



May 19, 2025

HON. BIENVENIDO C. DE GUZMAN II

City Vice Mayor
Tuguegarao City, Cagayan

Dear Vice Mayor De Guzman:

Greetings!

This refers to the provisions of the FY 2025 General Appropriations Act (GAA) and the Department of Budget and Management (DBM) guidelines under the DBM National Budget Circular for the 2025 GAA release of funds which provides for specific requirements that must be met to facilitate the release of funds for new appropriations categorized as Conditional Implementation (CI). Additionally, local projects with allocation of more than P10,000,000.00, require a city or municipal resolution endorsing such projects for implementation. Projects under your jurisdiction were identified to wit:

| PROJECT TITLE | ALLOCATION |
|---|------------------|
| Construction of Drainage System along Tuguegarao Diversion Road 2, Tuguegarao City, Cagayan, Phase IV | P 12,000,000.00 |
| Construction of Tuguegarao Circumferential Road Dike, Package 2, Tuguegarao City, Cagayan | P 100,000,000.00 |

To proceed with the release of fund, may we respectfully request the submission of the required documents.

Please be informed that non-compliance or delays in submitting the required documents may result in the deferment of the fund release.

Should you have any questions or require further clarification, please contact Engr. Angelyn F. Lara-Cureg at 09773201885. Advance copies of the documents may also be sent via email to lara.angelina@dpwh.gov.ph.

We appreciate your prompt attention and action on this matter.

Thank you.

Very truly yours,

RAYNALDO T. ARUGAY

Officer-in-Charge
Office of the Asst. District Engineer

Encl: (a) Excerpt of General Appropriations Act FY 2025
(b) DPWH-DBM Guidelines

R02.13.1 AFLC/JAD

| PROGRAMS / ACTIVITIES / PROJECTS | AMOUNT (Php) |
|--|------------------------|
| Construction of Flood Control Structure, Burgos, Ilocos Sur | 51,500,000 |
| Construction of Flood Control Structure, Salvador - Langlangca, City of Candon, Ilocos Sur | 51,500,000 |
| Construction of SWIP, Barangay Camandingan, City of Batac, Ilocos Norte | 120,000,000 |
| Rehabilitation of Flood Control Structure, Drainage Structure and Small Water Impounding Project (SWIP), Baranqay 20, San Pablo, San Nicolas, Ilocos Norte | 150,000,000 |
| <u>Cordillera Administrative Region</u> | <u>60,000,000</u> |
| Construction of Flood Control Structure along Ambalanga River, Itogon, Benguet | 60,000,000 |
| <u>Region II</u> | <u>3,601,500,000</u> |
| Construction of Flood Control Structure, District 1, Lucban, Benito Soliven, Isabela | 100,000,000 |
| Construction of Slope Protection Works along Cagayan River, Package 1, Barangay Garita - Barangay Cansan, Cabagan, Isabela | 150,000,000 |
| Construction of Slope Protection Works along Cagayan River, Package 1, Barangay San Isidro West - Barangay Banqad, Santa Maria, Isabela | 150,000,000 |
| Construction of Claveria Flood Mitigation Structure, Barangay Centro 6, Claveria, Cagayan | 250,000,000 |
| Construction of Tuguegarao Circumferential Road Dike, Package 2, Tuguegarao City, Cagayan | 100,000,000 |
| Construction of Water Management for Food Security along Angadanan River (TMP1), Barangay Runruno, Quezon, Nueva Vizcaya | 150,000,000 |
| Construction of Water Management for Food Security along Angadanan River (TMP2), Barangay Runruno, Quezon, Nueva Vizcaya | 150,000,000 |
| Construction of Water Management for Food Security along Angadanan River (TMP3), Barangay Runruno, Quezon, Nueva Vizcaya | 150,000,000 |
| Construction of Water Management for Food Security along Angadanan River (TMP4), Barangay Runruno, Quezon, Nueva Vizcaya | 150,000,000 |
| Construction of Water Management for Food Security along Marang River L/S Facing Upstream (Section 1), Barangay Comon, Aritao, Nueva Vizcaya | 148,000,000 |
| Construction of Water Management for Food Security along Marang River L/S Facing Upstream (Section 1), Barangay Tucanon, Aritao, Nueva Vizcaya | 140,000,000 |
| Construction of Water Management for Food Security along Marang River L/S Facing Upstream (Section 2), Barangay Comon, Aritao, Nueva Vizcaya | 143,500,000 |
| Construction of Water Management for Food Security along Marang River L/S Facing Upstream (Section 2), Barangay Tucanon, Aritao, Nueva Vizcaya | 140,000,000 |
| Construction of Water Management for Food Security along San Fernando River (TMP10), Sitio Orang, Barangay San Fernando, Bambang, Nueva Vizcaya | 150,000,000 |
| Construction of Water Management for Food Security along San Fernando River (TMP11), Sitio Orang, Barangay San Fernando, Bambang, Nueva Vizcaya | 150,000,000 |
| Construction of Water Management for Food Security along San Fernando River (TMP12), Sitio Orang, Barangay San Fernando, Bambang, Nueva Vizcaya | 150,000,000 |
| Construction of Water Management for Food Security along San Fernando River (TMP13), Barangay San Fernando, Bambang, Nueva Vizcaya | 100,000,000 |

