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

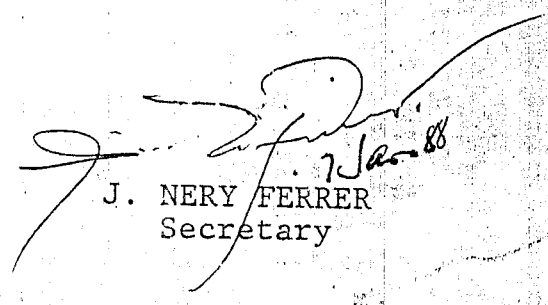
16 December 1987

Department Order
No. **57** 9/1/8
Series of 1987

SUBJECT: Standard Agreement and Guidelines
for Application of Pakyaw Contracts.

To compile and rationalize all orders and memoranda regarding "Pakyaw" contracts and to systematize the existing procedures, all Regional, District, and City offices of the Department of Public Works and Highways are hereby directed to comply with enclosed "Standard Agreement and Guidelines for Application of Pakyaw Contracts".

This order takes effect immediately.


J. NERY FERRER
Secretary

PROPOSAL DOCUMENT
RE
PAKYAW CONTRACT
STANDARD AGREEMENT AND GUIDELINES
FOR APPLICATION

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GUIDELINES ON THE USE OF THE PAKYAW SYSTEM

INTRODUCTION

In the Philippines, the pakyaw system is traditional. It is widely used in the construction industry by both the Government and the private sector to undertake jobs in which manual labor is a major component. The system should be readily acceptable to a rural workforce with little or no experience of road construction or of working for DPWH, DLG, NIA or any other implementing agency.

For labor-based construction projects under the Community Employment Development Program (CEDP) the use of pakyaw seems to be ideal. During the implementation of CEDP in 1986/87 a series of orders and memoranda were issued by DPWH. These defined the regulations and requirements for labor-based methods but, it is felt, did not provide enough guidance on how the pakyaw system should be organized or operated.

Taking the opportunity of hindsight, this document sets out guidelines on pakyaw and its operations and introduces several modifications to the existing procedures.

ORGANIZATION OF PAKYAW GROUPS

- (a) The formation of Pakyaw Groups should have the involvement of Barangay leaders and the local community.
- (b) The construction should be scheduled so as not to conflict with agricultural peak season activities.
- (c) The Project Facilitator (PF) convenes community meetings with the assistance of the Barangay Captain and encourages attendance of unemployed and underemployed members of the barrio/sitio. The purpose is to provide accurate information about the project.
- (d) The PF also assists in the forming of the Pakyaw Groups.
- (e) The elected Pakyaw Leader shall be the signatory to the Pakyaw Contract and any other documents pertaining to the work on behalf of the Pakyaw Group. The Pakyaw Leader may be replaced at any time by the group but this should not invalidate any previous agreements.
- (f) The PF may assist the Pakyaw Groups in preparing their application for Pakyaw Agreements.

WORKFORCE

- (a) Labor should be drawn from the vicinity of the project and should belong to the various Barangay Associations contiguous to the project site.

- (b) Unskilled labor should be drawn from the Barangay where the project is located; Semi-skilled labor shall be recruited within the municipality, preferably within the Barangay; Skilled labor shall be recruited within the province but preferably within the Barangay/municipality;
- (c) The workforce should be formed into groups of 20 workers.
- (d) Each Pakyaw Group will elect its own Group Leader who will also participate in the construction work.

AWARD OF PAKYAW AGREEMENT

- (a) Existing laws provide that the maximum capital outlay for "Pakyaw" contracts is P 500,000.00 per contract. However for operative reasons, Labor-only Pakyaw Agreements for pilot projects will be limited to a maximum of P 50,000.00 but preferably P 25,000.00 and is thus within the authority of the District Engineer.
- (b) A Pakyaw Group of 20 workers is expected to complete a contract within 1 calendar month.
- (c) A Pakyaw Contract will not be awarded to a regular licensed contractor nor to any government official or employee.
- (d) The Agreement would normally be for labor supply only. Tools, equipment and materials will be supplied by the Implementing Agency.
- (e) A Project should be subdivided into numerous Pakyaw Agreements with the objective of employing as many groups of workers as possible.
- (f) Pakyaw Contracts may be awarded through negotiation within the project estimate subject however, to approval of proper DPWH officials.
- (g) Where there is competition for the award of Pakyaw Agreements they shall be open to public bidding with at least 3 labor groups and the Pakyaw Group offering the lowest bid be given preference subject to the bid being within the project estimate.
- (h) No contract should be awarded without a Certification of the Availability of Funds from the Project Accountant and noted by the District Engineer (DE).
- (i) All Contract awards shall be made and signed by the DE, witnessed by the PF. Work will only commence after the award has been formalized.
- (j) Any pakyaw group who performs satisfactorily may be awarded another Pakyaw Contract after completion of 80% of its

previous contract. Commencement of the new pakyaw contract will be subject to satisfactory completion of the previous contract. ✓

