



Republic of the Philippines  
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS  
**OFFICE OF THE SECRETARY**  
Bonifacio Drive, Port Area, Manila

DPWH 13 DPWH  
24-16, 2018

13 APR 2018

DEPARTMENT ORDER )  
NO. **62** )  
Series of 2018 )

**SUBJECT: Revised Guidelines for the  
Implementation of DPWH Projects  
(by Administration or Contract) by  
Local Government Units (LGUs)**

**Purpose**

In line with the Department's current reforms to streamline and strengthen its policies and procedures, the guidelines set for the implementation of DPWH Projects by LGUs are hereby revised to include the latest applicable laws and Department issuances.

**1. Pertinent Laws and Department Issuances**

1.1 The following provisions of existing laws serve as legal bases for the herein guidelines for the implementation by LGUs of DPWH projects:

- a. General Provision No. 90 of FY 2018 GAA
- b. Special Provision No. 11 of FY 2018 GAA, DPWH Budget
- c. R.A. 9184 and its Implementing Rules and Regulations

1.2 The following Department issuances, or the latest, likewise serve as guidelines for the implementation by LGUs of DPWH Projects:

- a. D.O. No. 13 Series of 2018 – Guidelines for the Preparation of Cost Estimates for Traffic Management and Safety & Health Requirements for the Construction and Maintenance of Roads, Bridges and Safety & Health Requirements for School Buildings
- b. D.O. No. 45 Series of 2017 – Amended Levels of Authorities of Officials of the Department of Public Works and Highways for Procurement, Human Resource and Financial Management.
- c. D.O. No. 11 Series of 2017 – Inclusion of the Minimum Materials Testing Equipment in the Technical Component of the Bid.
- d. D.O. No. 193, Series of 2016 – Administrative Action on Contracts with Negative Slippage in Accordance with Revised IRR of RA 9184.
- e. D.O. No. 135 Series of 2015 – Strict Compliance to Road Works Safety & Traffic Management and Construction Safety & Health Requirements during Construction and Maintenance of Roads and Bridges.

- f. D.O. No. 14, Series of 2007 – Authorizing the Release of initial Advance Equivalent to fifty percent (50%) of Approved Project Cost for the Implementation of DPWH Projects by the LGU.
- g. D.O. No. 56, Series of 2005 – Guidelines for the Implementation of DOLE D.O. No. 13, Series of 1998, On Occupational Safety and Health in the Construction Industry

## **2. General Guidelines**

In accordance with the said provisions of existing laws, the following conditions must be met before the DPWH Secretary can authorize an LGU to implement a DPWH Project:

- 2.1 The LGU shall submit a written request to DPWH to authorize the LGU to implement the DPWH Project.
- 2.2 The LGU shall submit authority to enter into a Memorandum of Agreement (MOA) with DPWH thru a Resolution from concerned Sangguniang Bayan/Panglungsod/Panlalawigan for the implementation of DPWH Projects.
- 2.3 The LGU must possess the demonstrated capability to implement the Project by administration or by contract, as determined by the concerned DPWH District Engineer, and approved by the Regional Director, using the evaluation criteria prescribed in Item 3 hereof.
- 2.4 The LGU shall ensure that the Project is implemented in accordance with the Program of Work, Plans, Specifications, Construction Methodology, Project Cost (Budget) and Time Duration approved by the authorized DPWH official.
- 2.5 The LGU shall observe compliance with the Safety and Health requirements at project site in accordance with DPWH D.O. No. 56 series of 2005, D.O. No. 135 series of 2015, and D.O. No. 13 series of 2018, or the latest relevant issuances.
- 2.6 The LGU shall be accountable for the Project funds released to it by the DPWH.
- 2.7 The designated DPWH Project Engineer should update the status of the project or update any revision in implementation schedule in the Project and Contract Management Application (PCMA) on a monthly basis.
- 2.8 If undertaken by administration, DPWH reserves the right to terminate the services of the LGU if the negative slippage of the project they implemented goes beyond 15% in comparison to the original schedule due to reasons attributed to the poor performance of the LGU in accordance with DPWH D.O. No. 193, series of 2016.  
  
