



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

097.13 DPWH
7-25-90

02 July 1990

DEPARTMENT ORDER)

NO. **147**
Series of 1990
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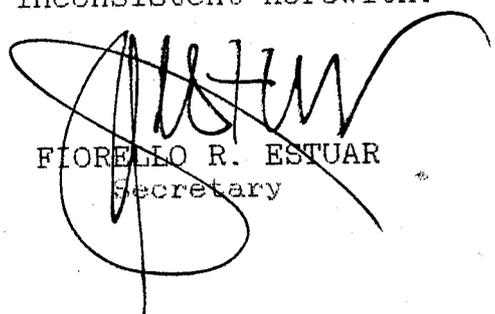
SUBJECT : CLARIFICATION ON DEPARTMENT ORDER
NO. 35, S 1987 RE: CREATION OF
PRICE MONITORING COMMITTEE

It was brought to the attention of this office that the suggested price ceilings established by the price monitoring committee under DO # 35 S 1987 have been interpreted strictly by some COA Auditors as definite and/or unconditional price ceilings which may not be relaxed. This has caused a misunderstanding between our Regional Offices and the Commission on Audit resulting either in disallowances or failures of bidding.

In order to avoid these undesirable results and to set things in their proper perspective, the following clarifications are hereby made :

1. The price "ceilings" established under authority of DO # 35 S 1987 are actually averages of the prices of work pay item derived from recent contract prices, as well as averages of contract construction materials based on canvasses made by our district offices. They are intended as references to guide the estimating committees in their work.
2. The actual prevailing cost in the locality where the project is located should be used in determining the unit cost of the items of work involved. This would recognize that prices are necessarily relative depending on special circumstances like distance from sources of materials, size and degree of urbanization of the area and even the topography of the region where the project is located.

This order shall be construed to have retroactive effect and shall supersede all Department Orders inconsistent herewith.


FIORELLO R. ESTUAR
Secretary

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