

Republic of the Philippines
Province of Cagayan
TUGUEGARAO CITY

NINTH CITY COUNCIL

COMMITTEE REPORT NO. 144-2024

April 30, 2024

Submitted by: **COMMITTEE ON RULES, LAWS AND ETHICS**
COMMITTEE ON TRANSPORTATION

PRESENT:

HON. MARC ALDOUS C. BACCAY	- Chairman, (Rules)
HON. ARNEL T. ARUGAY	- Chairman, (Transportation)/zoom Member, (Rules)
HON. JUDE T. BAYONA	- Vice Chairman, (Rules)
HON. MARY MARJORIE MARTIN-CHAN	- Vice Chairman, (Transportation)
HON. MARIA ROSARIO B. SORIANO	- Member, (Rules)
HON. GRACE B. ARAGO	- Member, (Rules)
HON. TIRSO V. MANGADA	- Member, (Transportation)

RESOURCE PERSON:

Atty. Richard G. Dayag	- Regional Director, LTFRB-R02
Richard G. Manadao	- LTFRB R02- Budget Officer
Devie Faye G. Sibbaluca	- LTFRB R02- POEII
Diana Princess S. Ibañez	- LTFRB R02- Accountant II

SUBJECT:

Indorsement of the City Mayor, Hon. Maila Rosario S. Ting-Que, requesting for a resolution to allow her to participate in the Public Utility Vehicle Service Contracting (PUVSC) Program-Phase 4 under the General Appropriations Act (GAA 2023).

FOR THE PRESIDING OFFICER:

The Members of the Joint Committees met and deliberated on the Indorsement of the City Mayor, Hon. Maila Rosario S. Ting-Que, requesting for a resolution to allow her to participate in the Public Utility Vehicle Service Contracting (PUVSC) Program-Phase 4 under the General Appropriations Act (GAA 2023). The Committee respectfully submits the herein Committee Report and has the honor to report to this August body in session the following actions taken, its findings and recommendations.

ACTIONS TAKEN:

1. The committee conducted a thorough and wholistic evaluation of the subject matter on April 30, 2024.
2. Resource persons were present to assist the joint committees in the committee deliberation.

SPST-004-00

Ref. No. _____

FINDINGS:

1. The Office of the City Mayor, Hon. Maila Rosario S. Ting-Que, received a letter of invitation from the Land Transportation Franchising and Regulatory Board (LTFRB) to participate in the Public Utility Vehicle Service Contracting (PUVSC) Program under Republic Act No. 11645, or the General Appropriations Act 2023.
2. The PUVSC generally aims to improve the efficiency, safety and reliability of public transportation systems by engaging the support and collaboration of different local government units (LGUs). By partnering with them, the national government can effectively address the transportation needs of our communities and ensure the provision of quality services to the commuters.
3. The Regional Director of LTFRB R02, Atty. Richard G. Dayag, stated during the committee meeting that the Service Contracting Program (SCP) is a government initiative that provides cash subsidies through payouts for contracting public transport services to affected public utility vehicle (PUV) drivers pursuant to the General Appropriations Act (GAA) of 2023. It is a continuing program that started during the Covid-19 Pandemic in 2020 pursuant to RA 11494 of the Bayanihan to Recover as One Act that provides temporary livelihood to displaced workers in the transportation sector and at the same time raise the level of service of the modes of public transport.
4. The LTFRB firmly believes that the Tuguegarao City Government plays a crucial role in advancing this initiative and contributing to the overall success of the PUVSC. Its involvement will not only benefit the commuters within its jurisdiction but also foster sustainable growth and development throughout the region.
5. There is a need for the passage of a resolution granting authority to the City Mayor, Hon. Maila Rosario S. Ting-Que, to sign for and on behalf of the Tuguegarao City Government the Letter of Conformity and the Service Contract Agreement indicating our commitment to participate in the Public Utility Vehicle Service Contracting (PUVSC) Program-Phase 4 under the General Appropriations Act (GAA 2023).

RECOMMENDATIONS:

The joint committees, finding the request of City Mayor Hon. Maila Rosario S. Ting-Que to be in order, with merit and beneficial to its constituent, hereby recommend for the approval of the said Letter of Conformity and the Service Contract Agreement.

The joint committees further recommend for the passage of a Resolution Granting Authority to the City Mayor, Hon. Maila Rosario S. Ting-Que, to sign for and on behalf of the Tuguegarao City the Letter of Conformity and the Service Contract Agreement indicating our commitment to participate in the Public Utility Vehicle Service Contracting (PUVSC) Program-Phase 4 under the General Appropriations Act (GAA 2023).

Attached herewith is the Draft Resolution.

Respectfully Submitted:



HON. MARC ALDOUS C. BACCAY
Chairman, Committee on Rules, Laws and Ethics

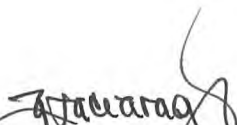


HON. ARNEL T. ARUGAY
Chairman, Committee on Transportation
Member, Committee on Rules, Laws and



HON. JUDE T. BAYONA
Vice Chairman, Committee on Rules, Laws and Ethics

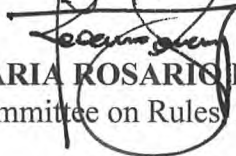
HON. MARY MARJORIE P. MARTIN -CHAN
Vice Chairman, Committee on Transportation



HON. GRACE B. ARAGO
Member, Committee on Rules, Laws and Ethics



HON. TIRSO V. MANGADA
Member, Committee on Transportation



HON. MARIA ROSARIO B. SORIANO
Member, Committee on Rules, Laws and Ethics

DRAFT RESOLUTION GRANTING AUTHORITY TO THE CITY MAYOR, HON. MAILA ROSARIO S. TING-QUE, TO SIGN FOR AND ON BEHALF OF THE TUGUEGARAO CITY GOVERNMENT THE LETTER OF CONFORMITY AND THE SERVICE CONTRACT AGREEMENT INDICATING OUR COMMITMENT TO PARTICIPATE IN THE PUBLIC UTILITY VEHICLE SERVICE CONTRACTING (PUVSC) PROGRAM-PHASE UNDER THE GENERAL APPROPRIATIONS ACT 2023.