If undertaken by contract, the LGU shall terminate the services of the contractor due to reasons attributed to the poor performance of the contractor in accordance with the said D.O.
- 2.9 The DPWH shall exercise technical supervision over the project pursuant to the provisions of the GAA.
- 2.10 The LGU shall comply with the DPWH Material Testing requirements and quality control policies of the DPWH in the implementation of DPWH Project.

2.11 The LGU shall give full and complete access to DPWH Inspectorate Teams in the conduct of site inspection to ensure compliance to plans and specifications, quantity and quality of materials incorporated, and the completed works on the Project.

2.12 The DPWH shall release to the LGU an initial cash advance equivalent to fifty percent (50%) of the approved Project Cost. The DPWH shall release subsequent cash funds to the LGU only after the latter has liquidated previous cash advances based on Liquidation Reports certified correct by the LGU Treasurer/Accountant and verified and found correct by the Resident Auditor of the Commission on Audit.

2.13 If Implemented by Administration:

a. The LGU shall implement the Project by itself, i.e., by administration only.

The Regional Director/District Engineer shall submit a copy of their approved Annual Procurement Plan (APP), if the original mode of procurement recommended in the APP was Public Bidding but cannot be ultimately pursued, or the project to be undertaken by Administration has not been previously included, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement.

b. For projects funded by the National Government and implemented by LGU, the latter shall be required to post the necessary warranty security in accordance with Section 62 of RA 9184 and its Implementing Rules and Regulations (IRR).

c. The LGU shall, to the extent feasible, use labor-based equipment-supported methods in implementing the Project.

d. The LGU shall start the project within fifteen (15) days from the approval of the MOA and shall complete the Project within the duration as stipulated in the approved MOA.

e. Upon the satisfactory completion by the LGU of the Project, as certified by the designated DPWH Inspectorate Team, the DPWH Regional Director/District Engineer shall issue to the LGU the corresponding Certificate of Project Completion.

f. Within one (1) year after the issuance of the Certificate of Project Completion, the LGU shall correct, at its own expense, all defects discovered in the Project due to faulty construction or use of substandard materials. After this one-year period and after the Project is certified by the DPWH Inspectorate Team as having no defect, the DPWH Regional Director/District Engineer shall issue to the LGU the Certificate of Project Acceptance.

2.14 If Implemented by Contract:

a. The LGU has an established Bid and Awards Committee (BAC) in accordance with Section 11.2.3 of IRR of R.A. 9184.

b. The LGU shall undertake the procurement for the project through Competitive Bidding in accordance with R.A. 9184 and its IRR.

- c. The LGU shall ensure that all participating/qualified bidders are registered in the DPWH Civil Works Registry.
- d. The LGU shall evaluate and approve, in coordination with DPWH, all requests for Variation Orders, Work Suspension and Resumption Orders, Time Extension and other similar request by the contractor.
- e. The DPWH and the LGU shall conduct final inspection of the completed works and recommend jointly the issuance of the Certificate of Project Completion to the contractor after having satisfied that the project has been completed in accordance with the approved plans and specifications and shall likewise issue Certificate of Acceptance one (1) year after the project is verified by DPWH and LGU representatives as having no defect.

### **3. Criteria for Determining the Capability of an LGU**

3.1 The DPWH District Engineer concerned shall evaluate and determine the demonstrated capability of an LGU to implement a Project by administration or by contract, on the basis of the following criteria:

- a. Experience or track record of the LGU to implement the proposed DPWH Project.
- b. Organization and personnel of the LGU for the proposed Project.
- c. Financial and procurement management systems of the LGU.
- d. Minimum Material Testing Equipment for the proposed project.

#### **If undertaken by Administration:**

- e. Maintenance condition of the local roads under the LGU.
- f. Construction equipment of the LGU for the proposed Project.

