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OUA MEMO 00-0921-0158
MEMORANDUM
13 September 2021

> For: **Regional Directors**
> **Schools Division Superintendents**
> **Regional and Division Engineers**
> **All Others Concerned**

> Subject: **HIGHLIGHTS OF THE DISCUSSION AND AGREEMENTS**
> **FROM THE NATIONAL CONSULTATIVE MEETING**

The Office of the Undersecretary for Administration (OUA) through the Education Facilities Division (EFD) hereby provides the highlights of the discussion and agreements from the National Consultative Meeting conducted on 13 August 2021. The materials used in the meeting are also available for download at tinyurl.com/MaterialsNatlConsultativeMtg .

For questions and concerns on this subject, please contact Ms. Kianna Areeje Gonzales, Administrative Assistant II of the EFD, through (+63) 956 253 2227 or email at kianna.gonzales@deped.gov.ph .

For information and guidance.

ALAIN DEL B. PASCUA
Undersecretary

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DepEd and DPWH National Consultative Meeting
August 13, 2021 via MS Teams

AGENDA:
- Resolve Outstanding Concerns on the Remaining BEFF projects from completion of DPWH and come up with agreed action plans for the completion of remaining projects from CY 2014-2019 by end of May 2022.
- Tackle possible solutions to address the discrepancies in the records of Department of Public Works and Highways (DPWH) and the Department of Education (DepEd).

DISCUSSION:

The School Building Program of the Current Administration

- (Usec. Alain Del B. Pascua) The goal is to complete all projects from 2016 to present under the term of PRRD including those from 2014 to avoid backlogs.
- In preparation for the conduct of face-to-face classes, the completion of the school building projects is targeted in order to accommodate the learners.
- There will be a series of Simultaneous Activities which involves DPWH and DepEd including the inauguration of newly constructed classrooms, restored Gabaldon buildings, newly constructed regional and division offices, and groundbreaking activity for the Last Mile Schools Program.

Financial and Physical Status of the School Building Program

- The BEFF covers various projects including the New Construction of Classrooms and Technical-Vocational laboratories being implemented by the DPWH.
- The funding availability varied from 2014 and the succeeding years, and there was a significant drop in the budget from 12.9B in 2020 to 2.9B in 2021.
- According to the DPWH Year-End Consolidated Statement of Appropriations, Allotments, Obligations, Disbursement and Balances (SAAODB), the rate of disbursement relative to the obligation is low. However, this may only be a discrepancy in records attributed to the lack of updates on the reports. In response to this, DPWH shall provide the DepEd with updates on financial report as of end of June 2021.
- Based on the 2021 Q1 BAR-1 Physical Accomplishment Report as of June 1, 2021, a chunk of the projects from 2014 onwards are still On Going and the target is to set a direction on how to mobilize and complete these projects. Consideration is given for the implementation of projects in 2020 due to the onset of the pandemic and the corresponding restrictions which may have hampered the implementation.
- In May 2021, DepEd submitted a letter to DPWH requesting updates on the completion of the prior years' projects that are still ongoing or not yet started to which the DPWH complied with. From 2014-2018, there are still 9,627 classrooms reported as ongoing but with identified issues or for further verification of status. Based on the Regional Breakdown of Ongoing Projects (2014-2018), only Region X has no backlogs.

- For projects with approved buffer funds, the DPWH is expected to provide updates on the completion.
- The DepEd will consider the projects with no approved buffer funds in the FY 2022.
- For projects with site issues but have no request for buffer funds, DPWH is requested to provide DepEd with an action plan and timelines to complete and eventually close these projects.
- Terminated projects should be properly closed to organize the recording and documentation of the projects.
- (Asec. Molano) The discrepancy in the records may be attributed to the delay in the release of recipient schools for validation. Majority of projects for 2021 are already bid out and are awaiting the release of SARO. The delay in the implementation is also attributed to the delayed release of the BEFF allocation by the DBM, issues on delayed acquisition of site ownership documents, and protocols brought by pandemic.

Commission on Audit (COA) Findings on BEFF and proposed Action Plans

- The erroneous recording of various Property Equipment and liability accounts and unrecorded inventory issuances can be addressed by the issuance of the revised DepEd Guidelines on Booking-up of Assets.
- The unrecorded cost of completed buildings can be resolved by the consistent Sending of Financial Accomplishment from DPWH to DepEd, as well as booking-up of assets.
- Data gathering for the Digitization System is now being undertaken, and there is a possibility to use DERPS for proper asset management.
- The continuous conduct of consultation/coordination meeting between DPWH and DepEd is sought to ensure the alignment of the status of projects. In the next consultative meetings, the participation of COA is also suggested to further discuss the details of the findings.
- The DepEd is working on the repository of contractors nationwide to monitor their status for future projects. List of contractors are now being prepared.
- The Draft Guidelines on Booking-up of School Building Assets from DPWH to DepEd is currently being reviewed by Policy Review and Research Division of DepEd.