WHEREAS, the Office of the City Mayor, Hon. Maila Rosario S. Ting-Que, received a letter of invitation from the Land Transportation Franchising and Regulatory Board (LTFRB) to participate in the Public Utility Vehicle Service Contracting (PUVSC) Program under Republic Act No. 11645, or the General Appropriations Act 2023;

WHEREAS, the PUVSC generally aims to improve the efficiency, safety and reliability of public transportation systems by engaging the support and collaboration of different local government units (LGUs). By partnering with them, the national government can effectively address the transportation needs of our communities and ensure the provision of quality services to the commuters;

WHEREAS, the Regional Director of LTFRB R02, Atty. Richard G. Dayag, stated during the committee meeting that the Service Contracting Program (SCP) is a government initiative that provides cash subsidies through payouts for contracting public transport services to affected public utility vehicle (PUV) drivers pursuant to the General Appropriations Act (GAA) of 2023. It is a continuing program that started during the Covid-19 Pandemic in 2020 pursuant to RA 11494 of the Bayanihan to Recover as One Act that provides temporary livelihood to displaced workers in the transportation sector and at the same time raise the level of service of the modes of public transport;

WHEREAS, the LTFRB firmly believes that the Tuguegarao City Government plays a crucial role in advancing this initiative and contributing to the overall success of the PUVSC. Its involvement will not only benefit the commuters within its jurisdiction but also foster sustainable growth and development throughout the region;

WHEREAS, there is a need for the passage of a resolution granting authority to the City Mayor, Hon. Maila Rosario S. Ting-Que, to sign for and on behalf of the Tuguegarao City Government the Letter of Conformity and the Service Contract Agreement indicating our commitment to participate in the Public Utility Vehicle Service Contracting (PUVSC) Program-Phase 4 under the General Appropriations Act (GAA 2023);

WHEREAS, upon the evaluation of the subject referred, the joint committees recommend for the approval of the said Letter of Conformity and the Service Contract Agreement;

WHEREAS, the joint committees further recommend for the passage of a resolution granting authority to the City Mayor to sign for and on behalf of the Tuguegarao City Government the said Letter of Conformity and the Service Contract Agreement indicating our commitment to participate in the Public Utility Vehicle Service Contracting (PUVSC) Program-Phase 4 under the General Appropriations Act (GAA 2023);

NOW, THEREFORE RESOLVED, as it is hereby **RESOLVED**, to grant authority to the City Mayor, Hon. Maila Rosario S. Ting-Que, to sign for and on behalf of the Tuguegarao City Government the said Letter of Conformity and the Service Contract Agreement indicating our commitment to participate in the Public Utility Vehicle Service Contracting (PUVSC) Program-Phase 4 under the General Appropriations Act (GAA 2023).

CONFORME FOR PARTICIPATION IN THE PUVSC under GAA 2023

I, **MAILA ROSARIO S. TING-QUE**, in my capacity as **CITY MAYOR** of the Local Government of **TUGUEGARAO CITY**, hereby confirm our commitment to participate in the **Phase 4 of the Public Utility Vehicle Service Contracting (PUVSC) Program**, as proposed by the Land Transportation Franchising and Regulatory Board (LTFRB).

I further acknowledge the importance of PUVSC in enhancing public transportation services. By participating in the PUVSC, we likewise aim to contribute to the improvement of public transportation systems and ensure the provision of quality services to our constituents.

I, on behalf of the Sangguniang Panlungsod of Tuguegarao City, hereby agree to collaborate with the said program and fulfill our responsibilities as outlined in the Memorandum Circular.

Signature above Printed Name

Date: _____



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION
LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD
East Avenue, Quezon City

SERVICE CONTRACT AGREEMENT
(FOR LGU OF _____)

This Service Contracting Agreement (SCA) is executed and entered into for all purposes and in all respects into this ___ day of _____ 2024, by and between:

The **LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD**, a national government agency created and existing under the laws of the Republic of the Philippines, pursuant to Executive Order No. 202, s. 1987, with principal office address at East Avenue, Diliman, Quezon City 1100, Philippines, herein represented by _____, in his capacity as the **REGIONAL DIRECTOR OF REGION ___**, (**ADDRESS OF THE RFRO**) and hereinafter referred to as "**LTFRB**";

-and-

The **LOCAL GOVERNMENT UNIT** of _____, with city address at _____ herein represented by its **CITY MAYOR / ACTING MAYOR / AUTHORIZED REPRESENTATIVE** pursuant to **EXECUTIVE ORDER NO. ___ / SANGGUNIANG PANLUNGSOD RESOLUTION NO. ___**, _____, herein referred to as "**LGU**";

-and-

(NAME COOPERATIVE/CORPORATION), with SEC/CDA registration number _____, with principal business address at _____, herein represented by its duly authorized representative, **(NAME OF AUTHORIZED REPRESENTATIVE)**, acting for and on behalf of the Cooperative/Corporation, and hereinafter referred to as the "**OPERATOR**";

-and-

(NAME OF GPS PROVIDER COMPANY), a domestic corporation registered under Philippine Laws with principal office address at _____, as represented herein by its duly authorized representative, **(NAME OF AUTHORIZED REPRESENTATIVE)**, and hereinafter referred to as the "**GPS PROVIDER**";

The **LTFRB**, **LGU**, **OPERATOR**, and the **GPS PROVIDER** are herein collectively referred to as "**PARTIES**" and individually as "**PARTY**".

