



JUN 13 2013

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

DEPARTMENT ORDER ) SUBJECT: GUIDELINES ON THE UTILIZATION  
NO. 55 ) OF 30% SAVINGS UNDER FY 2013  
GENERAL APPROPRIATIONS ACT

*[Signature]* 6-13-13


In addition to D.O. No.27 dated March 8, 2013 prescribing the guidelines on the utilization of 70% savings under the FY 2013 DPWH Budget, General Appropriations Act and in order to rationalize the utilization of the remaining 30% savings, the following guidelines are hereby prescribed for the guidance of all concerned:

1. Savings, in this Order, shall refer to the amount derived as a result of improved business process, value engineering and competitive bidding, and computed as the difference between the appropriation amount and the contract amount (inclusive of engineering and administrative overhead and right-of-way cost) of projects funded under the **FY 2013 DPWH Budget** as shown by the following formula:  
$$\text{Savings} = \sum \{ (\text{Appropriation Amount}) - [(\text{Contract Amount}) + (\text{Engineering Administrative and Overhead Cost}) + (\text{Right-of-Way Acquisition Cost, if any})] \}$$
2. The thirty percent (30%) savings can be used to fund a new project, or additional scope of work not included in the original program of work or preliminary and detailed engineering activity.
3. Requests to utilize the savings for No. 2 shall be supported by justification/rationale, program of work, BP 202, certification that the original scope of work is completed and a certificate of availability of funds (savings) signed by the Regional Director or District Engineer which shall not be more than two (2) months old at the time the request is submitted.
4. Pursuant further to General Provision No. 56 of RA 10352 otherwise known as the FY 2013 General Appropriations Act,- " Priority in the Use of Savings, In the use of savings, priority shall be given to the augmentation of the amounts set aside for compensation, year-end bonus and cash gift, retirement, gratuity, terminal leave benefits, old age pension of veterans and other personnel benefits authorized by law and those expenditure items

authorized in agency special provisions in other sections of the General Provisions in this Act.”

5. Requests for utilization of savings shall be approved by the DPWH Secretary.
6. Regional Directors and District Engineers shall be directly responsible for the proper and optimal use of savings.
7. For civil works, DPWH standard unit costs as prescribed under D.O. No. 72 on the “Revised Guidelines in the Preparation of ABC for Contract” dated October 05, 2012 shall be adopted unless otherwise amended.

This Department Order shall take effect immediately.

  
ROGELIO L. SINGSON  
Secretary

Department of Public Works and Highways  
Office of the Secretary



WIN3Q21451