



FEB 27 2012

099. 13 DPWH  
02. 28-2812

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS  
OFFICE OF THE SECRETARY  
MANILA

DEPARTMENT ORDER )  
NO. 10 )  
Series of 2012 *W. H. N.* )

SUBJECT : SUBCONTRACTING FOR LOCALLY-FUNDED  
CIVIL WORKS PROJECTS

In accordance with existing national and Department policy, a contractor for locally-funded civil works may be allowed to subcontract a portion of the contract or project, subject to the following conditions:

1. The portion of work to be subcontracted shall not exceed fifty (50%) of the total project cost.
2. The subcontractor must have a PCAB license and registered in the DPWH Civil Works Registry. The subcontractor must be eligible for the portion of the works it will undertake, and shall submit documents required under Section 23.1 (Eligibility Requirements for the Procurement of Goods and Infrastructure Projects) of the Revised Implementing Rules and Regulations (IRR) of Republic Act 9184. The eligibility check shall be done electronically by the Central Procurement Office for contracts bid out in the Central Office, and by the appropriate Regional Office (RO) for contracts bid out in the ROs and District Engineering Offices (DEOs).
3. The bidder must disclose the name of the subcontractor(s) during bid submission. The subcontractor(s) may be common among the participating bidders for the contract to be bid. The bidder shall include the required documents as part of the technical component of its bid.
4. In exceptional cases, subcontracting during the project implementation stage may be allowed provided that it has prior approval of the Secretary.
5. The approval for subcontracting shall not relieve the lead contractor of any liability for obligation under the contract. The lead contractor shall be responsible for the acts, defaults and neglect of any subcontractor as if these were its own acts, defaults or neglect.
6. In cognizance of the responsibility and accountability of the lead contractor, 100% of the value of the entire completed and accepted project – including the subcontracted portion - shall be recorded as experience of the lead contractor. The subcontractor shall get credit for 100% of the value of the subcontracted portion of the project.

The provisions of this Order shall be incorporated in the Bidding Documents, particularly under **Item 8. Subcontracts** of the **Instructions to Bidders (ITB)**. The provision under Item 6 above shall be incorporated in the subcontracting agreement.

This Order supersedes Department Order Nos. 04 and 70, both series of 2004, and shall take effect immediately.

  
**ROGELIO L. SINGSON**  
Secretary



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