WITNESSETH:

WHEREAS, pursuant to the special provisions of Republic Act (R.A.) No. 11936, otherwise known as the *General Appropriations Act of 2023 (GAA 2023)*, the Public Utility Vehicle Service Contracting (PUVSC) Program shall be implemented in

partnership with identified and qualified Local Government Units (LGUs) to facilitate the broad engagement of public transport cooperatives, associations, or corporations operating within their jurisdiction;

WHEREAS, the **LTFRB** is mandated under R.A. No. 11936, or the GAA 2023, to be the principal implementing Agency of the program;

WHEREAS, the **LGU** is mandated under Joint Memorandum Circular No. 004 and LTFRB Memorandum Circular No. 2024-006, to act as a co-implementer of the program within their respective jurisdiction; and

NOW THEREFORE, premises having been considered and with acknowledgment of the mutual promises herein contained, the **PARTIES**, intending to be legally bound, hereby agree as follows:

I. DUTIES OF THE PARTIES

A. The LTFRB shall:

1. Provide a Service Plan for onboarded PUV operators;
2. Monitor the submission of PUVSC reports submitted by the LGU, PUV operator, and GPS provider;
3. Coordinate with the LGU for the proper implementation of the program;
4. Ensure payment to the PUV operators based on the Payment Scheme have been complied with in accordance with the labor laws and other prevailing laws; and
5. Conduct activities, and perform such other functions as necessary for the proper implementation of the program, subject to the guidance of the Department of Transportation (DOTr) and the TWG.

B. The LGU shall:

1. Designate a focal person for the effective implementation of the program;
2. Coordinate with the LTFRB, in the strict monitoring of the deployment of the PUV operator during the implementation of the program within their respective jurisdiction;
3. Coordinate with the LTFRB and provide certification of temporary rerouting plan or modified route structure, if any;
4. Submit documents and necessary reports for the execution of the program, as may be required by the LTFRB, if any;
5. Assist in the resolution of issues and challenges encountered by the PUV operators, in connection with the implementation of the program;
6. Participate in stakeholders' consultations in order to determine the needs and requirements of the contracted PUV operator, and to coordinate with the relevant government agencies that can provide the needed assistance in order to ensure the seamless implementation of the program; and
7. Perform such other functions necessary for the proper administration and efficient operations of the program, subject to the guidance of the Department of Transportation (DOTr) and the TWG.

C. The OPERATOR shall:

1. Undergo orientation to be conducted by the LTFRB Central Office (CO) and/or RFRO, prior to their participation in the program and communicate the details of the Service Plan or authorized route to its drivers;
2. Provide the LTFRB the following:

- a. List of authorized units for onboarding;
 - b. List of names of drivers per PUV operator; and
 - c. Other information the LTFRB may require to implement, monitor, and evaluate the program;
3. Ensure payment of salaries and wages to respective drivers and other personnel such as but not limited to Passenger Assistance Officers (PAO) or conductors, inspectors, and dispatch controllers in accordance with the existing Labor Laws and Standards;
 4. Execute and submit to the LTFRB an Affidavit of Undertaking to comply with the conditions of the program such as but not limited to the payment of salaries and wages to the transport workers participating in the program, and the PUVSC Service Plan;
 5. Ensure that all drivers of authorized units are holders of Valid Professional Driver's License with appropriate restriction code, and ensure that only those authorized units with current registration and valid Private Passenger Accident Insurance (PPAI) are enrolled in the program;
 6. Ensure that the onboarded units are in good condition, roadworthy, and strictly comply with the GPS monitoring requirement during the implementation of the program;
 7. Ensure the availability of 100% of the total number of unit trip onboarded for every executed Agreement;
 8. Strictly comply with existing and subsequent issuances/policies of the Board relative to their Certificate of Public Convenience (CPC) or Provisional Authority (PA), and to any other matters that the Board may issue in the future which governs the responsibility of the PUV operators under the program;
 9. Ensure that the authorized units comply with existing LTFRB policies in the operation of public transportation; and
 10. Submit the Certificate of Payment of Regular Payout to the LTFRB within three (3) working days from the receipt of the liquidation report sent via email.

D. The GPS PROVIDER shall:

1. Provide the PUV operator a certification that the GPS device installed in the onboarded vehicle is at fully operational state and able to provide accurate and reliable data signed by the CEO/Director of the GPS provider company or duly authorized representative;
2. Provide the LTFRB and LGU, through its authorized representative/s, access to its Dashboard/Platform for monitoring purposes and/or real time monitoring anytime of the day for the entire duration of the program;
3. Monitor that authorized units run within their authorized route structure and report any deviation therefrom;
4. Timely submit the hard copies of the GPS Trip Report Certification on/or before Tuesday 5PM directly to LTFRB CO/RFRO which include the following data: (a) the Daily kilometer Run; and (b) the Number of Trips; and
5. Ensure availability of log reports and other similar data relative to the GPS monitoring for submission to the LTFRB Central Public Utility Vehicle Monitoring System (CPUVMS).

II. TERMS OF AGREEMENT

This Agreement shall become effective upon the signing of the contract and shall remain in full force and effect until _____ or **until all the funds allocated are fully utilized, whichever comes earlier as may be allowed by applicable laws**

and subject to the availability of funds. The LTFRB shall send a Notice of End of Operation once the funds are fully utilized.

In case this Agreement is extended by reason of a subsequent enactment of a law affecting the validity and utilization of the funds under GAA 2023, a Notice of Extension shall be given. Accordingly, this Agreement shall be amended and, therefore, be extended as agreed upon by Parties.

III. DOCUMENTARY REQUIREMENTS

The PUV operator agrees to comply with the following documentary requirements, to be submitted to the LTFRB:

1. Three (3) Original Copies of Duly Accomplished Registration Form with List of Authorized Units and Authorized Drivers;
2. Three (3) Photocopies of the Application for Consolidation duly received by the LTFRB and/or three (3) Photocopies of valid CPC or PA of the PUV operator;
3. Three (3) Photocopies of valid OR/CR of the Authorized Units issued by the LTO;
4. Three (3) Photocopies of valid Personal Passenger Accident Insurance (PPAI);
5. Three (3) Original Copies of Board Resolution/Secretary's Certificate authorizing the General Manager and/or Chairman/President to represent the cooperative/corporation to sign the SCA;
6. Three (3) Photocopies of valid primary ID of Operator's General Manager and/or Chairman/President with three (3) original specimen signatures;
7. Three (3) Original or Certified True Copy of the Bank Certificate [preferably Land Bank of the Philippines (LBP)] containing Operator's Bank Account details; and
8. Three (3) Original Copies of Certification of a GPS installed duly signed by the CEO/Director of the GPS provider company or duly authorized representative.

