



MEMORANDUM FOR THE SECRETARY

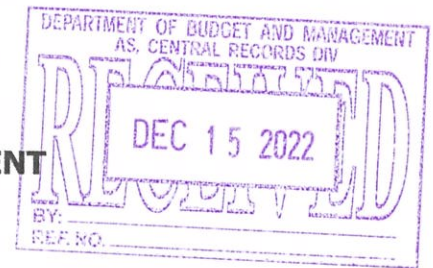
FOR : **HON. AMENAH F. PANGANDAMAN**
Secretary
DEPARTMENT OF BUDGET AND MANAGEMENT

THRU : **USEC. LEO ANGELO M. LARCIA**
Concurrent Chief of Staff

FROM : **THE EXECUTIVE DIRECTOR V**
Procurement Service-Department of Budget and Management
(PS-DBM)

SUBJECT : **PROPOSED FY2023 BUDGET OF THE PROCUREMENT SERVICE**
- DEPARTMENT OF BUDGET AND MANAGEMENT

DATE : **10 October 2022**

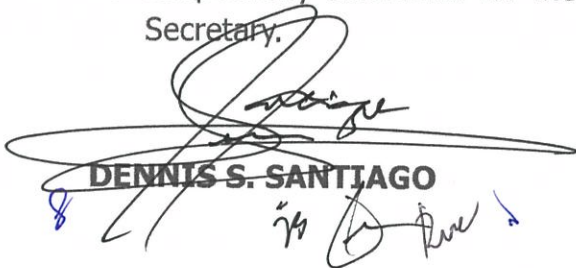


- A. This is to respectfully submit the proposed FY2023 operating budget of the Procurement Service-Department of Budget and Management (PS-DBM) amounting to **One Billion Fifty Nine Million Three Hundred Thirty-Seven Thousand Eight Hundred Ninety-Five Pesos (PHP1,059,337,895).**
- B. The requested amount of the FY2023 proposed budget will **cover** the Personnel Services **(PS)**, Maintenance and Other Operating Expenses **(MOOE)**, and Capital Outlays **(CO)** **needed for the continued services and operations of the agency.**
- C. In an effort to align with the stringent controls introduced by the Department of Budget and Management (DBM), PS-DBM has adopted several provisions in the National Budget Memorandum No. 142 that were determined to be applicable to its operations. PS-DBM has also adopted agency-specific guidelines to ensure financial sustainability. The key changes in the budget preparation guidelines are as follows:
1. Setting an annual cap on the operating budget equivalent to 25% of the actual cash accumulated surplus as of August 31, 2022. All projects indicated in the proposed budget shall be ranked according to prioritization. Priority shall be given to P/A/Ps with a direct impact on achieving plans, objectives, or targets within the budget year. This

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will ensure the financial sustainability of PS-DBM for the next five (5) years.

2. Adoption of the following Budget Preparation (BP) Forms that are applicable to PS-DBM operations: 201, 201-A, 201-B, 201-D, 202, 204, and 205. The BP forms will serve as tools to support the budget proposal sufficiently.
 3. Adoption of Tier 1, Tier 2 budgeting approach. Identifying projects that are Tier 1 and Tier 2 will facilitate easier prioritization of PAPs.
 4. Approval and ranking of the Programs, Activities, and Projects (PAPs) by the Executive Committee according to the strategic plans in FY2023.
- D. With the adoption of the changes mentioned above, the PS-DBM commits to procure quality government requirements efficiently and economically from reputable sources; provide excellent customer service responsive to the needs of its stakeholders; foster integrity and a fair, transparent, and competitive environment in procurement; develop its human capital as the country's leading procurement and supply chain professionals; ensure stable, progressive, and sustainable operations; and introduce and sustain smart and innovative products and procurement solutions. Furthermore, the PS-DBM aspires to be the trusted and preferred procurement partner of the public sector in the Philippines providing smart procurement solutions.
- E. Attached are the highlights and summary of PS-DBM's budget proposal, kindly refer to the table of contents.
- F. Respectfully submitted for the consideration and approval of the Honorable Secretary.