- (k) The Pakyaw Group undertaking any work under the Agreement shall be exempted from the 4% Contractor's Tax and other local taxes that are imposed on registered companies or profit oriented organizations.
- (l) Bidding for Pakyaw Contracts shall be conducted in the municipality where the project is located. The bidding and the award shall be under the supervision of the DE.

SUPERVISION

- (a) The Project Facilitator (PF) will probably be an existing DPWH employee detailed to the project on a part time basis. He will assist in the organization of pakyaw groups and in the preparation of pakyaw agreements. He should also help resolve any disputes between the workforce and management. The PF will also explain the standards and contract requirements to be achieved.
- (b) The Project Engineer (PE) will oversee the selection of the pakyaw groups and be a witness to the Pakyaw Agreement, together with the PF.
- (c) Resident Engineer (RE) will be responsible for overall construction and ensuring compliance with design standards and specifications. The RE will direct the Site Supervisors and be a party to the calculations of payments due to the workforce and a joint signatory to all documents relating to the accomplishment and payment for the work.
- (d) Site Supervisors (SS) will closely supervise the construction work seeing that it is in accordance with instructions. They will also verify the daily attendance and will closely direct the Pakyaw Groups through their Group Leaders (GL). The SS will give clear instructions to the GL, ensure that the handtools are adequate and are kept sharp.
- (e) The GL will assist the SS in setting out the task and distributing tools; ensure that the work is undertaken as directed. He will also check that the workers are properly informed, present and working.

TOOLS

- (a) Hand tools will be supplied by the Implementing Agency (IA) through the RE. They shall be to the specification and of sufficient quantity.
- (b) The IA through the RE will be responsible for keeping the tools in working order by sharpening/repairing them.

- (c) For pilot projects the value of handtools purchased may be up to 10% of the total project cost but for follow-thru projects, where there are inherited tools, the average value would be about 5%.
- (d) Tools will be issued to the workforce and the issuance will be documented in the Pakyaw Contract Documents, Annex D.
- (e) Worn out tools should be returned to the Storekeeper for replacement. These should then be returned from the project site to the property custodian for write off or replacement.
- (f) On completion of the Pakyaw Agreement all tools and implements, whether serviceable or not, shall be returned to the Storekeeper. This shall be made a condition for payment of the Pakyaw Agreement. Any loss must be deducted at replacement value from the contract sum and the amount recovered will be used for the purpose of replacement for tools lost.
- (g) No tools shall be offered or sold to the workers.

PAKYAW PAYMENTS

- (a) Before commencing the work, the Project Accountant has to certify the availability of funds to pay for the Pakyaw Agreement.
- (b) The Pakyaw Agreement should be designed to ensure completion of the work within one calendar month. Thus the workers will be paid at least once a month.
- (c) In some cases more frequent payments may be requested and, provided it is agreed with the DE, a compromise payment halfway thru and on completion of the contract may be made. However, with mid contract payments some retention, say 10%, should be withheld to ensure completion of the work.
- (d) the Pakyaw Agreement estimate will assume normal productivity rates and the prevailing local wage rate shall be as determined by the RDC or the NEDA Regional Directors. The Pakyaw Group should be given the incentive of working harder or longer in order to be paid early on completion of the work.

PAKYAW CONTRACT DOCUMENTS

- (a) Invitation to Pakyaw Groups (Notice of Bidding) Form PA-1
- (b) Application to undertake Work by "Pakyaw" System; Form PA-2
- (c) Pakyaw Agreement; Form PA-3-01/02
- (d) General Conditions of Pakyaw Agreement (Labor only); Form PA-4-01/02

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(e) Schedule of Works; Form PA-5

(f) List of Tools to be provided the Pakyow Group by the DE;
Form PA-6

6. List of Tools to be provided the Pakyaw Group by the DE.

Again, this Annex to the Agreement shall be prepared by the DEO. The RE enters the quantity of tools to be issued to the Pakyaw Group and the Pakyaw Group Leader signs the receipt and receives the tools for and on behalf of the Pakyaw Group.

