

**SPECIFIC GUIDELINES IN THE PREPARATION OF
FY 2024 CAPITAL EXPENDITURES (CAPEX) BUDGET
Oracle-Budget Preparation System (BPS)**

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FY 2024 BUDGET CALL CAPITAL EXPENDITURES (CAPEX) BUDGET
Oracle-Budget Preparation System (BPS)**

ORACLE-BPS BUDGET TYPE	DESCRIPTION/SCOPE	ACCOUNT NO.	BASIS OF PROPOSAL								
Work Order (WO)	Work Order Covers the following: a) Construction of new projects; b) Improvement such as up-rating, restoration, etc. and major rehabilitation of existing plants and facilities; c) Consultancy services by local or foreign contractor for project related undertakings; d) Other undertakings by non-engineering groups in which are directly related to projects, such as the environmental impact studies, land management, settlement work orders, etc. e) Factory Acceptance Test (FAT) – Foreign Travel Expense for acceptance testing at vendor’s site for projects with equipment/materials/system manufactured/developed abroad/ site prior to shipping and installation of the product to NPC. f) Engineering & Administrative (E&A) – All administrative activities which are directly related to projects such as COS Personnel, transportation, rental, office supplies and other expenses.	GL 107	<ol style="list-style-type: none"> 1) Accumulated actual plus the proposed budget for the year should not exceed the approved cost estimates. Budget proposals in excess of the approved cost estimates should be covered by a supplemental work order which should be approved prior to the utilization of the corresponding budget. 2) Consistency of work order description specifically for on-going activities. 3) Work Order should be prioritized in sequential order from highest to lowest considering the importance of the project/activity, availability of funding, etc. (no activities should have the same rank number). Prioritization rank: Priority 1 – On-going projects/ Pending Contractor’s Claim/ P1/C1 included in Interim PPMP Priority 2 – P2/C2 projects Priority 3 – P3/C3 projects 4) Work Order with NG Subsidy funding should only be specific to projects consistent with the DBM level, realignment, reversion or budget transfer for these should be confined only to projects under the same category (e.i. Capacity Addition), projects with specific activity is not subject to realignment/fund transfer (e.i. Alimanguan-San Vicente 69KV T/L Project) 								
Spares	Spares As a general rule, items to be included under this category are <u>intended for building-up of stocks/ inventories</u> as per Spares Acquisition Program (SAP). Items to be purchased locally or abroad should be budgeted in peso equivalent.	161	<ol style="list-style-type: none"> 1) Spares intended to be used during the year for a specific work order should be included in the cost estimates of the work order and not under spares. 2) Consumable spare parts or semi-expandable items for use immediately by the plant should be proposed under MOOE. 3) Identify Spares Category as follows: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">- Security Spare Parts – Mechanical</td> <td style="width: 50%;">- Distribution Spare Parts</td> </tr> <tr> <td>- Security Spare Parts – Electrical</td> <td>- Substation Spare Parts</td> </tr> <tr> <td>- Spare Parts – Electrical</td> <td>- Transmission Spare Parts</td> </tr> <tr> <td>- Mechanical PMS Parts</td> <td>- Other Spare Parts</td> </tr> </table> 	- Security Spare Parts – Mechanical	- Distribution Spare Parts	- Security Spare Parts – Electrical	- Substation Spare Parts	- Spare Parts – Electrical	- Transmission Spare Parts	- Mechanical PMS Parts	- Other Spare Parts
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- Mechanical PMS Parts	- Other Spare Parts										

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General Plant Equipment (GPE)	Microcomputer & Accessories This account shall include cost of microcomputer and accessories costing ₱50,000.00 (Net of VAT), per COA Circular No. 2022-004 or more owned by the corporation and devoted to utility service. Items under this account follows: 1) Desktop Computers 2) Printer/Scanner i.e. laser, inkjet, etc.	385	1) As a general policy, <u>purchase of computers shall be prohibited</u> in consonance with Administrative Order No. 5 dated 28 February 2001 and Executive Order No. 103 dated 31 August 2004. 2) Circular No. 2017-028 dated May 23, 2018, re: Guidelines for the Availment of Leased Desktop and Laptop Computer, shall be followed for the implementation of the computer lease policy. In line with this, no new laptop will be procured unless extremely necessary and properly justified. 3) The following conditions for computer acquisition may be allowed: a. Those which are not eligible for leasing such as high capacity server; and b. Those with approved external funding (i.e. NG Subsidy, UC-EC, etc.) 4) Following three (3)-year contract for lease of printing services requirement of the Head Office (HO) Support, <u>no new printer acquisition shall be allowed for HO based offices</u> unless extremely necessary and properly justified.
GPE	Mainframe and Accessories This account shall include the cost of mainframe and accessories owned by the corporation and devoted to utility service costing ₱50,000.00 (Net of VAT), per COA Circular No. 2022-004 or more.	387	Items included under this account are: 1) Main CPU 2) Disk Controller 3) Fixed and removable disk drives, tape drive or streamer 4) On-line terminals (dumb and intelligent) 5) Line printer 6) Modem (Modulator/Demodulator) 7) Computer software
GPE	Computer Auxiliaries This account includes items which are not included/identified in each of account nos. 385-387, but which can be utilized in any or all of the above accounts costing ₱50,000.00 (Net of VAT), per COA Circular No. 2022-004 or more.	388	Items included under this account are: 1) Uninterruptible Power Supply 2) Automatic Voltage Regulator (AVR) 3) LAN (Local Area Network) Hardware Component, i.e., Network Interface Cards, cables, terminator, connectors, nuring concentrator or hub