DENNIS S. SANTIAGO

Approved

Disapproved


AMENAH F. PANGANDAMAN
Secretary

FY 2023 PROPOSED BUDGET

Department : Department of Budget and Management
 Agency : Procurement Service

Particulars	UACS CODE	FY 2023 Proposed Budget
1	2	3
SUMMARY		
A. AGENCY SPECIFIC BUDGET		
Personnel Services		421,194,655.12
Salaries and Wages		
Basic Salary - Civilian	50101010 01	-
Basic Pay - Military/Uniformed Personnel	50101010 02	-
Salaries and Wages - Contractual	5010102000	215,043,417.00
Other Compensation		
Personnel Economic Relief Allowance (PERA)	5010201000	-
PERA - Civilian	5010201001	9,936,000.00
Representation Allowance	5010202000	2,892,000.00
Transportation Allowance	5010203000	2,892,000.00
Clothing / Uniform Allowance	5010204001	2,484,000.00
Productivity Incentive Allowance	5010299012	2,070,000.00
Longevity Pay	5010212001	-
Overtime and Night Pay	5010213001	2,777,424.00
Mid Year Bonus	5010216001	17,963,116.00
Year End Bonus	5010214001	17,963,116.00
Cash Gift	5010215001	2,070,000.00
Personnel Benefits Contributions		
Retirement and Life Insurance Premiums	5010301000	25,866,887.04
Pag-IBIG – Civilian	5010302001	496,800.00
PhilHealth – Civilian	5010303001	8,622,295.68
Employees Compensation Insurance Premiums	5010304001	496,800.00
Provident/Welfare Fund	5010305000	21,504,341.70
Provident/Welfare Fund (Seed Capital)	5010305000	10,000,000.00
Other Bonuses and Allowances		
Collective Negotiation Agreement Incentive	5010299011	-
Service Recognition Incentive	5010499099	-
Productivity Bonus (Annual)	5010299014	32,333,608.80
Other Personnel Benefits		
Hazard pay	5010211001	-
Retirement Gratuity	5010402001	-
Terminal Leave Benefits - Civilian	5010403001	2,225,911.69
Other Personnel Benefits	5010499099	17,313,821.21
Other Personnel Benefits (HMO)	5010499099	8,280,000.00
15th Month Pay	5010499099	17,963,116.00
Maintenance & Other Operating Expenses		420,906,215.18
Traveling Expenses	5020100000	
Traveling Expenses - Local	5020101000	3,805,987.04
Traveling Expenses - Foreign	5020102000	-
Training and Scholarship Expenses	5020200000	
ICT Training	5020201001	-
Training Expenses	5020201002	17,438,500.19
Scholarship Grants/Expenses	5020202000	32,022.21
Supplies and Materials Expenses	5020300000	
Office Supplies Expenses	5020301000	
ICT Office Supplies Expenses	5020301001	-
Office Supplies Expenses	5020301002	13,095,282.14

Particulars	UACS CODE	FY 2023 Proposed Budget
1	2	3
Accountable Forms Expenses	5020302000	346,090.00
Non-Accountable Forms Expenses	5020303000	1,420,000.00
Animal/Zoological Supplies Expenses	5020304000	-
Food Supplies Expenses	5020305000	-
Welfare Goods Expenses	5020306000	-
Drugs and Medicines Expenses	5020307000	-
Medical, Dental and Laboratory Supplies Expenses	5020308000	-
Fuel, Oil and Lubricants Expenses	5020309000	6,525,413.91
Agricultural and Marine Supplies Expenses	5020310000	-
<i>Textbooks and Instructional Materials Expenses</i>	5020311000	-
Textbooks and Instructional Materials Expenses	5020311001	-
Chalk Allowance	5020311002	-
Military, Police and Traffic Supplies Expenses	5020312000	-
Chemical and Filtering Supplies Expenses	5020313000	-
<i>Semi-Expendable Machinery & Equipment Expenses</i>	5020321000	-
Machinery	5020321001	389,990.00
Office equipment	5020321002	2,227,917.40
ICT Equipment	5020321003	8,925,158.42
Communication Equipment	5020321007	323,364.84
Printing Equipment	5020321011	-
Technical and scientific equipment	5020321013	121,915.72
Other Equipment	5020321099	2,048,274.70
<i>Semi-Expendable Furniture, Fixtures and Books Expense</i>	5020322000	-
Furniture and Fixtures	5020322001	3,022,675.55
Books	5020322002	-
Other Supplies and Materials Expenses	5020399000	1,006,791.39
Utility Expenses	5020400000	-
Water Expenses	5020401000	2,789,741.40
Electricity Expenses	5020402000	12,993,849.28
Communication Expenses	5020500000	-
Postage and Courier Expenses	5020501000	170,025.81
Telephone Expense - Mobile	5020502001	2,688,000.00
Telephone Expense - Landline	5020502002	2,767,374.60
Internet Subscription Expense	5020503000	9,046,620.14
Cable satellite and telegraph expenses	5020504000	7,200.00
Confidential, Intelligence and Extraordinary Expenses	5021000000	-
Extraordinary and Miscellaneous Expenses	5021003000	1,019,246.80
Rewards/Awards/Prizes	5020600000	-
Rewards/Awards Expenses	5020601001	3,845,454.40
Prizes	5020602000	-
Professional Services	5021100000	-
Legal Services	5021101000	1,042,517.86
Auditing Services	5021102000	-
<i>Consultancy Services</i>	5021103000	-
ICT Consultancy Services	5021103001	59,079,164.34
Consultancy Services	5021103002	2,915,211.18
Other Professional Services	5021199000	8,912,068.44
General Services	5021200000	-
Environment/Sanitary Services	5021201000	-
Janitorial Services	5021202000	164,889.72
Security Services	5021203000	18,559,902.20
Other General Services	5021299000	31,258,521.27
Repairs and Maintenance	5021300000	-
<i>Repairs and Maintenance-Land Improvements</i>	5021302000	-
Other land improvements	5021302099	162,740.00

