

**[ DEPARTMENT ORDER NO. 2018-019, August 17, 2018 ]**

**AN ORDER PRIVATIZING THE MOTOR VEHICLE INSPECTION SYSTEM (MVIS) THROUGH AUTHORIZATION**

*Adopted: 10 August 2018  
Date Filed: 17 August 2018*

The Department of Transportation (DOTr), as the primary policy, planning, programming, coordinating, and implementing, agency of the Executive branch of the government, in the regulation of dependable, safe, and reliable transportation system and services, is mandated by laws to ensure the roadworthiness of vehicles operated in the streets and highways of the country. As provided for under Executive Order (EO) No. 125, series of 1987, it has the power to call on any agency, corporation or organization, whether public or private, to participate and assist in the preparation and implementation of its programs. In the exercise of such power, the Department may engage the private sector in the conduct of the Motor Vehicles Inspection System (MVIS) facility expansion.

**WHEREAS**, R.A. No. 4136<sup>[1]</sup>, otherwise known as "*Land Transportation and Traffic Code*," states that "*the Commissioner, (now Assistant Secretary of Land Transportation Office) or his deputies may at any time examine and inspect any motor vehicle to determine whether such motor vehicle is registered, improperly marked or equipped, or otherwise unfit to be operated because of possible excessive damage to highways, bridges and/or culverts.*" This is reiterated in Executive Order No. 125<sup>[2]</sup>, which provides that the Bureau of Land Transportation (now LTO) shall establish and prescribe rules and regulation for the inspection and registration of public and land transportation facilities such as motor vehicles, tri-mobiles, and railroad lines;

**WHEREAS**, R.A. No. 8749<sup>[3]</sup>, otherwise known as "Philippine Clean Air Act of 1999," states that "in order to ensure the substantial reduction of emissions from motor vehicles, the Department of Trade and Industry (DTI), together with the DOTC (now DOTr) and the Department of Environment and Natural Resources (DENR) shall formulate and implement a national motor vehicle inspection and maintenance program that will promote efficient and safe operation of all motor vehicles;"

**WHEREAS**, the Implementing Rules and Regulations of R.A. No. 8749<sup>[4]</sup> provides that "the DOTC (now DOTr) shall conduct the vehicle test utilizing the MVIS or its duly authorized and accredited inspection centers consistent with the R.A. No. 7349, otherwise known as the Consumer Act of the Philippines within sixty (60) days prior to date of registration;"

**WHEREAS**, R.A. No. 7718<sup>[5]</sup> states that "*it is the declared policy of the State to*

*recognize the indispensable role of the private sector as the main engine for national growth and development and provide the most appropriate incentives to mobilize private resources for the purpose of financing the construction, operation and maintenance of infrastructure and development projects normally financed and undertaken by the Government. Such incentives, aside from financial incentives as provided by law, shall include providing a climate of minimum government regulations and procedures and specific government undertakings in support of the private sector;*

**WHEREAS,** LTO Memorandum Circular No. RTL-MC-02402 mandates the inspection testing of used-imported motor vehicles by accredited service shops as alternate MVIS for all major ports of entry for purposes of permit to travel and initial/first registration; and

**WHEREAS,** In recent years, there has been a significant growth in the number of new vehicles registered in the LTO which consequently requires additional Motor Vehicle Inspection Centers to accommodate them in timely manner.

**Accordingly,** Filipino natural and juridical person or entities, that are qualified and without history of any violation in the inspection of motor vehicles, and equipped with the required inspection facilities to conduct vehicle inspection as a prerequisite to annual renewal of motor vehicle registration, may be authorized.

**NOW THEREFORE, I, ARTHUR P. TUGADE,** Secretary of the Department of Transportation, by virtue of the powers vested in me by law, hereby order the authorization of Private Motor Vehicle Inspection Centers (PMVICs):

**SECTION 1. AUTHORIZATION.** This refers to the authority granted by the DOTr which designates Filipino natural and juridical persons or entities to conduct the MVIS testing as a requirement for renewal of registration, which shall be valid for a period of five (5) years from the issuance of an Authorization Certificate and renewable for another five years.

**Authorization Certificate** shall be issued by the Authorization Committee, as discussed in Section 4 hereof, subject to the following conditions:

- a. The PMVIC applicant must provide the necessary equipment facilities and database capable of being interfaced with the LTO-IT database;
- b. Presentation of proof of application for accreditation with the DTI;  
and
- c. The PMVIC applicant must have no recorded major violations in the conduct of any vehicle inspection/testing.

Within six (6) months of operation, the PMVIC shall secure an accreditation from the DTI-Philippine Accreditation Bureau (PAP). Only upon presentation of said accreditation document shall the MVIC authorization be renewed for another five (5) years.

The operation system of the PMVIC shall have the following categories:

- a. Inspection of light duty vehicle;
- b. Inspection of motorcycle; and
- c. Mobile MVIS may be allowed in districts and regions with limited vehicle registration, thus PMVIC is not financially viable.

**SECTION 2. QUALIFICATIONS OF APPLICANT.** Any Filipino natural or juridical person may apply for Authorization to operate a PMVIC, provided that the following qualifications are met:

1. Sufficient financial capacity to establish a PMVIC in accordance with these Guidelines;
2. Adequate experience in motor vehicle inspection; and
3. No derogatory record in government procurement transactions.

No DOTr, DTI, DENR, DOE and LTO official/personnel, his/her spouse, or relative by consanguinity or affinity within the 3rd civil degree shall have ownership of or any beneficial and/or financial interest in any PMVIC.

**SECTION 3. GUIDELINES FOR THE AUTHORIZATION OF PMVICs.** The DOTr through the LTO, shall issue guidelines for Authorization of PMVIC which shall include, but not limited to the following:

1. PROJECTED LANE REQUIREMENT;
2. DOCUMENTARY REQUIREMENTS;
3. PERSONNEL;
4. GENERAL REQUIREMENTS;
5. MAIN SYSTEM CONTROL COMPUTER;
6. MOTOR VEHICLE INSPECTION REPORT (MVIR);
7. INSPECTION OF VEHICLES;
8. HARDWARE AND SOFTWARE REQUIREMENTS;
9. SECURITY OF DATA, INTERFACE, & SYSTEM;
10. SYSTEM REQUIREMENTS;
11. INSPECTION PERIOD;
12. INSPECTION BASE FEES; and
13. POST-INSPECTION PROCEDURES.

**SECTION 4. CONSTITUTION OF AUTHORIZATION COMMITTEE and SUB-COMMITTEES.**

A. The **Authorization Committee** shall be composed of:

Chairman	Undersecretary for Road Transport and Infrastructure – DOTr
Vice-Chairman	Assistant Secretary for LTO
Member	•Assistant Secretary for