

Republic of the Philippines
Province of Davao del Norte
CITY OF TAGUM

BEFORE THE 4TH CITY COUNCIL

EXCERPT FROM THE MINUTES OF THE 67th REGULAR SESSION OF THE SANGGUNIANG PANLUNGSOD OF THE CITY OF TAGUM, PROVINCE OF DAVAO DEL NORTE HELD ON NOVEMBER 3, 2008 AT THE SP SESSION HALL.

PRESENT:

Hon. ALLAN L. RELLON, MPA,	City Vice Mayor (Presiding Officer)
Hon. MARIA LINA F. BAURA,	Member
Hon. DE CARLO L. UY,	Member
Hon. RAYMOND JOEY D. MILLAN,	Member
Hon. VICENTE C. ELIOT, SR.,	Member
Hon. JOEDEL T. CAASI,	Member
Hon. ALAN D. ZULUETA,	Member
Hon. NICANDRO T. SUAYBAGUIO, JR.,	Member
Hon. REYNALDO T. SALVE,	Member
Hon. FRANCISCO C. REMITAR,	Member
Hon. CYRIL LEONARD L. MURING,	Member (SKF Representative)
Hon. ALFREDO R. PAGDILAO,	Member (ABC Representative)

ON SICK LEAVE:

Hon. ROBERT L. SO,	Member
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RESOLUTION NO. 533, S-2008

“A RESOLUTION AUTHORIZING THE CITY MAYOR, HON. REY T. UY, TO ENTER INTO AND SIGN FOR AND IN BEHALF OF THE CITY GOVERNMENT OF TAGUM, A MEMORANDUM OF AGREEMENT (MOA) WITH THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS (DPWH), FOR THE SPECIAL LOCAL ROAD FUND PROJECT.

WHEREAS, the Tagum City Engineering Office has a technical and equipment capability to undertake projects by administration;

WHEREAS, the Local Government Unit is committed to put premium on education as its priority thereby committing support especially in counter parting of materials evident of which is in the program of works;

WHEREAS, the Department of Public Works and Highways has a One Million Five Hundred Thirty Nine Thousand Four Hundred Ninety Four Pesos & 59/100 (P 1,539,494.59) for Annual Work Program (AWP) of SLRF for the Tagum City Local Road Maintenance CY 2007;

WHEREAS, DPWH Regional Director sent a letter dated September 2, 2008 to Tagum City Mayor, Hon. Rey T. Uy, and acknowledging receipt of the recommendation for the LGU of Tagum City to construct and implement by administration the said program;

WHEREAS, the budget allocated for Tagum City is One Million Five Hundred Thirty Nine Thousand Four Hundred Ninety Four Pesos & 59/100 (P 1,539,494.59);

NOW THEREFORE, be it resolved by Sangguniang Panlungsod of Tagum to authorize the City Mayor, Hon. Rey T. Uy, to enter into and sign for and in behalf of the City Government of Tagum, a Memorandum of Agreement (MOA) with the Department of Public Works and Highways (DPWH), for the Special Local Road Fund Project.

RESOLVED FURTHER, that the full text of the Memorandum of Agreement is as follows;

**MEMORANDUM OF AGREEMENT
BETWEEN THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS AND
THE PROVINCE /CITY OF TAGUM
FOR THE IMPLEMENTATION OF THE SPECIAL LOCAL ROAD FUND (SLRF)
UNDER R.A. 8794 OR MVUC LAW**

KNOW ALL MEN BY THESE PRESENTS:

This **Memorandum of Agreement (MOA)** entered into and executed this ___ day of _____ in the year of our Lord Two Thousand and Eight by and between:

The **Department of Public Works and Highways (DPWH)** represented herein by Assistant Regional Director for Maintenance Operations **HADJI PUNDIDATO L. MITMUG** hereinafter referred to as **DPWH**.

and

The City Government of **TAGUM** represented herein by City Mayor **REY T. UY**, and hereinafter referred to as **LGU**.