Once the work has been completed and the tools returned, the RE certifies its return by signing on the appropriate space. The replacement value of any tools not returned on completion of the work shall be deducted from the agreed payment.

Form : PA-1

Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS ✓
_____ Engineering District

INVITATION TO PAKYAW GROUPS

The Department of Public Works and Highways (DPWH) thru its District Engineer, _____ Engineering District is inviting Pakyaw Groups (labor only) to apply for the various items of work involved in the proposed construction of the Barangay Road in _____ under the following contracts:

<u>Contract No.</u>	<u>Sitio/Barrio</u>	<u>Work Activities</u>	<u>Quantity</u>	<u>Estimated Cost</u>
1.				
				Total _____

Application forms are available at the Office of the District Engineer, _____. The deadline for the submission of application forms will be _____. Qualified PAKYAW GROUPS will be notified of their employment on or before _____.

The Implementing Agency, thru the District Engineer, reserves the right not to accept and/or process application forms received after the above deadline.

THE DISTRICT ENGINEER

DATE OF PUBLICATION:

Form: PA-2

ANNEX "C" TO PAKYAW AGREEMENT:

APPLICATION TO UNDERTAKE WORK BY "PAKYAW" SYSTEM

Date: _____

The District Engineer
Department of Public Works
and Highways- _____

Name of Project: Construction of _____

Contract No(s).

We, the undersigned all of legal age, Filipino and members of the Barangay Magalang hereby apply to provide labor only and undertake the work described in the "Invitation to Pakyaw Groups for Contract No(s) _____.

We are a team of workers willing to undertake the work jointly under the direction of the District Engineer or his duly authorized representative.

This will also authorize _____, who has been elected as Pakyaw Group Leader to make representations, sign documents and receive payments for and on behalf of the Group.

<u>Name of Worker (Team Member)</u>	<u>Address of Residence</u>	<u>Signature</u>
1. _____ (Leader)	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
8. _____	_____	_____
9. _____	_____	_____
10. _____	_____	_____
11. _____	_____	_____
12. _____	_____	_____
13. _____	_____	_____
14. _____	_____	_____
15. _____	_____	_____
16. _____	_____	_____
17. _____	_____	_____
18. _____	_____	_____
19. _____	_____	_____
20. _____	_____	_____

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PAKYAW AGREEMENT ✓
(Labor only)

KNOW ALL MEN BY THESE PRESENTS:

This AGREEMENT, made and entered into this ____ day of _____ at _____ by and between the Department of Public Works and Highways (DPWH), _____ Engineering District, represented herewith by the District Engineer and duly authorized for the purpose and hereinafter referred to as the IMPLEMENTING AGENCY and The Magalang Barangay Pakyaw Group No. 1 (MBPG1) hereinafter referred to as the PAKYAW GROUP and herein represented by their Pakyaw Group Leader, _____.

WITNESSETH;

That for and in consideration of the rates in the SCHEDULE OF WORK, attached as Annex B to this Agreement and made an integral part hereof, the PARTIES hereto covenant and agree as follows:

1. That the Pakyaw Group shall provide labor only necessary for the proper and faithful performance of the work describe below at the total contract amount of PESOS _____ (P _____).
2. That the Pakyaw Group shall complete the work in accordance with the corresponding plans and specifications, under the supervision of the Site supervisor appointed for the purpose by the District Engineer.
3. That the Pakyaw Group shall comply with all the terms and conditions of this contract more specifically those contained in the following documents;

- Annex "A" - General Conditions of "Pakyaw" Agreement
- Annex "B" - Schedule of work
- Annex "C" - Application to Undertake Work by "Pakyaw" System
- Annex "D" - List of tools to be provided by the IMPLEMENTING AGENCY.

and other essential documents, which are hereby made and acknowledge as an integral part of this Agreement,

4. That the Pakyaw group agrees to commence work within ten (10) days upon signing of this contract and to complete the same within thirty (30) calendar days, Sunday and Legal holidays included.
5. That the Pakyaw Group shall submit to the District Office/Project Management Office a periodic report on the time records of the workers, the group accomplishment and corresponding payments made thereof.

Form : PA-3-02

IN WITNESS HEREOF the PARTIES aforesaid have hereunto affixed their signatures on the date first above written.

