



PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS
(National Headquarters Philippine Coast Guard)
139 25th Street, Port Area,
1018 Manila

NHQPCG/CG-4

22 October 2024

**STANDING OPERATING PROCEDURE
NUMBER 26-24**

**GUIDELINES AND PROCEDURES FOR THE UTILIZATION OF PCG FUEL, OIL
AND LUBRICANT REPAIR, MAINTENANCE AND CONSTRUCTION FUND
AND FLEET CARD REWARD POINTS**

1. AUTHORITY

Republic Act No. 9993, also known as the “Philippine Coast Guard Law of 2009” and its Implementing Rules and Regulations dated 27 July 2009

2. REFERENCES

- A. Budget Circular No. 2022-1, entitled “Omnibus Guidelines on the Acquisition, Use, Rental and Replacement of Government Motor Vehicles” dated 11 February 2022; and
- B. Budget Circular No. 2022-1a, entitled “Supplemental Guidelines on the Acquisition, Use, Rental and Replacement of Government Motor Vehicles” dated 11 February 2022.

3. SCOPE

This SOP has been created to guide CG-4 and CGLSC to ensure its efficient and effective management and recording of Fuel, Oil and Lubricant (FOL) and Repair, Maintenance and Construction (RMC) funds and Fleet Card reward points.

4. PURPOSE

This SOP prescribes the guidelines and procedures on the proper utilization of FOL RMC funds and Fleet Card reward points under the Office of the Deputy Chief of Coast Guard Staff for Logistics, CG-4.

5. DEFINITION OF TERMS

- A. **Fleet Card Reward Points** – type of non-monetary rebate that corresponds to a partial refund of the cost of PCG fuel, oil and lubricant products from the PCG FOL service provider through the use of Fleet Cards, on top of the earned FOL RMC fund.
- B. **Fuel, Oil and Lubricant (FOL)** – products such as gasoline, diesel and other forms of oils and lubricants for the use of PCG's land, air and floating assets.
- C. **FOL Repair, Maintenance and Construction (RMC) Fund** – non-monetary rebate that corresponds to a partial refund of the cost of PCG FOL products from the PCG FOL service provider in support of PCG's continued development and modernization project pursuant to its functions according to R.A. 9993. This financial incentive cannot be monetized but shall be used only for projects in furtherance of the mandates of the PCG, unless otherwise provided.
- D. **Implementing Agreement (IA)** – agreement between the PCG and the FOL supplier which outlines the guidelines for the utilization of RMC fund and fleet card reward points earned by the Philippine Coast Guard on its procurement of FOL with the supplier. This is executed on every FOL procurement contract. (**Annex A**)
- E. **Rewards Catalog** – list of goods provided by the FOL service provider, such as electronic devices, appliances, gift certificates and other related items, which may be claimed through earned Fleet Card reward points.

6. POLICIES

- A. FOL RMC fund may be used for the construction, repair and maintenance of various FOL facilities, including FOL warehouses and other storage facilities, as well as the acquisition, repair and maintenance of PCG service vehicles, trucks, watercraft, aircraft and other mobility assets;
- B. All acquisition/acquired PCG land motor vehicles through FOL RMC fund shall be in accordance with DBM Budget Circular No. 2022-1, Malacañang AO No. 14 Section 33 of PD 1445, COA Circular No. 2012-003 dated 29 October 2012 and R.A. 9993 under rule 3 (l) 3 and 5.4;
- C. All acquisitions of land motor vehicles, watercraft and aircraft and other assets shall be recorded in the PCG Book of Accounts;
- D. Redemption of the Fleet Card reward points shall be in accordance with the approved Program of Expenditure duly signed by the Commandant, PCG;

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- E. Fleet Card reward points may be used to claim items/goods listed in the rewards catalog provided by the FOL service provider;
- F. The process of redeeming the reward points must be included in the contract with the FOL service provider for transparency purposes; and
- G. The PCG FOL service provider shall execute, perform and carry-out the rebate program in accordance with existing laws, rules and regulations.