The LTFRB shall review the submitted documents promptly upon receipt. If any discrepancies or concerns are identified, the LTFRB CO/RFRO shall notify the PUV operator in writing, specifying the issues to be addressed. The PUV operator shall, in good faith, work to resolve such discrepancies within a reasonable period of time.

Should there be non-submission of the aforementioned documents, the LTFRB reserves the right to outrightly deny the application.

IV. PAYMENT SCHEME

Regular payouts shall be computed on a weekly basis, from Sunday to Saturday. The payout shall only be processed by the LTFRB CO/RFRO upon submission of the GPS Trip Report Certification. It is upon compliance with the required submission of the documents that the payouts will then be credited to the PUV operator's respective accounts.

The regular payout shall be computed based on the following computation:

1. Regular Payout = number of trips per week x rate per trip
2. Rate per trip = route length x rate per kilometer
3. Rate per kilometer = Php 20.00 (TPUJ, FILCAB, and TUVE), Php 26.00 (MPUJ and MUVE)

Trip-cutting, fractional or uncompleted trips shall not be considered as one (1) trip; thus, shall not be paid.

Moreover, (a) should the PUV operators fail to render the required percentage of deployment per day, the same shall not be qualified to the payout for that particular day; (b) should a unit fail to render the required number of trips on a specific day, even when the PUV operator meets the required percentage of deployment for the day, based on the Service Plan guidelines, the non-compliant unit shall be disqualified from the payout of that particular day; (c) should a PUV unit encountered mileage discrepancy due to GPS device problem or loss of signal, the trip/s rendered shall only be paid if the mileage between the data captured by the GPS device and the route does not exceed the threshold of twenty percent (20%) or one (1) kilometer (km) of the route length, whichever is lower, and the PUV must have reached the end point of the route and completed trip. Any discrepancies exceeding the threshold shall not be paid.

V. PERFORMANCE-BASED INCENTIVES AND PENALTIES

A performance-based incentive equivalent to two percent (2%) shall be paid on top of the computed regular payout to the specific unit of PUV operators who complies with the following: (a) the required daily deployment of units; and (b) the required daily number of trips (one-way) per unit per week (Sunday to Saturday) as per approved Service Plan.

Failure to render the required percentage of deployment and trips per unit per day precludes entitlement to performance-based incentives.

VI. PENALTY FOR NON-COMPLIANCE

Strict compliance with the provisions of this Agreement and the services to be rendered shall be strictly monitored. Failure of the enrolled PUV operator to adhere to any terms and conditions of the Agreement shall be penalized in accordance with the existing policies of the LTFRB. The same shall be a ground for the disqualification of the said PUV operator from similar programs of the LTFRB.

On the other hand, should the GPS provider fail to perform its duties and responsibilities as stated in this Agreement, the same may be grounds for revocation or non-renewal of its accreditation.

VII. NO AMENDMENT CLAUSE

No amendment or modification of any of the terms and conditions of this Agreement shall be valid unless evidenced by a written Agreement executed by the authorized representatives of all concerned Parties.

VIII. DATA PRIVACY ACT

Pursuant to the Republic Act (R.A.) No. 10173, or the *Data Privacy Act of 2012*, the LTFRB shall be authorized to collect, process, record, organize, update, use, consolidate, or disclose their personal data as part of their personal information relative to the implementation of the PUVSC, and for purposes related to the said program such as but not limited to the establishment of the PUVSC Dashboard. In view thereof, a PUV operator hereby consents for the processing of personal data that will be used for the implementation of the program.

The PUV operators hereby confirm their awareness of their rights under the Data Privacy Act, including the right of the LTFRB to terminate the contract should the PUV operators withdraw its consent or request the removal of its personal information.

The Parties hereby agree to conform to the provisions of the Data Privacy Act, its Implementing Rules and Regulations, and related issuances.

Further, insofar as the implementation of the provisions of this Agreement shall entail exchange of personal data, the Parties hereby agree to execute the necessary Data Sharing Agreement pursuant to the Data Privacy Act.

VIII. SEPARABILITY CLAUSE

If any provision of this Agreement is declared unconstitutional or void, the rest of the Agreement shall nevertheless remain in full force and effect.

IX. ENTIRE AGREEMENT

All Parties acknowledge that this Agreement constitutes the entirety of their intent and shall completely supersede all other prior understandings, previous communications or contracts, oral or written, between the Parties relating to the subject matter hereof.

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement on ____ day of _____ 2024 at the City of _____.

Regional Director, RFRO ____
**LAND TRANSPORTATION
FRANCHISING AND REGULATORY
BOARD**

Mayor/Authorized Representative
LOCAL GOVERNMENT UNIT OF

Name of Authorized Representative
of the Operator (*Position*)

Name of Authorized Representative
of the GPS Provider (*Position*)

Signed in the presence of:

The Parties in the Agreement have been duly ascertained by the undersigned Administering Officer through the attached competent proof of their identification or valid government IDs.

Notary Public
Doc. No. ____
Page No. ____
Book No. ____
Series of 2024.