#### **If undertaken by Contract:**

- g. Compliance to Section 11.2.3 of IRR of R.A. 9184 BAC Composition for LGUs

3.2 The details of these evaluation criteria, including the measurable indicators thereof and their application, are given in the prescribed evaluation format in Annexes "A and B", which shall be prepared and submitted by the District Engineer and approved by the Regional Director.

### **4. Project Memorandum of Agreement**

4.1 Every Project to be undertaken by an LGU in accordance with the provisions of this Department Order shall be covered by a Project Memorandum of Agreement (MOA) to be entered into by and between the DPWH and the LGU concerned, using the format in Annexes "C and D".

4.2 The DPWH officials authorized to enter into and approve the said MOA shall be in accordance with the latest Levels of Authorities of Officials of the DPWH for Procurement.

5. **Coordination with Implementing Offices**

5.1 The LGU must coordinate with the responsible DPWH Unit in the execution of the MOA.

6. **Effectivity**

This Order supersedes Department Order No. 62, series of 2015, and takes effect immediately.



**MARK A. VILLAR**  
Secretary

6.1.4 MIP/WRO

Department of Public Works and Highways  
Office of the Secretary



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**EVALUATION OF CAPABILITY OF LOCAL GOVERNMENT UNIT (LGU)  
TO IMPLEMENT DPWH INFRASTRUCTURE PROJECTS BY ADMINISTRATION**

Name of LGU: \_\_\_\_\_ Date of Evaluation: \_\_\_\_\_

Name of Project proposed to be implemented by LGU: \_\_\_\_\_

Estimated Project Cost: \_\_\_\_\_

CRITERIA

APPLICATION

**1. Maintenance Condition of Local (LGU) Roads**

1.1 The LGU must have maintained its Local Roads to a "fair" to "satisfactory" level, using the road condition ratings of RBIA.

Actual condition rating of  
Local Roads: \_\_\_\_\_  
As of (date): \_\_\_\_\_

**2. Experience or Track Record relevant to the proposed Project**

2.1 The cost of the largest single relevant project completed by the LGU within the last three years should be at least 50% of the estimated cost of the Project.

Cost of largest project completed by  
LGU: \_\_\_\_\_  
versus  
50% of estimated cost of proposed  
Project: \_\_\_\_\_

2.2 The cost of the completed largest single relevant project managed within the last three years by the key LGU personnel to be assigned to the Project (Project Manager to Foreman) should be at least 50% of the estimated cost of the Project.

Cost of largest project managed by key  
LGU personnel: \_\_\_\_\_  
versus  
50% of estimated cost of proposed  
Project: \_\_\_\_\_

**3. Organization and Personnel for the Project**

3.1 The LGU must have the required key Personnel from its Engineering Office who are available to undertake, supervise, and manage the Project by administration.

Yes / No

#### 4. **Material Testing Equipment for the Project**

4.1 The LGU has minimum material testing equipment for the Project. Yes / No

#### 5. **Construction Equipment for the Project**

5.1 The LGU must commit for the Project the required minimum owned /leased equipment. Yes / No

#### 6. **Financial and Procurement Management**

6.1 The LGU must have satisfactory performance in the procurement management as indicated by the absence of adverse findings in the latest COA audit report. Yes / No

6.2 The LGU must have fully liquidated its previous cash advances from the DPWH. Yes / No

*if yes please attach Liquidation Report from LGU Treasurer/ Accountant*

#### CONCLUSION:

Based on this evaluation, the LGU is:

☐ **capable** of implementing the subject Project by contract.

☐ **not capable** of implementing the subject Project by contract.

Submitted by:

Approved by:

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DPWH District Engineer

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DPWH Regional Director

**EVALUATION OF CAPABILITY OF LOCAL GOVERNMENT UNIT (LGU)  
TO IMPLEMENT DPWH INFRASTRUCTURE PROJECTS BY CONTRACT**

Name of LGU: \_\_\_\_\_ Date of Evaluation: \_\_\_\_\_

Name of Project proposed to be implemented by LGU: \_\_\_\_\_

Estimated Project Cost: \_\_\_\_\_

CRITERIA

APPLICATION

**1. Experience or Track Record relevant to the proposed Project**

- 1.1 The cost of the largest single relevant/ similar project completed by the LGU within the last three years should be at least 50% of the estimated cost of the Project.

