

## **GUIDELINES ON THE IMPLEMENTATION OF PROJECTS UNDER THE SPECIAL LOCAL ROAD FUND (SLRF) – MVUC LAW**

### **I. BACKGROUND**

Republic Act 8794 or the Motor Vehicle Users' Charge Law enacted on June 27, 2000 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.

The Law provides that a Motor Vehicle Users' Charge (MVUC) shall be imposed on every vehicle, which shall be collected from the owner of motor vehicle.

All monies collected under the MVUC Law shall be earmarked solely and used exclusively for (1) road maintenance and the improvement of road drainage (2) for the installation of adequate and efficient traffic lights and road safety devices and (3) for air pollution control.

Five percent (5%) of the monies collected shall be allotted to and placed in a Special Local Roads Fund, 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.

In preparing their maintenance Annual Works Program for funding under the SLRF of MVUC Law Provinces and Cities shall be guided by these guidelines.

### **II. WORKS PLANNING**

#### **A. Updating the Local Roads Inventory and Road Map**

LGUs shall conduct an annual inventory of the existing Local Road and their conditions to update the statistical record of the provincial/city road assets in a database.

Two different formats are required to be accomplished:

- |                                   |   |  |
|-----------------------------------|---|--|
| LR INV FORM 1<br>(Attachment "A") | - | to be used by LGUs and includes details to allow prioritisation for road maintenance.  |
| LR INV FORM 2<br>(Attachment "B") | - | to be accomplished by the LGUs and submitted to DILG every 2 <sup>nd</sup> week of December for the National Database on Local Roads. The Database is used as basis for Apportionment of SLRF. |

LGUs are expected to have classified their roads and recorded on a large scale map showing:

- ❑ Traffic Data (ADT) recorded at locations where counts were taken.
- ❑ National Roads shown black on the map.
- ❑ Provincial Roads shown red for class 1, blue for class 2 and green for class 3.
- ❑ City Roads shown orange on the map.
- ❑ Non-maintainable trails shown by black dotted lines.

## **B. Road Prioritization for Maintenance**

The following criteria and points system are suggested to be used in the prioritization of road sections to be maintained:

1.	Pavement Surface Type	-	20 points
	Concrete	-	3
	Asphalt Concrete	-	5
	Bitumen Surfacing	-	10
	Gravel	-	15
	Earth	-	20
2.	Average Surface Condition-		20 points
	Good	-	5
	Fair	-	10
	Poor	-	15
	Bad	-	20
3.	Traffic	-	25 points
	1 to 50	- 2	701 to 1000 - 8
	51 to 100	- 3	1001 to 2000 - 10
	501 to 300	- 4	2001 to 3000 - 15
	301 to 500	- 5	3001 to 4000 - 20
	501 to 700	- 6	more than 4000 - 25
4.	Road Importance	-	15 points
	Unknown	-	3
	Low	-	7
	Medium	-	10
	High	-	15
5.	Connectivity	-	20 points
	National Road	-	20
	Provincial Road	-	12
	Municipal/City Road	-	12
	Barangay Road	-	8

The highest values denote those roads that have the highest priority for funding during the year.

### III. PROGRAMMING

- A. The scope of maintenance projects and activities funded under the SLRF is limited to the following outputs and categories

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

- B. Maintenance Activities and Performance Standards.

The Maintenance of roads and bridges involves many different activities, each one for specific purpose. Annual Works Programs are made up of various combinations of work activities.

The Road Board Operations Manual defines work categories eligible for SLRF. Hereunder are the summary of the work categories and activities under the said manual.

## ROAD BOARD

OPERATIONS MANUAL		
Note: It is the policy of the Road Board to fund outputs rather than inputs. The Board will only consider funding projects and activities that fall within the outputs specified below		
OUTPUT	NO.	WORK CATEGORY
<b>CARRIAGE MAINTENANCE</b>	10	<b>Pavement Maintenance</b> <ul style="list-style-type: none"> <li>▪ Pavement patching and repair (including repair of potholes and crack sealing)</li> <li>▪ Spot regravelling &amp; reshaping on unpaved roads</li> <li>▪ Grading in unpaved roads</li> </ul>
	11	<b>Regravelling</b> <ul style="list-style-type: none"> <li>▪ Replacement of surface course and base course, if necessary on a gravel road</li> </ul>
	12	<b>Bridge &amp; Structure Maintenance</b> <ul style="list-style-type: none"> <li>▪ Repairs of hand rails</li> <li>▪ Replacement of damaged or deteriorated structural members</li> <li>▪ Replacement of timber decks</li> <li>▪ Epoxy sealing of cracks in concrete decks</li> <li>▪ Change of bearing plates, additions of shear plates or cable restrainers</li> <li>▪ Sand blasting and painting of structural members</li> <li>▪ Repair of retaining walls</li> <li>▪ Foundation protection</li> <li>▪ Stream clearing and debris removal to maintain water courses under bridges</li> <li>▪ Hire charges for a Bailey or other temporary bridging</li> </ul>
<b>ROADSIDE MAINTENANCE</b>	15	<b>Shoulder Maintenance</b> <ul style="list-style-type: none"> <li>▪ Normal care and attention of the road shoulder to maintain support to the carriageway and safety standards. It includes: <ul style="list-style-type: none"> <li>• Removal of obstruction/ encroachment</li> <li>• Resurfacing of gravel shoulder is included</li> </ul> </li> </ul>
	16	<b>Drainage Maintenance</b> <ul style="list-style-type: none"> <li>▪ Routine maintenance and repair of side ditches and subsoil drainage</li> <li>▪ Stream clearing and debris removal to maintain water courses through culvert.</li> <li>▪ Renewal or installation of culverts with a diameter less than or equal to 600mm.</li> </ul>
	17	<b>Vegetation Control</b>
	18	<b>Traffic Service Maintenance</b> <ul style="list-style-type: none"> <li>▪ Maintenance of signs, road markers, pavement markings</li> <li>▪ Maintenance of guardrails</li> </ul>

