



Republic of the Philippines
 Province of Benguet
 Municipality of Itogon
Office of the Municipal Mayor
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RECEIVED
 OFFICE OF THE SANGGUNIANG BAYAN
 ITOGON, BENGUET

Administrative Order No. 037
 Series of 2011

BY _____
 DATE: 4-04-11

Subject: Providing for Guidelines on Ownership and Treatment of Waste Materials from Various Government Projects, Programs and Activities in the Municipality of Itogon, Benguet

RECEIVED
 BY _____
 DATE: 4/07/11

Pursuant to pertinent Commission On Audit (COA) Circulars and Rules, the following guidelines on the ownership and treatment of government waste materials are hereby issued as follows, to wit:

a. Ownership of waste materials from demolished, rehabilitated or replaced school buildings.

If the school building or other structures to be demolished is owned by the municipal government, all salvageable materials or remnants thereof shall remain its property. Sections 167 to 170 of COA Circular 92-386 prescribe disposal procedures, the form to be used in the inventory of unserviceable supplies and property, and the determination of the value thereof.

Disposal Procedures:

Section 167 – When the supplies or property of a local government unit have become unserviceable from any cause, or are no longer needed, the officer immediately accountable therefor shall return the same to the head of the department or office who shall cancel the corresponding Memorandum Receipt. If no longer needed in the department, the head of the department or office shall return the same to the general services officer (GSO), municipal or barangay treasurer, as the case may be, with the use of Property Return Slip. The GSO, municipal or barangay treasurer, as the case may be, shall through the local chief executive, file an application for its disposal with the provincial or municipal auditor who shall conduct an inspection and determination whether the subject property is with or without value.

Section 168 – The inventory, inspection and Appraisal Form shall be used whenever the supplies or property to be disposed are (1) supplies in stock accounts or for sale; (2) equipment; (3) building and other physical structures.

Section 169 – The provincial or municipal auditor shall inspect the supplies or property to be disposed of to determine whether the same are with or without value. He shall indicate his findings on the Inventory, Inspection and Appraisal Form and shall forward same to the Committee on Awards with his recommendation.

Section 170 – Upon receipt of the Inventory, Inspection and Appraisal Form, the Committee on Awards shall appraise the supplies or property recommended by the provincial or municipal auditor to be disposed of which appraisal shall be considered as the floor price in the public auction to be conducted for the purpose under the supervision of said committee.

The demolition work of a structure whether it is to be undertaken by administration or through a straight contract does not affect the ownership of the salvageable materials unless it is otherwise provided for in the contract in accordance with applicable rules and regulations on contract implementation.

b. Ownership of waste materials on bided infrastructure projects.

Item 1.10 of the Procurement Manual for Local Government Units, Volume III – Infrastructure Projects provides:

“Turn-over of excess, used, unused and/or reusable materials – Unless otherwise provided for in the contract, the contractor must turn-over to the LGU all excess, used, unused and/or reusable materials paid for in the contract such as, formworks, laboratory apparatus and equipment, vehicles, field office, safety gadgets and devices, etc. Vehicles and equipment should be in operating condition when turned over.”

c. Ownership of waste materials from infrastructure projects undertaken by administration.

Since the materials component of the project is a separate contract from the labor contract, any unused, reusable and/or waste materials shall remain the property of the implementing agency.

In all of the above situations, inventory of all unused, reusable, and waste materials rest with management through the project-in-charge.

d. For purposes of supply and property disposal referred in Section 169 and 170 above, the Committee on Awards is hereby likewise constituted to be composed of the following:

CHAIRMAN : HON. OSCAR M. CAMANTILES
Municipal Mayor

VICE CHAIRMAN : MR. PETER J. GUIBAC
Municipal Administrator

MEMBERS : MS. ANGELA C. CARIÑO *SF 4/4/11*
Municipal Treasurer

: MR. JULITO R. LUSPIAN *JL - 4/4/11*
Municipal Assessor

: MS. BRIGILDA M. GAYAO *MB 4/4/11*
Municipal Accountant

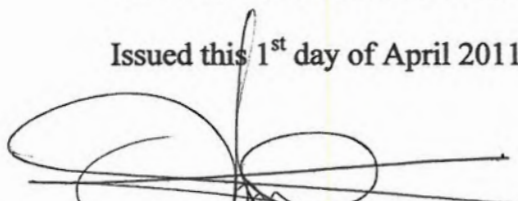
: MR. CHARLIE M. GAYASCO *pcario 4/4/2011*
Municipal Engineer

: MS. IMELDA F. NUGUID *IN 4/4/11*
MPDC

: MS. DOLORES G. GALUNZA *DG 4/4/2011*
Supply Officer II

This Order takes effect immediately.