Terminated Projects

- (Asec. Molano) Termination of projects may be attributed to the unworkable site or lack of funds especially for the foundation works prior to 2018. Moving forward, mutual termination for closure will be conducted then followed by the reverting of funds.
- For projects which are still under the process of bidding and there is no available site, immediate reverting of funds is advised. If the projects can still be completed, there is an option to continue through the use of buffer funds.

PAGCOR Projects

- PAGCOR Projects cannot be considered for buffer funds since Secretary Leonor Magtolis-Briones has provided a declaration on the funding of School Building Program.
- For PAGCOR Projects with insufficient funds, it is advised to directly request for additional funds from PAGCOR and refrain from utilizing the BEFF for the completion of such projects.
- There is also a need to reconcile the PAGCOR projects between the stakeholders.

Booking-up of Assets

- The Revised Guidelines will refine the financial and asset management aspect of the Booking-up Process. The involvement of supply officers for the preparation of property transfer report from DPWH and DepEd will also be highlighted.
- The registry of Assets from the end of DPWH also requires Geotag photos. This also fosters the monitoring of the performance of the district offices.

Electrification

- Local Electric Cooperatives have issues on the implementation of the Electrification Program due to the lack of Occupancy Permit as a result of failure to comply with fire and safety inspection.
- In rural areas, the available source of energy is single-phase but school buildings are built with three-phase design to accommodate the heavy equipment inside the school. The DPWH only conforms with the standard design especially if the equipment in the schools require three-phase power source.
- The rationale of why DPWH follows the three-phase design is acknowledged by the DepEd. The issue on power source was addressed previously in the Electrification Program.

Completion of Projects

- Projects which were initially started but were abandoned or pending for completion may cause unpleasing views inside the schools. According to Asec. Molano, if there are still available funds, then the completion of the projects will still proceed. If the project is terminated, another option is to negotiate with the second lowest bidder to continue at their cost.

Application of Building Permits

- Prior to 2017, there was no allocated cost in the Program of Works for the application of Building Permits.
- While the DepEd is in charge of applying for the BP, all the data will come from DPWH including the plans, cost, and requirements for the BP. In previous years, some districts were able to get budget from the buffer funds to cover for the application of the Building Permit.
- One cause of the delay in the application of BP is the delay in the acquisition of site ownership documents.

- If there are still projects with issues on Building Permit, the recommendation is to consider these in the proposed buffer funds for the succeeding years as also stipulated in the Special Provisions of the GAA.

Access Roads to All Learners (ARAL)

- The DepEd received a letter response from DBM stating that the funding for the Access Roads to All Learners (ARAL) cannot be accommodated by the DBM and they are asking for the support of LGUs on the grounds that roads under ARAL are not national roads. DBM's position was further backed up by the Mandanas-Garcia Ruling.
- However, the DepEd is still keen on discussing the options to proceed with the Project as DPWH and DepEd can still lobby this in the congress.
- The DepEd acknowledged the reasons cited by the DBM, but similar project of the Department of Tourism called Tourism Road Infrastructure Program (TRIP) has features which resemble ARAL. TRIP covers both national and local roads leading up to the barangays and this may be a ground for ARAL to be reconsidered.
- The DPWH suggests the prioritization of roads under ARAL to be included in the convergence program. Similar to the farm-to-market roads being implemented by the DPWH, criteria may also be established for ARAL.
- The direction is to have a separate fund for ARAL which may be lodged with DPWH or DepEd to avoid impact on the national fund for road projects of DPWH.
- Usec. Annalyn Sevilla of DepEd will coordinate with USec. Catalina Cabral of DPWH for the Devolution-Transition Plan to align the direction in preparation for the budget hearing.
- The DPWH is preparing the capacity building program for regions/districts that will eventually capacitate the LGUs. The transition will be implemented gradually.

AGREEMENTS:

- DPWH is expected to provide updated financial and physical accomplishment report in preparation for the budget hearing. Asec. Molano shall instruct Bureau of Construction which manages the PCMA to indicate the real status of projects based on the findings of the DepEd.
- DPWH shall provide status of projects with breakdown per region on the obligation-disbursement status.
- DepEd or DPWH to initiate the continuation of Regional Coordination Meetings (RCM) even through virtual meetings to ensure the continuous and timely resolution of issues on project implementation. The attendance of COA in consultative or coordination meetings is also encouraged.
- DepEd shall send the draft Revised Guidelines on Booking Up of Assets to the Finance Service of the DPWH for vetting.