Republic of the Philippines
Department of Transportation
Department of the Interior and Local Government
Department of Labor and Employment
Cooperative Development Authority
Union of Local Authorities of the Philippines
Land Transportation Franchising and Regulatory Board
Office of Transportation Cooperatives
Land Transportation Office
Inter-Agency Council for Traffic

JOINT MEMORANDUM CIRCULAR NO. 004, Series of 2023
Date: 06 NOV 2023

SUBJECT : GUIDELINES IN THE IMPLEMENTATION OF PUBLIC UTILITY VEHICLE (PUV) SERVICE CONTRACTING PROGRAM ON IDENTIFIED LOCAL GOVERNMENT UNITS

I. BACKGROUND

Pursuant to Republic Act (RA) 11494 or the Bayanihan to Recover As One Act, Public Utility Vehicle (PUV) Service Contracting (SC) Program was initially implemented by the Department of Transportation (DOTr) through the Land Transportation Franchising and Regulatory Board (LTRFB) to provide temporary livelihood to displaced workers in the transportation sector due to the COVID-19 pandemic, and at the same time raise the level of service of the modes of public transport.

To ensure its continuous implementation due to the necessity to have an efficient, safe, reliable, and financially viable land transportation system under the persisting unusual circumstances brought by the pandemic, the Program has been included in the General Appropriations Act (GAA) for the Fiscal Years 2022 and 2023, subject to certain conditions for its implementation as provided in the special provision.

Under RA 11639 or the GAA 2022, and under RA 11936 or the GAA 2023, the aforementioned Program shall be implemented to improve the adherence of PUVs under service contracts to comply with the minimum public health standards. It is likewise provided in the special provision that the Program shall be implemented in partnership with priority local government units (LGUs) to facilitate the broad engagement of public transport cooperatives, associations, or corporations operating within their jurisdiction.

Further, in the veto message of the President for GAA 2022, it was specifically mentioned that the implementation of the special provision pertaining to the Program shall be subject to the guidelines to be issued by the DOTr and the LTRFB.

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Pursuant to the aforementioned special provisions of GAA 2022 and GAA 2023, and in accordance with the veto message of the President under GAA 2022, the DOTr, LTFRB, Department of the Interior and Local Government (DILG), Department of Labor and Employment (DOLE), Union of Local Authorities of the Philippines (ULAP), Cooperative Development Authority (CDA), Land Transportation Office (LTO), Inter-Agency Council for Traffic (I-ACT), and the Office of Transportation Cooperatives (OTC) deem it necessary to issue this Joint Memorandum Circular (JMC).

II. OBJECTIVE

This Joint Memorandum Circular (JMC) is issued to provide the guidelines for the implementation of the SC Program on the qualified LGUs.

III. GENERAL GUIDELINES

A. Scope and Coverage

This JMC shall govern the implementation of the Service Contracting Program with the LGUs. This shall apply to all concerned agencies, its regional offices, and the LGUs wherein the Program will be implemented.

This shall also govern the functions and responsibilities of the agencies in implementing the Program, as may be determined and designated by the law providing appropriation thereof.

B. Definition of Terms

For the purpose of implementing this JMC for the Service Contracting Program, the following definitions shall be set forth herein:

1. Service Contracting Program : Form of program subsidizing transport operations by contracting transport service providers and paying the services they rendered on a per trip basis.
2. Eligible beneficiaries : Consolidated transport services providers, operating on a fixed route manner determined based on the eligibility to be established in the implementation.
3. Public Utility Vehicles (PUVs) : Modes of services operating on a fixed route such as the PUJ (modern and traditional) and UVE (modern and traditional).
4. Priority LGUs : Highly Urbanized Cities (HUCs), Independent Component Cities (ICCs), and Component Cities (CCs) that met the criteria and guidelines formulated by the Technical Working Group (TWG).

- 5. Data Dashboard : System operated and monitored by the Land Transportation Franchising and Regulatory Board (LTFRB), displaying the latest performance visualization, including the Key Performance Indicators (KPIs) and other updates in the implementation of the Program.
- 6. Key Performance Indicators : Quantifiable measures to assess the Accomplishments of the Program (e.g.) Number of cooperatives/corporations and drivers onboarded, routes served, completed unit trips and passenger trips, and payout status

Other significant KPIs may be determined in the guidelines to be issued by the LTFRB to further assess the performance of the Program.

IV. IMPLEMENTING AGENCIES

The following agencies are identified as proposed partner agencies which shall be primarily responsible for the implementation of the Program in coordination with the stakeholders. In relation thereto, they shall perform the following duties and responsibilities:

A. The Department of Transportation (DOTr) shall:

1. Serve as the Chairperson of the TWG for the SC Program;
2. Enter into agreement with the LTFRB, as may be applicable, for the downloading of funds to be utilized in the implementation of the Program;
3. In relation to the preceding, facilitate the processing and submission of requirements needed for the downloading of funds to the LTFRB, to be used for the implementation of the SC Program including the payment of services rendered by the transport cooperatives, associations, and corporations contracted by the LGUs, subject to compliance with existing and relevant government accounting and auditing laws, rules, and regulations;
4. In coordination with the LTFRB and the DILG, assist in the identification of priority LGUs to be co-implementers of the SC Program, including the determination of the parameters to be used and considered in choosing the said LGUs;
5. Provide assistance and technical guidance to the LTFRB in the preparation of documents procurement, as may be necessary to be conducted for the Program, in accordance with the Republic Act. No. 9184 or the Government Procurement Reform Act;
6. Together with other concerned government agencies in the TWG, oversee the implementation of the SC Program and issue policy recommendations as the need arises;
7. Together with the members of the Multi-Sectoral Governance Committee, monitor the implementation of the SC Program;

8. In relation to the preceding functions, to create a Project Management Office within the DOTr for the implementation of the SC Program; and
9. Perform such other functions necessary for the efficient implementation of the Program.

