



097.13 DPWH
09-24-2008

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

SEP 23 2008

DEPARTMENT ORDER)

No. **53**)
Series of 2008 *KKBA 09-24-08*

SUBJECT: Allocation of the Authorized 3.5% Deductions from Project Funds for Engineering and Administrative Overhead (EAO)

In order to rationalize the allocation of the 3.5% EAO deductions from project funds for EAO, as authorized under Section 5 of the Special Provisions of the DPWH Appropriation, under R.A No. 9498 otherwise known as the General Appropriations Act of CY 2008, the following breakdown of the said 3.5% deductions shall be retained for the use of the different offices, as indicated hereunder.

For Capital Outlay under the DPWH Infrastructure Program, the following percentages of deductions/retentions shall be made from project funds released by the Department of Budget and Management:

Program/Project Fund Category	Percentage of Deductions/Retentions from Project Fund				Total
	Central Office(C.O.)	Equipment	Regional Office (R.O.)	Implementing Office (I.O)	
UNDERINFRA PROGRAM					
A. Foreign-Assisted Projects	0.50%	0.50%	0.50%	2.00%	3.50%
B. Locally-Funded Projects	0.25%	0.50%	0.50%	2.25%	3.50%

For projects whose funding is sourced from outside the Infrastructure Program of the DPWH, the following retentions shall be made to ensure that adequate funds are available for engineering supervision, pre-construction activities and other administrative expenses related to project implementation:

Program/Project Fund Category	Percentage of Deductions/Retentions from Project Funds					Total
	C.O.	Equipment	R.O.	Implementing Office	PMO	
OUTSIDE INFRA PROGRAM						
A. Schoolbuilding Projects	0.25%	0.50%	0.50%	2.25%		3.50%
B. Calamity Fund/Quick Response Fund	0.25%	0.50%	0.50%	2.25%		3.50%
C. DA/Farm-to-Market Road	0.25%	0.50%	0.50%	1.75%	.50%	3.50%
D. CARP	0.25%	0.50%	0.25%	1.50%	1.00%	3.50%
E. Water Supply	0.25%	0.50%	0.25%	1.50%	1.00%	3.50%

Program/Project Fund Category	Percentage of Deductions/Retentions from Project Funds					Total
	C.O.	Equipment	R.O.	Implementing Office	PMO	
F. Priority Development Assistance Fund	0.25%	0.50%	0.50%	2.25%		3.50%
OTHER PROJECTS						
G. National Projects Implemented by LGUs and Other Agencies	0.25%	0.50%	0.25%	0.25%	2.25%(LGU)	3.50%

Projects costing P100,000.00 and below are not subject to any retention.

Funds released to cover payment of RROW claims, Price Escalation, payment of Completed Projects, unbooked obligations, are not subject to the deduction of 3.5% Engineering and Administrative Overhead.

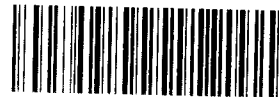
The implementation of subjecting the Preventive Maintenance Funds to 3.5% EAO is held in abeyance while awaiting for the joint issuances of the DBM and DPWH per conditional veto of Her Excellency, President Gloria Macapagal Arroyo.

The issuance/utilization of the 3.5% engineering and administrative overhead funds is subject to the submission of a special budget by the concerned implementing offices in accordance with D.O. No. 20 dated January 6, 2003

All previous Department Orders and other issuances inconsistent herewith are hereby deemed revoked and/or superseded accordingly.

For strict compliance.

HERMOGENES E. ERIBANE, JR.
Secretary



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