Cost of largest project completed by LGU: \_\_\_\_\_  
versus  
50% of estimated cost of proposed Project: \_\_\_\_\_

- 1.2 The cost of the largest single relevant/ similar project managed/supervised within the last three years by the key LGU personnel to be assigned to the Project (Project Manager, Project Engineer) should be at least 50% of the estimated cost of the Project.

Cost of largest project managed by key LGU personnel: \_\_\_\_\_  
versus  
50% of estimated cost of proposed Project: \_\_\_\_\_

**2. Organization and Personnel for the Project**

- 2.1 The LGU must have the required key Personnel from its Engineering Office who are available to supervise and manage the Project by contract.

Yes / No

**3. Material Testing Equipment for the Project**

- 3.1 The LGU has minimum material testing equipment for the Project.

Yes / No



#### 4. **Financial and Procurement Management**

- |     |  |          |  |
|-----|--|----------|--|
| 4.1 | The LGU has an established BAC Composition in accordance with Section 11.2.3 of RA 9184 and its Implementing Rules and Regulation.                   | Yes / No | <i><u>if yes please attach copy of Organizational Chart</u></i>                      |
| 4.2 | The LGU must have satisfactory performance in procurement management as indicated by the absence of adverse findings in the latest COA audit report. | Yes / No |  |
| 4.3 | The LGU has the absorptive capacity to undertake the project in accordance with their established target.  | Yes / No | <i><u>if yes please attach latest Physical and Financial Report</u></i>              |
| 4.4 | The LGU must have fully liquidated its previous cash advances from the DPWH.   | Yes / No | <i><u>if yes please attach Liquidation Report from LGU Treasurer/ Accountant</u></i> |

#### CONCLUSION:

Based on this evaluation, the LGU is:

- ☐ **capable** of implementing the subject Project by contract.
- ☐ **not capable** of implementing the subject Project by contract.

Submitted by:

Approved by:

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DPWH District Engineer

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DPWH Regional Director

ANNEX C

**PROJECT MEMORANDUM OF AGREEMENT (MOA) BETWEEN DPWH AND  
THE LGU FOR THE IMPLEMENTATION OF A DPWH PROJECT  
BY ADMINISTRATION**

This **Memorandum of Agreement (MOA)** entered into by and between;

**The Department of Public Works and Highways**, herein represented by its Regional Director/District Engineer, \_\_\_\_\_, and hereinafter referred to as the **DPWH**;

and

The **Local Government Unit**, herein represented by its **Authorized Official**, \_\_\_\_\_, and hereinafter referred to as the **LGU**.

WITNESSETH

**WHEREAS**, Section 90 of the General Provisions of the General Appropriation Act of Fiscal Year **2018** (RA No. **10964**), provides that "the National Government may designate LGUs as implementing agencies for public works infrastructure projects and other programs, services and facilities, including the construction of local roads and facilities appropriated in this Act", subject to the following:

- (a) The LGU has the capability to implement the foregoing by administration or contract and in accordance with the design, plan, specification, and such other standards and policies of the National Government;
- (b) The LGU-recipient of nationally funded public works and infrastructure projects and other programs, services and facilities shall commit to fund the cost of maintenance and repairs thereof; and
- (c) The amount released to the LGUs shall be recorded as trust funds to be used for the specific purpose.

**WHEREAS**, Special Provision No. 11 of FY 2018 GAA, DPWH Budget, provides that "Restriction on Delegation of Project Implementation. The implementation of infrastructure projects may only be delegated in the following instances: (1) the AFP Corps of Engineers in high security risk areas; (ii) inter-department or inter-agency projects; and (iii) LGUs with the capability to implement projects either by administration or contract as determined by DPWH." Notwithstanding the above delegation, the DPWH shall exercise technical supervision overall delegated projects.

