MC # 60, S. 1989.
2. The total amount of POW for Equipment Repair shall not exceed sixty percent (60%) of the estimated aggregate rental to be accrued from ongoing projects; e. g. CIDP, CIDIP, IOSP, CARP, etc. for the calendar year for each Regional/Operation Office. Disbursement therefore shall be limited to construction equipment and vehicles included in the approved program of work.
3. Expenses for repair which include cost of spare parts to be procured, job orders and labor for every equipment shall be limited to the amount not to exceed thirty percent (30%) of the current replacement cost of that equipment, in accordance with COA Circular 85-55A dated September 8, 1985. This amount, however, is exclusive of spare parts available in stock.

The list of spare parts needed, duly signed by the RIM/OM, shall be transmitted by the field offices concerned either through the "fax" machine, if available or sent through air cargo to Equipment Management Department (EMD), Central Office for stock verification and/or preparation of RIV for the release of same from MAS Compound. The list should include the following information; description, quantity, part number, equipment type and model and property number.

SOURCE
OF
FUN

APPROV

tures :
direct

For procurement of spare parts amounting to ₱100,000.00 and above, a copy of the Invitation to Bid should be transmitted to the Manager, Procurement and Physical Resources Department (PPRD) through the "fax" machine simultaneously with the publication of said invitation in three (3) newspapers in the locality. PPRD, in turn, shall immediately post the "faxed" copy on the bulletin board provided for this purpose. However, for regional offices without this equipment, a radio message shall be sent instead indicating the particular equipment where the intended spare parts shall be used, their corresponding total estimated cost, and the time and place of bid opening. A xerox copy of the Abstract of Bids, duly signed, shall likewise be sent to PPRD even prior to the evaluation of bids.

4. Disbursement of the Fund shall be subject to existing accounting and auditing rules and regulations.

B. Replenishment Guidelines:

1. Replenishment shall be made every time the actual repair costs incurred have accumulated at least ₱500,000.00.
2. All applications for Fund replenishment shall be submitted to the EMD, Central Office supported by the following;
a) a copy of the approved POW for Equipment Repair; b) a duly accomplished Progress Report on Equipment Repair (See Annex A) indicating total costs and sources of fund on the spaces provided therefor for monitoring and evaluation purposes; and c) all the necessary certifications covering procurement and/or replacement of assemblies as required in MC # 10, S. 1989.
3. Any disbursements not in accordance with this Circular shall not be replenished.

This Memorandum Circular shall take effect immediately and supersedes MC # 27, S. 1990.

Strict compliance is hereby enjoined.


JOSE B. DEL ROSARIO, JR.
Administrator

Date signed: Aug. 29, 1990

FROM: Region

As of _____, 19____

EQUIPMENT REPAIR REVOLVING FUND

ANNEX A

TOTAL FOR REPLENISHMENT APPLICATION P_____

** Identify Source of Fund used by Project, e. g. CIDP, CIDIP, IOSP, CARP, Others.

REVIEWED BY:

APPROVED:

This is to certify that the expenditures summarized herein were made under my direct supervision.

REM/OEM

RIM/CM

3. Expenses for repair when equipment is damaged shall be procured, job orders and labor for every equipment shall not exceed thirty percent (30%)