



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

BY: SARAH BALADYAN 8:57AM

CORPORATE OPERATING BUDGET

Fiscal Year 2020

TO: BASES CONVERSION AND DEVELOPMENT AUTHORITY (BCDA)

Your Corporate Operating Budget (COB) for Fiscal Year 2020 per approved Board Resolutions shown below, submitted pursuant to Section 6 of Executive Order (EO) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of EO No. 292, series of 1987, is hereby approved for a total of **FORTY-NINE BILLION SEVEN HUNDRED SIXTY-TWO MILLION SEVEN HUNDRED FOUR THOUSAND PESOS ONLY (P49,762,704,000)**, details of which are as follows:

Board Resolution No.	Date	Remarks
2020-02-012	February 12, 2020	Original
2020-04-042	April 29, 2020	Supplemental
2020-05-053	May 27, 2020	
2020-05-054		
2020-05-055		
2020-06-059	June 10, 2020	
2020-06-067	June 24, 2020	

Board Resolution No.	Date	Remarks
2020-07-079	July 22, 2020	Supplemental
2020-09-091	September 9, 2020	
2020-09-094		
2020-09-101	September 23, 2020	
2020-10-114	October 21, 2020	
2020-10-115		
2020-12-129	December 2, 2020	

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 52,752,945,000	P 51,521,345,000	P (1,231,600,000)
Corporate Funds	33,469,236,000	33,469,236,000	-
National Government (NG) Budgetary Support	19,283,709,000	18,052,109,000	(1,231,600,000) a/
TOTAL USES:	P 52,736,164,000	P 49,762,704,000	P (2,973,460,000)
Personnel Services (PS)	432,725,000	290,466,000	(142,259,000) b/
Maintenance and Other Operating Expenses (MOOE)	11,992,252,000	11,273,583,000	(718,669,000) c/
Operating Expenses - BCDA	1,467,827,000	765,863,000	(701,964,000)
Share of Beneficiary Agencies in the Military Camps Sales Proceeds Fund	2,358,230,000	2,358,230,000	-
Subic - Clark - Tarlac Expressway Project	1,368,395,000	1,368,395,000	-
Outstanding Obligation	6,271,913,000	6,271,913,000	-
Operating Expenses - Subsidiaries	266,144,000	253,923,000	(12,221,000)
NG Power Subsidy to SFA Semicon Phil. Corp.	80,000,000	80,000,000	-
Clark International Airport Projects	20,000,000	20,000,000	-
New Clark City Project	46,344,000	41,860,000	(4,484,000)
Subic-Clark Railway Project	113,399,000	113,399,000	-
Capital Outlays (CO)	40,311,187,000	38,198,655,000 d/	(2,112,532,000)
Excess/(Shortfall)	P 16,781,000	P 1,758,641,000	P 1,741,860,000

Footnotes:

a/ The variance pertains to the portion of the FY 2020 subsidy of the BCDA which was offered for COVID-19 funds of the NG.

b/ The variance refers to the overprovision of the following PS items:

• Salaries	P	60,374,000
• Additional Compensation Allowance		1,248,000
• Uniform Allowance		504,000
• Year-end Bonus		3,697,000
• Midyear Bonus		3,697,000
• Cash Gift		420,000
• Representation and Transportation Allowance		2,868,000
• Overtime		4,000,000
• Monetization of Leave Credits		4,000,000
• Anniversary Bonus		252,000
• Meal Allowance		678,000
• Rice Allowance		3,744,000
• Educational Subsidy		4,056,000
• Christmas Package/Gift		6,941,000

- Represents the following:
1. Requirements of eighty-four (84) positions which are not expected to be filled-up in FY 2020; and
 2. January to August requirements of thirty (30) positions for filling-up in September to December 2020.



