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**NHQ-PCG/CG-3**

**26 May 2025**

**CIRCULAR  
NUMBER 04-13**

**Addendum 01-25**

**ADDENDUM TO AMENDMENT 01-21 NHQ-PCG CIRCULAR NO. 04-13 DATED 28  
MAY 2021 AND NHQ-PCG/CG-3 CIRCULAR NO. 19-21 DATED 02 DECEMBER 2021  
AS ADDITIONAL GUIDELINES FOR OPERATIONAL SUSTAINMENT THROUGH  
FORCE COSTING WITH PROPER PLANNING, PROGRAMMING AND BUDGETING  
IN ACTIVATING PCG UNITS AND OFFICES**

**1. REFERENCES**

- A. CG-3/CGAO Circular No. 04-13, entitled "Activation of Coast Guard Stations (CGS) and Coast Guard Sub-Stations (CGSS)" dated 16 July 2013;
- B. NHQ-PCG/CG-3 Circular No. 04-13 Amendment 01-21, entitled "Amendment to HPCG Circular No. 04-13 dated 16 July 2013, Activation of Coast Guard Station (CGS) and Coast Guard Sub-Station (CGSS)" dated 28 May 2021;
- C. NHQ-PCG/CG-3 Circular No. 19-21, entitled "Activation of Sub-Unit of Philippine Coast Guard's Functional Command, Administrative Support Command, Operational Support Command, Technical/Special Service Command" dated 02 December 2021;
- D. Coast Guard System of Management (CGSOM); and
- E. PCG Basic Doctrine Manual

**2. PURPOSE AND SCOPE**

This Circular establishes the framework for Force Costing related to the activation, operational sustainability and support of new units within the Philippine Coast Guard (PCG). It ensures that both the operational and administrative needs of newly created units are identified, planned and budgeted accurately to enhance decision-making and resource allocation. This applies to all Functional Command, Operational Support Command, Operating Command, Administrative Support Command, Special Service Command, Technical Service Command and their subordinate units, and Central, Special, Personal and Technical Staff Offices.

### 3. RATIONALE

The Philippine Coast Guard's Planning, Programming, Budgeting and Execution System (PPBES) is an essential framework that aligns budgeting with strategic planning, enhancing decision-making through analysis. Integrated within the Coast Guard's System of Management (SOM), PPBES works alongside other systems like the Financial Management System (FMS), which ensures effective resource allocation and fiscal responsibility. The Program Performance and Budget Execution Review (PPBER) provides an unbiased evaluation of the PCG's budget spending, ensuring efficient resource utilization. However, challenges persist, especially in meeting the operational costs for the growing number of PCG units being activated. These costs include personnel, trainings, infrastructure, facilities, maintenance and transportation, which must be carefully planned and programmed by end-users and program directors to ensure adequate funding and their sustainability.

As the PCG expands in response to both internal growth and external operational complexities, a lack of clear guidelines for assessing logistical needs hampers the sustainability of newly established units. Existing policies which are the CG-3/CGAO Circular No. 04-13 and NHQ-PCG/CG-3 Circular No. 19-21 do not provide procedures for determining the necessary resources to maintain operations but only outline activation criteria which fails to address the logistical and operational needs of newly created units and their sustainability.

To address these concerns, there is a need to improve the guidelines and procedures for assessing and justifying resource requirements which through these refined processes, the PCG can enhance its ability to effectively manage financial allocations, ensuring the long-term sustainability and operational effectiveness of its units. Hence, the concept of Force Costing will ensure proper resource allocation for new units, covering both one-time and recurring costs, such as manpower, maintenance, unit operations and sustaining support.

### 4. DEFINITION OF TERMS

- A. **Manpower** – refers to the allocation of personnel, including functional, administrative and operational support staff, required for the effective operation of new units.
- B. **Force Costing** – is the process of determining the total cost to establish a new force unit. It includes one-time expenses for outfitting the unit with necessary personnel, equipment, firearms, ammunition and other logistical requirements specific to its Table of Organization. It helps answer the question of how much it costs to create a new unit.
- C. **Annual Operations** – refers to the ongoing costs for unit operations, categorized into manpower, unit operations, maintenance, sustaining support and systems improvement. It includes costs for personnel, materials, training and upgrades. These estimates help program directors and central staff determine funding needs and guide Unit Commanders in documenting financial requirements for continuous support.