PREVENTIVE MAINTENANCE	20	<b>Pavement Resurfacing</b> <ul style="list-style-type: none"> <li>▪ Single and double bituminous seals</li> <li>▪ Void Filling seal coats</li> <li>▪ Texturing seals</li> <li>▪ Slurry Seals</li> <li>▪ Other approved special purpose seals</li> <li>▪ Thin overlays (bituminous road-mix or plant mix surface course not exceeding 50mm average depth)</li> </ul>
	21	<b>Concrete Reblocking</b>
	22	<b>Seal Widening</b>
	23	<b>Preventive Works</b> <ul style="list-style-type: none"> <li>▪ New works that protect existing roads from sea or river damage</li> <li>▪ Drainage installed to drain incipient slip</li> <li>▪ Toe weighting of unstable slopes</li> <li>▪ Berming and hedging of slopes</li> <li>▪ Protection planting project</li> <li>▪ Work to overcome changes in a river's course or bed level that threatens the roads, bridges or other road related structures, but which is not attributable to one climatic event.</li> </ul>
REHABILITATION AND IMPROVEMENT	25	<b>Rehabilitation</b> <ul style="list-style-type: none"> <li>▪ The rehabilitation work category provides for all pavement maintenance techniques on sealed, paved or concrete roads where the least-cost maintenance option is an area-wide treatment and there are no improvements. This is essentially restoration to the original condition.</li> <li>▪ Examples of qualifying work include: <ul style="list-style-type: none"> <li>• unbound granular overlays not exceeding 70 mm over high spots plus resurfacing;</li> <li>• rip and relay of the existing base course plus resurfacing;</li> <li>• stabilization of the existing base course plus resurfacing;</li> <li>• removal and replacement of the existing base course and surfacing course;</li> <li>• concrete reblocking exceeding 4 continuous lane blocks.</li> </ul> </li> <li>▪ Rule: To qualify for inclusion in this work category the work must: <ul style="list-style-type: none"> <li>• be the long-term, <u>least-cost</u> option for the implementing agency, calculated in terms of present value (PV); and</li> <li>• not increase the existing pavement width nor pavement structural capacity.</li> </ul> </li> </ul>
	26	<b>Drainage Improvement</b> <ul style="list-style-type: none"> <li>▪ The drainage improvement work category provides for drainage work that is not routine in nature but which is clearly demonstrated to reduce future maintenance costs to the road agency.</li> <li>▪ Examples of qualifying work include: <ul style="list-style-type: none"> <li>• renewal or installation of culverts, with a diameter greater than 600 mm but having a waterway less than or equal to 3.4 square meters, plus cross drainage;</li> <li>• repair and replacement of curb and gutter, provided that the deterioration is likely to adversely affect the performance of the pavement;</li> <li>• installation of side ditches, sub-soil drainage, or curb and gutter, where this is shown to be: <ul style="list-style-type: none"> <li>➢ necessary to protect adjacent property from run-off from the road surface;</li> <li>➢ the most cost-effective form of drainage control for the purpose of protecting the pavement;</li> </ul> </li> <li>• raising of the road to elevate the road pavement above the water table.</li> </ul> </li> <li>▪ Rule: These works must be economically justified from either the road users perspective or in terms of net maintenance savings.</li> </ul>

