

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila**

**Thirteenth Congress
First Regular Session**

HOUSE BILL NO. 4403



Introduced by Honorable Arthur D. Defensor

EXPLANATORY NOTE

For facility and effective implementation, the various laws, circulars, rules and regulations governing the acquisition, use, maintenance and disposal of government motor vehicles and transport equipment need to be consolidated and codified.

Such laws and rules should likewise be updated and revised to enhance the optimum utilization of government motor vehicles. It is of public knowledge that some government agencies have the penchant for procuring unnecessary luxury vehicles. Worse, many a government official or employee, unwittingly or otherwise, use government vehicles for private social functions, or permit other persons to use the same for their own personal benefit.

We take stock of the initiative of the Civil Service Commission, the Commission on Audit, the Ombudsman and the Philippine National Police in issuing Joint Circular No. 2000-01 in order to delineate their respective responsibilities in the implementation of the scattered laws and regulations relating to government vehicles.

Nevertheless, the primary responsibility to prescribe the specific guidelines on the proper use of government motor vehicles and the institution, if need be, of administrative or criminal charges against erring officials and employees should be vested in the government agencies concerned. They should remain accountable and allowed full trust and confidence over vehicles in their possession in keeping with the over-all objective of promoting responsible stewardship and judicious use of these government resources.


ARTHUR D. DEFENSOR

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AN ACT
RATIONALIZING THE ACQUISITION, USE, OPERATION AND
MAINTENANCE OF GOVERNMENT MOTOR VEHICLES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. **Short Title.** - This Act shall be known as the "Government Motor Vehicle Act of 2005."

SEC. 2. **Declaration of Policy.** - It is hereby declared the policy of the State to rationalize the acquisition, use, operation and maintenance of government motor vehicles to promote the optimum utilization of public resources and enhance economy in government operations. For this purpose, the state shall promote adherence to the principle that public office is a public trust and the commitment to good governance in the exercise of its mandate. Inherent in good governance is the judicious and responsible stewardship in the utilization of Government's resources.

SEC. 3. **Definition of Terms.** - As used in this Act, the following terms shall mean:

- a) "Motor Vehicle or Transport Equipment" means any motor transport or equipment acquired by government agencies for purposes of carrying out the official functions and activities thereof and/or specifically assigned to officials of the government who work under extended hours or are on call or whose activities call for special security arrangements or by the nature of their duties and their responsibilities and their official and social standing demand such assignment. It includes, among others, police cars, ambulances and motor vehicles and motorcycles for mail distribution, automobiles, jeeps, jitneys, station wagons, motorcycles, trucks, launches, speedboats, airplanes, helicopters, and other types of motor transport equipment.

- b) "Government Motor Transport" refers to any motor vehicle or equipment as defined herein which may be used by any government official and/or employee.
- c) "Utility Vehicles" refer to those motor vehicles of the same class or nature as medical ambulances, military and patrol vehicles. For this purpose, all motor vehicles for management and staff use and all the motor transport equipment covered by LOI No. 667 are not considered as "utility vehicles."
- d) "Mass Transport" refers to buses, trains or any other public motor transport procured under the mass transportation program of the government.
- e) The phrase "and those specifically authorized by law" refers to those appropriation specifically intended for the purchase of motor vehicles and included as part of the lump-sum provided for "Equipment Outlays" of the agencies concerned under their respective "Capital Outlays" Program.

SEC. 4. ***Scope and Coverage.*** - This provision shall apply to all government motor vehicles that are classified as follows:

- a) Motor Vehicles for General Dispatch

This class includes motor transport or equipment acquired by government agencies for purposes of carrying out the official function and activities thereof, such as police cars, ambulances, shuttle buses for employees and motor vehicles/motorcycles for mail distribution, among others. These vehicles usually are maintained in a motor pool in the agency premises.

- b) Motor Vehicles for Special Dispatch

This includes motor vehicles or any transport equipment specifically assigned to officials of government who work under extended hours or whose activities call for special security arrangement or who by the nature of their duties and responsibilities and their official and social standing demand such assignment.

SEC. 5. ***Authorized Officials.*** - Government motor transportation may be used by the following officials with costs chargeable to the appropriations authorized for their respective offices:

- a) The President of the Philippines;
- b) The Vice President;
- c) The President of the Senate;

- d) The Speaker of the House of Representatives;
- e) The Chief Justice and Associate Justices of the Supreme Court;
- f) The Secretaries, Undersecretaries and Officials of equivalent rank;
- g) The Presiding Justice of the Court of Appeals;
- h) Ambassadors, Minister Plenipotentiary and Consuls in Charge of consulates, in their respective stations abroad;
- i) The Chief of Staff, Vice-Chief of Staff and the Commanding Generals of the major service of the Armed Forces of the Philippines;
- j) The Heads of the Constitutional Commissions; and
- k) Those who may be specifically authorized by the President of the Philippines, the President of the Senate with respect to the Senate, the Speaker, with respect to the House of Representatives, the Chief Justice, with respect to the Judiciary, and the Chairmen, with respect to the Constitutional Commissions.