| PROGRAMS / ACTIVITIES / PROJECTS | AMOUNT (Php) |
|--|-----------------------|
| Rehabilitation of Canal Lining, Barangay 10 Parparoroc, Vintar, Ilocos Norte | 5,000,000 |
| <u>Ilocos Norte 2nd District Engineering Office</u> | <u>100,000,000</u> |
| Water Management for Food Security, Padsan River, Barangay Daquioag, Marcos, Ilocos Norte | 50,000,000 |
| Water Management for Food Security, Padsan River, Barangay Tabucbuc, Marcos, Ilocos Norte | 50,000,000 |
| <u>La Union 1st District Engineering Office</u> | <u>40,000,000</u> |
| Construction of Flood Mitigation Strcture along Sitio Pudoc, Brgy. Alzate, Bangar, La Union | 10,000,000 |
| Construction of Flood Mitigation Structure along Brgy. Napaset, Luna, La Union | 10,000,000 |
| Construction of Slope Protection, Brgy. Cabaroan, San Juan, La Union | 20,000,000 |
| <u>La Union 2nd District Engineering Office</u> | <u>50,000,000</u> |
| Construction of Flood Control Structure along Bauang River Basin, Package 2, Baranqay Cabalayanqan, Bauang, La Union | 50,000,000 |
| <u>Pangasinan 4th District Engineering Office</u> | <u>350,000,000</u> |
| Construction of Flood Control Structure along Ingalera River, Barangay Ano, San Carlos City, Pangasinan | 50,000,000 |
| Construction of Flood Control Structure along Ingalera River, Barangay Inerangan, San Carlos City, Pangasinan | 50,000,000 |
| Construction of Flood Control Structure along Ingalera River, Barangay Malabago, Calasiao, Pangasinan | 50,000,000 |
| Construction of Flood Control Structure along Ingalera River, Barangay Talospatang, Malasiqui, Pangasinan | 50,000,000 |
| Construction of Flood Control Structure along Marusay River, Poblacion East, Calasiao, Pangasinan | 50,000,000 |
| Construction of Flood Control Structure along Panaminditaan Creek, Barangay Talang, San Carlos City, Pangasinan | 50,000,000 |
| Construction of Flood Control Structure along San Juan River, Bolosan Section, San Carlos City, Pangasinan | 50,000,000 |
| <u>Cordillera Administrative Region</u> | <u>10,000,000</u> |
| <u>Lower Kalinga District Engineering Office</u> | <u>10,000,000</u> |
| Construction of Flood Control Structure along Biga River ,Bawac Banneng, Tanudan, Kalinga | 10,000,000 |
| <u>Region II</u> | <u>322,500,000</u> |
| <u>Cagayan 3rd District Engineering Office</u> | <u>22,500,000</u> |
| Construction of Drainage System along Tuguegarao Diversion Road 2, Tuguegarao City, Cagayan, Phase IV | 12,000,000 |
| Construction of Sewerage Canal within Barangay Poblacion, Enrile, Cagayan, Phase II | 5,000,000 |
| Rehabilitation of Drainage, Barangay Ajat, Iguig, Cagayan - Phase II | 5,500,000 |
| <u>Isabela 4th District Engineering Office</u> | <u>300,000,000</u> |
| Construction of Flood Control Structure, Brgy. San Fermin, Cauayan City, Isabela | 50,000,000 |
| Construction of Drainage Project, Brgy. San Fabian, Echague, Isabela | 30,000,000 |