- D. **Unit Operations** – refers to the costs associated with operating materials and support services, excluding maintenance and repair. It includes consumables like training munitions, Petroleum, Oil and Lubricants (POL) for assets, weapons and ammunition for defense, food for training, postal services, building rentals and transportation expenses for moving personnel and equipment.
- E. **Maintenance** – refers to costs for system upkeep, excluding internal manpower. It includes labor and materials provided by external services. This covers consumables like oils, filters and administrative supplies, as well as intermediate maintenance, such as vehicle repairs, registration and professional services beyond the unit's capabilities.
- F. **Sustainment** – refers to ongoing support to maintain operational readiness. It includes unit and specialization trainings, equipment replacement and repair, procurement of ICT equipment and software maintenance. Costs cover training materials, tools, modification kits, software licenses, hosting and repairs, ensuring continuous improvement and long-term functionality of systems and assets.
- G. **Planning, Programming, Budgeting and Execution System (PPBES)** – represents a pivotal framework that integrates budgeting with strategic planning, placing a strong emphasis on analytical tools. This comprehensive management system is designed to enhance program decision-making through robust analysis, underscoring the critical need to establish a cohesive linkage between planning and budgeting processes.
- H. **Coast Guard System of Management (CGSOM)** – a comprehensive framework consisting of four interconnected systems: the Strategic Planning System (SPS), Capability Assessment and Planning System (CAPS), Acquisition System (AS), and Resource Management System (RMS). Within RMS, the Planning, Programming, Budgeting and Execution System (PPBES) works alongside the Financial Management System (FMS), incorporating subsystems like the Force Oriented Cost Information System (FOCIS) for programming and the Integrated Budgeting and Procurement Planning Software (IBPPS) for budgeting and procurement support.
- I. **Program, Performance and Budget Execution Review (PPBER)** – integrates strategic planning with budgeting, emphasizing analytical tools to enhance decision-making. As a key component of the PCG System of Management (SOM), it ensures a cohesive link between planning and budgeting processes for more effective program implementation and resource allocation.

## 5. POLICIES AND GUIDELINES

- A. **Activation and Justification** – the activation of new units shall comply with the criteria in CG-3/CGAO Circular No. 04-13, specifically concerning manpower, material and logistical support. Proposals for unit activation must be supported by specific information detailing operational and administrative needs, ensuring comprehensive planning and accurate budgeting.

- B. Force Costing Implementation** – a systematic approach for identifying the cost associated with the creation of new units shall be followed, referred to as Force Costing. This will include the acquisition of resources, annual operations and ongoing support. The Force Costing process must be clearly articulated and submitted before activation proposals are forwarded to higher headquarters. It includes:
- i. **Acquisition of Resources:** The one-time cost for establishing the new unit, such as personnel, equipment and other logistical needs.
  - ii. **Annual Operations:** Recurring operational costs, including manpower, unit operations, maintenance, sustaining support and continuing systems improvement.
- C. Force Costing Categories:**
- i. **Manpower:** The cost of staffing the unit, including functional, administrative and operational support personnel necessary for the unit's readiness. This includes MSSGs, MARSEG, MEPG, Stations, Sub-Stations and other Units/Offices, and other essential personnel.
  - ii. **Unit Operations:** The cost of operating materials and unit support services, excluding maintenance. This includes POL for assets, weapons and ammunition for training and defense, and other operational expenses such as food, postal services and transportation costs.
  - iii. **Maintenance:** Costs related to system maintenance provided by external services, including consumables (oils, filters, batteries) and intermediate maintenance services (outside repairs, vehicle registrations, etc.).
  - iv. **Sustaining Support:** Ongoing support, including unit and specialization training, equipment replacement and repairs.
  - v. **Continuing Systems Improvement:** Costs for ICT procurement and software maintenance, including hardware and software upgrades.
- D. Budgeting and Financial Planning** – before submitting activation requests, unit commanders must complete a detailed Force Costing analysis to ensure the required financial resources are identified and programmed. This ensures that program directors are equipped with accurate cost estimates for budgeting and procurement, aligning with fiscal constraints and ensuring the unit's operational sustainability.
- E. Reporting and Documentation** – all unit commanders must submit cost estimates with supporting documentation as part of their proposals for new units. These estimates will be reviewed to ensure the allocation of adequate resources for the initial activation and ongoing operational support.



- F. **Accountability and Transparency** – this policy emphasizes the importance of clear documentation and effective planning in identifying both direct and indirect costs. It aims to eliminate reliance on program directors for determining the Unit's financial needs, ensuring that all stakeholders understand the true cost of establishing and maintaining new units within the PCG.
- G. All Units requesting activation must submit a comprehensive Force Costing document alongside their proposals to CPCG (Attn: O/CG-3) for approval. Templates for cost estimation will form part in the enclosures, including Memorandum of Agreements (MOA) with other government agencies/LGUs for usufruct of their property or Deed of Donations, if any.

**6. EFFECTIVITY**

This Circular shall be implemented effective 05 May 2025.

**7. RESCISSION**

All previous publications in conflict with this Circular are hereby rescinded.