REHABILITATION	27	<p><b>Rehabilitation Plus Improvement</b></p> <ul style="list-style-type: none"> <li>▪ The rehabilitation plus improvement work category provides for the rehabilitation of pavements required for the benefit of road users where drainage or other improvements need to be included. It provides for the following: <ul style="list-style-type: none"> <li>• any rehabilitation treatment listed under Work Category 25 together with drainage improvements listed under Work Category 26 or other improvements;</li> <li>• unbound granular overlays exceeding 70 mm over high spots plus resurfacing;</li> <li>• bituminous overlays exceeding 50 mm average depth.</li> </ul> </li> <li>▪ Other improvements may include: <ul style="list-style-type: none"> <li>• additional seal or pavement width, but not traffic lanes;</li> <li>• minor intersection improvements;</li> <li>• isolated geometric improvements, which can be justified from the perspective of the road user.</li> </ul> </li> <li>▪ Rule: <ul style="list-style-type: none"> <li>• overlays thicker than that allowed under Work Category 25 are to be justified for pavement structural reasons;</li> <li>• the cost of the improvements is not to be greater than 30% of the <b>total project cost</b> (i.e., the cost of rehabilitation under Work Category 25 plus the cost of the improvements) without specific approval by the Board.</li> </ul> </li> </ul>
EMERGENCY REINSTATEMENT	28	<p><b>Emergency Reinstatement</b></p> <ul style="list-style-type: none"> <li>▪ The emergency reinstatement output and work category provides for work required in order to reinstate roads structures from damage resulting from a defined, unforeseen, major, short duration, natural event, or unforeseen man-made calamity. It allows for the restoration of roads and road structures to a standard no better than that which existed before any damage occurred.</li> <li>▪ Repair of damage which is confined to the following extent, shall be programmed as either pavement maintenance or preventive maintenance and is not eligible for funding from the emergency reinstatement category: <ul style="list-style-type: none"> <li>• Minor scour in side ditches and other drainage facilities</li> <li>• Dropouts and/or slips that do not require restriction of traffic lane, provided they do not need urgent attention to remove a threat to safety or the road structure,</li> <li>• Scour, degradation, or degradation threatening roads, bridges, or other roading-related structures which has accumulated over time,</li> <li>• Any other deficiency which has developed from events occurring over a period of time ( i.e., greater than one month).</li> </ul> </li> <li>▪ Only damage which has been reported to and accepted by the Road Board for funding as emergency work will qualify under this work category.</li> <li>▪ Rule: The cost of restoring any damage to work under construction or still within a maintenance period is a charge to that project and not to the emergency reinstatement category.</li> </ul>
ROAD SERVICES	30	<p><b>Professional Services</b></p> <ul style="list-style-type: none"> <li>▪ Undertaking <ul style="list-style-type: none"> <li>• Road condition &amp; roughness surveys</li> <li>• Traffic surveys</li> <li>• Safety audits &amp; crash reduction studies</li> </ul> </li> <li>▪ Preparing <ul style="list-style-type: none"> <li>• Initial project feasibility reports and feasibility studies</li> <li>• Asset management plans &amp; strategies</li> </ul> </li> <li>▪ Planning, investigation &amp; Design of physical works projects</li> <li>▪ Developing, managing &amp; administering physical works contracts</li> <li>▪ Evaluating physical work bids</li> <li>▪ Obtaining consents</li> <li>▪ Providing contract arbitration services</li> </ul>

ROAD MANAGEMENT		<ul style="list-style-type: none"> <li>▪ Reporting to the asset manager <ul style="list-style-type: none"> <li>• On physical and financial performance of physical works contracts</li> <li>• On the physical and safety condition of road assets, including recommendations for maintaining, enhancing or disposing of assets.</li> </ul> </li> </ul>
	31	<b>Administration</b> <ul style="list-style-type: none"> <li>▪ Setting &amp; administering policy, standards, risk and levels of service</li> <li>▪ Approving &amp; administering asset management plans</li> <li>▪ Managing a computerized pavement &amp; bridge management system including deterioration models.</li> <li>▪ Managing finances</li> <li>▪ Preparing &amp; reviewing annual road programs (AWP) &amp; multi-year programs (MWP)</li> <li>▪ Administering database of bidders</li> <li>▪ Preparing &amp; collating achievement reports</li> <li>▪ Providing data &amp; information to the Board, COA, etc.</li> <li>▪ Providing administration duties (e.g. correspondence, record management)</li> <li>▪ Monitoring the performance of the network</li> <li>▪ Preparing annual reporting</li> <li>▪ Developing &amp; operating communications plans &amp; strategies</li> <li>▪ Preparing &amp; administrative service agreements or contracts with professional services providers (internal &amp; external)</li> <li>▪ Evaluating professional services bids</li> <li>▪ Resolving disputes (excluding arbitrating)</li> <li>▪ Checking/approval of consents</li> <li>▪ Interpreting &amp; approving recommendations from professional services reports &amp; investigations, including review of reports (using HDM-IV &amp; other methods) which assess the condition of road assets</li> </ul>
SAFETY DEVICES	50	<b>Safety Devices Installation</b> <ul style="list-style-type: none"> <li>▪ Installation of: <ul style="list-style-type: none"> <li>• Traffic signals</li> <li>• Advance Traffic Management Systems (ATM)</li> <li>• Variable Message Signs (VMS)</li> <li>• Local Area Traffic Management Schemes (LATMS)</li> <li>• Surveillance devices</li> <li>• Vehicle weighing devices</li> </ul> </li> </ul>
	51	<b>Safety Devices Operations</b> <ul style="list-style-type: none"> <li>▪ Operation &amp; Maintenance of: <ul style="list-style-type: none"> <li>• Traffic signals</li> <li>• Traffic monitoring equipment, such as area wide traffic control systems &amp; closed circuit television systems</li> <li>• Emergency telephones on motorways</li> <li>• Vehicle weighing devices</li> </ul> </li> </ul>
SAFETY PROJECTS	55	<b>Safety Projects</b> <ul style="list-style-type: none"> <li>▪ Installation or construction of : <ul style="list-style-type: none"> <li>• Installation of new traffic signs and markings;</li> <li>• Small, isolated geometric improvements;</li> <li>• Intersection Improvements;</li> <li>• Traffic Calming Measures;</li> <li>• Lighting improvements;</li> <li>• Provision of Guard Railing;</li> <li>• Sight Benching to improve visibility;</li> <li>• Pedestrian Crossings and pedestrian under or over-passes;</li> <li>• Stock Underpasses;</li> <li>• Formation of "Trailer Parks";</li> <li>• Safety Sidewalks;</li> <li>• Rockfall Protection.</li> </ul> </li> </ul>

