

## [ MEMORANDUM CIRCULAR NO. 9, December 14, 2010 ]

**To:** All Heads of Departments, Bureaus, Offices and Agencies of the National Government, including State Universities and Colleges (SUCs); Government-Owned and/or Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs); Local Government Units (LGUs); and All Others Concerned

**Subject:** Government Policy and Procedural/ Documentary Requirements on the Approval/Issuance of Authority to Purchase Motor Vehicles

Pursuant to Section 75, Chapter 7, Book VI of Executive Order (EO) No. 292 (Administrative Code of 1987), and Section 17 (b) of the General Provisions of Republic Act (RA) No. 9970 (FY 2010 General Appropriations Act), no government funds shall be utilized for the purchase of motor vehicles, except:

1. When the motor vehicles will be used for the following purposes:
  - i. Those which are necessary for the transportation of patients or victims, e.g. medical ambulance, or for emergency purposes or calamity-related activities, e.g. fire trucks, rescue equipment;
  - ii. Those which are required by the military and police or other enforcement agencies, e.g. patrol vehicles, armoured vehicles, prisoner's van, to maintain peace and order;
  - iii. Those which are necessary in the interest of the public service, e.g. mass transportation vehicles, heavy equipment for road construction, cargo transport, farm machineries, waste management or environmental sanitation;
  - iv. Those which are directly necessary in the business operations or government transactions of front-line agencies;
  - v. Those which will be authorized by the President, Senate President, Speaker of the House of Representatives, or the Chief Justice;
  - vi. Those which will be used by the President, and the Vice President for security reasons and purposes;
  - vii. Those donated by Foreign Governments and Bilateral and Multilateral Institutions;
  - viii. Those which will be used by visiting foreign dignitaries relating to the maintenance of international relationships or for the conduct of international meetings and other similar activities as part of the government's commitments; or

ix. Those which will be used for the implementation of foreign-assisted projects under the Official Development Assistance Programs; and

2. When the specifications of the motor vehicles do not fall within the category of a "luxury vehicle", such as the following motor vehicles enumerated under Section 9.0 of Administrative Order (AO) No. 233, s. 2008:

i. Car (sedan or hatchback) with an engine displacement not exceeding 2200cc, if gasoline-fed; or 3000cc, if diesel-fed; and with an engine not exceeding 4 cylinders;

ii. Passenger van or pick-up type vehicle with an engine displacement not exceeding 2200cc, if gasoline-fed; or 3000cc, if diesel-fed; and with an engine not exceeding 4 cylinders;

iii. Crossover Utility Vehicle (CUV)/ Multi-Purpose Vehicle (MPV)/ Asian Utility Vehicle (AUV) with an engine displacement not exceeding 2000cc, if gasoline-fed; or 2500cc, if diesel-fed; and with an engine not exceeding 4 cylinders; and

iv. Sports Utility Vehicle (SUV) with an engine displacement not exceeding 2700cc, if gasoline-fed; or 3000cc, if diesel-fed; and with an engine not exceeding 4 cylinders.

In this regard, all concerned agencies are prohibited from acquiring and using luxury vehicles for their operations, and to be more prudent in spending government funds, especially in the acquisition of motor vehicles to maximize the utilization of scarce government resources.

Consistent with the existing guidelines embodied under AO No.233, as implemented by DBM Budget Circular No. 2010-2 dated March 1, 2010, this Office hereby adopts the following procedural and basic documentary requirements for the smooth processing of the requests for the approval/issuance of authority to purchase motor vehicles by the Office of the President (OP):

1. All request together with the supporting documents must be submitted to the Budget and Management (DBM) for evaluation and recommendation. However, requests of LGUs directly received by the Malacañang Records Office (MRO) may be acted accordingly by the OP.

2. Such requests must be supported by original or certified true copy of the following documents:

a. For Departments of Independent Offices/Agencies

i. Evaluation and recommendation by the DBM;

ii. Basic letter-request from the Department Secretary or his/her duly authorized representative(s) or from the Head of the Office/Agency, with information on the amount,