WITNESSETH THAT:

WHEREAS, R.A. 8794 or the Motor Vehicle User's Charge (MVUC) Law, under Section 1 declares that "it is the policy of the State to provide for and ensure the adequate maintenance of national and provincial roads through sufficient funding for the purpose";

WHEREAS, Section 7 of the said Act, which states that "all monies collected under this ACT shall be earmarked solely and used exclusively (1) for road maintenance and improvement of road drainage, (2) for the installation of adequate and efficient traffic lights and roads safety devices, and (3) for air pollution control". It further provides that 5% of all monies collected shall be deposited in the National Treasury under the Special Local Road Fund (SLRF) which shall be apportioned to provincial and city governments in accordance with the vehicle population and size of the road network under their respective jurisdictions and shall be used exclusively for maintenance of local roads, traffic management and road safety devices. It also directs that the Special Road Support Fund, the Special Local Roads Fund and Special Road Safety Fund shall be under the DPWH;

WHEREAS, pursuant to Section 3 and 5 of Executive Order No. 124 dated 30 January 1987, the DPWH shall decentralize its responsibilities to the fullest extent possible; and may delegate to any agency it determines to have adequate technical capability, any of its powers and functions. Consistent with this policy of decentralization, the DPWH shall assist the LGUs in developing the latter's capabilities by allowing them greater participation in the local road maintenance and safety provisions;

WHEREAS, it is necessary that a Memorandum of Agreement should be entered into for the purpose of delineating responsibilities regarding the implementation of the policies, standards and procedures at the LGU level in accordance with the pertinent provision of SLRF under the MVUC Law and its IRR.

NOW THEREFORE, for and in consideration of the foregoing premises and mutual covenants herein set forth, the **PARTIES** to this Memorandum of Agreement do hereby agree on the following terms and conditions:

**Article I
COVERAGE**

This agreement covers the release, utilization and liquidation of funds for the LGU eligible projects and activities such as road maintenance, road safety devices and traffic management funded by the Special Local Road Fund to be implemented by LGUs in accordance with the policies, standards and procedures of RA 8794 (MVUC Law) and its IRR.

Article II
SCOPE AND PROJECT IMPLEMENTATION

1. This Agreement specifies the implementation of SLRF Projects along Provincial/City roads in the Province/City of Tagum, with funding under the MVUC Special Local Roads Fund as follows:

**01. PREVENTIVE WORKS AT NEW CITY HALL SITE,
 HIJO RIVER SIDE, APOKON** - Php 309,103.37

**02. DRAINAGE IMPROVEMENT AT LIBOGANON ROAD,
 LIBOGANON** - Php 300,413.72

**03. PREVENTIVE WORKS AT SAN MIGUEL BRIDGE
 (SAN MIGUEL ROAD)** - Php 526,048.75

04. REHABILITATION AT MABINI STREET - Php 403,928.75

2. The Scope of maintenance project and activities funded under their SRLF is limited to any of the following output of categories:

OUTPUT	WORK CATEGORY
a. Carriageway Maintenance	<ul style="list-style-type: none"> • Pavement Maintenance • Regravelling • Bridge and Structure Maintenance
b. Roadside Maintenance	<ul style="list-style-type: none"> • Shoulder Maintenance • Drainage Maintenance • Vegetation Control • Traffic Services Maintenance
c. Preventive Maintenance	<ul style="list-style-type: none"> • Pavement Resurfacing • Concrete Reblocking • Seal Widening • Preventive Works
d. Rehabilitation and Improvement	<ul style="list-style-type: none"> • Rehabilitation • Drainage Improvement • Rehabilitation plus Improvement
e. Emergency Reinstatement	<ul style="list-style-type: none"> • Emergency Reinstatement
f. Road Management	<ul style="list-style-type: none"> • Professional Service and Administration
g. Road Safety	<ul style="list-style-type: none"> • Safety Devices (Installation and Operation) • Safety Projects • Road Safety Education & Training • Road Safety Management

3. The LGUs shall prepare an Annual Works Program (AWP) and Multi-Year Work Program (MWP) to ensure an ultimately current situation with no backlog in the local roads maintenance. In preparing the AWP and rolling MWPs, both the LGU regular funds for road maintenance and the Special Local Road Fund shall be taken into account. As much as possible, recurring maintenance projects shall first be sourced from the LGU regular road maintenance fund while non-recurring (asset preservation) project shall be funded through from the Special Local Road Funds.