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GPE	<p>Office Furniture & Equipment</p> <p>This account shall include the cost of office furniture and equipment amounting to ₱50,000.00 (Net of VAT), per COA Circular No. 2022-004 or more, owned by the utility and devoted to utility service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts on a functional basis.</p>	391	<p>Items included under this account are:</p> <ol style="list-style-type: none"> 1) Bookcases and shelves 2) Desks, chairs, and desk equipment 3) Drafting room equipment 4) Filing, storage, and other cabinets 5) Floor covering, carpet 6) Library 7) Mechanical office equipment, such as accounting machines, typewriters, calculators, copying machines, Bundy clocks, automatic daters, projectors (training aids), etc. 8) Safes 9) Tables
GPE	<p>Transportation Equipment</p> <p>This account shall include the cost of transportation vehicles amounting to ₱50,000.00 (Net of VAT), per COA Circular No. 2022-004 or more, used for utility purposes.</p> <p>Proposed acquisition of vehicles should be consistent with the DBM/PSALM recommended level, <u>no augmentation of budget for this account shall be allowed and is not subject to budget flexibility under the special provision of the GAA.</u></p> <p>*An additional field in the BPS is included to facilitate consolidation of MV (per Administrative Order # 14 classification) proposals for submission & request to the DBM of the issuance of APMV.</p>	392	<p>1) Items included under this account are:</p> <ol style="list-style-type: none"> a) Airplanes, helicopters, bancas, speed boats, tug boats b) Automobiles / pick-ups inclusive of cost of fiber glass hoods (Campershells) c) Bicycles/tricycles d) Electrical vehicles e) Motor trucks f) Motorcycles g) Repair cars or trucks h) Tractors and trailers i) Other transportation vehicles <p>The proper accounting treatment of the Motor Vehicles as classified under Administrative Order No. 14 dated December 10, 2018 is still to be addressed in the on-going revision/updating of the existing Accounting Manual.</p> <p>2) The provision for this account was based on the acquisition program and allocation module by the Transportation & Facilities Management Division (TFMD). All the requirements and related charges to this account shall be coursed thru TFMD.</p> <p>Note: This account shall include cost for the major rehabilitation of vehicles (i.e. change of engine, etc.)</p>

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GPE	<p>Stores Equipment</p> <p>This account shall include the cost of equipment amounting to ₱50,000.00 (Net of VAT), per COA Circular No. 2022-004 or more, used for the receiving, shipping, handling, and storage of materials and supplies.</p>	393	<p>Items included under this account are:</p> <ol style="list-style-type: none"> 1) Chain falls 2) Counters 3) Cranes (portable) 4) Elevated and stacking equipment (portable) 5) Hoists, forklifts 6) Lockers 7) Scales 8) Shelves 9) Storage bins 10) Trucks, hand and power driven 11) Wheelbarrows
GPE	<p>Tools, Shop and Garage Equipment</p> <p>This account shall include the cost of tools, implements, and equipment amounting to ₱50,000.00 (Net of VAT), per COA Circular No. 2022-004 or more, used in construction, repair work, general shops and garages and not specifically provided for or includible in other accounts.</p>	394	<p>Items included under this account are:</p> <ol style="list-style-type: none"> 1) Air compressors 2) Anvils 3) Automobile repair shop equipment 4) Battery charging equipment 5) Bolts, shafts and countershafts 6) Boilers 7) Cable pulling equipment 8) Concrete mixers 9) Drill presser 10) Derricks 11) Electric equipment 12) Engine 13) Forges 14) Furnaces 15) Foundations and settings specially constructed for and not expected to outlast the shipment for which provided 16) Gas producers 17) Gasoline pumps, oil pumps and storage tanks 18) Greasing tools and equipment 19) Hoists 20) Ladders 21) Lathes 22) Machine tools

			<ul style="list-style-type: none"> 23) Motor driven tools 24) Motors 25) Pipe threading and cutting tools 26) Pneumatic tools 27) Pumps 28) Riveters 29) Smiting equipment 30) Tool racks 31) Vises 32) Welding apparatus 33) Work benches
GPE	<p>Clinic/Laboratory Equipment</p> <p>This account shall include the cost of clinic and laboratory equipment amounting ₱50,000.00 (Net of VAT), per COA Circular No. 2022-004 or more, used for clinic/laboratory purposes and not specifically provided for or includible in other department or functional plant accounts.</p>	395	<p>Items included under this account are:</p> <ul style="list-style-type: none"> 1) Ammeters 2) Current batteries 3) Frequency changers 4) Galvanometers 5) Induct meters 6) Laboratory standard millivolt meters 7) Dental chair 8) Laboratory standard volt meters 9) Meter testing equipment 10) Millivolt meters 11) Motor generator sets 12) Panels 13) Phantom loads 14) Portable graphic ammeters, voltmeters, and wattmeter 15) Portable loading devices 16) Potential batteries 17) Potentiometers 18) Rotating standards 19) Standard cell, reactance, resistor, and shunt 20) Switchboards 21) Synchronous timers 22) Testing panels 23) Testing resistors 24) Transformers 25) Voltmeters 26) Other testing, laboratory (medical/dental equipment), or research equipment not provided for elsewhere