<div style="writing-mode: vertical-rl; transform: rotate(180deg);"> <b>ROAD SAFETY MANAGEMENT</b> </div>	59	<b>Road Safety Management</b> <ul style="list-style-type: none"> <li>▪ Professional services and management activities relating to road safety activities: <ul style="list-style-type: none"> <li>• The professional services necessary to undertake accident reduction studies and to design and implement remedial treatments, including traffic safety devices;</li> <li>• The management activities of the (DPWH) in collecting and analysing road accident information;</li> <li>• The management activities of the (DPWH Road Program Office) in preparing, submitting, monitoring and reporting on the road safety AWP and MWP.</li> </ul> </li> <li>▪ Each of the above activities shall be identified separately in the AWP and MWP proposed by the (DPWH) and in expenditure reports.</li> <li>▪ NOTE: Professional services for traffic surveys are included under the Road Management Output.</li> </ul>
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#### IV. APPORTIONMENT OF THE SLRF TO LGUs

The SLRF shall be apportioned to provincial and city government in accordance with vehicle population and size of the road network under their jurisdiction. The Road Board shall determine based on its assessment of the revenues into the SLRF the level of expenditures that will be apportioned to LGUs. The DPWH-Road Program Office (DPWH-RPO) shall prepare the SLRF Annual Allocation Matrix based on the LGUs vehicle population and road length data to be provided by DILG.

The Road Board shall approve on an annual basis, the apportionment of the SLRF to provincial and city government and the basis for ensuring that the funds are used in compliance with the stated purpose of the Fund.

#### V. PREPARATION OF ANNUAL WORK PROGRAM (AWP)

The LGUs shall prepare an Annual Work Program comprising the various maintenance projects to be implemented in the financial year including its supporting documents. It shall be programmed with a view of ensuring an ultimately current situation with no backlog in local roads maintenance. In preparing the AWP, both the LGUs' 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 preventive maintenance projects shall be funded through from the Special Local Road Fund.***

The Road Board shall authorize payment to each provincial and city government from the SLRF. All monies shall be authorized exclusively for the maintenance of local roads, traffic management and road safety devices.

The AWP shall comprised the following:



1. Updated Local Roads Inventory, (if proposed road sections for maintenance is not included in the previously submitted inventory);
2. Road Maintenance Projects (SLRF Form NO. 01);
3. Implementation Schedule (SLRF Form NO. 02);
4. Individual Program of Works (SLRF Form No. 03) for projects to be funded under the SLRF together with its supporting documents as follows:
  - a. Detailed Estimate Sheets /derivation of unit cost (SLRF Form No. 03-A) including, back-up computation (SLRF Form No. 03-B) i.e. quantity calculation, computation of number of days based on approved plans, specifications and schedule;
  - b. Detailed Plans such as cross sections, drawings, sketches together with layout plan or straight line diagram reflecting works to be done (SLRF Form No. 03-C);
  - c. Location/Vicinity Maps
  - d. Photos of proposed project site/s (SLRF Form No. 03-D);
  - e. Economic evaluation/justification for each project in work categories requiring such justification i.e. rehabilitation and/or improvement works

The PEO/CEO shall prepare the Individual Program of Works for eligible work categories covering any of maintenance of roads and road safety devices and traffic management. It shall be prepared in three copies and approved by the Governor/City Mayor in the required format.

## **VI. APPROVAL OF AWP**

The LGUs AWP, with a written endorsement from the Local Chief Executive, shall be submitted, reviewed and consolidated by the DILG thru the DILG Regional Office and forwarded to the Road Board for approval thru the DPWH-Road Program Office.

## **VII. MEMORANDUM OF AGREEMENT (MOA)**

A MOA shall be entered into by and between the DPWH-Regional Office and the LGU for the release, utilization and liquidation of funds for the LGU projects funded by the SLRF, using the format in **Annex 1**.

## **VIII. RELEASE OF FUNDS AND DEPOSITS**

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 DPWH with the LCCA Number, copy furnished the DILG.

Based on the approved AWP for SLRF, the Road Board will forward and request the release of fund corresponding to the approved amount to the

Department of Budget and Management for issuance of SARO and NCA to DPWH Central Office.

DPWH central office shall release the funds thru the issuance of Sub Allotment Advice (SAA) and NCA to the DPWH Regional Offices.

The DPWH Regional Offices shall release the funds to LGUs thru Letter of Advice of Allotment (LAA) and the corresponding cash advance in the form of check based on the approved amount in the Annual Work Program for each province/city.

The following procedures shall be followed in the transfer of funds to LGUs:

1. Upon approval of the Memorandum of Agreement and receipt of Sub-Allotment Advice (SAA) from the DPWH-Central Office, the Regional Office (RO) shall issue the Letter of Advice of Allotment (LAA) effecting the full transfer of allotment to the concerned LGU. There shall be no retention for engineering and administrative overhead for the DPWH.
2. Initial release of cash advance/funding check shall be drawn equivalent to fifty percent (50%) of the final allocation for deposit to the account of the LGU. In the event that the allotment is not fully supported by Notice of Cash Allocation (NCA), the DPWH-RO shall request NCA from the DBM-Regional Office through the List of Due and Demandable Accounts Payable (LDDAP), Internal Creditor.
3. The LGU shall deposit all monies for SLRF under the Road Fund Disbursement Account.
4. The release of funding check shall be acknowledged through the issuance of an official receipt by the LGU.
5. The DPWH-RO shall only release the remaining fifty percent (50%) of the SLRF allocation within forty five (45) days upon receipt of the Audited Liquidation Report of the initial funding check/cash advance issued to the LGUs.

