



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

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DEPARTMENT ORDER )  
No. **63** )  
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**SUBJECT : IMPLEMENTATION ARRANGEMENTS  
AND CREATION OF A PROGRAM  
MANAGEMENT OFFICE FOR THE IBRD –  
ASSISTED NATIONAL ROADS  
IMPROVEMENT AND MANAGEMENT  
PROGRAM (NRIMP), PHASE II**

To ensure efficient and effective implementation of the National Roads Improvement and Management Program (NRIMP), Phase II and achievement of the Program's goals and target results, the following implementation arrangements are hereby prescribed:

**Overall Leadership**

1. Overall direction and leadership for implementing NRIMP, Phase II will be exercised by the Secretary supported by the DPWH Executive Committee (EXCOM). Directly assisting the Secretary in his overall direction of the project shall be the Undersecretary designated as Overall-In-Charge for the implementation of NRIMP, Phase II.

**Oversight**

2. The DPWH Executive Committee (EXCOM) shall serve as the Project Steering Committee (PSC) for NRIMP, Phase II. The PSC shall be called to meet to discuss policies and institutional reforms that require management attention. The PSC shall formulate recommendations on such issues for the Secretary's consideration. It shall also formulate the DPWH position on issues that may be taken up by the inter-agency Project Review Panel<sup>1</sup>.

**Direct Management**

3. An NRIM Program Management Office (NRIM-PMO) is hereby created and responsible for the general administration of the NRIMP II. The NRIM-PMO shall be primarily responsible and accountable for the management of program inputs and delivery of project outputs. It shall ensure the timely completion of all tasks as laid out in the agreed Project Implementation Plan (PIP). Also, the PMO shall act as the Secretariat of the PSC.

**NRIM-PMO Composition**

4. The NRIM-PMO shall be headed by a Program Director, who will manage the day-to-day activities of the project. The Program Director shall report directly to the Undersecretary designated as Overall-In-Charge for the implementation of NRIMP II. He shall be assisted by Assistant Program Director.

<sup>1</sup> The NRIMP2 Project Appraisal Document, pages 12 and 69, stipulates that a Project Review Panel chaired by the DOF and consisting of representatives of DPWH, DBM, NEDA, Road Board Secretariat and the Road Watch Alliance, the World Bank and AusAID. The review panel shall meet once a year on policy and development effectiveness of the program.

5. Component Managers are also hereby designated for each of the three components of NRIMP II, namely A1 – Road Improvement, A2 – Asset Preservation, and B – Institutional and Capacity Development.
6. The concerned Undersecretary/Assistant Secretary of Technical Affairs is hereby designated as Project Adviser to the NRIM-PMO in the implementation of Component B (Institutional and Capacity Development).

**NRIM-PMO Roles and Responsibilities**

7. The functions and responsibilities of the NRIM-PMO shall include the following:
  - a. Coordinate all implementation tasks by the respective implementing units of DPWH, e.g., RPO, BOM, Planning Services, and Task Forces, as well as external entities, i.e., Road Board and *Bantay Lansangan*;
  - b. Direct, manage, and implement sub-projects and services, both for civil works and consultancy. The NRIMP-PMO shall manage the following activities;
    - b.1 conduct of pre-construction activities, bidding and contractual proceedings;
    - b.2 direction and supervision of the preparation and implementation of work and financial plans, procurement and construction schedules;
    - b.3 managing allocations, facilities and resources assigned for the implementation of the program;
  - c. Exercise overall responsibility for the successful implementation and completion of the projects, services and activities of the program.
    - c.1 monitor pre-construction and construction activities and evaluate progress against plans, and in case of delays, institute appropriate measures to catch-up with the plans;
    - c.2 oversee project implementation performance in accordance with stipulated contractual obligations;
    - c.3 establish systems and procedures and undertake appropriate measures whenever necessary to mitigate cost and time overruns;
    - c.4 administer, coordinate and supervise the implementation and execution of loan and/or financial agreements to ensure compliance with requirements and covenants of loan agreements;
    - c.5 develop, adopt and maintain appropriate systems for planning, forecasting, monitoring and reporting physical and financial performance of the program.
  - d. Prepare NRIMP 3 concepts and objectives, based on NRIMP 2 results and program goals.