Issued this 1st day of April 2011 at the Municipality of Itogon, Benguet.


OSCAR MANGPES CAMANTILES
Municipal Mayor

Cc:

- All Barangays, this Municipality
- All Department Heads
- Sangguniang Bayan
- Others equally concerned
- File

Recd. 4/4/11
4/4/2011
Itogon


LEAGAS 04/04/2011



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Cordillera Administrative Region
Team 4 – Audit Group G (Benguet)
La Trinidad, Benguet

OFFICE OF THE MAYOR
Itogon, Benguet

RECEIVED

31 MAR 2011, 20

By: _____

39

March 23, 2011

Hon. Oscar M. Camantiles
Municipal Mayor
Itogon, Benguet

Dear Mayor Camantiles,

With reference to the letter queries received by this Office from your good Office and from officials of that municipality, hereunder are our responses for each issue:

a. **Ownership of waste materials from demolished, rehabilitated or replaced school buildings.**

If the school building or other structures to be demolished is owned by the municipal government, all salvageable materials or remnants thereof shall remain its property. Sections 167 to 170 of COA Circular 92-386 prescribe disposal procedures, the form to be used in the inventory of unserviceable supplies and property, and determination of the value thereof.

Relevant provisions of COA Circular 92-386 which prescribes rules and regulations on supply and property management in the local governments are cited below, for information:

Section 147 – buildings and other physical structures shall be under the accountability and responsibility of the provincial or city general services, municipal mayor or punong barangay, as the case may be.

Section 164 – the local chief executive or punong barangay, as the case may be, shall be responsible for the disposal of real property, buildings and other physical structures.

Section 167 – Disposal Procedures

When the supplies or property of a local government unit have become unserviceable from any cause, or are no longer needed, the officer immediately accountable therefor shall return the same to the head of the department or office who shall cancel the corresponding Memorandum Receipt. If no longer needed in the department, the head of the department or office shall return the same to the general services officer (GSO), municipal or barangay treasurer, as the case may be, with the use of Property Return Slip. The GSO, municipal or barangay treasurer, as the case may be, shall through the local chief executive, file an application for its disposal with

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the provincial, city or municipal auditor who shall conduct an inspection and determination whether the subject property is with or without value.

Section 168 – The Inventory, Inspection and Appraisal Form shall be used whenever the supplies or property to be disposed are (1) supplies in stock accounts or for sale; (2) equipment; (3) **building and other physical structures.**

Section 169 – the provincial, city or municipal auditor shall inspect the supplies or property to be disposed of to determine whether the same are with or without value. He shall indicate his findings on the Inventory, Inspection and Appraisal form and shall forward same to the committee on Awards with his recommendation.

Section 170 – Upon receipt of the Inventory, Inspection and Appraisal form, the Committee on Awards shall appraise the supplies or property recommended by the provincial, city or municipal auditor to be disposed of which appraisal shall be considered as the floor price in the public auction to be conducted for the purpose under the supervision of said Committee.

The demolition work of a structure whether it is to be undertaken by administration or through a straight contract does not affect the ownership of the salvageable materials unless it is otherwise provided for in the contract in accordance with applicable rules and regulations on contract implementation.

b. Ownership of waste materials on bidded infrastructure projects.

Item 1.10 of the Procurement Manual for Local Government Units, Volume III – Infrastructure Projects states:

“Turn-over of excess, used, unused and/or reusable materials – Unless otherwise provided for in the contract, the contractor must turn-over to the LGU all excess, used, unused and/or re-usable materials paid for in the contract such as, formworks, laboratory apparatus and equipment, vehicles, field office, safety gadgets and devices, etc. Vehicles and equipment should be in operating condition when turned over.”

c. Ownership of waste materials from infrastructure projects undertaken by administration.

As defined under item 2 of the Guidelines for the implementation of infrastructure projects through negotiated procurement and by administration, the term “by administration” is defined as the procedure by which implementation of an infrastructure project is carried out under the administration and supervision of the concerned agency thru its own personnel.

The manual labor component may be undertaken in-house by the implementing agency, by job-order or through the pakyaw contracting.

C. P. P.

Since the materials component of the project is a separate contract from the labor contract, any unused, reusable and/or waste materials shall remain the property of the implementing agency.