## IX. IMPLEMENTATION OF PROJECTS

- A. The LGUs shall implement the project/s by Contract ***thru competitive bidding***, except for LGUs ***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.
- B. The details of these evaluation criteria, including the measurable indicators thereof and their application, are given in the prescribed evaluation format **Annex 3**, which shall be approved by the District Engineer.
- C. The DPWH and LGU shall conduct a final inspection of each of the completed project(s) and shall issue a Joint Certificate of Completion of the project.

## **X. PROJECT MONITORING**

The Road Board and DPWH-RPO thru DILG shall from time to time inspect the progress of project implementation and cause the conduct of road condition assessment of project funded thru SLRF.

## **XI. PROJECT REPORTING**

The LGUs shall submit within 30 days upon issuance, a copy of Joint Certificate of Completion for projects completed under the SLRF to the DILG-OPDS thru the DILG Regional Office.

LGUs shall prepare and submit Annual Reports in the specified formats not later than 20 February of each year. The Annual report shall be certified by the PE/CE and the Provincial/City Treasurer:

- Show the opening balance in the Road Fund Disbursement Account at the beginning of the financial year.
- Show the expenditures for the financial year.
- Describe the works completed in sufficient details.

## **XII. REPORT OF EXPENDITURES**

Each LGU shall submit a Quarterly Audited Report of Expenditure to the Controllership and Financial Management Division (CFMD) of the DPWH-RO in the required format shown as **Annex 2**, copy furnished the DILG-Office of the Project Development Services (DILG-OPDS). Any unexpended amount after the project completion shall be remitted to the account of the DPWH-RO. The DPWH-RO shall duly 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.

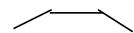
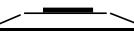
A Liquidation Report of the full cash advances shall be submitted by the LGU to the DPWH-RO upon completion of the project.

# LOCAL ROADS INVENTORY FORM

ATTACHMENT "A"  
FORM LR INV-No 1  
Date of Survey \_\_\_\_\_

Region \_\_\_\_\_  
Province/City \_\_\_\_\_

Surveyor \_\_\_\_\_

Road Name _____																			
Road Class _____																			
Start Location _____																			
Finish _____ Total Road Length _____																			
Road Attribute		Code											Code Reference						
Chainage																			
1	Terrain														S = Steep	H = Hilly	U = Undulating	F = Flat	
2	Formation Width (m)														The width from shoulder to shoulder				
3	Carriageway Width (m)														The width of the usable carriageway				
4	Right of Way Width														Boundary to Boundary				
5	Pavement Surface Type														C = Concrete	P = Paved	G = Gravel	E = Earth	
6	Pavement Condition														G = Good	F = Fair	P = Poor	B = Bad	
7	Shoulder Condition														G = Good	F = Fair	P = Poor	B = Bad	
8	Road Alignment (Horizontal)														S = Straight	W = Few curves	W = Winding		
9	Road Alignment (Vertical)														L = level	U = Undulating	S = Steep		
10	General Road Maintenance														G = Good	P = Potholes	I = Inadequate	N = None	
11	Drainage														G = Good	F = Fair	P = Poor	N = None	
12	Gaps in Road	Number				Total Length (m)										Gaps without bridges or culverts			
13	Side Drain Depth														G = >1.0m	F = 0.5m-0.9m	P = < 0.5m	N = None	
14	Traffic (ADT)							Percent Heavy Vehicles						Estimate for the whole road					
15	Bridge														C = Concrete	S = Steel	T = Timber	M = Composit	
16	Bridge Condition														G = Good	R = Repair	S = Structural	U = Unsafe	
17	Culvert Type														P = Pipe	B = Box	S = Steel		
18	Culvert Size														S = Small	M = Medium	L = Large		
19	Culvert Condition														G = Good	R = Repair	E = Extend	N = Replace	
20	Culvert Pipe														< 0.5 m	0.5 - 1.0 m	> 1.0 m		
21	Culvert Box														< 0.5 x 0.5	<0.5x5-1.0x1.0	> 1.0		

Last Major Works Type	Year
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Record at start and whenever significant change occurs
Record each occurrence whenever significant change occurs
Record Culvert and bridge Locations and condition

## LEGEND:

### Road Class

Class 1	All paved roads
Class 2	Traffic range 25 - 75 ADT and unpaved
Class 3	Less than 25 ADT (gravel or earth)
Class 4	Non maintainable trails

### Start and Finish Locations

At a town, village, intersection with another road or prominent geographic point

#### Pavement Condition

#### Bitumen Surface

Good = Sound, well shaped, even and waterproof, normal speed ok at 80-90 km/hr.  
Fair = Uneven, bad shape but still waterproof, normal speed ok at 60-90 kph  
Poor = Very uneven and porous, normal speed 40-60 kph  
Bad = Very broken up, rough, can only travel very slowly, normal speed at 20-40 kph

#### Gravel Surface

Good = Good shape and surface, does not hold water, normal speed ok at 80-90 km/hr.  
Fair = Surface ravelling and holding some water, normal speed ok at 60-90 kph  
Poor = Breaking up, normal speed 40-60 kph.  
Bad = Impassable when wet