SEC. 6. **Limitation.** - No government fund shall be utilized for the following purposes:

- a) Purchase of motor vehicles except: 1) medical ambulances, military and police patrol vehicles, motorcycles, other utility vehicles, road construction equipment, motorized *bancas*, and those used for mass transport when necessary in the interest of public service, upon the authority of the head of the department or agency and the Secretary of Budget and Management; and 2) those authorized by the President, the Senate President, the Speaker of the House of Representatives, the Chief Justice of the Supreme Court or the Chairmen of the Constitutional Commissions;
- b) Payment of fuel, parts, repair and maintenance of any government vehicle which is not permanently marked "For Official Use Only" with the name or logo of the agency, nor otherwise properly identified as a government vehicle and does not carry its official government plate number, except official vehicles assigned to the President, Vice-President, Senate President, Speaker of the House of Representatives, Chief Justice of the Supreme Court, and Chairmen of the Constitutional Commissions and those used by personnel performing intelligence and national security functions: Provided, That in case of transport crises, such as occasioned by street demonstrations, *welgang bayan*, floods, typhoons and other emergencies and calamities, all government vehicles of any type whether luxury cars or utility vehicles, shall be made

available to meet the emergency and utilized to transport for free the commuters on a round-the-clock basis.

SEC. 7. ***Use, Operation and Disposal.*** - Government motor vehicles shall be used, operated and disposed of according to the following guidelines:

- a) Exclusive use of government motor transportation shall be allowed to officials specifically authorized the use thereof under existing appropriation laws or other special laws;
- b) No government agency or entity shall use, operate and maintain government motor vehicles except those authorized under existing laws;
- c) With the exception of the President of the Philippines and Chief Justice of the Supreme Court who are allowed to use two (2) motor vehicle units, no government official or employee authorized to use any vehicle operated and maintained under existing laws shall be allowed to use more than one (1) vehicle;
- d) Government motor vehicles should be used strictly and exclusively for official business. The use thereof for private social functions and for other personal purposes is strictly prohibited;
- e) The use of government motor vehicles specifically those for general dispatch shall be authorized only through the issuance of a trip ticket duly signed by the chief or administrative officer of the agency concerned. Except in emergency cases, under no circumstance should government vehicles be used without the corresponding trip ticket having been duly issued by the official designated for the purpose. In case said vehicles is used without such trip ticket, the official responsible, his driver and other passengers shall be held personally liable for the unauthorized use thereof;
- f) The use of government vehicles for general dispatch on Sundays, legal holidays, or on weekdays beyond regular office hours shall be allowed: Provided, That, in every case, the trip ticket authorizing the use of the vehicles shall be displayed on the windshield or in other conspicuous place in the vehicle;
- g) Motor vehicles for special dispatch shall be assigned to the government official concerned through a memorandum receipt, a copy of which shall be kept in the car at all times;
- h) Owing to the nature of their duties and responsibilities and their official and social standing, government officials who are assigned exclusive use of motor vehicles for special dispatch shall be allowed to use them beyond or outside regular office hours or outside the customary route from their

residence to the office and vice-versa. The use of the motor vehicles in connection with the officials' civic and semi-official activities such as the conduct of drives for voluntary contributions and other purposes beneficial to public interest, attendance at public functions and other activities of similar nature shall be allowed. However, the government official concerned shall be personally liable for the unauthorized use and disposition of subject motor vehicles;

- i) Motor vehicles owned by the National Government, its agencies and instrumentalities, all local government units including government-owned and/or controlled corporations except those vehicles for special dispatch, shall be plainly and clearly marked: "FOR OFFICIAL USE ONLY" under which shall be written the corresponding name of the agency, bureau, office corporation or local government unit operating or using the same. The mark should appear on each side of the vehicle;
- j) All government motor vehicles shall bear government plates only. In case of government agencies maintaining funds for intelligence purposes, the heads of said agencies shall submit a list of security vehicles that may be added to the existing list of vehicles exempt from using government plates. Only the President, however, can authorize additional exemptions;
- k) Government motor vehicles for general dispatch are required, when not in use, to be parked or kept in the garage or motor pool provided therefor by the agency or entity to which they belong except when used for strictly official business outside office hours;
- l) Motor vehicles for special dispatch shall be safely kept or parked at the appropriate place and/or residence of the official to whom the vehicle is exclusively assigned. Unauthorized use and disposition thereof resulting in the loss and/or damage to the car shall be the personal liability of the official concerned;
- m) The costs of maintaining and operating these government motor vehicles shall be borne by the government entity concerned chargeable against the appropriations authorized for the purpose;
- n) Maintenance and repair expenses and fuel consumption of government motor transportation shall be properly controlled and accounted for through Requisition and Issue Voucher (RIV) or any equivalent mechanism devised for the purpose;
- o) A monthly report of fuel consumption of government motor transportation shall be submitted to the Auditor for verification purposes to determine the reasonableness of the fuel or gasoline consumed during the period;