Central Receiving & Releasing Area



EX2021 - 0504

HAND CARRIED - BUREAU

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• Amelioration Allowance	6,941,000
• Provident Fund	9,316,000
• Housing Fund	9,316,000
• Term and Accident Insurance	132,000
• Medical Benefit - HMO Premium	3,780,000
• Medical Benefit - Direct Reimbursement	2,240,000
• Productivity Enhancement Incentive	495,000
• Performance-Based Bonus*	5,545,000
• Life & Retirement Insurance Premium	6,972,000
• Employees Compensation Insurance Premium	124,000
• Pag-IBIG Contributions	124,000
• Philhealth Contributions	795,000
TOTAL	<u>P 142,259,000</u>

- Represents the following:
1. Requirements of eighty-four (84) positions which are not expected to be filled-up in FY 2020; and
 2. January to August requirements of thirty (30) positions for filling-up in September to December 2020.

**Subject to the approval of the GGC*

The BCDA is exempt from the Salary Standardization Law (SSL) by virtue of Republic Act (RA) No. 7227 (Bases Conversion and Development Act of 1992), as amended. However, the Authority shall strictly adhere to the following provisions of laws, specifically in the grant/payment of PS.

Section 9 of Joint Resolution No. 4, s. 2009 provided that exempt entities shall observe the policies, parameters and guidelines governing position classification, salary rates, categories and rates of allowances, benefits and incentives, prescribed by the President. Any increase in the existing salary rates, as well as, the grant of new allowances, benefits and incentives, or an increase in the rates thereof shall be subject to the approval by the President, upon recommendation of the DBM. Section 10 thereof, required exempt entities to submit their existing compensation and position classification systems and their implementation status to the DBM.

Sections 8 and 9 of EO No. 7, s. 2010 mandates that:

1. GOCCs/GFIs shall submit information on all salaries, allowances, incentives and other benefits.
2. Except salary adjustments pursuant to EO Nos. 811 s. 2009 and 900 s. 2010, a moratorium on the increase in the rates of salaries, and the grant of new or increase in the rates of allowances, incentives and other benefits is imposed until specifically authorized by the President.

Section 2 of EO No. 36 dated July 28, 2017 provides that all SSL-exempt GOCCs shall have the option to either maintain their current compensation framework or, subject to approval of the Governance Commission for Government-Owned and/or Controlled Corporations (GCG), adopt the Modified Salary Schedule under EO No. 201. For GOCCs adopting the Modified Salary Schedule under EO No. 201, the following shall apply:

1. They shall be limited to the benefits, allowances, incentives, provided under JR No. 4;
2. The GCG shall have the authority to convert/revise the compensation framework of such GOCCs (i.e., convert from Job Grade to Salary Grade);
3. A Mid-Year Bonus equivalent to one (1) month basic salary shall be granted to those who have rendered at least four (4) months of satisfactory performance. The Mid-Year and Year-End bonuses provided herein, shall be in lieu of the bonuses, allowances or incentives of similar nature that the GOCCs receive under their current compensation framework.

c/ The MOOE level was computed considering the actual/audited expenses for previous years and the effects of inflation, as well as the actual expenditures for FY 2020 plus projected utilization by the BCDA, with details of variance as follows:

Particulars	Amount
Advertising and Promotion	32,813,000
Surveying/Titling Expenses	350,501,000
Financial Assistance	10,150,000
Travelling Expenses	9,470,000
Communication Expenses	1,926,000
Repair and Maintenance of Government	795,000
Water, Illumination and Power Service	6,504,000
Training and Seminar Expenses	30,953,000
Representation Expenses	7,197,000
Taxes, Duties and Fees	40,987,000
Gasoline, Oil and Lubricants	2,100,000
Legal Services	85,950,000
Technical/Consultancy Services	17,328,000
Annual Maintenance/Software Licensing	4,351,000
Clark International Airport Corporation	70,000,000
Other Services	30,939,000
Operating Expenses - Subsidies	12,221,000
New Clark City Project	4,484,000
Total	<u>P 718,669,000</u>

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d/ The recommended CO pertains to funding requirements of doable projects in FY 2020, broken down as follows:

Land and Land Improvements Outlay	P	14,838,178,000
Buildings and Structures Outlay		23,047,133,000
Office Equipment, Furniture & Fixtures		77,054,000
Investments Outlay		200,000,000
Machineries and Equipment Outlay		1,690,000
Transportation Equipment*		34,600,000
	P	<u>38,198,655,000</u>

The recommended level for transportation equipment is intended for the purchase of ten (10) motor vehicles (MVs) of the BCDA and two (2) MVs of the Poro Point Management Corporation which are already covered with previously issued Authority to Purchase MVs (APMV). It also includes funds to be provided by the BCDA in FY 2020 to the John Hay Management Corporation which will cover the procurement of two (2) motorcycles, the corresponding APMV-C-20-0066 for the same is attached as Annex A.