For and In-behalf of:

THE IMPLEMENTING AGENCY

THE PAKYAW GROUP

BY: _____
District Engineer

BY: _____
Pakyaw Group Leader

Witnesses:

Site Supervisor

Project Facilitator

ANNEX "A" TO PAKYAW AGREEMENT:

GENERAL CONDITIONS OF PAKYAW AGREEMENT (LABOR ONLY)

- (1) All works called for under this agreement shall be performed in accordance with the plans and specifications. Any deviation from these plans and specification must be ordered in writing by the Engineer.
- (2) The work shall be carried out using labor based methods under the direction of the Engineer.
- (3) The PAKYAW GROUP shall employ, where available, unskilled workers from the barangay where the project is located; semi-skilled, workers from the municipality or city where the project is situated and skilled workers from the province which has jurisdiction over the project.
- (4) The Engineer may stop or suspend the Work at any time he deems it to be necessary by informing the PAKYAW GROUP in writing. In such cases payment shall be made based on the amount of work completed.
- (5) The quantities and amounts entered in the Schedule of Work, are estimates only. Payments will be based on the measured actual accomplishment on completion of the works and acceptance by the Engineer.
- (6) Interim payments may be allowed, at the discretion of the Engineer, and shall be based on partial accomplishment. Ten per centum (10%) of any such amount shall be retained by the IMPLEMENTING AGENCY as retention money pending completion of the works and acceptance by the Engineer.
- (7) If in the opinion of the Engineer the work is not performed in accordance with the plans and specifications and is unreasonably delayed then the contract may be terminated and claims for partial payments shall be based on completed works acceptable to the Engineer.
- (8) The PAKYAW GROUP shall work at least 6 days a week excluding Public Holidays until such time as the Works are completed and accepted by the Engineer.
- (9) The PAKYAW GROUP shall take all reasonable precautions to prevent any disorderly conduct by or among the members. The Engineer may require the PAKYAW CONTRACTOR to remove from the works any group member who in the opinion of the Engineer misconducts himself or is incompetent.
- (10) The PAKYAW GROUP shall furnish a minimum of _____ and maximum of _____ workers unless directed otherwise by the Engineer.
- (11) The IMPLEMENTING AGENCY shall provide the Contractor with the necessary hand tools, wheelbarrows and steel scrapers for the duration of the works. The Replacement Cost of any Items misplaced by the PAKYAW GROUP shall be deducted from the contract payment.

Form : PA-4-02

- (12) The IMPLEMENTING AGENCY shall not be held liable for any obligation arising from the injury, sickness, disability or death of the group members.
- (13) A pakyaw contract creates no employer/employee relationship between the Government and the Pakyaw Group or any of its workers.

Form : PA-6

ANNEX "D" TO PAKYAW AGREEMENT

LIST OF TOOLS TO BE PROVIDED TO THE PAKYAW GROUP
BY THE DISTRICT ENGINEER

<u>ITEM</u>	<u>QUANTITY</u>
Axe *	
Bolo (Multi-purpose) *	
Brush hook *	
Grass Cutting Bolo *	
Grass Cutter *	
Crowbar	
Shovel *	
Hoe *	
Forked hoe *	
Pick Mattock *	
Pickaxe *	
Sledge Hammer *	
Rake Spreader *	
Hand Rammer *	
Wheelbarrow *	
Bow Saw *	
Cold Chisel (Bladed) *	
Cold Chisel (Pointed) *	
Log Tong *	
Stone Hammer *	
Steel Scraper (animal drawn)	
Cart (animal drawn)	

* Including handles

I certify that the above tools have been received by me on behalf of the PAKYAW GROUP.

Pakyaw Group Leader

I certify that the above tools have been returned by the Pakyaw Group in acceptable condition.

Resident Engineer

Form : PA-1 /

Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
Pampanga Engineering District
San Fernando, Pampanga

INVITATION TO PAKYAW GROUPS

The Department of Public Works and Highways (DPWH) thru its District Engineer, Pampanga Engineering District is inviting Pakyaw Groups (labor only) to apply for the various items of work involved in the proposed construction of the Barangay Road in Magalang, Pampanga under the following contracts:

<u>Contract No.</u>	<u>Sitio/Barrio</u>	<u>Work Activities</u>	<u>Quantity</u>	<u>Estimated Cost</u>
1. PC-0001-87	San Rafael	11-Bush Clearing (light)	40,000 M ² .	<u>P 15,000.00</u>
2. PC-0002-87	San Rafael	15-Grubbing/Topsoil Removal (Dense Vegetation)	50,000 M ² .	<u>P 25,750.00</u>

Application forms are available at the Office of the District Engineer, San Fernando, Pampanga. The deadline for the submission of application forms will be 30 October 1987. Qualified PAKYAW GROUPS will be notified of their employment on or before 15 November 1987.