#### Drainage

G = Good = Adequate and well maintained  
F = Fair = Inadequate  
P = Poor = Inadequate and no maintenance  
N - NIL = No drainage installed

#### Shoulder Condition

G = Good = Adequate and maintained  
F = Fair = Adequate width but poor maintenance  
P = Poor = Inadequate width and no maintenance  
B = Bad = No effective shoulders

#### Bridges

G - Good = No work required  
R = Repair = Routine repairs only required  
S = Structural = Some minor structural works required  
U = Unsafe = Major structural works or replacement required

#### Culverts (pipe)

Small	Pipes with diameters 610mm and less
Medium	Pipes with diameters from 610mm to 760mm
Large	Pipes with diamters greater than 760mm

RURAL ROADS INVENTORY

REGION:  
PROVINCE:

MUNICIPALITY:  
BARANGAY:

TYPE OF INVENTORY  
(EXAMPLE : PROVINCIAL ROAD / CITY ROAD / MUNICIPAL ROAD  
BARANGAY ROAD)

Road Id	Road Name	Length (km)	Form Width (m)	C-Way Width (m)	Surface Types (km)				Surface Condition (km)				Traffic		Road Importance	Terrain (km)			Number of Culverts	Number of Bridges
					ASPHALT / SURFACE DRESSING	GRAVEL / MACADAME	EARTH	CONCRETE	Good	Fair	Poor	Bad	VPD	%Heavy		F	R	M		
Sub-Total:																				

Surface Type

T1 = Asphalt / Surface Dressing  
T2 = Gravel / Macadame  
T3 = Earth  
T4 = Concrete

Av Surf Cond:-Average Surface Condition-

Good = Smooth riding, no potholes or cracking  
Fair = Smooth riding over most but some potholes, patching and/or cracking  
Poor = Uneven riding, large percentage patching or potholes, cracking and edge damage  
Bad = Very rough riding, extensive damage and potholes, badly broken edges, poor drainage

Road Importance

1 = High = Large volume of traffic - many buses and trucks - several public facilities and/or serves industrial or commercial areas.  
2 = Medium = Very low traffic volume - few buses and trucks serves several properties and some light commercial activities.  
3 = Low = Very low traffic volume - no buses or trucks - no medical facilities or schools on the road - serves only a few properties and light traffic access only required.

Terrain Type

F = Flat  
R = Rolling  
M = Mountainous

Governor/City Mayor



# DETAILED ESTIMATE SHEET

SLRF FORM NO. 03-A

NAME OF PROJECT: \_\_\_\_\_

ITEM OF WORK: \_\_\_\_\_

ITEM NO. : \_\_\_\_\_

QUANTITY: Length=\_\_\_\_\_ Area=\_\_\_\_\_ Volume=\_\_\_\_\_ No. of Lines=\_\_\_\_\_

## A. DIRECT COST

I. Materials				
Description	Unit	Quantity	Unit Cost	Amount
Total Material Cost				

II. Labor				
Position	No.	Days	Rate/day	Amount
Total Labor Cost				

III. Equipment				
Type	No.	Days	Rate/day	Amount
Total Equipment Cost				

Total Direct Cost

## B. INDIRECT COST

	%	Cost
1. OCM		
2. Contractor's Profit		
3. Taxes		
4. Others		
Total Indirect Cost		
Total Item Cost		
Unit		
Item Unit Cost		

Prepared by:

Checked by:



## SLRF Form No. 01

## ROAD MAINTENANCE PROJECTS

for CY 200\_\_\_\_\_

PROVINCE/CITY :

[illegible]