B. The Land Transportation Franchising and Regulatory Board (LTFRB) shall:

1. Promulgate, administer, enforce, and monitor compliance of guidelines, parameters, and relevant policies for the implementation of the Program;
2. Serve as the Co-Chairperson of the TWG to assist in the planning, policy formulation and implementation of the Program;
3. Lead the crafting and issuance of additional guidelines, parameters to be used and considered in choosing the priority LGUs to be co-implementers, as well as the regulations necessary for the implementation of the SC Program on the local level;
4. Enter into a Service Contracting Agreement with the identified LGUs and the qualified transport cooperatives, corporation, and the associations as may be determined by subsequent laws, within their respective jurisdictions;
5. Identify the eligible beneficiaries to be contracted for the Program, with the assistance of Local Government Units;
6. Review and approve routes, in coordination with the priority LGUs, to be subjected for the implementation of the SC Program;
7. Provide Service Plan to the onboarded PUV corporations and cooperatives;
8. Spearhead the coordination with members of the TWG and other concerned agencies, such as but not limited to conduct of consultation and coordination meetings;
9. Facilitate timely release of payouts for the contracted service providers by the priority LGUs;
10. Operate and maintain a real-time dashboard for the Program, for the purpose of monitoring the outputs and outcomes of the Program and to generate data reports;
11. In coordination with the DOTr, prescribe formats to be used in the preparation of reports of the implementation of the Program, containing details such as but not limited to:
 - Routes endorsed to the Program;
 - Number of units and transport groups operating per route;
 - Level of service rendered through the program including the ridership per route, on a daily basis;
 - Issues and challenges encountered in the implementation, and those encountered by the identified eligible beneficiaries of the Program; and

B. [Signature]

- Best practices employed in the implementation of the Program.
12. Monitor the submission of reports by the priority LGUs in accordance with the prescribed format;
 13. In relation to the preceding functions, to reconstitute the Program Implementing Unit (PIU) to spearhead the implementation of the SC Program, especially in the monitoring of the performance of the contracted service providers vis-a-vis the KPIs set; and
 14. Perform such other functions and conduct activities necessary for the proper administration and efficient operations of the Program, subject to the guidance of the DOTr and the TWG.

C. The Department of the Interior and Local Government (DILG) shall:

1. Assist in determining priority LGUs that shall participate in the Program in accordance with the criteria and guidelines established by the DOTr and the LTFRB;
2. Cause the proper dissemination of the guidelines, including this JMC, and initiative for call for proposals to all Provincial, and City LGUs;
3. To assist in the identification of priority LGUs to be co-implementers of the SC Program in coordination with the DOTr and the LTFRB, by encouraging the LGUs to participate in the program;
4. Facilitate the coordination between the DOTr/LTFRB and the respective Chief Executives of the identified priority LGUs for the execution of the necessary agreements needed for the implementation of the Program;
5. Ensure and monitor the compliance of the LGUs in the implementation in accordance with this JMC and further issuances relative to the Program by enjoining the non-compliant LGUs;
6. To assist LTFRB/DOTr in monitoring the submission of reports and documents by providing assistance in enjoining non-compliant LGUs to submit their reports in accordance with the prescribed format for the processing of payouts;
7. Assist in the resolution of issues and challenges encountered by the LGUs in the implementation of the Program; and
8. Facilitate the processing and submission of documentation by the LGUs needed for the execution of Agreements with the DOTr and the LTFRB.

D. The Department of Labor and Employment (DOLE) shall:

1. Enforce and ensure compliance with labor laws and other social legislation of all PUV transport cooperatives and operators;
2. Coordinate the enforcement and compliance monitoring activities of the DOLE with Technical Working Group (TWG), which shall be hereinafter created, for monitoring and coordination;
3. Endorse to DOTr its inspection findings of non-compliant PUV transport cooperatives and operators with labor laws and other social legislation; and

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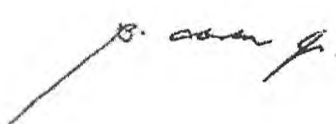
4. Clarify, settle, and resolve issues involving payment of salaries and other labor concerns between the Transport Cooperatives and Corporations and their drivers and other personnel.

E. The Local Government Units (LGUs) shall:

1. Enter into an Agreement with the LTFRB for the implementation of the Program in their respective jurisdictions;
2. Constitute a team for the efficient implementation of the program, and monitoring of the performance of the contracted service providers vis-a-vis the KPI set;
3. Monitor subject routes indicated in the Service Contract regardless of its point destination;
4. Submit the documentations necessary for the execution of the program to the DOTr and the LTFRB, furnishing the DILG of the submission;
5. Regularly submit the implementation reports, which shall include issues and concerns encountered during the Program implementation, in accordance with the format to be prescribed by the LTFRB and the DOTr;
6. Coordinate with the LTFRB for the determination of routes to be included in the Program implementation;
7. Assist the LTFRB, OTC, and CDA in the identification of eligible transport service providers that will participate in the Program within their respective jurisdictions;
8. Directly enter into Service Contracting Agreement with the LTFRB and the qualified transport service providers that will participate in the SC Program within their respective jurisdictions;
9. Facilitate timely submission of GPS certifications or manual monitoring forms needed for the release of payouts for the contracted service providers and/or present data to validate System's Manager's monitoring report should need arise; and
10. Conduct stakeholders' consultations in order to determine the needs and requirements of the contracted transport service providers, and to coordinate with the relevant government agencies that can provide the needed assistance in order to ensure the seamless implementation of the Program.

F. The Cooperative Development Authority (CDA) shall:

1. Being the primary agency responsible for the promotion of the viability and growth of cooperatives, the CDA shall assist the OTC, the LTFRB, and the priority LGUs, in identifying and coordinating with eligible and/or qualified transport cooperatives to be contracted for the Program;
2. In relation to its function as member of the TWG, provide suggestions and recommendations in planning and policy formulation applicable to transportation cooperatives participating in the Program;



3. To conduct stakeholders' consultations, with the assistance of DOTr in order to determine the needs and requirements of the contracted transport service cooperatives, and to coordinate with the relevant government agencies that can provide the needed assistance in order to ensure the seamless implementation of the Program;
4. Assess the eligibility of duly registered transport service cooperatives for their participation in the Program;
5. Issue a Certification of Compliance to duly registered transport service cooperatives as a requirement to be secured prior to their joining the Program as a guarantee of the legitimacy and soundness of their operations as a cooperative; and
6. Exercise supervision and jurisdiction over all qualified transport cooperatives.