4. The Annual Works Program containing eligible Work Outputs and Categories in the required formats shall be prepared by the City Engineer's Office and approved by the City Mayor. The LGUs AWP shall be submitted, reviewed and consolidated by Department of the Interior and Local Government (DILG) and forwarded to the DPWH-Road Program Office (DPWH-PRO).

5. The LGUs shall implement the project/s by Contract thru competitive bidding, except for LGUs, which were determined by DPWH to have demonstrated capability to implement the project by itself, i.e. by Administration. Pursuant to Amendment No. 3 dated 29 September 2003 of the IRR of the MVUC Law and in accordance with Department Order No. 137 series of 1999 under Section 5, the DPWH District Engineer shall evaluate the capability of LGU on the basis of the following criteria:
 - a. Maintenance condition of local roads under the LGUs;
 - b. Construction/maintenance experience or track record of the LGU relevant to the proposed Project;
 - c. Organization and personnel of the LGU for the proposed Project;
 - d. Construction equipment of the LGU for the proposed Project: and
 - e. Financial and procurement management systems of the LGU.
6. The details of these evaluation criteria, including the measurable indicators thereof and their application, are given in the evaluation prescribed format "Annex A", which shall be approved by the District Engineer.
7. The DPWH and LGU shall conduct a final inspection of each of the completed project(s) and shall issue a Joint Certificate of Completion for each.

Article III
RELEASE OF FUNDS AND DEPOSITS AND
REPORT OF EXPENDITURES

OPENING OF ROAD FUND DISBURSEMENT ACCOUNT. Each LGU shall maintain a separate Trust Account to be known as the Road Fund Disbursement Account by opening a Local Currency Current Account (LCCA) in the authorized Government depository bank preferably Land Bank of the Philippines and provide the DILG, with the LCCA Number to facilities the transfer fund.

RELEASE OF FUNDS. Upon receipt of the sub-Allotment Advice (SAA) from DPWH Central Office corresponding to the amount approved by the Road Board for SLRF for the year, the DPWH District Office shall release the funds to LGU's thru Letter of Advice of Allotment (LAA) and the corresponding cash advance in the form of check based on the amount approved by the Road Board as per annual Works Program for each province/city.

DEPOSIT IN THE ROAD FUNDS DISBURSEMENT ACCOUNT. The LGU shall deposit all monies from SLRF in the LCCA mentioned in paragraph 1 of this article.

REPORT EXPENDITURES. Each LGU shall submit a Quarterly Audited Report of Expenditures to the Comptrollership and Financial Management Division (CFMD) of the DPWH- RO in the required format, shown as Attachment 1, copy furnished the DILG-Office of Project Development Services (DILG – OPDS) . Any unexpected amount after the project completion shall be remitted to the account of the DPWH- RO. The DPWH-RO shall issue an official receipt to the LGU remittance of the unused cash balance. The LGU shall be made duly accountable for all funds released to it by the DPWH.

ARTICLE IV
WORKING ARRANGEMENTS AND PROCEDURES FOR EXECUTING THIS AGREEMENT

For the efficient and successful execution of this Agreement, the Parties hereby agree to undertake the following:

A. DUTIES AND RESPONSIBILITIES OF DPWH:

01. To advise the LGU of their Annual SLRF allocation based on the payment profile determined by the Board on its assessment of the revenue into the SLRF in coordination with the DILG.

RESOLUTION NO. 533, s-2008, cont'd:

02. Upon receipt of sub- Allotment Advise (SAA) from the DPWH – Central Office , to transfer the funds and issue cash advance to the LGU the amount approved by the Road Board for the SLRF for the year.
03. To provide technical assistance to LGU in preparing implementation mechanism, standard and procedures on SLRF project implementation and provide training for the institutional capacity building in coordination with DILG.
04. To assist LGUs in installing and operating an approved budget tracking system and to conduct an assessment of the progress and quality of funded SLRF road maintenance, road safety and traffic management project in coordination with the DILG.