7. PROCEDURES

A. Guidelines on Acquisition of Item, Equipment, Service or Facility from FOL RMC Fund:

- i. Accumulated amount of PCG FOL RMC Fund is based on every payment made with FOL service provider;
- ii. An Implementing Agreement (IA) which outlines the guidelines for the utilization of RMC Fund earned by the Philippine Coast Guard on its procurement of FOL with the supplier must be prepared.
- iii. Said IA must be included in the FOL procurement contract.
- iv. Once the item, equipment, services or facility requested is ready for delivery, the O/CG-4 shall notify CGLSC (Attn: CGSAO), CGASO, TIAC and COA three (3) days prior the delivery date to witness and inspect said delivery;
- v. Upon delivery, the TIAC shall conduct an inspection of the item, equipment, service or facility and must submit a TIAC report to the O/CG-4 seven (7) calendar days after the inspection and acceptance;
- vi. Upon receipt of the TIAC Report, the O/CG-4 shall transmit all pertinent documents of delivered item, equipment, services or facility within seven (7) calendar days upon receipt of TIAC Report; and
- vii. Prior distribution of any item, equipment, services or facility acquired through FOL RMC Fund, the CGSAO shall ensure the issuance of a Property Acknowledgement Receipt (PAR) to the end-user and shall provide copies of the PAR to the O/CG-4 and CGASO for accounting and record-keeping purposes.

B. Guidelines on the Redemption of Fleet Card Reward Points:

- i. Fleet Card reward points accumulate based on every billing statement from the fleet card supplier.

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- ii. When sufficient reward points are available, O/CG-4 shall determine the preferred technical specifications of the Command's requirement in accordance with the approved Program of Expenditure (POE) duly signed by the Commandant, PCG;
- iii. Upon approval, the PCG shall enter into an agreement with the fleet card service provider. This agreement shall contain the preferred technical specifications, delivery schedule and other relevant information required for the execution of the redemption request; and
- iv. Once item or equipment is delivered to the O/CG-4, said office shall oversee distribution of item or equipment to identified end-users, ensuring that all assets are properly allocated and documented.

8. RESPONSIBILITIES

A. Chief Accountant, Coast Guard Accounting Service Office

- i. Ensure that all assets acquired through FOL RMC fund are recorded in the PCG book of accounts; and
- ii. Ensure that correct journal entries are entered in the PCG book of accounts.

B. Deputy Chief of Coast Guard Staff for Logistics, CG-4

- i. Ensure the programming of budget intended for the insurance of all newly acquired assets in the Annual Procurement Plan (APP);
- ii. Oversee the monitoring of OR/CR and insurance of all assets acquired through the PCG FOL RMC fund if applicable;
- iii. Record the distribution list of goods or items claimed through fleet card reward points; and
- iv. Responsible for the monitoring of compliance of this SOP.

C. Commander, Coast Guard Logistics Systems Command

Primary responsible for the issuance of PAR through all Supply Accountable Officers for assets acquired through distributed PCG FOL RMC fund.

D. Head, Supply Accountable Office (SAO), CGLSC

- i. Ensure the issuance of PAR to all acquired assets issued to PCG units; and

- ii. Consolidate and furnish an updated copy of the PAR to the NHQ-PCG (Attn: CG-4) and CGASO quarterly and/or as necessary for reconciliation of records.

9. DISSEMINATION

All PCG Units and Offices are hereby directed to cause the widest dissemination of this SOP within their respective areas of jurisdiction.

10. EFFECTIVITY

This SOP shall take effect upon publication.

11. REPEALING CLAUSE

All other SOPs, guidelines or any part thereof which may be inconsistent with this policy are hereby rescinded or modified accordingly.