The Implementing Agency, thru the District Engineer, reserves the right not to accept and/or process application forms received after the above deadline.

THE DISTRICT ENGINEER

DATE OF PUBLICATION: 30 September 1987

Form: PA-2

ANNEX "C" TO PAKYAW AGREEMENT:

APPLICATION TO UNDERTAKE WORK BY "PAKYAW" SYSTEM

Date: 30 September 1987

The District Engineer
Department of Public Works
and Highways-Pampanga
San Fernando, Pampanga

Name of Project: Construction of Barangay Road from
Sta. 00 + 100 to Sta. 00 + 200
Brgy. Buensuseso, Magalang,
Pampanga

Contract No(s). PC-0002-87

We, the undersigned all of legal age, Filipino and members of the Barangay Magalang hereby apply to provide labor only and undertake the work described in the "Invitation to Pakyaw Groups for Contract No(s) _____".

We are a team of workers willing to undertake the work jointly under the direction of the District Engineer or his duly authorized representative.

This will also authorize Mr. Juan dela Cruz, who has been elected as Pakyaw Group Leader to make representations, sign documents and receive payments for and on behalf of the Group.

<u>Name of Worker (Team Member)</u>	<u>Address of Residence</u>	<u>Signature</u>
1. <u>JUAN DELA CRUZ (Group Leader)</u>	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
8. _____	_____	_____
9. _____	_____	_____
10. _____	_____	_____
11. _____	_____	_____
12. _____	_____	_____
13. _____	_____	_____
14. _____	_____	_____
15. _____	_____	_____
16. _____	_____	_____
17. _____	_____	_____
18. _____	_____	_____
19. _____	_____	_____
20. _____	_____	_____

PAKYAW AGREEMENT
(Labor only)

KNOW ALL MEN BY THESE PRESENTS:

This AGREEMENT, made and entered into this 22th day of September 1987 at Magalang, Pampanga by and between the Department of Public Works and Highways (DPWH), Pampanga Engineering District, represented herewith by the District Engineer and duly authorized for the purpose and hereinafter referred to as the IMPLEMENTING AGENCY and The Magalang Barangay Pakyaw Group No. 1 (MBPG1) hereinafter referred to as the PAKYAW GROUP and herein represented by their Pakyaw Group Leader, Mr. Juan dela Cruz.

WITNESSETH;

That for and in consideration of the rates in the SCHEDULE OF WORK, attached as Annex B to this Agreement and made an integral part hereof, the PARTIES hereto covenant and agree as follows:

1. That the Pakyaw Group shall provide labor only necessary for the proper and faithful performance of the work describe below at total contract amount of TWENTY FIVE THOUSAND SEVEN HUNDRED FIFTY PESOS (P 25,750.00).
2. That the Pakyaw Group shall complete the work in accordance with the corresponding plans and specifications, under the supervision of the Site supervisor appointed for the purpose by the District Engineer.
3. That the Pakyaw Group shall further comply with all the terms and conditions of this contract more specifically those contained in the following documents;

Annex "A" - General Conditions of "Pakyaw" Agreement
Annex "B" - Schedule of work
Annex "C" - Application to Undertake Work by "Pakyaw" System
Annex "D" - List of tools to be provided by the IMPLEMENTING AGENCY.

and other essential documents, which are hereby made and acknowledge as an integral part of this Agreement,

4. That the Pakyaw group agrees to commence work within ten (10) days upon signing of this contract and to complete the same within thirty (30) calendar days, Sunday and Legal holidays included.
5. That the Pakyaw Group shall submit to the District Office/Project Management Office a periodic report on the time records of the workers, the group accomplishment and corresponding payments made thereof.

Form : PA-3-02,

IN WITNESS HEREOF the PARTIES aforesaid have hereunto affixed their signatures on the date first above written.

For and In-behalf of:

THE IMPLEMENTING AGENCY

THE PAKYAW GROUP

BY: _____
District Engineer

BY: _____
Pakyaw Group Leader

Witnesses:

Site Supervisor

Project Facilitator

