

02 MARCH 1999

DEPARTMENT ORDER

No. **44**  
Series of 19**99** *g-2*

Pursuant to Special Provision No. 9 of the DPWH Appropriation under CY 1999 General Appropriations Act R.A. 8745 which provides:

“Engineering and Administrative Overhead. In order to insure that at least ninety-six and one half percent (96.5%) of the infrastructure fund released by the Department of Budget and Management is made available for direct implementation of the project, any authorized deduction from project funds for administrative overhead, preconstruction activities after detailed engineering, construction project management, testing and quality control, acquisition, rehabilitation and repair of heavy equipment and other related equipment and parts used in the implementation of infrastructure projects, shall not exceed three and one half percent (3.5%) of the project cost, subject to Section 35, Chapter 5, Book VI of E.O. No. 292. PROVIDED, that not more than one half percent (0.5%) to be retained in the Central Office is used for said acquisition, rehabilitation and repair of equipment and parts. The DPWH shall submit to DBM quarterly reports of such disbursement. Violation of, or non-compliance with this provision shall subject the government official or employee concerned to administrative, civil and/or criminal sanction under Section 43 of Chapter 5, Section 57 of Chapter 6 and Section 80, Chapter 7, Book VI of E.O. No. 292.”

The following retention shall be made from funds for capital outlay released by the Department of Budget and Management to be used for Engineering Supervision, Administrative Overhead and Acquisition, Rehabilitation and Repair of Heavy Equipment:

	C.O.	Equipment	R.O.	Implementing Office	TOTAL
A. FOREIGN ASSISTED PROJECTS	0.50%	0.50%	0.50%	2.00%	3.50%
B. LOCALLY FUNDED PROJECTS	0.25%	0.50%	0.25%	2.50%	3.50%

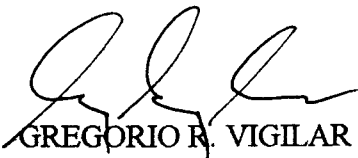
For projects whose funding is sourced from outside the Infrastructure Program of the Department, the following retention shall be made in accordance with the special provision:

	C.O.	Equipment	R.O.	Implementing Office	TOTAL
A. SCHOOL BUILDING PROJECTS	0.25%	0.50%	0.25%	2.50%	3.50%
B. CALAMITY FUND/QUICK RESPONSE FUND	-	-	0.25%	2.75%	3.00%
C. D.A./FARM-TO-MARKET ROAD	0.50%	0.50%	0.50%	2.00%	3.50%
D. RURAL URBAN INFRA PROGRAM FUND	0.25%	0.50%	0.25%	2.50%	3.50%

These retentions are included in the Central Office Agency Budget Matrix. The share of the Regional/District Office will be released by Central Office thru the usual sub-allotment advice without any request from implementing units.

Projects each costing P50,000.00 and below are not subject to the above-mentioned retention.

For compliance.

  
GREGORIO R. VIGILAR  
Secretary