**BY COMMAND OF ADMIRAL GAVAN PCG:**

**OFFICIAL:**

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

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

*Annex – Force Costing for Operations and Sustainability*

## FORCE COSTING FOR OPERATIONS AND SUSTAINABILITY

NAME OF UNIT:

1. UNIT LEVEL MANPOWER						
		1.1 - OPERATIONS MANPOWER	NR OF PERS	RANK RQMT	PAYGRADE	
NOTE: When determinin g unit indicate what unit will address the operational needs of the unit being activated.		1.1.1 SOF TEAM	4	E1 - E4		
		1.1.2 K9 TEAM	3	E1 - E4		
		1.1.3 MSSG	3	E1 - E4		
		1.1.4 MARSEG	3	E1 - E4		
		1.1.5 MEPG	3	E1 - E4		
		1.1.5 SENTINEL/ SECURITY	3	E1		
		1.1.6 Others (specify)				
		<b>1.2 - ADMINISTRATIVE PERSONNEL</b>				
		1.2.1 UNIT COMMANDER				
		1.2.2 EX-O				
		1.2.3 CMAA				
		1.2.4 POIC ADMIN				
		1.2.5 POIC OPERATIONS				
		1.2.6 POIC LOGISTICS				
	1.2.7 DRIVER/MESSENGER					
	1.2.8 Others (specify)					
<b>2. UNIT OPERATIONS</b>				<b>COST/ QUANTITY</b>	<b>TOTAL</b>	
	2.1 MANDATORIES					
	2.2 FIREARMS					
	2.3 TRAININGS					
	2.4 OPERATIONS					
	2.5 POL REQUIREMENT					
	2.6 MOBILITY (LAND)					
	2.7 FLOATING ASSETS					
	2.8 COURIER SERVICES					
	2.9 OFFICE RENTALS					
	2.10 TRANSPORTATION EXPENSES					
	2.11 Others (specify)					
<b>3. MAINTENANCE</b>				<b>QUANTITY</b>	<b>UNIT COST</b>	<b>TOTAL</b>
All other requireme nts not enumerat ed in the list must be included and specified.	<b>3.1 OFFICE REQUIREMENTS</b>					
		3.1.1 BOND PAPERS				
		3.1.2 PENS				
		3.1.3 CLIPS				
		3.1.4 INKS				
		3.1.5 Others (Specify)				
	<b>3.2 ASSET MAINTENANCE</b>					
		3.2.1 OILS				
		3.2.2 SPARK PLUGS				
		3.2.3 FILTERS				
		3.2.4 TIRES				
		3.2.5 Others (specify)				
	<b>3.3 FLOATING ASSET MAINTENANCE</b>			<b>QUANTITY</b>	<b>UNIT COST</b>	<b>TOTAL</b>
		3.3.1 OILS				
		3.3.2 SPARKPLUGS				
	3.3.3 PAINTS					
	3.3.4 ADHESIVES					
	3.3.5 Others(specify)					



	<b>3.4 JANITORIAL SUPPLIES</b>			<b>QUANTITY</b>	<b>UNIT COST</b>	<b>TOTAL</b>
	3.4.1 BROOMS					
	3.4.2 DETERGENTS					
	3.4.3 Others (specify)					
	<b>3.5 OFFICE MAINTENANCE</b>			<b>QUANTITY</b>	<b>UNIT COST</b>	<b>TOTAL</b>
	3.5.1 BULBS					
	3.5.2 SWITCHES					
	3.5.3 ELECTRICALS					
	3.5.3 Others (specify)					
	<b>3.6 INTERMEDIATE MAINTENANCE</b>			<b>QUANTITY</b>	<b>UNIT COST</b>	<b>TOTAL</b>
	3.6.1 VEHICLE REGISTRATION					
	3.6.2 VEHICLE MAINTENANCE AND OUTSIDE REPAIRS					
	3.6.3 ELECTRICALS					
	3.6.4 Others (specify)					
	<b>4. SUSTAINING SUPPORT</b>			<b>QUANTITY</b>	<b>UNIT COST</b>	<b>TOTAL</b>
	4.1 UNIT TRAININGS (JOINT OPNS TRAINING)					
	4.2 SPECIALIZATION TRAININGS/CAREER TRAININGS					
	4.3 EQUIPMENT REPLACEMENT & RPR (TOOLS/TEST KITS)					
	4.4 Others (specify)					
	<b>5 CONTINUING SYSTEMS IMPROVEMENT (ICT)</b>					
	5.1 PROCUREMENT OF COMPUTERS					
	5.2 PAYMENT OF SOFTWARE LICENSES					
	5.3 MODIFICATION REPAIRS					
	5.4 SOFTWARE MAINTENANCE REPAIRS					
	5.5 PROCUREMENT OF PRINTERS					
	5.6 Others (specify)					

Prepared by:

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Certified Correct by:

Unit Commander