- p) The cost of the gasoline or fuel provided for motor vehicles for special dispatch shall not exceed the transportation allowance to which the government officials concerned are entitled. For motor vehicles for general dispatch, the Agency shall provide guidelines on the limitation or provision of the cost of fuel or gasoline;
- q) Only retiring officials enumerated in Section 5 hereof may be allowed to purchase the motor vehicle assigned to them; and
- r) Such retiring government official shall pay the appraised value of the motor vehicle but not less than thirty percent (30%) of the value of the replacement of similar make and kind.

The use of government vehicles assigned to military or police agencies discharging intelligence and investigative functions including the National Bureau of Investigation shall not be covered by the provisions of this section.

SEC. 8. ***Repair and Maintenance.*** - The repair and maintenance of government vehicles and the requirement for payment thereof shall be governed by the following guidelines:

- a) Request for repair and/or servicing of vehicles should be approved by proper authorities;
- b) If the repair involves replacement of spare parts, a Report of Waste Materials or similar document should be prepared upon submission of the worn-out spare parts;
- c) Certification of the Property Custodian Officers must state that the vehicle belongs to or is used by the agency, the repair is necessary, and that the defect in the vehicle was incurred through normal wear and tear and not due to the fault or negligence of any official or employee;
- d) In case of major repair such as general reconditioning, overhauling and repainting, the following are required in addition to the foregoing requirements:
 - 1) Canvass from at least three (3) repair shops or public bidding if the total amount involved is more than the amount allowed by law. For the local government units, repair services shall be acquired through competitive public bidding except as otherwise provided in the Local Government Code. When the cost required to restore the vehicle is fifty percent (50%) or more of its replacement, no repair shall be undertaken thereon and the said vehicle shall be disposed of in accordance with the existing rules and regulations on disposal of government properties;

- 2) The repair shop to which the contract of repair is awarded shall be one duly accredited by the Department of Trade and Industry, except in places where there is no accredited shop in the locality or where the accredited shop does not have sufficient facilities or where the cost of the services of the accredited shop is relatively high or completion or repairs will suffer delays as certified by the head of agency or his duly authorized representative;
- 3) The job contract should clearly specify the job to be undertaken, the specifications of materials to be used, the period within which the job is to be completed and other details in accordance with the specifications in the bid offer;
- 4) Warranty certificate of the repair shops shall be clear as to coverage and period; and
- 5) The certificate of acceptance by the Property Custodian Officer should be clear that the work or service done is in conformity with the specifications of the contract accomplished within the specified period of time.

SEC. 9. ***Identifications and Markings.*** - The following shall be considered as proper identification or markings of government vehicles:

- a) Vehicles which are marked "For Official Use Only" with the name or logo of the agency;
- b) Vehicles with "Red Plate Numbers" with the name or logo of the agency;
- c) Vehicles with "Blue Plate Numbers" (Diplomatic Plates) with the name and logo of the agency;
- d) Vehicles with "Green Plate Numbers" (Security Plates) upon submission of authenticated copy of either the LTO Registration Certificate or the National Intelligence Coordinating Agency (NICA) Certificate to the Resident Auditor concerned.

SEC. 10. ***Officials with Transportation Allowance.***- Transportation allowance shall not be granted to officials who use government motor transportation. Heads of agencies whose offices have been assigned vehicles and those offices to whom such heads specifically assigned vehicles when there are more than one vehicle issued to the agency shall not be deprived of their transportation allowance on that basis alone.

Whenever an official or employee entitled to transportation allowances uses the government vehicles issued to his office, a corresponding proportionate reduction on his transportation allowance shall be made using twenty two (22) days as divisor.

SEC. 11. **Registration of Government Vehicles.** - All government/military vehicles shall be annually registered with the Land transportation Office during the pertinent registration month of the vehicles. The responsibility to see the prompt registration of government motor transport equipment rests with the agency head concerned or his duly designated official.

The Land transportation Office shall register said vehicle and issue a “no-cash” receipt, together with all the necessary documents, to the government bureau/agency owning the said vehicle. The amounts in these “no-cash” receipt shall be considered as part of the total revenue accruing to the Land Transportation Office and the National Treasury.