Local Government Unit  
Represented by:

Treasurer

Authorized Official

Department of Public Works & Highways  
Represented by:

Accountant/Fiscal Comptroller

Regional Director/District Engineer

Local Government Unit  
Represented by:

Department of Public Works & Highways  
Represented by:

Treasurer

Authorized Official

Accountant/Fiscal Comptroller

Regional Director/District Engineer

**WHEREAS,** the DPWH issued Department Order No. \_\_\_\_ dated \_\_\_\_\_, which sets the revised guidelines, including rules and procedures for the implementation by the LGUs of DPWH Project;

**WHEREAS,** in accordance with the said Department Order, the LGU has submitted to the DPWH a written request for the DPWH to authorize the LGU to implement the DPWH Project by administration.

**WHEREAS,** in accordance with the same Department Order, the DPWH has determined that the LGU has the demonstrated capability to undertake the said Project by administration.

**NOW THEREFORE,** in consideration of the foregoing premises, Parties to this MOA hereby agree on the following terms and conditions;

### ARTCILE I – PROJECT COVERAGE

**Section 1.1** This MOA covers the implementation by the LGU of DPWH Project \_\_\_\_\_ hereinafter called the \_\_\_\_\_ in the amount of P\_\_\_\_\_.

### ARTICLE II – PROJECT IMPLEMENTATION

**Section 2.1** The LGU shall implement the Project by administration only, in accordance with the Program of Work, Plans, Specification, Project Cost, and Time Duration approved by the DPWH Official concerned.

Any violation of this mode of implementation shall automatically nullify this agreement.

**Section 2.2** The LGU shall comply with the DPWH Material Testing requirements and quality control policies of the DPWH in the implementation of DPWH Project.

**Section 2.3** The LGU shall, to the extent feasible, use labor-based equipment-supported methods in implementing the projects.

**Section 2.4** The LGU shall start the project within fifteen (15) days from the approval of the MOA and shall complete the Project within the period of \_\_\_\_\_ calendar days.

**Section 2.5** The designated DPWH Project Engineer should update the status of the project or update any revision in implementation schedule in the Project and Contract Management Application (PCMA) on a monthly basis.

**Section 2.6** The LGU shall give full and complete access to DPWH Inspectorate Teams in the conduct of site inspection to ensure compliance to plans and specifications, quantity and quality of materials incorporated, and the completed works on the Project.

**Section 2.7** Upon the satisfactory completion by the LGU of the Project as verified by the designated DPWH Inspectorate Team, the DPWH Regional Director/District Engineer shall issue to the LGU the corresponding Certificate of Project Completion.

**Section 2.8** Within one (1) year after the issuance of the Certificate of Project Completion, the LGU shall correct, at its own expense, all defects discovered in the Project due to faulty construction or use of substandard materials. After this one-year period and after the Project is verified by the DPWH Inspectorate Team as having no defect, the DPWH Regional Director/District Engineer shall issue to the LGU the Certificate of Project Acceptance.

**Section 2.9** DPWH reserves the right to terminate the services of the LGU if the negative slippage goes beyond 15% in comparison to the original schedule due to reasons attributed to the poor performance of the LGU in accordance with DPWH Department Order No. 193, series of 2016 "Administrative Action on Contract with Negative Slippage in Accordance with the Revised IRR of R.A. 9184."

**Section 2.10** The DPWH shall exercise technical supervision over the project pursuant to the provisions of the GAA.

**Section 2.11** The LGU shall observe/comply with the Safety and Health requirements at project site in compliance with DPWH D.O. No.56 series of 2005, D.O. No. 135 series of 2015 and D.O. No. 13 series of 2018, or the latest relevant issuances.

**Section 2.12** To guarantee that the LGU shall perform his responsibilities, the latter shall post the necessary warranty security in accordance with Section 62 of the IRR of RA 9184.