We would like to emphasize that in all of the above situations, inventory of all unused, re-usable, and waste materials rest with management through the project-in-charge.

d. **On honorarium of municipal personnel assigned to various municipal special projects.**

For your ready reference, attached herewith is the Guidelines on the grant of honoraria due to assignment in government special projects embodied under Budget Circular No. 2007-2.

We would like to point out item 2.2 of the said Circular viz:

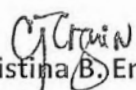
"A special project is a duly authorized inter-office or intra-office undertaking of a composite group of government officials and employees which is not among the regular and permanent functions of their respective agencies. Such undertaking may be locally- funded or foreign-assisted, is reform-oriented or developmental in nature, and is contributory to the improvement of service delivery and enhancement of the performance of the core functions of an agency or member agencies."

In line with the definition of a special project, may we refer to Section 17 (a) and (b) of the Local Government Code on the basic services and facilities of LGUs, part of which is cited below -

"(a) Local government units shall endeavor to be self-reliant and shall continue exercising the powers and discharging the duties and functions currently vested. They shall also discharge the functions and responsibilities of national agencies and offices devolved to them pursuant to this Code. Local government units shall likewise exercise such other powers and discharge such other functions and responsibilities as are necessary, appropriate, or incidental to efficient and effective provision of the basic services and facilities enumerated herein."

Thank you.

Very truly yours,


Cristina B. Emaguin
Audit Team Leader



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management

Building 1, General Solano Street, San Miguel, Manila



BUDGET CIRCULAR

No. 2007-2

October 1, 2007

TO : Heads of Departments, Bureaus, Offices and Agencies of the National Government including State Universities and Colleges (SUCs); Government-Owned and/or -Controlled Corporations (GOCCs); Government Financial Institutions (GFIs); and Local Government Units (LGUs); and All Others Concerned

SUBJECT : Guidelines on the Grant of Honoraria Due to Assignment in Government Special Projects

1.0 Purpose

This Circular is issued to prescribe the guidelines on the grant of honoraria due to assignment in government special projects pursuant to Section 46(e), General Provisions of RA No. 9401, the FY 2007 General Appropriations Act (GAA).

2.0 Definitions

- 2.1 An honorarium is a form of compensation given as a token of appreciation or reward for gratuitous services on account of one's broad and superior knowledge or expertise in a specific field for which, going by custom, tradition or propriety, no fixed price is set.
- 2.2 A special project is a duly authorized inter-office or intra-office undertaking of a composite group of government officials and employees which is not among the regular and permanent functions of their respective agencies. Such undertaking may be locally-funded or foreign-assisted, is reform-oriented or developmental in nature, and is contributory to the improvement of service delivery and enhancement of the performance of the core functions of an agency or member agencies.

3.0 Coverage and Exclusion

- 3.1 This Circular shall apply to all personnel of national government agencies (NGAs) including SUCs, GOCCs, GFIs and LGUs, who are designated to positions in special projects as defined above on a part-time basis.
- 3.2 It does not apply to government personnel on re-assignment or on full-time detail to special projects since they are already regularly compensated in the form of salaries.

4.0 Guidelines

- 4.1 Government personnel who are on part-time assignment to a special project which entails rendition of work in addition to or over and above their regular workload may be entitled to honoraria.
- 4.2 The amount of honoraria shall be based on the nature of their work assignments in a special project, the level of difficulty of the duties and responsibilities thereat, the extent of their productivity and quality of performance measured in terms of completed and accepted deliverables in accordance with the timeframes set per project component of a special project plan approved after the effectivity of this Circular.
- 4.3 The special project plan shall be prepared in consultation with all personnel assigned to a project and approved by the department/agency/lead agency head. Such plan shall contain the following:
- title of the project;
 - objectives of the project, including the benefits to be derived therefrom;
 - outputs or deliverables per project component;
 - project timetable;
 - skills and expertise required;
 - personnel assigned to the project and the duties and responsibilities of each;
 - expected deliverables per personnel assigned to the project per project component at specified timeframes; and
 - cost by project component, including the estimated cost for honoraria for each personnel based on man-hours to be spent in the project beyond the regular work hours; personnel efficiency should be a prime consideration in determining the man-hours required.
- 4.4 The estimated total honorarium cost per personnel per project component shall be computed as follows:

$$\text{Estimated Honorarium, H} = \left(\frac{\text{Salary Rate}}{1 \text{ month}} \right) \left(\frac{1 \text{ month}}{22 \text{ days}} \right) \left(\frac{1 \text{ day}}{8 \text{ man-hours}} \right) (T \text{ man-hours})$$

$$\text{Estimated Honorarium, H} = 0.0057(\text{Monthly Salary Rate})(T)$$

Where: Monthly Salary Rate = the actual monthly salary of an official or employee but not exceeding Step 8 of the equivalent salary grade for his/her designated position in a special project as indicated in item 4.8