SEC. 12. **Prohibition Against Luxury Vehicles.** - All government offices, including Government Owned and Controlled Corporations (GOCCs), Government Financial Institutions (GFIs), State Universities and Colleges (SUCs) and Local Government Units (LGUs), hereinafter collectively referred as “Government Offices”, are hereby prohibited from acquiring or using luxury vehicles for its operations.

All government offices are hereby directed to account for all their motor vehicle units and prepare a disposal program for all luxury vehicles. This Act covers all vehicles nationwide.

All acquisition and use of vehicles shall strictly be in accordance with the National Budget Circular 446-A or any amendment thereto issued by the Department of Budget and Management (DBM).

For purposes of this Act, a “luxury vehicle” shall refer to any passenger motor vehicle priced in the local market at P1.3 million or more at the time of the acquisition, and with the following engine displacement specifications:

- a) Car (sedan or hatchback) with an engine displacement exceeding 2200 cc. if the gasoline-fed or 3000 cc. If diesel-fed;
- b) Passenger van or pick-up with an engine displacement exceeding 2200 cc. or 3000 cc. if diesel-fed;
- c) Passenger wagon with an engine displacement of 1800 if gasoline-fed and 2500 if diesel-fed; and
- d) Sport utility vehicle (SUV) with an engine displacement exceeding 2700 cc. if gasoline-fed or 3000 cc. if diesel-fed.

The following vehicles are not covered by this section:

- a) Those used for security reasons and purposes for the President, Vice-President, Senate President, Speaker of the House of Representatives and Chief Justice of the Supreme Court;
- b) Vehicles donated by foreign governments and bilateral and multilateral institutions, if compliance with this section is in violation of the terms and conditions of such donation;
- c) Vehicles acquired for ongoing projects funded from existing official development assistance programs; and
- d) Vehicles used for visiting foreign dignitaries maintained by the Office of the President and the Department of Foreign Affairs.

SEC. 13. **Enforcement.** - For the strict enforcement of this Act, the heads of government agencies, national, corporate and local sectors, shall have primary responsibility to prescribe specific guidelines relative to their respective entities. They shall be responsible in instituting the proper administrative, civil and/or criminal charges against their officials and employees for violation of the provisions of this Act.

For effective implementation of this Act, the responsibilities of the following offices are hereby delineated:

- a) The Civil Service Commission as the central personnel agency shall prescribe the disciplinary procedures on misuse of government vehicles and other violations of the guidelines under this Act;
- b) The Philippine National Police (PNP) as well as field enforcement unit of the Metropolitan Manila Development Authority (MMDA) are hereby deputized to report and apprehend violations involving misuse of government vehicles;
- c) The Office of the Ombudsman shall issue the corresponding disciplinary guidelines on the misuse of government vehicles and other violations including those committed by government officials not covered by the civil service law and rules; and
- d) The Commission on Audit shall disallow expenses occasioned by the unauthorized use and/or misuse of government vehicles. It shall submit an audit report in compliance with the provisions of this Act by the respective agencies or entities under audit at the end of every month.

SEC. 14. **Non-appropriation.** - In line with the declared policy under this Act, no appropriation for equipment authorized in the General Appropriations Act shall be

used directly or indirectly for the acquisition of automobiles, jeeps, jitneys, station wagons, motorcycles, trucks, launches, speedboats, airplanes, helicopters and other types of motor vehicles unless otherwise specifically authorized by the President.

SEC. 15. **Exemptions.** - All departments, bureaus, offices and agencies authorized to purchase and/or acquire through donations, gifts or gratuitous title of motor vehicle are likewise authorized to use, operate and maintain them for the purpose of carrying out the official functions and activities of the agency. These motor vehicles shall be used strictly for official business, bear government plates only, and after office hours be kept in garages provided therefor by the office or agency to which they belong, except when in use for official business outside office hours. The President, however, may authorize exemptions from these provisions for government officials who work under extended hours or are on call or whose activities require special security arrangements.

SEC. 16. **Penalty.** - Any violation of the provisions of this Act shall subject the erring official or employee to administrative disciplinary action and shall be personally liable for any loss or damaged caused to the government or to third parties.

SEC. 17. **Implementing Rules and Regulations.** - The Commission on Audit shall within ninety (90) days after the effectivity of this Act, promulgate rules and regulations governing the acquisition, use, operation and maintenance of government motor vehicles and transport equipment consistent with the provisions of this Act.

SEC. 18. **Repealing Clause.** - All laws, presidential decrees, executive orders, circulars, issuances and regulations inconsistent with this Act are hereby amended, repealed or modified accordingly.

SEC. 19. **Effectivity.** - This Act shall take effect fifteen days after publication in the Official Gazette or in any two (2) newspapers of general circulation.

Approved,