### ARTICLE III – PROJECT FUNDING

**Section 3.1** The Regional Director/District Engineer shall issue to the LGU a Letter of Advice of Allotment (LAA) equivalent to the approved Project Cost based on the allotment authorized by the Department of Budget and Management (DBM). The LAA shall serve as the obligational authority of the LGU to implement the Project.

**Section 3.2** The LGU shall be fully accountable for all funds for the Project released to it by the DPWH.

**Section 3.3** The DPWH shall release to the LGU an initial cash advance for the Project equivalent to fifty percent (50%) of the obligational authority (or Project Cost). The LGU shall take up the said cash advance as a Trust Deposit in a separate checking account with a Government depository bank.

**Section 3.4** The DPWH shall release to the LGU succeeding cash funds for the **PROJECT** equivalent to the amounts of actual accomplishment subject however that previous cash advances be liquidated, based on Liquidation Reports signed by the LGU Treasurer/ Accountant and verified and found correct by the LGU Resident Auditor of the Commission on Audit per COA Circular No. 94-013 dated 13 December 1994.

#### **ARTICLE IV – EFFECTIVITY**

**Section 4.1** This MOA shall take effect upon approval thereof by the DPWH Authorized Official and shall remain in force until the completion of the Project, unless mutually terminated earlier by the said Parties.

**Section 4.2** Either Party to this MOA may initiate its termination in the event of a default by the other Party of any of its obligations thereunder.

**Section 4.3** In the event of MOA termination, an accounting/inventory of the project shall be conducted jointly by the DPWH and COA to determine acceptability of the completed works. The LGU shall return to DPWH any unused or unexpended balance of funds and likewise refund any disallowance due to misappropriation and defects discovered due to faulty construction and the use of substandard materials.

**IN WITNESS WHEREOF**, the Parties hereto have affixed their signatures at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

For the LGU:

For the DPWH:

\_\_\_\_\_  
Authorized Official

\_\_\_\_\_  
Regional Director/District Engineer

#### **W I T N E S S E S:**

\_\_\_\_\_  
Treasurer

\_\_\_\_\_  
Accountant/Fiscal Comptroller

APPROVED BY:

\_\_\_\_\_  
Secretary/Regional Director

)
)
)

## ACKNOWLEDGEMENT

**BEFORE ME,** a Notary Public for and in  
\_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_, personally appeared the  
following persons presenting to me competent proof of their identity:

NAME	PROOF OF IDENTITY	DATE/PLACE ISSUED
------	-------------------	-------------------

**LGU-Authorized Official** \_\_\_\_\_

**DPWH-Secretary/  
Regional Director** \_\_\_\_\_

Known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that same is their free and voluntary act and deed and that of the institutions they represent.

This instrument, consisting of five (5) pages, including this page whereon this Acknowledgement is written, refers to a Memorandum of Agreement between the LGU and the Department of Public Works and Highways signed by the parties together with their instrumental witnesses on each and every page thereof.

**WITNESS MY HAND AND SEAL,** on the place above written.

Doc. No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of \_\_\_\_\_

Notary Public  
Until \_\_\_\_\_  
PTR No. \_\_\_\_\_  
Issued on \_\_\_\_\_  
at \_\_\_\_\_

## ANNEX D

### PROJECT MEMORANDUM OF AGREEMENT (MOA) BETWEEN DPWH AND THE LGU FOR THE IMPLEMENTATION OF A DPWH PROJECT BY CONTRACT

This **Memorandum of Agreement (MOA)** entered into by and between;

**The Department of Public Works and Highways**, herein represented by its Regional Director/District Engineer, \_\_\_\_\_, and hereinafter referred to as the **DPWH**;

and

The **Local Government Unit**, herein represented by its **Authorized Official**, \_\_\_\_\_, and hereinafter referred to as the **LGU**.