B. DUTIES AND RESPONSIBILITIES OF THE LGUs:

1. To prepare and submit Annual Work Program of eligible work output and categories to the amount as will be advised by DILG based on the payment profile and allocation to be approved by the Road Board. The AWP should be prepared in the required format.
2. To open a separate Trust Account/Local Currency Current Account (LCCA) to be known as the Road Fund Disbursement Account which shall be used exclusively for road maintenance, road safety devices and traffic management?
3. To implement the road maintenance, road safety and traffic management works in accordance with the Approved Works Program and Maintenance Performance Standards and Procedures required of all LGUs and submit to DILG quarterly report on the Progress and quality of the funded works, copy furnished the DPWH-DEO.
4. To establish, maintain and operate a financial management system to record details of all expenditures from the SLRF released to the LGUs and submit quarterly financial report showing (1) billings for works/services completed/supplied which has been paid; (2) billings for works/services completed which have been received (but not yet paid); and (3) the estimated value of works completed but not yet billed.
5. To prepare and submit to DPWH the Annual Report in the specified format not later than 20 February of each year,. The Annual Report shall show/describe:
 - The opening balance in the Road Fund Disbursement Account at the beginning of the financial year;
 - The expenditure in cash terms for the financial year.
 - Describe the works completed in sufficient detail.
6. To conduct annual Inventory of the existing Local Road Networks and their condition to update the database/statistical records of the provincial/city road asset and submit to DILG Central Office for updating of the National Inventory of Local Roads.
7. To assign Engineers to monitor the SLRF projects thru periodic inspection, verification and measurement of work accomplished to ensure that the approved maintenance standards are being followed.

**Article V
EFFECTIVITY**

This Agreement shall be effective from the date of its signing and shall continue to be in force, unless sooner terminated by either party within thirty days (30) upon prior written notice delivered to the other.

**Article VI
SPECIAL PROVISIONS**

All Annexes and other documents attached to this Memorandum of Agreement shall be understood as forming part of this MOA. Provisions and contents thereof are therefore binding on

both parties unless part of whole of these documents are amended and mutually agreed upon by both parties.

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(Excerpt from the Minutes of the 67th Regular Session/Nov. 3, 2008)
RESOLUTION NO. 533, s-2008, cont'd:

Page 6

IN WITNESS THEREOF, the PARTIES have hereto affixed their signatures on the date and place above-written.

FOR THE DPWH:

FOR THE LGU:

HADJI PUNDIDATO L. MITMUG

ASSISTANT REGIONAL DIRECTOR FOR MAINTENANCE OPERATION

REY T. UY

CITY MAYOR

WITNESSES:

GREGORIO S. VERZOSA

PROVINCIAL DIRECTOR

GILBERT S. MAMBULAO, SR.

CITY ENGINEER

APPROVED:

JEROME M. DELA ROSA, CEO VI

REGIONAL DIRECTOR

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)

)s.s.

x _____ x

BEFORE ME, this _____ day of _____, 200__ at _____, Philippines personally appeared Honorable **CITY MAYOR, REY T. UY** with Community Tax Certificate No. _____ issued at _____ on _____ and DPWH ASSISTANT REGIONAL DIRECTOR HADJI PUNDIDATO L. MITMUG with Community Tax Certificate No. _____ issued at _____ on _____ known to me to be the same persons who executed the foregoing instrument and acknowledge to me that the same is their free and voluntary acts and deeds and of the entities they represent.

WITNESS MY HAND AND NOTARIAL SEAL

Notary Public

Doc. No. _____

Page No. _____

Book No. _____

Series of 2008

RESOLVED FURTHER, that copies of this resolution be furnished to all concerned.

CARRIED AND APPROVED.

I HEREBY CERTIFY to the correctness of the foregoing.

REY A. BUHION
Secretary to the Sanggunian

**ATTESTED AND CERTIFIED
TO BE DULY ADOPTED:**

ALLAN L. RELLON, MPA
City Vice Mayor
(Presiding Officer)

fname:RN53308
*ffm****