Prepared by: \_\_\_\_\_  
Chief, Maintenance Division

Submitted by: \_\_\_\_\_  
Provincial/City Engineer

Approved by: \_\_\_\_\_  
Governor/City Mayor

SHEET \_\_\_\_ OF \_\_\_\_

**DETAILED PLANS/DRAWINGS/SKETCHES**

ITEM OF WORK: \_\_\_\_\_

ITEM NO.: \_\_\_\_\_

LOCATION: \_\_\_\_\_

Prepared by: \_\_\_\_\_

Checked by: \_\_\_\_\_

SHEET \_\_\_\_ OF \_\_\_\_

**BACK UP COMPUTATIONS**

ITEM OF WORK: \_\_\_\_\_

ITEM NO.: \_\_\_\_\_

LOCATION: \_\_\_\_\_

Prepared by: \_\_\_\_\_

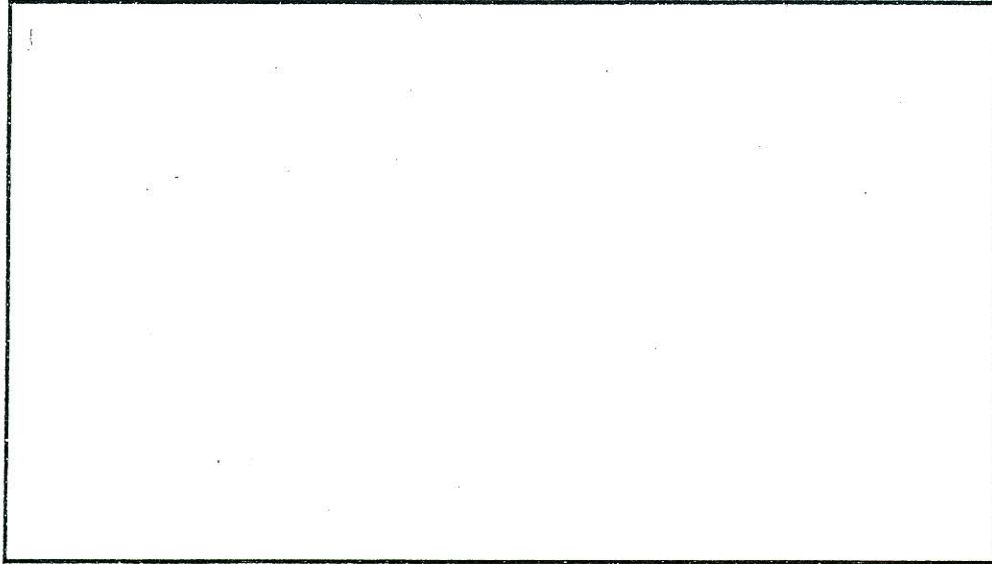
Checked by: \_\_\_\_\_

**PHOTOS/PICTURES OF PROJECT SITE**

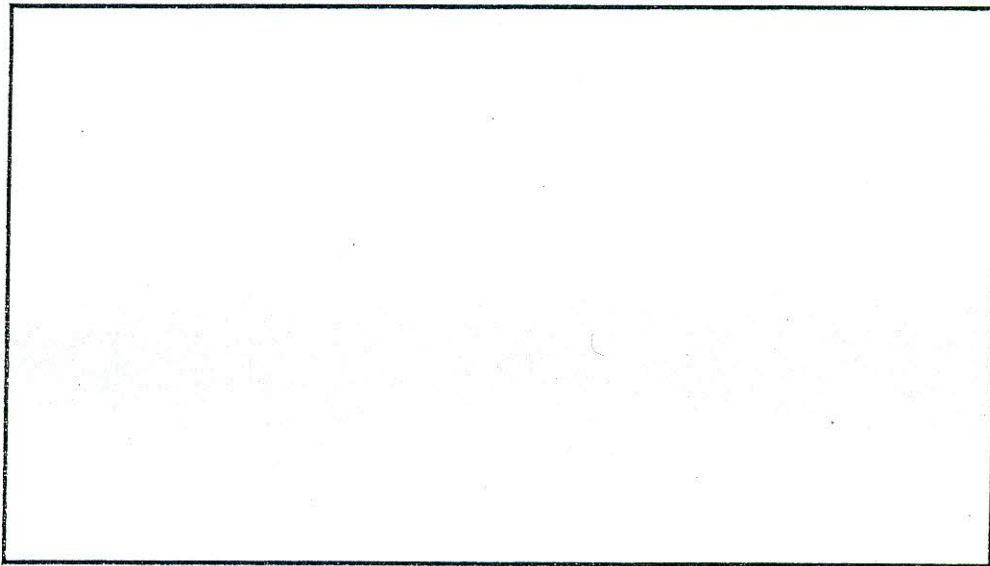
ITEM OF WORK: \_\_\_\_\_

ITEM NO.: \_\_\_\_\_

LOCATION: \_\_\_\_\_



Station : \_\_\_\_\_



Station : \_\_\_\_\_

Prepared by: \_\_\_\_\_

Checked by: \_\_\_\_\_

## SPECIAL LOCAL ROAD FUND

### Statement of Expenditures

For the period of \_\_\_\_\_

Province/City

Address:

Telephone No.

Name of Project:

SARO No./Date:

SAA No./Date:

LAA No./Date

Total Cash Advance:

R

Less: Previous Liquidation

Balance:

P

Less: This Liquidation

Unliquidated Amount

P.

NAME OF PAYEE/CREDITOR	DATE OF CHECK	CHECK NO.	AMOUNT PAID

Prepared by:

Certified Correct by:

(Chief Accountant)

Approved by:

Verified and Found Correct by:

(Governor/City Mayor)

(COA Resident Auditor)

**MEMORANDUM OF AGREEMENT  
BETWEEN THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS AND THE  
PROVINCE/CITY OF \_\_\_\_\_  
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 \_\_\_\_\_ by and between

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

And

The Provincial/City Government of \_\_\_\_\_ represented herein by Governor/City Mayor, \_\_\_\_\_, and hereinafter referred to as **Local Government Unit (LGU)**.

**WITNESSETH THAT:**

**WHEREAS**, pursuant to R.A. 8794, the Motor Vehicle Users' Charge (MVUC) Law, under Section 1 which 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 road 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 Sections 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 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**

01. This agreement specifies the implementation of SLRF Projects along Provincial/City roads in the Province/City of \_\_\_\_\_, with funding under the MVUC Special Local Roads Fund as follows:

01. \_\_\_\_\_
02. \_\_\_\_\_
03. \_\_\_\_\_
04. \_\_\_\_\_
05. \_\_\_\_\_
06. \_\_\_\_\_
07. \_\_\_\_\_
08. \_\_\_\_\_
09. \_\_\_\_\_
10. \_\_\_\_\_

02. The Scope of maintenance projects and activities funded under the SLRF is limited to any of the following outputs and categories:

