

March 12, 1984

MEMORANDUM NO. 44  
Series of 1984



TO: All Department/Unit Heads

SUBJECT: Policies on Cost Cutting

In view of the present economic crunch and the need for ViSCA to reduce operational costs as well as accumulate savings for salary increases and incentive allowances, the following policies are hereby instituted effective immediately:

A. Personal Services

1. No filling up of vacant positions
2. No hiring of new substitutes and casual employees
3. No overtime work with pay. Should overtime work be necessary with approval by proper authorities, those who render overtime work shall be entitled only to meal allowances and reimbursement of reasonable transportation expenses.
4. No more monthly or long term permit to work on weekends for casuals, particularly clerks under the general fund\*, except those covered in Memorandum No. 4, series of 1984. Clerks are supposed to do their jobs efficiently during regular office hours. Any request for work on Saturdays must be limited to a particular weekend to accomplish a specific piece of work within a fixed date. Requests for this purpose must be made at least two days before the service is rendered.
5. No holding of classes outside the regular schooldays and classhours (Saturdays and evenings) unless the teacher will not be collecting honorarium or the students concerned are willing to shoulder the honorarium as in the case of requested subjects held during regular class hours. Holding of requested summer classes for few students must be minimized if not entirely eliminated. These provisions do not apply for the graduate classes.

B. Travel Expenses and Use of Vehicles

1. Complete ban of travel chargeable to the general funds to (a) attend conferences, seminar or workshop sponsored by private organizations, (b) emergency purchase of supplies and materials and (c) field trips or excursions.

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\*General fund refers to the funds directly appropriated to ViSCA under the yearly General Appropriations Act.

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trips. Trips to Tacloban airport or regional offices in Tacloban chargeable to general funds shall be strictly limited on Mondays and Wednesdays with only one vehicle to be dispatched. As much as possible, visitors of ViSCA must be advised to time their trips on these days. Any passenger must be willing to sacrifice in waiting for the arrival of visitors at the airport or for other passengers to complete their official business transactions in Tacloban. Those who cannot wait may take the public passenger buses. 50

For this system to work, employees must submit their trip requests at least two days before traveling to give the dispatcher ample time to consolidate trip tickets and determine the type of vehicle to be dispatched.

3. Travels to and from Manila via Cebu should be encouraged to minimize dispatch of vehicles to and from Tacloban.
4. Limit expensive air travel. In cases where land and sea transportation can serve the purpose and cost much less, they should be used.
5. Number of employees going out for the same purpose should be limited to one or the smallest number possible.
6. Use of taxi and other hire vehicles should be avoided when ordinary means of transportation are available, unless heavy cargoes/luggages have to be transported.
7. The vehicle dispatcher, the PPO Superintendent and all other approving officers must observed these guidelines:
  - a. Closer coordination and communication between the dispatcher and approving officers to ensure proper planning, scheduling and synchronization of transport items.
  - b. Restrictions on use of government vehicles at ViSCA and vicinities on Sundays and official holidays and before 7:30 a.m. and after 6:00 p.m. during working days unless specifically authorized by the head of agency or his representative, except for those on research.
  - c. Planning of trips to cover as many errands/trip tickets at one time.
  - d. Assigning of only one vehicle for trips in the same direction.
  - e. Discouraging the use of vehicles for short trips to the poblacion and nearby towns and use by only one or two persons except those with bulky and heavy luggages or on extreme urgent missions.
8. Security Guards on duty must be very strict in checking approved trip requests for vehicles before allowing them to leave the campus.



1. Procurement - A wasteful practice is that of resorting to emergency purchases of supplies. As a result, supplies are acquired at much higher price. The practice of purchasing paper from middlemen forces us to pay more for inferior quality and less sheet count. 51

- a. Emergency purchases should be minimized.
- b. Direct purchase from manufacturers should be encouraged.

2. Utilization - Efficient utilization of supplies and materials can be better effected by breaking down the usage of supplies and materials on an activity/job/work basis.

