



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
Manila

097.13 DPWH
05-17-2011

MAY 16 2011

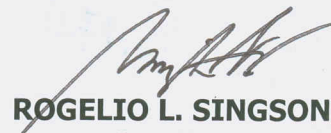
DEPARTMENT ORDER) SUBJECT: **LIMITING THE TOTAL PAYMENT FOR**
No. 31) **PROGRESS BILLINGS OF ALL LOCALLY-**
Series of 2011 05-17-2011) **FUNDED PROJECTS TO NINETY PERCENT**
X-X-X-X-X-X-X-X-X-X-) **(90%) OF THEIR RESPECTIVE TOTAL**
CONTRACT COSTS

It has been observed that some contractors for projects being implemented by the Department have been allowed to claim and collect progress billings up to 98% of the total contract amount. Since a very small amount remains to be paid, some contractors tend to have stronger priorities other than completing the project, resulting in their failure to complete physical work at the project site and/or other contractual requirements. Although there is still the performance security that can be forfeited in the event that the contractor is in default of its obligation in the contract, the procedure for forfeiture entails a longer period which is normally done through the courts.

In view hereof and in order to set the amount collectible by, and payable to, the project contractors in consonance with the pertinent provisions of the law, all Heads of the various Project Implementing Offices (Project Management/Regional/District Engineering Offices) of this Department shall henceforth limit the amount for progress billing to be collected by a contractor, in the case of locally-funded projects, to a maximum of ninety percent (90%) of the total contract amount of the project, either on a cumulative or lump sum mode/basis.

The provisions of this Order shall form part of the rules/ procedures set forth and prescribed under Department Order No. 207, series of 2000, re: *"Implementation of the New Process on Payment of Contractors' Claims for Civil Works Projects."*

This Order amends previous issuances and takes effect immediately.


ROGELIO L. SINGSON
Secretary



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