G. The Office of Transportation Cooperatives (OTC) shall:

1. Promote relevant guidelines, parameters, and policies relative to the Program that will govern the regulation, supervision and development of transportation cooperatives;
2. Serve as the Deputy Chairperson of the TWG for the Program;
3. In coordination with the LTFRB, the CDA, and the priority LGUs, lead the coordination with the qualified transport cooperatives for participation in the Program;
4. Assist in the planning and policy formulation in relation to the implementation of the Program;
5. Assist in the identification and analysis of concerns and challenges encountered in the implementation relative to its function in the TWG, and provide suggestions and recommendations to address the said challenges encountered;
6. Facilitate coordination with transport cooperatives and other transport stakeholders in ensuring compliance with Program requirements; and
7. Perform such other functions necessary for the implementation of the Program, subject to the guidance of the DOTr and the TWG.

H. Union of Local Authorities of the Philippines (ULAP) shall:

1. Promote efficient and effective networking and consensus-building among its members relative to the enjoinderment of eligible local government units in the Program and its subsequent implementation;
2. Assist the DILG in the proper dissemination of the JMC to highly urbanized cities and independent component cities;
3. Assist the DILG in coordinating with the respective chief executives of identified priority LGUs, for the execution of the necessary agreements needed for the implementation of the Program;

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4. Perform such other functions, including but not limited to the issuance of relevant memoranda to its member-LGU leagues, necessary for the implementation of the Program.

I. Land Transportation Office (LTO) shall:

1. Enforce relative guidelines, mechanisms, and policies, and adjudicate relative cases for the implementation of the Program;
2. To enforce Road Transportation Laws (RA 4136) and other similar enforceable road laws and statutes; and
3. To perform other duties that the TWG may direct in relation to the attainment of the objectives of the PUV Service Contracting Program.

J. The Inter-Agency Council for Traffic (I-ACT) shall:

1. To monitor compliance of participating transport providers and enforce Road Transportation Laws (RA 4136) and other similar enforceable road laws and statutes; and
2. To perform other duties that the TWG may direct in relation to the attainment of the objectives of the PUV Service Contracting Program.

V. TECHNICAL WORKING GROUP

Pursuant to the special provisions in the GAA 2022, a TWG is hereby created composed of the following:

Chairperson	: DOTr Undersecretary/ Assistant Secretary for Road Transport and Infrastructure, or his/her duly authorized representative
Co-Chairperson	: LTFRB Chairman, or his/her duly authorized representative
Deputy Chairperson	: OTC Chairman, or his/her duly authorized representative
Voting Members	: LTO Assistant Secretary, or his/her duly authorized representative
	: LTFRB Board Member, or their authorized representative
	: Chief of the I-ACT or his/her duly authorized representative
	: DILG Undersecretary or Assistant Secretary, or his/her duly authorized representative
	: DOTr Assistant Secretary for Planning and Project Development or his/her duly authorized representative
	: Representative from DOLE
	: Head of the Public Utility Cooperatives or his/her authorized

	representative (Representative from CDA)
	President of ULAP or his/her authorized representative
Non-Voting Member/s	: (2) Representatives from the Transport Sector as recommended by the LTFRB <ul style="list-style-type: none"> - (1) Jeepney Cooperative represented by their Chairman - (1) UVE Cooperative represented by their Chairman

The TWG shall be responsible for the following:

1. Provision of technical guidance to the LTFRB and the LGUs being the principal implementing agencies to ensure proper and full implementation of the Program;
2. Recommend parameters for the prioritization of LGUs, and routes, to be enjoined in the implementation of the Program with the said LGUs as co-implementers;
3. Recommend strategies to be used in the effective monitoring of the program, including the corresponding payout, incentives and penalties to be applied based on the services delivered, vis-a-vis agreed conditions in the service contracts, and other implementing guidelines to be issued;
4. Recommend how services can be enhanced and optimized to meet travel needs of the commuting public; and
5. Conduct regular coordination meetings with the members of the TWG to discuss the feedback and ground reports from the Multi-Sectoral Governance Committee (MSGC), and proposed strategies and ways forward from the LTFRB.

VI. MULTI-SECTORAL GOVERNANCE COMMITTEE

Chairperson	:	LTFRB Board Member
Co-Chair		Assistant Secretary for Special Concerns
Members	:	Representative from the House Committee on Transportation
		Representative from the Senate Committee on Public Services
		Sectoral Apex Organization President of Public Utility Cooperatives Cluster
		(2) Representatives from the Academe (HEI/SUC offering Transport Engineering and other related program) (HEI/SUC offering Transport Engineering and other related program)
		(2) Representatives from the Civil Society Organizations (Philippine Chamber of Commerce and Industry, MoveAsOne, Lawyers for Commuters Safety and Protection)
		(2) Representatives from the Transport Sector as recommended by the LTFRB <ul style="list-style-type: none"> - (1) Jeepney Cooperative represented by their Chairman

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	- (1) UVE Cooperative represented by their Chairman
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The Multi-Sectoral Governance Committee shall be responsible for the following:

1. Provide guidance for the implementation of the Program in line with national policies and objectives or presidential directives;
2. Provide guidance on how to improve transparency in financial and non-financial reporting; and
3. Facilitate and compile community feedback and/or ground reports and provide recommendations and suggestions to address concerns and further improve the operations.

VII. REPEALING CLAUSE

This JMC constitutes the new guidelines relative to the implementation of the Service Contracting Program and hereby supersedes any prior issuances and guidelines that shall be contrary to or inconsistent with its provisions.

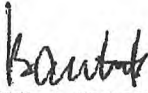

VIII. SEPARABILITY CLAUSE

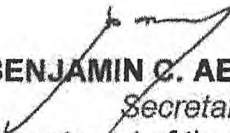

Should any provision of this Guideline be declared invalid, the validity of the other provisions, insofar as they are separable from the invalid ones, shall not be affected and remain in full force and effect.