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
CENTRAL OFFICE
Manila



JAN 14 2025
MEMORANDUM

TO : ALL REGIONAL DIRECTORS
ALL DISTRICT ENGINEERS
This Department

SUBJECT : Guidelines on the Release of Funds for New Items of Appropriations
Categorized as Conditional Implementation under the FY 2025
General Appropriations Act (GAA)

In compliance with the provisions of the FY 2025 General Appropriations Act (GAA) and the Department of Budget and Management (DBM) guidelines under the DBM National Budget Circular for the 2025 GAA, the release of funds for new items of appropriations categorized as Conditional Implementation shall follow the specific requirements outlined in the attached DBM-DPWH Guidelines:

1. Strict Compliance with Guidelines

- Regional and District Engineering Offices must ensure full adherence to the DBM-issued guidelines, as well as relevant directives from this Department, *regarding fund releases for Conditional Implementation items.*

2. Submission and Endorsement Requirements

- Required documents must be prepared, validated, and submitted promptly.
- Regional Offices must consolidate and endorse these submissions to the Planning Service for validation.
- Endorsed submissions, after assessment and validation, will then be submitted by the Secretary to the DBM for subsequent processing.

3. Approval for Release of SARO

- The release of the Special Allotment Release Order (SARO) for new items of appropriations categorized as Conditional Implementation remains subject to the approval of the Office of the President (OP).
- Regional Directors and District Engineers are advised to exercise due diligence in ensuring compliance to avoid delays in processing.

4. Oversight and Accountability

- Regional Directors are directed to supervise the compliance of their District Engineering Offices and ensure alignment with these guidelines.

FOR NON-IMPLEMENTABLE PROJECTS

For projects determined to be non-implementable by the DPWH within the two-year validity period, Regional Directors are directed to submit the required certifications confirming the non-implementability of these projects. The certifications must detail the reasons for the non-implementation and include any supporting documentation.

Website: <https://www.dpwh.gov.ph>
Tel. No(s): 5304-3000 / (02) 165-02



These submissions will be consolidated by the Planning Service for proper reporting and coordination with DBM. Prompt submission of these certifications is crucial to facilitate the reallocation of resource, subject to the approval of the President.

FURNISHING OF GUIDELINES

Attached herewith are the detailed guidelines for your reference. Ensure that these are disseminated to the District Engineering Offices under your jurisdiction for proper implementation.

COMPLIANCE AND MONITORING

Non-compliance or delays in fulfilling the required documentation and conditions may result in the deferment of fund releases.

For further clarification or assistance, please coordinate directly with the Planning Service.


MANUEL M. BONOAN
Secretary

Department of Public Works and Highways
Office of the Secretary

WIN5H02130



**GUIDELINES ON THE RELEASE OF FUNDS FOR NEW ITEMS OF APPROPRIATIONS
CATEGORIZED AS CONDITIONAL IMPLEMENTATION UNDER THE
FY 2025 GENERAL APPROPRIATIONS ACT (GAA)**

I. PURPOSE

These guidelines are issued to ensure transparency, consistency, and adherence to DBM and DPWH rules in evaluating projects under Conditional Implementation (CI) for fund release under the FY 2025 General Appropriations Act (GAA). The aim is to minimize discretion and ensure that projects align with the government's socio-economic agenda, Philippine Development Plan, and DBM and DPWH modification and implementation rules and standards.

II. ELIGIBILITY CRITERIA FOR RELEASE OF FUNDS

A. Projects Eligible for Release

1. **No Need for Modification:** Projects that can be implemented directly without requiring modification of project name, scope, or location.
2. **Need Modification but can be Approved under the Rules on Modification:** Projects requiring modification but are compliant with DBM and DPWH rules.
 - **Condition on Fund Release Before Modification:** Funds for the project must be released first before any request for modification is processed. However, the release of funds does not automatically signify the approval of the requested modification. All modification requests shall undergo a detailed evaluation in accordance with separate rules and Department Orders issued by DBM and DPWH.

General Requirements for Projects under both Categories:

- **Projects with Clear Station Limits:** Projects must have specific start and end points.
- **Projects with Identified Municipality/City:** Projects should specify a municipality or city as the project site. Projects identifying only the province as the site are disapproved under the rules of modification.

