



Republika ng Pilipinas
Hambang Pangasiwaan ng Patubig
(NATIONAL IRRIGATION ADMINISTRATION)
Lungsod ng Quezon

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MC # **43** s. 2002
OUR REFERENCE:

MEMORANDUM CIRCULAR

TO : THE DEPUTY ADMINISTRATOR, ASST. ADMINISTRATORS,
DEPARTMENT MANAGERS, REGIONAL IRRIGATION MANAGERS,
PROJECT MANAGERS, OPERATIONS MANAGERS, PIO, IS AND
ALL CONCERNED

SUBJECT : EMERGENCY PURCHASE OF SUPPLIES, MATERIALS AND
SPARE PARTS

It has been noted that many Regional and Project Offices have been unreasonably procuring their requirements thru emergency purchase. To discourage this practice, all concerned Offices shall stick to their approved Procurement Plans for the current year .

Quoted hereunder for your information and reference are provisions of the General Appropriations Act on Emergency Purchase.

"Sec. 20. Emergency Purchases – Unless otherwise provided in this Act, departments, bureaus, offices or agencies of the National Government are authorized to make necessary purchases of supplies, materials and spare parts of motor transport equipment that are urgently needed for the repair of ambulance, motor vehicles, vessels and aircrafts or to meet an emergency which may involve the loss of, or danger to life and/or property, or are to be used in connection with a project or activity which cannot be delayed without causing detriment to the public service, in a monthly amount not exceeding four (4) percent of the annual agency expenditures program for supplies and materials out of appropriations allotted for maintenance and other operating expenses of the agency concerned, except as may be authorized by the President of the Philippines upon joint recommendation of the DBM and COA."

To monitor expenditures on emergency purchases, all Offices implementing their Procurement Programs shall submit to the Office of the Assistant Administrator for Administrative Services a Quarterly Report on Procurement thru Emergency Purchase. The Report shall contain the description, scope, amount and justification why emergency purchase is resorted to.

Strict compliance is enjoined.


JESUSEMMANUEL M. PARAS
Administrator

July 28, 2002

Sec. 17. Authority to Identify Funds for Mandatory Expenditures. Out of the agency appropriations authorized in this Act, the Department of Budget and Management may identify in the fund release documents the amounts due all government service agencies and government service corporations to cover prior year's mandatory expenditures as certified by the Commission on Audit. In the case of government-owned or controlled corporations (GOCCs) without budgetary support from the National Government, funds for the purpose shall be indicated in the approval of their Corporate Operating Budgets.

The implementation of this Section shall be subject to the guidelines to be issued by the Department of Budget and Management in coordination with the Department of Finance and the Commission on Audit.

Sec. 18. Intelligence and Confidential Funds. No amount appropriated in this Act shall be released or disbursed for confidential and intelligence activities unless specifically identified and authorized as such intelligence or confidential fund in this Act. Only amounts identified as confidential and intelligence funds in this Act, as specified in Object Code 19, can be subject to closed accounting.

Intelligence and confidential funds provided for in the budgets of departments, bureaus, offices or agencies of the national government, including amounts from savings authorized by Special Provisions to be used for intelligence and counter-intelligence activities, shall be released only upon approval of the President of the Philippines: PROVIDED, That at least eighty percent (80%) of intelligence and confidential funds shall be used for field operations.

All departments, bureaus and offices shall submit to the President of the Senate, Speaker of the House of Representatives and the Chairman of the Commission on Audit, a quarterly report on the utilization of intelligence and confidential funds copy furnished the Senate Committee on Finance and House Committee on Appropriations.

Sec. 19. Purchase of Supplies, Materials and Equipment Spare Parts for Stock. The stock on hand of supplies, materials and equipment spare parts to be acquired through ordinary purchase out of appropriations herein provided shall at no time exceed normal three-month requirements, subject to pertinent rules and regulations issued by competent authority: PROVIDED, That heads of departments, bureaus, offices or agencies or other instrumentalities of the government may approve the build-up of stocks on hand of critical supplies and materials as defined or specified by the Department of Budget and Management in anticipation of cost increases, or requirement of a national emergency, or of an impending shortage in the items concerned, specifying maximum quantities of individual items. Unless otherwise approved by the President, upon the joint recommendation of the Secretary concerned and the Chairman of the Commission on Audit, these stocks shall not exceed one year's need.

Sec. 20. Emergency Purchases. Unless otherwise provided in this Act, departments, bureaus, offices or agencies of the National Government are authorized to make emergency purchases of supplies, materials and spare parts of motor transport equipment that are urgently needed for the repair of ambulances, motor vehicles, vessels and aircrafts or to meet an emergency which may involve the loss of, or danger to, life and/or property, or are to be used in connection with a project or activity which cannot be delayed without causing detriment to the public service, in a monthly amount not exceeding four percent (4%) of the annual agency expenditure program for supplies and materials out of the appropriations allotted for maintenance and other operating expenses of the agency concerned, except as may be authorized by the President of the Philippines upon the joint recommendation of the Department of Budget and Management and the Commission on Audit.

Sec. 21. Domestic Purchases and Foreign Importations. All appropriations for the procurement of equipment, supplies and materials and other products and services authorized in this Act shall be used only for the purchase of equipment, parts, accessories, medicines and drugs, supplies and materials and other products and services locally available: PROVIDED, That importation may be made when none of the desired quality or standard is available in the market or when the price of the local product or service is more than fifteen percent (15%) of that of a similar product offered by an enterprise other than a domestic entity pursuant to Section 4 of the Flag Law (Commonwealth Act No. 130, as amended): PROVIDED, FURTHER, That purchases under foreign military sales agreements, heavy equipment imports for infrastructure projects and other importations of agencies which are financed by foreign borrowings may be made, subject to the requirements of LUL No. 880 and to pertinent budget, accounting and auditing laws, rules and regulations.

Sec. 22. Cultural and Athletic Activities. Out of the appropriations authorized in this Act for maintenance and other operating expenses for each department, bureau, office or agency, an amount not exceeding One Thousand Two Hundred Pesos (P1,200.00) may be used for the purchase of costume or uniform for each participant and other related expenses in the conduct of cultural and athletic activities.

Sec. 23. Extraordinary and Miscellaneous Expenses. Appropriations herein authorized may be used for extraordinary expenses of the following officials and those of equivalent rank as may be authorized by the Department of Budget and Management not exceeding:

- a. P180,000 for each Department Secretary;
- b. P65,000 for each Department Undersecretary;
- c. P35,000 for each Department Assistant Secretary;