Particulars	UACS CODE	FY 2023 Proposed Budget
1	2	3
<i>Repairs and Maintenance-Buildings & Other Structures</i>	5021304000	
Buildings	5021304001	8,541,300.38
Other structures	5021304099	5,953,332.46
<i>Repairs and Maintenance-Machinery and Equipment</i>	5021305000	
Machinery	5021305001	326,746.90
Office Equipment	5021305002	2,624,402.40
ICT Equipment	5021305003	842,830.64
Communication Equipment	5021305007	65,209.30
Sports Equipment	5021305013	51,500.00
Technical & Scientific Equipment	5021305014	51,500.00
Other Equipment	5021305099	266,869.36
<i>Repairs and Maintenance-Transportation Equipment</i>	5021306000	
Motor Vehicle	5021306001	1,505,555.48
Repairs and Maintenance-Furniture and Fixtures	5021307000	167,662.37
Repairs and Maintenance-Semi-Expendable Machinery and Equipment	5021321000	742,371.10
Machinery	5021321001	-
Office Equipment	5021321002	14,111.00
ICT Equipment	5021321003	82,100.00
Military, Police and Security Equipment	5021321009	103,000.00
Other Equipment	5021321099	-
<i>Repairs and Maintenance-Semi-Expendable Furniture, Fixtures and Books</i>	5021322000	
Furniture and Fixture	5021322001	157,590.00
Repairs and Maintenance-Others	5021398000	41,200.00
<i>Repairs and Maintenance-Other Property, Plant and Equipment</i>	5021399000	
Other Property, Plant & Equipment	5021399099	-
Financial Assistance/Subsidy	5021499000	56,650.00
Taxes, Insurance Premiums and Other Fees	5021500000	
Taxes, Duties and Licenses	5021501001	374,405.00
Fidelity Bond Premiums	5021502000	2,839,066.25
Insurance Expenses	5021503000	7,289,027.49
Other Maintenance and Operating Expenses	5029900000	
Advertising, Promotional and Marketing Expenses	5029901000	1,239,538.46
Printing and Publication Expenses	5029902000	197,377.03
Representation Expenses	5029903000	3,535,339.75
Transportation and delivery expenses	5029904000	87,811,141.00
Rent/Lease Expenses	5029905000	-
Building & Structures	5029905001	8,321,420.00
Land	5029905002	-
Motor Vehicle	5029905003	-
ICT Machinery & Equipment	5029905008	2,611,866.00
Membership Dues and Contributions to Organizations	5029906000	-
<i>Subscription Expenses</i>	5029907000	
ICT Software Subscription	5029907001	47,843,395.05
Library & Other Reading Materials	5029907004	-
Bank transaction fees	5029922000	12,397.08
Other Maintenance and Operating Expenses	5029999099	19,085,399.72
Financial Expenses		-
Bank Charges	5030104000	-
Other Financial Charges	5030199000	-

Particulars	UACS CODE	FY 2023 Proposed Budget
1	2	3
Capital Outlays		217,237,025.07
Property, Plant and Equipment Outlay	5060400000	
<i>Land</i>	5060401000	
Land	5060401001	-
<i>Land Improvements</i>	5060402000	
Other Land Improvements	5060402099	-
Buildings & Other Structures	5060404000	88,721,103.00
Buildings	5060404001	-
<i>Machinery & Equipment</i>	5060405000	
Machinery	5060405001	4,405,000.00
Office Equipment	5060405002	7,793,247.53
ICT Equipment	5060405003	20,427,641.54
Communication Equipment	5060405007	-
Military, Police and Security Equipment	5060405010	-
Printing Equipment	5060405012	-
Technical & Scientific Equipment	5060405014	60,000.00
ICT Software	5060405015	25,000,000.00
Other Machinery Equipment	5060405099	-
<i>Transportation Equipment</i>	5060406000	
Motor Vehicles	5060406001	42,234,700.00
<i>Furnitures, Fixtures and Books</i>	5060407000	
Furnitures and Fixtures	5060407001	28,595,333.00
Other Property, Plant & Equipment	5060409000	-
Other Losses		
Loss of Assets and Other Losses	5050409000	-
GRAND TOTAL		1,059,337,895.37