B. Multi-Phase Projects

If a project consists of multiple phases, segments, or packages with individual phase values, subsequent phases will only be eligible for fund release upon the substantial completion of at least 95% of the preceding phase, as mandated by Department Order No. 76, series of 1993.

For phases funded in prior years—whether through previous GAAs, Unprogrammed Appropriations, or Calamity Funds—the same requirement applies: earlier phases must achieve at least 95% substantial completion before the next phase under the current GAA can qualify for release.



Should the earlier phases of a project fail to meet the 95% substantial completion threshold, succeeding phases shall be deemed ineligible for release.

In cases where phases are interdependent and rely on the completion of earlier phases for functionality, the succeeding phases will not qualify unless the earlier phases are substantially complete.

However, for interdependent phases to proceed, even if earlier phases have not reached the 95% substantial completion threshold, the released phase must demonstrate standalone functionality. This means that the phase must be able to operate independently and deliver its intended benefits without relying on the completion of subsequent or earlier phases. Standalone functionality refers to a project's capacity to serve its purpose and provide value on its own, even if other phases or parts of the project are not yet substantially or fully (100%) completed.

III. IMPLEMENTING OFFICES

The Implementing Office shall follow the DPWH-approved delegated authority outlined in Department Order No. 250, series of 2022, unless otherwise approved by the Secretary for the District Engineering Office (DEO) or Regional Office (RO) to implement a project outside its delegated level of authority. As specified under the said Department Order:

- **Projects valued up to ₱150 million:** May be implemented by the DEO.
- **Projects valued above ₱150 million up to ₱400 million:** May be implemented by the RO.
- **Projects valued above ₱400 million:** As may be delegated by the Secretary.

Special Case: The Maharlika Highway projects, regardless of the amount, will be implemented by the respective Regional Office, as per Department Order No. 89, series of 2023.

Under the FY 2025 GAA cash budgeting system, a project can be declustered, subject to the Secretary's approval, to ensure manageable implementation and efficient utilization of resources consistent with Section 8(a) of the DPWH Special Provisions in the FY 2025 GAA.

IV. FEASIBILITY STUDY REQUIREMENT

In addition to the eligibility requirements mentioned above, and pursuant to Department Order No. 47, series of 2022, titled "Guidelines for Conducting Feasibility Studies on Roads, Bridges, Flood Control, Drainage, and Other Water-Related Projects", all projects are required to comply with the following feasibility study requirement:

A. For Road and Bridge Projects

1. A Feasibility Study (FS) shall be required for projects that:
 - a. have total indicative project cost above ₱1 Billion—inclusive of Construction Cost for all phases or segments related to the project and Right-of-Way Acquisition Cost, and regardless of the schedule of release of funds and/or implementation;
 - b. are located in or traverse through areas which are environmentally critical and/or listed in Presidential Proclamation 2146 dated 14 December 1981 (or as may be superseded);
 - c. are located in or traverse through zones or areas with considerable settlements (such as limited ROW availability or heavy roadside friction) or those covered under the

Indigenous Peoples' Rights Act of 1997 (Republic Act 8371) and/or with indicative ROW acquisition cost of more than 50% of the construction cost; and/or

d. are long-span bridges.

2. Unless a FS is required, a Pre-Feasibility Study (Pre-FS) shall be conducted for projects with an indicative cost more than ₱300 Million but not exceeding ₱1 Billion.
3. Other projects that do not require a FS or Pre-FS shall require a Project Concept Paper (PCP) to be prepared by the ROs and/or DEOs.

B. For Flood Control, Drainage and other Water-Related Projects

1. A Master Plan and FS shall be required for multi-phase projects on major and principal river basins.
2. FS shall be required for projects with a total indicative cost of more than ₱1 Billion, inclusive of all the phases/stages related to the project, and regardless of the implementation and funding schedule.
3. Pre-FS shall be required for projects that have a total indicative cost of more than PhP300 Million but not exceeding PhP1 Billion.
4. Other projects that do not require a Master Plan, FS, or Pre-FS shall require a Project Impact Analysis (PIA) Report to be prepared by the ROs and/or DEOs.