BY COMMAND OF ADMIRAL GAVAN PCG:

OFFICIAL:

HOSTILLO ARTURO E CORNELIO
RADM **PCG**
Chief of Coast Guard Staff


JAYSIEBELL B FERRER
PCDR **PCG**
Coast Guard Adjutant

Annex:

A – Implementing Arrangement Format

IMPLEMENTING ARRANGEMENT

between the

PHILIPPINE COAST GUARD

and

FOL Service Provider

concerning the

**UTILIZATION OF REPAIR, MAINTENANCE AND CONSTRUCTION (RMC) FUND
EARNED BY THE PHILIPPINE COAST GUARD ON ITS PROCUREMENT OF FOL WITH
FOL Service Provider**

This agreement is hereby entered into by the Philippine Coast Guard and SUPPLIER Corporation, this day of _____ 2024.

The Philippine Coast Guard, a government agency duly organized and existing under the laws of the Republic of the Philippines with the office address at 139 25th St. Port Area, Manila, represented by its Commandant, ADMIRAL RONNIE GIL L GAVAN (hereinafter called the "ENTITY");

and

FOL Service Provider, _____ (Service Provider's Info) _____,
(hereinafter called the FOL Service Provider);

WHEREAS, the bidding documents and the contract for the procurement of FOL explicitly states that the winning bidder shall provide RMC Fund equivalent to at least five percent (5%) of the total contract price, which shall be applied and accumulated within the contract duration of One (1) year or until the total contract price has been fully exhausted;

WHEREAS, the same bidding documents also states that once sufficient amount of RMC Fund has been accumulated, PCG can request the utilization of these RMC Fund from the winning supplier, which at the option of the PCG, can either be the construction, repair and maintenance of various FOL facilities, including FOL warehouse and other storage facilities, AND/OR the supply and delivery of FOL related equipment, such as service vehicles / trucks;

WHEREAS, the same bidding documents requires the PCG and the winning supplier to execute a separate agreement for the details and implementation of the selected option of the PCG using the aforesaid RMC Fund;

WHEREAS, on _____, the FOL Service Provider was declared as the Single Calculated and Responsive Bidder (SCRB) for the project _____, with a bid offer of _____ Only;

WHEREAS, the Notice of Award was issued on _____ and was duly conformed by the FOL Service Provider on _____.

NOW THEREFORE, FOREGOING CONSIDERED, the Parties have hereby reached the following arrangement:

- a. FOL Service Provider agrees to provide RMC Fund or Repair, Maintenance and Construction (RMC) fund equivalent to 5% which shall be computed based on the total payments made by PCG to the FOL Service Provider, but shall not be given to the individual card holders of the ENTITY;
- b. The accumulated RMC Fund shall be valid until they are fully consumed;
- c. The RMC Fund accumulated by the ENTITY can only be used for the construction, repair and maintenance of various FOL facilities, including FOL warehouse and other storage facilities, AND/OR the supply and delivery of service vehicles / trucks and other FOL related equipment;
- d. In case the ENTITY decides to use the accumulated RMC fund, it shall submit a written request to the FOL Service Provider, detailing what infrastructure/construction will be undertaken or mobility asset to be procured;
- e. In case of procurement of mobility assets, the ENTITY shall give the number of units as well as the necessary technical specification for the request to the FOL Service Provider. The FOL Service Provider may choose which brand to purchase, subject to the approval of the head of the ENTITY.
- f. The RMC Fund accumulated cannot be converted to cash and cannot be used to cover FOL payments or be used to purchase additional FOL.
- g. Aside from the RMC Fund, the FOL Service Provider agrees to provide fleet card reward points from fleet card transactions which are based on every billing statement;
- h. The reward points are to be used to procure PCG's requirements in accordance with the Program of Expenditure (POE) duly signed by the Commandant, PCG;
- i. This Implementing Arrangement shall be contract based. Every contract entered into by PCG and a FOL Supplier will be covered by a new IA;
- j. Any amendments to the provisions of this arrangement should be both agreed upon by the parties.

IN WITNESS WHEREOF, the parties have hereto affixed their signatures this day of _____ at _____