IX. EFFECTIVITY

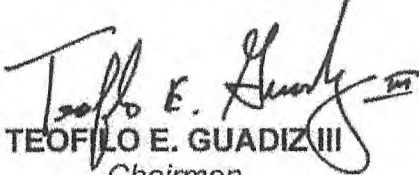
This JMC shall take effect immediately following the completion of its publication either in the Official Gazette or in the newspaper of General Circulation and filing of copies thereof with the UP Law Center.

Further, this shall be valid until the duration of the Project, or until the validity of the funds under the applicable GAA, unless the effectivity of the said Project is extended and/or renewed by subsequent legislation providing funds for the implementation thereof or unless this Circular is sooner terminated or rescinded.


JAIME J. BAUTISTA
 Secretary
 Department of Transportation

 DOTI-OSEC SJB 23-003504


BENJAMIN C. ABALOS, JR.
 Secretary
 Department of the Interior and
 Local Government


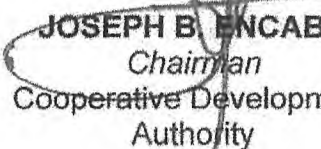

BIENVENIDO E. LAGUESMA
 Secretary
 Department of Labor and
 Employment


TEOFILO E. GUADIZ III
 Chairman
 Land Transportation Franchising
 and Regulatory Board

D




VIGOR D. MENDOZA II
Assistant Secretary
Land Transportation Office



JOSEPH B. ENCABO
Chairman
Cooperative Development
Authority




JESUS FERDINAND D. ORTEGA
Chairman
Office of Transportation
Cooperatives



DAKILA CARLO E. CUA
National President
Union of Local Authorities of the
Philippines



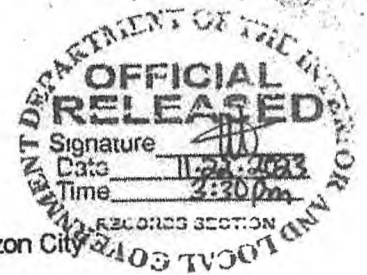
**CHARLIE APOLINARIO A. DEL
ROSARIO** 10/10/2023
Chief
Inter-Agency Council for Traffic



MERCY JANE PARAS-LEYNES
Officer-in-Charge, Chairperson 10/26
Pursuant to DOTr Special Order No. 2023-353
Land Transportation Franchising
and Regulatory Board



Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
DILG-NAPOLCOM Center, EDSA cor. Quezon Avenue, West Triangle, Quezon City
www.dilg.gov.ph



MEMORANDUM CIRCULAR

No. 2023-180

TO : ALL PROVINCIAL GOVERNORS, HUC/ICC/CC MAYORS, DILG REGIONAL DIRECTORS, AND ALL OTHERS CONCERNED

SUBJECT : INVITATION TO PARTICIPATE IN THE IMPLEMENTATION OF PUBLIC UTILITY VEHICLE (PUV) SERVICE CONTRACTING PROGRAM WITH IDENTIFIED LOCAL GOVERNMENT UNITS PURSUANT TO REPUBLIC ACT NO. 11639 OTHERWISE KNOWN AS THE GENERAL APPROPRIATIONS ACT (GAA) OF 2022

DATE : NOV 17 2023.

The Service Contracting Program (SCP) is a government initiative that provides cash subsidies through payouts for contracting public transport services to affected public utility vehicle (PUV) drivers while also ensuring the efficiency and safety of public transport services amid the pandemic, pursuant to Republic Act No. 11494 or the Bayanihan to Recover As One Act.

According to the Special Provisions of GAA 2022 and GAA 2023, the SCP will be carried out in collaboration with selected LGUs to encourage the active involvement of public transport cooperatives, associations, or corporations operating within their area of authority. The program will initially be implemented on fixed routes within Highly Urbanized Cities (HUCs), Independent Component Cities (ICCs), and Component Cities (CCs) for consolidated entities. Likewise, Joint Memorandum Circular No. 4, s. 2023 between the DOTr, DILG, DOLE, CDA, ULAP, LTFRB, OTC, LTO, i-ACT, and LTFRB Memorandum Circular No. 2023-048, provides for the guidelines in the implementation of the said program in identified local government units.

As part of the pre-implementation phase of the program, the LTFRB has identified qualified HUC/ICC/CC's who are eligible to participate in the co-implementation of the said program.

Hence, In the exigency of public service, HUC/ICC/CC Mayors are highly encouraged to implement and support the said program by entering into an agreement with the Land Transportation Franchising and Regulatory Board (LTFRB), Qualified Transport Service Entities (TSEs), and Global Positioning System (GPS) providers for the co-implementation of the Service Contracting Program Phases 3 and 4.

"Matino, Mahusay at Maasahan"
Trunkline No: 8876-34-54


In entering into such agreements, LGUs shall be guided by the roles and responsibilities, requirements, procedures, and other guidelines indicated in the abovementioned JMC and LTFRB MC. Moreover, it shall be made in accordance with the applicable provisions of Republic Act No. 7160, or the Local Government Code, and other pertinent laws and provisions, especially in the exercise of their corporate powers in entering into contracts. Likewise, participating LGUs are highly encouraged to expedite the approval of the agreement with LTFRB, for the immediate implementation of the program.

Attached are the following documents from the DOTr and LTFRB, for reference in the implementation of the said program: (1) *Annex: A – Service Contract Agreement Template*; (2) *Annex B – SCP Project Briefer*; and (3) *List of Qualified Local Government Units*.

Further, all DILG Regional Directors are enjoined to cause the immediate and widest dissemination of this Circular.

For questions and other clarifications, please contact the LTFRB through email piu@lfrb.gov.ph or through Telephone No. (02) 8529-7111 loc. 8032, 837.

For compliance.


ATTY. LORD A. VILLANUEVA
Officer-In-Charge, DILG

OUSLG-2023-09-27-004
BLGS/DTT/PCMD/pmg