Consistent with NEDA Guidelines, this requirement is based on the principle that infrastructure projects must be supported by sound preparatory work to ensure their feasibility and success. However, it has been observed in many cases that projects are split into phases, segments, or packages to circumvent this requirement, proceeding with implementation without the necessary feasibility study, pre-feasibility study, or at the very least, a concept paper completed prior to full-scale implementation. Such practices undermine the integrity of project planning and compromise the efficient allocation of resources. Ensuring proper preparatory work is essential to avoid inefficiencies and to guarantee the successful implementation of projects.

V. BINARY YES/NO EVALUATION CRITERIA

A. Standardized Checklist for Evaluation

Evaluation criteria will follow a binary "Yes/No" format with required documentation.

Note: A more detailed discussion on the binary evaluation system in project assessment is provided in **Annex "A"** as attached

B. Documentary Evidence Requirement

To request the release of funds for project implementation, the following documents are required:

- Feasibility Study, Pre-Feasibility Study, Master Plan, PCP or PIA Report as applicable (refer to the section above on Feasibility Study Requirements)
- ROW Certificate of No Land Acquisition and Resettlement or Relocation signed by the Head of the Implementing Office
- Environmental Compliance Certificate (ECC) or Certificate of Non-Coverage (CNC) from DENR City/Provincial/Regional Office
- Approved Program of Work
- Straight-line Diagram for road and bridge projects

- MAP of the project location, showing alignment, site, and surrounding areas
- BP 202 (Project Profile)
- Geotechnical boring results as applicable, per Department Order No. 75, series of 2024
- Detailed Unit Price Analysis (DUPA)
- Proof of government ownership of lot for building projects

Additional Requirements for Local Roads, Local Bridges, Local Buildings, Water-Related Projects, and Other Projects:

- **Local Government Unit (LGU) endorsements** must be in the form of a Resolution issued by the appropriate local council, which must:
 - Endorse the project(s); and
 - Confirm that upon turnover to the LGU, the LGU accepts responsibility for maintenance of the local infrastructure, as mandated by Republic Act No. 7160, otherwise known as the Local Government Code of 1991.

Specific Requirements for Resolutions:

1. For projects within a single city or municipality:
 - City/Municipal Development Council (CDC/MDC) resolution, or
 - Provincial Development Council (PDC) resolution, or
 - Regional Development Council (RDC) resolution.
2. For projects spanning multiple municipalities/cities:
 - Provincial Development Council (PDC) resolution, or
 - Regional Development Council (RDC) resolution.
3. For projects crossing multiple provinces:
 - Regional Development Council (RDC) resolution.

Note: National Roads, National Bridges, and National Buildings do not require LGU endorsements. However, all other documentary evidence listed above remains mandatory.

C. Alignment with Sectoral Priorities

For specific project types, agency endorsements are required to ensure alignment with sectoral priorities and standards, and to avoid duplication, redundancy, or overlap with existing programs. The following alignments are required:

- **School Building Projects:** An endorsement from the Department of Education (DepEd) is required to confirm that the project aligns with the DepEd's BEFF program.
- **Farm-to-Market Roads:** An endorsement from the Department of Agriculture (DA) is required to ensure alignment with the FMR Masterplan.
- **Airports and Ports:** An endorsement from the Department of Transportation (DOTr) is required to ensure no duplication, redundancy, or overlap with ongoing or planned projects.

VI. RELEVANT SIGNATORIES OF FINAL ASSESSMENT AND ELIGIBILITY DETERMINATION FOR CONDITIONAL IMPLEMENTATION RELEASE

A. Avoidance of Duplication

- Certification of No Duplication: Signed by the Head of the Implementing Office
- Validation: Conducted by the Planning Service to confirm compliance and prevent overlapping projects.

B. For Multi-Phase Projects: Certification of Substantial Completion and Performance-Based Fund Release

- Certification of 95% Substantial Completion or 100% Completion Signatory: Head of the Implementing Office (e.g., District Engineer or Regional Director).

C. Binary Yes/No Evaluation Matrix

- Project Eligibility Assessment and Final Determination: Conducted by the Planning Service and signed by the Planning Service Director.
- Letter of Final Endorsement to DBM: Initialed by the Undersecretary for Planning and PPP after the Project Eligibility Assessment and Final Determination.

D. Final Endorsement to DBM

- Final Endorsement to DBM for Release: Signed by the Secretary.