- a. Possibility of reusing supplies and materials should be explored.
- b. Standardization of materials. Standardization of one item could lead to the standardization of other related items (e.g. one brand of typewriter can save on ribbons and repair and maintenance charges). Use of substitutes for high cost items should be encouraged.
- c. Unused supplies and materials should be returned promptly to a storage area to prevent deterioration.
- d. Start of job with a scrap instead of new materials, if possible, thus saving in expensive materials.

3. Disallowance of purchase of ballpens from the general fund. Academic teaching staff and other employees must purchase their own fountain pens and ink.

4. Discontinuance of subscriptions to newspapers and magazines for different departments/centers/offices when charged to ViSCA's yearly appropriation or sub-allotments to different units. Only the ViSCA library, the Information Office, the OSA, DYAC, Dev. Com. are exempted from this policy.

5. The use of toilet paper except for laboratory purposes is strictly personal. Henceforth, each employee must buy his/her own toilet paper for his/her use. No requisition for toilet paper under the general fund shall be entertained.

#### D. Electric Power and Fuel

1. Minimize the use of electric light and power-consuming facilities. Each department/center/office head must institute economy measures within his unit. Unit heads shall be held responsible for electric lights left burning in his unit the whole night.

2. Minimize the use of mercury lamps. The PPO Superintendent and the Chief Security Officer must decide between themselves where campus street illumination must be reduced to the minimum and where sufficient lighting should be maintained for security reasons.



the official monthly rates for different electrical appliances. OSA must conduct periodic surveys and render a report on this to the Office of the Vice President for Administration so that penalties could be exacted. 52

4. Strict monitoring of electric meter reading by PPO and collection of electric bills by the Cash Division. Monthly reports on this must be rendered by the electricians responsible for electric meter reading.
5. Changes in curfew hours and schedule of running gensets must be made to economize on use of imported and costly fuel and oil. Every night, the big gensets must be relieved by using the smaller gensets starting at 10:00 p.m. until 12:00 midnight. The gensets must not be run from 12:00 midnight to 4:30 a.m. during Mondays to Fridays and from 12:00 midnight to 6:00 a.m. during Saturdays, Sundays and holidays. In view of these changes in lighting schedules, most streets will not be lighted at 10:00 p.m.; therefore, curfew hours start from 10:00 p.m. until the electric lights are put on the following morning.

#### E. Repair and Maintenance

1. Repair and maintenance shall be prioritized, with emphasis on those deemed essential or which will enhance efficiency of operations. Standard designs and materials should be adopted.
2. Proper programming of repair and maintenance work should be devised by PPO so that personnel's working hours shall likewise be programmed. If this is not done, a lot of things remain to be done and many people waste time waiting for work, thus the use of employees' available working hours are not maximized.
3. The Supply Office should give full attention to the procurement of supplies and materials for urgent repair works.
4. Regular inspection and maintenance of sophisticated and delicate equipment or machines should be entrusted, whenever possible, to the original makers/manufacturers or their accredited agents. This will avoid losses caused by sudden breakdown of vital machinery due to inexperienced maintenance.
5. Proper recording of repair and maintenance costs should be kept specially for important and high-value facilities. Where machines often require expensive repairs, a record of the type mentioned help management decide whether it would be preferable to get a replacement.
6. Standard purchasing procedures should apply in cases of repairs and no order should be placed with outside contractors unless bids have been obtained from a sufficient number of sources.



it should be ascertained whether it would be more advantageous to have the work done by the agency's own workers or not.

8. There should exist a control mechanism so that surplus parts and materials arising from repairs and maintenance work are not misappropriated by the employees themselves. 53

F. Others

1. Disposal of garbage with the use of individual garbage pits poses sanitary/pollution problems. Daily college-wide garbage collection must therefore be continued, but each staff house or dormitory shall pay the following charges to cover the cost of labor, fuel and oil, and vehicle depreciation:

Staff apartment	- P30.00/mo.
Cottage and duplex (a duplex is counted as two)	- P30.00/door/mo.
Bachelors/Bachelorettes apartments	- P15.00/door/mo.
Student dorms	- P 3.00/person/mo.