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GPE	<p>Power Operated Equipment</p> <p>This account shall include the cost of power operated equipment amounting to ₱50,000.00 (Net of VAT), per COA Circular No. 2022-004 or more, used in construction or repair work exclusive of equipment includible in other accounts. Include, also, the tools and accessories acquired for use with such equipment and the vehicle on which such equipment is mounted.</p>	396	<p>Items included under this account are:</p> <ol style="list-style-type: none"> 1) Air compressors, including driving unit and vehicle 2) Backfilling machines 3) Boring machines 4) Hoists 5) Diggers 6) Engines 7) Pile drivers 8) Pipe cleaning machines 9) Pipe coating or wrapping machines 10) Tractors Crawler type 11) Trenchers 12) Other power operated equipment <p>NOTE: It is intended that this account include only such large units that are generally self-propelled or mounted on movable equipment.</p>
GPE	<p>Communication Equipment/Miscellaneous Equipment</p> <p>This account shall include the cost installed of telephone, telegraph, and wireless equipment of general use in connection with utility operations amounting to ₱50,000.00 (Net of VAT), per COA Circular No. 2022-004 or more.</p>	397	<p>No item shall be processed and charged to this account without the corresponding clearance from authorities. The purchase of communication equipment shall be subject to clearance from the National Telecommunication Commission while the purchase of firearms and other forms of ammunition shall be cleared from the Philippine National Police.</p> <p>Items included under this account are:</p> <ol style="list-style-type: none"> 1) Antennae 2) Booths 3) Cables 4) Distributing board 5) Extension cords 6) Gongs 7) Handsets, manual and dial 8) Insulators 9) Intercommunicating sets 10) Loading cells 11) Operators' desks

			12) Poles and fixtures used wholly for telephone or telegraph wire 13) Radio transmitting and receiving sets 14) Remote control equipment and lines 15) Sanding keys 16) Storage batteries 17) Switchboards 18) Tele autograph circuit connections 19) Telegraph receiving sets 20) Telephone and telegraph circuits 21) Testing instruments 22) Towers 23) Underground conduit used wholly for telephone or telegraph wires and cable wires 24) Fax machine, intercom, cellular phones, pagers
GPE	Miscellaneous Equipment This account shall include the cost of equipment, apparatus, etc. amounting to ₱50,000.00 (Net of VAT), per COA Circular No. 2022-004 or more, used in the utility operations, which is not includible in any other account of this system of accounts.	398	Items included under this account are: 1) Hospital and infirmary equipment 2) Kitchen equipment 3) Recreation equipment 4) Radios 5) Restaurant equipment 6) Soda fountain 7) Operators' cottage furnishings 8) Electric fan, refrigerator, air-conditioner, stoves, television, VHS, cameras 9) Other miscellaneous equipment NOTE: Miscellaneous equipment of the nature indicated above wherever practicable shall be included in the utility plant accounts.

REMINDERS:

- 1) **All proponents should be ready to justify their respective Programs / Activities / Projects (P/A/Ps) especially those that will cause increase in the corporate budget requirements in the ensuing year.**
- 2) **Conduct inventory of FY 2022 Purchase Requisitions and identify those that would Spill-over to FY 2024**
- 3) **All P1 / C1 proposals shall not be subject to realignment and shall proceed with the procurement process immediately upon release of the interim PPMP.**

4) Proposal for CAPEX of each Cost Center identified as P1 shall not exceed 50% of the FY 2023 CAPEX Realigned Budget.

5) Items to be considered as critical and priority are the following:

- a. Those with direct contribution to the improvement of the power plant reliability
- b. Those necessary to prevent plant tripping or forced outage;
- c. Those for Compliance with Environmental and Safety Requirements; and
- d. Those approved in prior year's budget but were not implemented and should be immediately implemented in FY 2024
- e. The entire program must be realistically implemented within the FY 2024.
- f. Items considered less priority are those not related to plant operations and maintenance.
- g. The template schedule for the proposed work orders, spares and GPE must be accomplished to support the proposed budget.

“All activities/programs related/attributed to GAD should be properly identified in the budget”

For OMA – CAPEX and Job Order Maintenance & Operation

***Kindly accomplish Schedule 2 - FY 2024 PROPOSED WORK ORDER / SPARES / GPE / JOB ORDER MAINTENANCE / OPERATION JUSTIFICATION (OMA),
The proposed new activity must be supported by an explanation/justification and basis of estimate. This schedule will be the basis of PSALM for the Technical Budget
Review and approval of the budget proposal***