Notwithstanding the above-indicated variance in PS, MOOE and CO, the BCDA has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds. In the case of those funded out of national government budgetary support, Section 70 of the General Provisions of RA No. 11465 on the rules on the modification in allotment shall apply.

The following conditions shall be observed and complied with:

1. All expenditures, whether for current operating expenditures or COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Any increase in the approved principal COB in the course of the budget year, as may be warranted by additional corporate receipts, shall require the submission of a supplemental COB to cover the additional expenditures.
3. This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval by the Office of the President. Disbursement for PS shall strictly observe pertinent compensation laws, rules and regulations, including Executive Order (EO) Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively, and EO No. 203 as amended by EO No. 36 (Suspending the Compensation and Position Classification System under EO No. 203, providing for Interim Compensation Adjustments, and for Other Purposes) for Government-Owned and Controlled Corporations (GOCCs) covered by Republic Act No. 10149. Such expenditures shall be subject to relevant conditions under the General Provisions (GPs) of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines and/or Secretary of Budget and Management or the Governance Commission for GOCCs, as the case may be.
4. Disbursements for Extraordinary and Miscellaneous Expenses (EME) and other MOOE items shall be subject to the relevant provisions of the annual GAA, among others.
5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, the same shall be secured before acquisition thereof. Examples: Department of Information and Communications Technology – Medium Term Information and Communications Technology Harmonization Initiative Steering Committee for procurement of information and communication technology equipment covered by the GOCC's Information System Strategic Plan, and OP/Department of Budget and Management/Supervising Department for motor vehicles. The acquisition/purchase of motor vehicle/s shall be in accordance with the provisions of, among others, Administrative Order (AO) No. 14 dated December 10, 2018; Budget Circular (BC) No. 2019-3 dated May 16, 2019; BC No. 2019-2 dated March 4, 2019; OP Memorandum Circular No. 9 dated December 14, 2010; BC No. 2010-2 dated March 1, 2010; and National Budget Circular (NBC) No. 446 dated November 24, 1995, as amended by NBC No. 446-A dated January 30, 1998. Further, the classification/s and specifications of subject motor vehicle/s shall be consistent with the provisions of BC No. 2019-2, and Annex B of BC No. 2017-1, among others. On the other hand, the conditions on the acquisition of MVs are indicated on the attached APMV-C-20-0066.
6. Moreover, it is understood that the acquisition of motor vehicle/s shall be in accordance with the Government Procurement Reform Act (RA No. 9184) and its Implementing Rules and Regulations, as well as subject to the usual budgeting, accounting, auditing, and other applicable laws, rules and regulations.
7. Electronic payment shall be observed in the disbursement of corporate and public funds. In case the same is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
8. Notwithstanding the repeal of AO No. 103, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed. No irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred pursuant to AO No. 6 dated September 19, 2017.
9. It is understood that this review action does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions of law.

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10 Any and all officials and employees who will authorize, allow or permit, as well as those who are negligent in the performance of their duties and functions which resulted in the incurrence or payment of unauthorized and unlawful obligation or expenditure shall be personally liable to the government for the full amount committed or expended and subject to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of EO No. 292.

Recommending Approval:

Carmencita P. Mahinay
(for) CARMENCITA P. MAHINAY
Director, BMB-C

Date: 12-28-2020

Approved:
By Authority of the Secretary

Tina Rose Marie L. Canda
TINA ROSE MARIE L. CANDA
Undersecretary

COB-C2-20-0058

cc: **The Chairman**
Board of Directors, BCDA

Assistant Commissioner Winnie Rose H. Encallado
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA-BCDA