For this purpose, the college shall automatically deduct the cost of garbage collection from the salaries of employees and students shall pay garbage collection fees (to be integrated in dormitory fees) during registration.

OTHER COST REDUCTION SUGGESTIONS AND TIPS ON SPECIFIC EXPENDITURE AREAS

- A. Personal Services - Some offices appear to be overstaffed. Responsibilities are distributed among so many employees that some of them seem to have little work to do and spend half of their working hours attending to personal matters. As a result, the government is granting a full day's pay for a half day's work. If staffing is reduced, the office might even function more efficiently.

All heads of departments/centers/offices are enjoined to undertake a review of their organizations, systems and procedures to effect savings. The following points must be considered:

1. Organization

- Duplication or overlapping of functions should be eliminated.
- Functionally related activities should be much as possible be assigned to the same unit.
- For efficient work direction, no position should report or be answerable to more than one supervisor for every given function.



Reducing procedural costs can be met through a vigorous application of work simplification techniques to increase productivity without adding personnel or equipment. The target is to get more output per person.

- a. Possibility of combining one procedure with another procedure
- b. Several steps to be accomplished at the same time
- c. Sequence of the job may be changed to make it more efficient and effective
- d. The job could be done at another time
- e. Someone of lesser rank but adequate skills can take over the job
- f. Lesser number of persons could handle the job
- g. Elimination of unnecessary movement



#### B. Office Supply Items

1. Paper - A big percentage of supplies in every government agency consist of paper products.
  - a. Number of copies to be reproduced should be limited to the minimum necessary. Distribute memos or announcements, newsletter on office basis, rather than individual basis.
  - b. Recycle paper. Use of spoiled bond paper for drafting. Use clean back sheet for internal forms or as scratch paper. Used folders can be used in filing especially if item name or code is just pasted on the side for ease in locating.
  - c. Reduce margin when typing letters, memos and reports.
  - d. Use the elite not the pica typewriter for long letters and reports.
  - e. For short internal communication, write or type response beneath the original letter to avoid using a new sheet.
  - f. For external communication, minor corrections can be typewritten on the original copy instead of retyping the whole page; corrections for file copies may be handwritten.

#### Mimeographing Paper

- a. White wove - For general circulation and/or long filing
- b. Ground wove - For internal circulation purposes, not intended for filing

#### Bond Paper

- a. Premium Bond - For external communication to high level officials and other similar personages



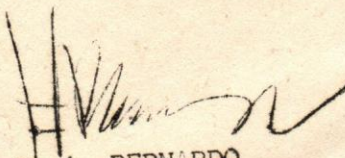
- b. Type I Bond - For ordinary communication such as: from one ministry to another; interagency communications
- c. Type II Bond - For internal communication purposes (within the agency)



Letterhead - For external communication only

2. Typewriter Ribbons - Discontinue the purchase of red and black ribbon combinations. Red ribbons are seldom used. However, if already in use, type drafts for corrections in red.
3. Yellow Pads
  - a. Minimize the use of yellow pads for scratch paper
  - b. Yellow pads should be used only by those conducting studies, doing highly technical paper work or paper work requiring horizontal lines.
4. Letter Envelopes
  - a. Letter envelopes should not be used for inter-office and hand-carried communications.
  - b. Reuse used envelopes for inter-office communications, filing photographs, film negatives, slides, etc.
5. Stencils
  - a. Before cutting stencils, make sure first that all details to be typed are correct.
  - b. Use the photocopier for 15 copies or less, and stencils for more than 15 copies.
6. Carbon Paper
  - a. When typing two or three copies, use inferior/cheap carbon papers
  - b. When typing multiple copies, insert first used carbon papers on the second and third copies and the new carbon papers in the fourth, fifth, and sixth copies.

For compliance by all concerned.

  
F. A. BERNARDO  
President