WITNESSETH

**WHEREAS**, Section 90 of the General Provisions of the General Appropriation Act of Fiscal Year **2018** (RA No. **10964**), provides that "the National Government may designate LGUs as implementing agencies for public works infrastructure projects and other programs, services and facilities, including the construction of local roads and facilities appropriated in this Act", subject to the following:

- (a) The LGU has the capability to implement the foregoing by administration or contract and in accordance with the design, plan, specification, and such other standards and policies of the National Government;
- (b) The LGU-recipient of nationally funded public works and infrastructure projects and other programs, services and facilities shall commit to fund the cost of maintenance and repairs thereof; and
- (c) The amount released to the LGUs shall be recorded as trust funds to be used for the specific purpose.

**WHEREAS**, Special Provision No. 11 of FY 2018 GAA, DPWH Budget, provides that "Restriction on Delegation of Project Implementation. The implementation of infrastructure projects may only be delegated in the following instances: (1) the AFP Corps of Engineers in high security risk areas; (ii) inter-department or inter-agency projects; and (iii) LGUs with the capability to implement projects either by administration or contract as determined by DPWH". Notwithstanding the above delegation, the DPWH shall exercise technical supervision over all delegated projects.

Local Government Unit  
Represented by:

Department of Public Works & Highways  
Represented by:

Treasurer

Authorized Official

Accountant/Fiscal Comptroller  
Regional Director/District Engineer

Local Government Unit  
Represented by:

Department of Public Works & Highways  
Represented by:

Treasurer

Authorized Official

Accountant/Fiscal Comptroller

Regional Director/District Engineer

**WHEREAS,** the DPWH issued Department Order No. \_\_\_\_ dated \_\_\_\_\_, which sets the revised guidelines, including rules and procedures for the implementation by the LGUs of DPWH Project;

**WHEREAS,** in accordance with the said Department Order, the LGU has submitted to the DPWH a written request for the DPWH to authorize the LGU to implement the DPWH Project by contract.

**WHEREAS,** in accordance with the same Department Order, the DPWH has determined that the LGU has the demonstrated capability to undertake the said Project by contract.

**NOW THEREFORE,** in consideration of the foregoing premises, Parties to this MOA hereby agree on the following terms and conditions;

### **ARTCILE I – PROJECT COVERAGE**

**Section 1.1** This MOA covers the implementation by the LGU of DPWH Project \_\_\_\_\_ hereinafter called the \_\_\_\_\_ in the amount of P\_\_\_\_\_.

### **ARTICLE II – PROJECT IMPLEMENTATION**

**Section 2.1** The LGU shall undertake the procurement for the project through Competitive Bidding in accordance with RA 9184 and its Implementing Rules and Regulations.

**Section 2.2** The LGU shall ensure that all participating/ qualified bidders are registered in the DPWH Civil Works Registry.

**Section 2.3** The LGU shall implement the project in accordance with the approved Program of Works, Plans and Specifications, Construction Methodology, Project Cost (Budget) and Time Duration approved by DPWH Official.

**Section 2.4** The LGU shall comply with the DPWH Material Testing requirements and quality control policies of the DPWH in the implementation of DPWH Project.

**Section 2.5** The LGU shall evaluate and approve, in coordination with DPWH, all requests for Variation Orders, Work Suspension and Resumption Orders, Time Extension and other similar request by the contractor.

**Section 2.6** The LGU shall give full and complete access to DPWH Inspectorate Teams in the conduct of site inspection to ensure compliance to plans and specification, quantity and quality of materials incorporated and the completed works of the project.

**Section 2.7** The LGU shall observe/comply with the Safety and Health requirements at project site in compliance with DPWH D.O. No. 56 series of 2005,



Local Government Unit  
Represented by:

Treasurer

Authorized Official

Accountant/Fiscal Comptroller

Department of Public Works & Highways  
Represented by:

Regional Director/District Engineer

D.O. No. 135 series of 2015 and D.O. No. 13 series of 2018 or the latest relevant issuances.

**Section 2.8** The designated DPWH Project Engineer should update the status of the project or update any revision in implementation schedule in the Project and Contract Management Application (PCMA) on a monthly basis.