**Component Implementation**

8. Road Improvement (Component A.1.) comprising civil works, various consultancies for construction supervision, feasibility study, design and safeguards shall be managed by a

unit of NRI-M-PMO designated on full-time to manage, procure and implement the subprojects and services<sup>2</sup>.

9. Asset Preservation (Component A.2) comprising Long Term Maintenance (A.2.1), Preventive Maintenance (A.2.2), and Maintenance Engineering Services (A.2.3) shall be implemented by the Bureau of Maintenance (BOM) and the Road Program Office (RPO). The designated Component Manager for Asset Preservation shall coordinate the activities under this component and shall report to the Program Director on all activities pertaining to the implementation of this component.
  - a. The Long-term Performance-based Maintenance works shall be implemented by the responsible DPWH Regional Office (RO), assisted by the District Engineering Offices (DEO). The contracts shall be monitored by the BOM.
  - b. The Preventive Maintenance Program shall be prepared annually by the Road Program Office, with support from the Planning Service and BOM. Projects will be designed, procured and managed by ROs or by DEOs depending on package size.
  - c. The Maintenance Engineering Services subcomponent shall be managed by the BOM.
10. Institutional Capacity Development (Component B) comprising Business Process Improvement (B.1), Corporate Effectiveness (B.2), Strategic Sector Reform (B.3), and Training and Workshop (B.4) will be coordinated by the designated Component Manager for Institutional Development. Thus, the Component Manager will coordinate the following activities and the implementing units responsible for the implementation of this component, as follows:
  - a. Component B.1 Business Process Improvement will be the responsibility of the RIMSS-Project Office.
  - b. Component B.2 Corporate Effectiveness. The Undersecretary/Assistant Secretary of Technical Affairs shall be responsible for this subcomponent. He may convene a Task Force consisting of personnel from various offices of the Department. The B2 Task Force will formulate and lead the corporate reform process.
  - c. Component B.3 Strategic Sector Reform shall be under the overall direction of the Road Board, backstopped by the Road Board Secretariat headed of the Executive Director.
  - d. Component B.4 Training and Workshop shall be managed by the PMO-Component Manager for Institutional Development based on a training plan approved by the PSC.

## **Procurement**

11. The NRI-M-PMO shall coordinate all procurement activities under the project. Procurement for Consultancy Services and Goods shall be handled by a special Bids and Awards Committees, while Civil Works for International and National Competitive Bidding shall be handled also by a special Bids and Awards Committee. The technical aspects [preparation of Terms of Reference (TORs), specifications, bid documents, etc.] shall be conducted by the implementing offices described above while the commercial aspects including evaluation shall be conducted by the Procurement Office and NRI-M-PMO utilizing national e-procurement procedures and new RIMMS procurement systems.

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<sup>2</sup> NRIMP2 Project Appraisal Document, page 70.

## Financial Management

12. Project Financial Management (FM) shall be undertaken by both the Controller and Financial Management Services (CFMS) and the NRIM-PMO. The main FM system will be conducted by the CFMS and will be used to maintain the books of accounts, monitor the Designated Account (DA) and prepare the Project Financial Reports required by the World Bank. The NRIM-PMO on the other hand shall institute a subsystem for the initial screening of transactions, for the preparation of disbursement vouchers, Statement of Expenditures and withdrawal application for the DA, for the management of the DA and for the preparation of other financial management reports. For Preventive Maintenance projects, progress billings including Statement of Work Accomplished (and all other pertinent supporting documents) shall be prepared by the site supervision team for approval by the Regional Office. These billings shall be processed at the Central Office in accordance with World Bank-approved policies and procedures as well as the government's accounting and auditing rules and regulations.
13. Within the Department, the Secretary shall appoint a Financial Management head and a core of financial management staff in adequate numbers, each with qualification and experience and under terms of reference, to be responsible for the financial management of the Project.

## Operations Manual

14. The NRIM-PMO shall formulate an Operations Manual (OM) that provides in detail the policies and procedures, the roles and responsibilities of the various implementing units in the execution of the project. The OM shall be submitted to the PSC for review and approval.

This Department Order may be amended and/or supplemented as the project is under implementation and when changing implementation circumstances warrant.

This Order shall take effect immediately.

  
HERMOGENES E. ESPINO, JR.  
Secretary



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