T = total estimated man-hours per personnel, per project component

- 4.5 Payment of the honorarium shall be made only upon completion and acceptance by the agency head of the deliverable per project component.
- 4.6 The actual honorarium to be paid to each personnel shall depend on the performance rating to be given by the project management, as follows:

Performance Rating	% of Estimated Honoraria Per Project Component
Outstanding	100%
Very Satisfactory	85%
Satisfactory	70%

For example, if the performance rating is Very Satisfactory, the actual honorarium to be paid follows:

$$\text{Actual Honorarium} = 85\%(H)$$

- 4.7 For rating purposes, the project management shall formulate a performance evaluation plan that is transparent and fair, and considers timeliness, quality of outputs, and other applicable work efficiency determinants.
- 4.8 The following hierarchical levels, duties and responsibilities, and equivalent salary grades of positions shall serve as guides in determining the personnel to be designated in special projects and in computing the honoraria to be granted:

- Project Manager/Project Director or Equivalent

The position plans, directs and coordinates the activities of a special project, and the efficient allocation and utilization of a project's physical, financial, manpower and technological resources to ensure that a project's objectives and targets are accomplished.

The honorarium shall be based on the actual monthly salary of a designee but not exceeding the monthly salary equivalent to SG-28, Step 8.

- Technical Staff Team Leader

The position heads a group of Technical Staff who are assigned to a special project component; may devise own plans, methods of approach, guidelines and procedures consistent with the overall special project objectives.

The honorarium shall be based on the actual monthly salary of a designee but not exceeding the monthly salary equivalent to SG-24, Step 8.

- Senior Technical Staff

The position performs the difficult phases of a special project which may or may not be subject to technical review; is responsible for the correctness, technical adequacy and reliability of deliverables.

The honorarium shall be based on the actual monthly salary of a designee but not exceeding the monthly salary equivalent to SG-18, Step 8.

- Team Member/Technical Staff

The position performs the simple phases of a specific project which are subject to technical review; is answerable for the correctness, technical adequacy and reliability of deliverables.

The honorarium shall be based on the actual monthly salary of a designee but not exceeding the monthly salary equivalent to SG-15, Step 8.

- Administrative Staff

The position renders administrative and support services to a special project, including but not limited to personnel, financial, records and supply management, and other auxiliary services.

The honorarium shall be based on the actual monthly salary of a designee but not exceeding the monthly salary equivalent to SG-15, Step 8.

4.9 The total honoraria that may be received by each personnel per special project shall not exceed 25% of his/her annual basic salary. Designation to more than one (1) special project may be allowed to the extent feasible, provided that the total honoraria received from all special projects shall not exceed 25% of the annual basic salary.

4.10 No overtime pay or other allowances shall be paid nor any Compensatory Time-Off be granted to the same personnel for the period that honoraria are granted.

5.0 Fund Sources

The amounts necessary for payment of honoraria shall be sourced from the following:

- 5.1 For NGAs, the amounts shall be charged against their respective appropriations in the annual GAA. No additional funding shall be provided by the government.
- 5.2 For GOCCs and GFIs, the amounts shall be charged against their respective corporate funds.
- 5.3 For LGUs, the amounts shall be charged against their respective local government funds.

6.0 Responsibilities of Agency Heads

Agency heads shall be held responsible and personally liable for honoraria payments not in accordance with the provisions of this Circular, without prejudice, however, to the refund of any excess payments by the personnel concerned.

7.0 Saving Clause


Cases not covered by the provisions of this Circular shall be referred to the Department of Budget and Management for resolution.

8.0 Repealing Clause

All provisions of existing circulars, guidelines, rules and regulations on the grant of honoraria for personnel assigned to special projects, including the grant of honoraria to project personnel in LGUs provided under Local Budget Circular No. 62 dated July 29, 1996, are hereby repealed.

9.0 Effectivity

This Circular shall take effect immediately.


ROLANDO G. ANDAYA, JR.
Secretary