**Section 2.9** The LGU shall terminate the services of the contractor due to reasons attributed to the poor performance of the contractor in accordance with DPWH Department Order No. 193, series of 2016 "Administrative Action on Contract with Negative Slippage in Accordance with the Revised IRR of R.A. 9184."

**Section 2.10** The DPWH shall exercise technical supervision over the project pursuant to the provisions of the GAA.

**Section 2.11** The DPWH and the LGU shall conduct final inspection of the completed works and recommend jointly the issuance of the Certificate of Project Completion to the contractor after having satisfied that the project has been completed in accordance with the approved plans and specifications and shall likewise issue Certificate of Acceptance one (1) year after the project is verified by DPWH and LGU representatives as having no defects.

### ARTICLE III – PROJECT FUNDING

**Section 3.1** The Regional Director/District Engineer shall issue to the LGU Certification as to Availability of Funds or a Letter of Advice of Allotment (LAA) equivalent to the approved Project Cost based on the allotment authorized by the Department of Budget and Management (DBM). The Certification of Availability of Funds LAA shall serve as the obligational authority of the LGU to implement the Project.

**Section 3.2** The LGU shall be fully accountable for all funds for the Project released to it by the DPWH.

**Section 3.3** The DPWH shall release to the LGU an initial cash advance for the Project equivalent to fifty percent (50%) of the obligational authority (or Project Cost). The LGU shall take up the said cash advance as a Trust Deposit in a separate checking account with a Government depository bank.

**Section 3.4** The DPWH shall release to the LGU succeeding cash funds for the Project equivalent to the amounts of actual accomplishment subject however that previous cash advances be liquidated, based on Liquidation Reports signed by the LGU Treasurer/ Accountant and verified and found correct by the LGU Resident Auditor of the Commission on Audit per COA Circular No. 94-013 dated 13 December 1994.

#### ARTICLE IV – EFFECTIVITY

**Section 4.1** This MOA shall take effect upon approval thereof by the DPWH Authorized Officials and shall remain in force until the completion of the Project, unless mutually terminated earlier by the said Parties.

**Section 4.2** Either Party to this MOA may initiate its termination in the event of a default by the other Party of any of its obligations thereunder.

**Section 4.3** In the event of MOA termination, an accounting/inventory of the project shall be conducted jointly by the LGU, DPWH, Contractor and COA to determine the quality and acceptability of the completed works. The LGU shall return to DPWH any unused or unexpended balance of funds and likewise refund any disallowance due to misappropriation and defects discovered due to faulty construction and the use of substandard materials.

**IN WITNESS WHEREOF**, the Parties hereto have affixed their signatures at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

For the LGU:

For the DPWH:

\_\_\_\_\_  
Authorized Official

\_\_\_\_\_  
Regional Director/District Engineer

W I T N E S S E S:

\_\_\_\_\_  
Treasurer

\_\_\_\_\_  
Accountant/Fiscal Comptroller

APPROVED BY:

\_\_\_\_\_  
Secretary/Regional Director

Republic of the Philippines )  
 )  
 )

### ACKNOWLEDGEMENT

**BEFORE ME,** a Notary Public for and in  
\_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_, personally appeared the  
following persons presenting to me competent proof of their identity:

<u>NAME</u>	<u>PROOF OF IDENTITY</u>	<u>DATE/PLACE ISSUED</u>
<b>LGU-Authorized Official</b>	_____	_____
<b>DPWH-Secretary/ Regional Director</b>	_____	_____

Known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that same is their free and voluntary act and deed and that of the institutions they represent.

This instrument, consisting of five (5) pages, including this page whereon this Acknowledgement is written, refers to a Memorandum of Agreement between the LGU and the Department of Public Works and Highways signed by the parties together with their instrumental witnesses on each and every page thereof.

**WITNESS MY HAND AND SEAL,** on the place above written.

Doc. No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of \_\_\_\_\_

\_\_\_\_\_  
Notary Public  
Until \_\_\_\_\_  
PTR No. \_\_\_\_\_  
Issued on \_\_\_\_\_  
at \_\_\_\_\_