



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

697.12 DPWH  
03.12.2007

**MAR 12 2007**

**SPECIAL ORDER** ) **SUBJECT: CREATION OF A COMMITTEE TO EVALUATE**  
No. **37** ) **UNBOOKED CLAIMS AND CLAIMS FOR**  
Series of 2007 ) **PAYMENT OF IDLE EQUIPMENT/PERSONNEL,**  
03-12-07 ) **VAT DIFFERENTIAL, INTERESTS DUE TO**  
 ) **DELAYED PROGRESS BILLINGS PAYMENT**  
 ) **AND OTHER EXTRAORDINARY CLAIMS**

In the interest of the service and inasmuch as the review/evaluation/validation of the above-captioned claims require the expertise of the various concerned organic units of the Department, a Committee is hereby created to review/evaluate/validate and recommend payment or non-payment of various claims enumerated under Department Order Nos. 69 and 71, both series of 2005, reiterated as follows:

1. Unbooked Claims (e.g., Mt. Pinatubo and Baguio Earthquake Rehabilitation);
2. Payment of Idle Equipment/Personnel;
3. Value Added Tax (VAT) Differential;
4. Interests due to Delayed Payment of Progress Billings; and,
5. Other Related Extraordinary Claims of Contractors from the DPWH.

For brevity, the aforesaid Committee shall, hereinafter, be referred to as the **Extraordinary Claims Review Committee**, or **ECRC**, and shall be composed of the following:

- |   |   |                    |
|---|---|--------------------|
| 1. Assistant Secretary Ramon P. Aquino                        | - | Chairman           |
| 2. Director Walter R. Ocampo (BOC)                            | - | Vice-Chairman      |
| 3. Head, Implementing Office Concerned                        | - | Regular Member     |
| 4. Director, Bureau of Equipment                              | - | Provisional Member |
| 5. Director, Legal Service                                    | - | Provisional Member |
| 6. Director, Planning Service                                 | - | Provisional Member |
| 7. Director, Comptrollership and Financial Management Service | - | Provisional Member |

At least two (2) of the provisional members shall be invited to sit as voting members in every proceeding of the ECRC. The ECRC Chairman shall determine who among the provisional members will be invited, taking into consideration the technical expertise and experience of the provisional members and the nature of the claims being deliberated upon by the Committee.

The ECRC shall undertake the following functions/tasks:

1. Develop and recommend a uniform system and procedure, including standard requirements, in the review/evaluation/validation/recommendation and processing of extraordinary claims of contractors of the Department as defined herein;
2. Review/evaluate/validate such extraordinary claims and recommend the payment or non-payment thereof;

3. Resolve motions for reconsideration on the non-payment of extraordinary claims and other related representations of concerned claimants; and,
4. Recommend the imposition of appropriate sanctions against those making misrepresented claims and other violations in accordance with existing laws, rules and regulations.

All recommendations of the ECRC for the payment or non-payment of claims and the imposition of sanctions shall be covered by corresponding Committee resolutions. All ECRC resolutions shall be reviewed by the Undersecretary who has jurisdiction over the Comptrollership and Financial Management Service prior to the approval of the Secretary.

The ECRC Chairman is hereby authorized to organize a Technical Working Group (TWG) to assist the ECRC in its functions/tasks. The Assistant Director of the Bureau of Construction (BOC) shall head the said ECRC-TWG with members preferably coming from the organic units of the ECRC members.

The BOC shall remain to be the custodian of all documents pertaining to extraordinary claims, as defined herein. As such, the BOC shall be the one responsible for the receipt of said claims filed by contractors and shall oversee the processing of such claims in accordance with prescribed policies and guidelines. BOC staff shall provide the necessary Secretariat services for the ECRC, including the preparation of notices, minutes of meetings and committee resolutions.

This Order supersedes Department Order Nos. 69 and 71, both series of 2005, and other related issuances that are inconsistent herewith.

This Order takes effect immediately.

  
MANUEL M. BONOAN  
Officer-in-Charge



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

05 February 2007

**MEMORANDUM**

**TO :** MANCOM  
This Department

**SUBJECT :** Streamline of Requirements and Procedures Related to Claims for Payment of Idle Equipment/ Personnel, VAT Differential, Interest Due to Delayed Payments of Progress Billings and Other Related Contractors Claims from DPWH

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The Bureau of Construction (BOC) is tasked to evaluate the payment of the claims of Contractors pursuant to Department order No. 71 series of 2005 in order to establish a uniform system and procedure in the evaluation for the subject claims.

This Office received communications from BOC requesting legal assistance on the legality of the claims.

The Offices specialized in the particular claim should be part of the evaluation team. It would be better if the Legal Service and the Implementing Office are part of the evaluation team, the Bureau of Equipment (BOE) to be represented for the claims for idle equipment, and the Comptrollership & Financial Management Service (CFMS) shall be part of the team for interest due to delayed payments of progress billings and other related Contractors claims.

It is suggested that a committee be created and to come-up with the standard requirements and procedures streamlining the payment of contractors claim to be issued by the management by amending DO No 71. The Director of the BOC shall be the Chairman of the Committee and to come-up with a Committee Resolution. The Head of the Member Offices in the Committee shall designate their representative for the Technical Working Group (TWG). The BOC or the Implementing Office shall provide the Committee Secretariat.

For the MANCOM discussion.

  
**BASHIR D. RASUMAN, CESO II**  
Undersecretary