



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

097.13 DPWH
05-29-2012

MAY 28 2012

DEPARTMENT ORDER)
NO. 33)
RRR 05-29-12)
SUBJECT: GUIDELINES ON THE UTILIZATION
OF SAVINGS DERIVED FROM
PROJECTS IMPLEMENTED UNDER
THE FY 2011 AND FY 2012
GENERAL APPROPRIATIONS ACT

In order to rationalize the utilization of savings derived from projects implemented under the FY 2011 and FY 2012 General Appropriations Acts, the following guidelines are hereby prescribed for the guidance of all concerned:

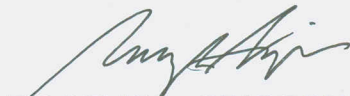
1. Savings shall refer to the amount realized from projects funded under the DPWH Budget as a result of value engineering and competitive bidding processes.
2. Total savings shall be computed as follows:

$$\text{Total Savings} = \sum \{ (\text{Appropriation Amount}) - [(\text{Contract Amount}) + (\text{Engineering Administrative and Overhead Cost}) + (\text{Right-of-Way Acquisition Cost, if any})] \}$$

3. For the FY 2011 Budget where utilization of the seventy percent (70%) of the total savings is already guided by Department Order No. 47 dated August 22, 2011, the balance of thirty percent (30%) shall be used primarily for projects under the following circumstances:
 - a. To fund new project, provided that:
 - i. The project to be funded is of the same category.
 - ii. The project to be funded is within the same congressional district.
 - iii. The project to be funded is to be implemented by the same Implementing Office.
 - b. To fund additional scope which is not in the original program of work.
 - c. To fund preliminary and detailed engineering activities directly related to a project.

4. For the FY 2012 Budget, seventy percent (70%) of the total savings shall be used primarily for projects under the conditions stated in Item 3. Separate guidelines shall be issued for the utilization of the thirty percent (30%) of the savings.
5. Requests for the utilization of savings for 3.a and 3.b shall be supported by Program of Works, Approved Plans and Approved Budget for Contract and for 3.c by Program of Works and justification/rationale. The attached form shall be used for this purpose to be signed by the Head of Implementing Office. In addition, such request shall be supported by a Certificate of Availability of Funds (Savings) signed by the Head of Implementing Office, which shall not be more than two (2) months old.
6. If the savings to be utilized for additional scope can be covered by a variation order subject to applicable provisions under R.A. 9184, authority to utilize said savings up to the cost equivalent to 10% of the original contract cost is hereby given to the appropriate approving official per Omnibus Delegation of Authority.
7. All other requests for utilization of savings shall be approved by the undersigned.
8. Requests not in accordance with this Department Order shall be forwarded, after due evaluation, to the Department of Budget and Management for consideration and approval.
9. Heads of Implementing Offices shall strictly ensure savings are utilized properly.

This Order shall take effect immediately.


ROGELIO L. SINGSON
Secretary



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REQUEST FOR UTILIZATION OF SAVINGS
FY 2011 DPWH BUDGET

Regional
Office/Legislative
District

District Engineering
Office/Legislative
District

Project	Project Category	FROM			
		Amount (P'000)			
		Released 1/	ABC	Contract	Savings

1.
2.
3.
4.

Project	Project Category	Scope of Work	Road Condition 2/	Target 2/	Project Cost (P'000)	Justification

1.
2.
3.
4.

Supporting Documents per D.O. _____

- ☐ Approved Program of Works
☐ Approved Plans
☐ ABC
☐ Certificate of Availability of Funds (Savings)

Head of Implementing Office

Note:
1/ - Released amount less retention
2/ - For road and bridge projects