<b>OUTPUT</b>	<b>WORK CATEGORY</b>
a. Carriageway Maintenance	<ul style="list-style-type: none"><li>▪ Pavement Maintenance</li><li>▪ Regravelling</li><li>▪ Bridge and Structure Maintenance</li></ul>
b. Roadside Maintenance	<ul style="list-style-type: none"><li>▪ Shoulder Maintenance</li><li>▪ Drainage Maintenance</li><li>▪ Vegetation Control</li></ul>



c. Preventive Maintenance	<ul style="list-style-type: none"> <li>▪ Traffic Services Maintenance</li> <li>▪ Pavement Resurfacing</li> <li>▪ Concrete Reblocking</li> <li>▪ Seal Widening</li> <li>▪ Preventive Works</li> </ul>
d. Rehabilitation and Improvement	<ul style="list-style-type: none"> <li>▪ Rehabilitation</li> <li>▪ Drainage Improvement</li> <li>▪ Rehabilitation plus Improvement</li> </ul>
e. Emergency Reinstatement	<ul style="list-style-type: none"> <li>▪ Emergency Reinstatement</li> </ul>
f. Road Management	<ul style="list-style-type: none"> <li>▪ Professional Services and Administration</li> </ul>
g. Road Safety	<ul style="list-style-type: none"> <li>▪ Safety Devices (Installation and Operation)</li> <li>▪ Safety Projects</li> <li>▪ Road Safety Education &amp; Training</li> <li>▪ Road Safety Management</li> </ul>

03. 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 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) projects shall be funded through from the Special Local Road Funds.
04. The Annual Works Program containing eligible Work Outputs and Categories in the required formats shall be prepared by the Provincial/City Engineer's Office and approved by the Governor/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).
05. 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.
06. The details of these evaluation criteria, including the measurable indicators thereof and their application, are given in the prescribed evaluation format "Annex A", which shall be approved by the District Engineer.
07. 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 any Government Servicing Bank and provide the DPWH with the LCCA Number, copy furnished the DILG.

**RELEASE/TRANSFER OF FUNDS.** The following procedures shall be followed in the transfer of funds to LGUs:

- 01. Upon approval of this Memorandum of Agreement and receipt of the Sub-Allotment Advice (SAA) from DPWH-Central Office, the DPWH-Regional Office (RO) shall issue the Letter of Advice of Allotment (LAA) effecting the full transfer of allotment to the concerned LGU. There shall be no retention for engineering and administrative overhead for the DPWH.
- 02. Initial release of cash advance/funding check shall be drawn equivalent to fifty (50%) of the fund allocation for deposit to the account of the LGU. In the event that the allotment is not fully supported by NCA, the DPWH-RO shall request the NCA from the DBM-RO through the List of Dues and Demandable Accounts Payable (LDDAP), Internal Creditor.
- 03. The LGU shall deposit all monies for SLRF under the Road Fund Disbursement Account.
- 04. The release of funding check shall be acknowledged through the issuance of an official receipt by the LGU.
- 05. The DPWH-RO shall only release the remaining fifty (50%) percent of the SLRF allocation within forty-five (45) days upon receipt of the Audited Liquidation Report of the initial funding check/cash advance issued to the LGUs.
- 06. Liquidation Report of the full cash advances shall be submitted by the LGU to the DPWH-RO upon completion of the project.

**REPORT OF EXPENDITURES.** Each LGU shall submit a Quarterly Audited Report of Expenditure 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 unexpended amount after the project completion shall be remitted to the account of the DPWH-RO. The DPWH-RO shall duly 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 LGU of their Annual SLRF allocation based on the payment profile determined by the Board on its assessment of the revenues into the SLRF in coordination with the DILG.
02. Upon receipt of Sub-Allotment Advise (SAA) from the DPWH-Central Office, to transfer the fund and issue cash advance to LGU the amount approved by the Road Board for the SLRF for the year.
03. To provide technical assistance to LGU in preparing implementation mechanisms, standards and procedures on SLRF project implementation and provide training for 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 projects in coordination with the DILG.

##### **B. DUTIES AND RESPONSIBILITIES OF LGUs:**

01. To prepare and submit Annual Works Program of eligible work outputs 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.
02. 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.

03. 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.
04. 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.
05. To prepare and submit to DPWH the Annual Reports 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.
06. To conduct annual Inventory of the existing Local Road Networks and their conditions 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.
07. 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 or whole of these documents are amended and mutually agreed upon by both parties.

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

**FOR THE DPWH:**

**FOR THE LGU:**

\_\_\_\_\_  
**ASSISTANT REGIONAL DIRECTOR  
FOR MAINTENANCE OPERATION**

\_\_\_\_\_  
**PROVINCIAL GOVERNOR/  
CITY MAYOR**

**WITNESSES:**

\_\_\_\_\_  
**DISTRICT ENGINEER/S**

\_\_\_\_\_  
**PROVINCIAL/CITY ENGINEER**

**APPROVED:**

\_\_\_\_\_  
**DPWH REGIONAL DIRECTOR**

## ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)

\_\_\_\_\_)s.s.  
x \_\_\_\_\_ x

**BEFORE ME**, this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_ at \_\_\_\_\_, Philippines personally appeared Honorable **GOVERNOR/ MAYOR** \_\_\_\_\_ with Community Tax Certificate No. \_\_\_\_\_ issued at \_\_\_\_\_ on \_\_\_\_\_ and DPWH Assistant Regional Director \_\_\_\_\_ 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 2006