



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

27 March 2017

MEMORANDUM

FOR : HONORABLE MARK A. VILLAR
Secretary
This Department

Respectfully submitted is the letter dated 10 February 2017 of then **Regional Director DANILO E. VERSOLA** of DPWH-XIII, requesting for approval the Modification of Project to be implemented by the said region under the FY 2017 GAA in the prescribed form (2017, version 2.1), to wit:

FROM	TO
<p>MFO 1 – National Road Network Services :</p> <p>Network Development Construction of By-Passes/Diversion Roads, including ROW - Daang Maharlika (Alternate Route) (NRJ-Mayor Democrito D. Plaza II Avenue-Las Nieves-Sibagat), (Don Francisco-Bilay Section) including bridge (Bilay Br.), Agusan Del Norte, Package 2 <i>(Construction of Concrete Road and Construction of Concrete Bridge)</i></p> <p>Allocation - Php 200.00 Million (Total) Php 80.00 Million (Concrete Road) Php 120.00 Million (Concrete Bridge)</p> <p>Physical Target - 5.44 lane km (Concrete Road) 1,142 sq.m. (Concrete Bridge)</p> <p>Unit Cost - Php 14,705,882.35/lane km (Concrete Road) Php 105,078.81/sq.m. (Concrete Bridge)</p>	<p>MFO 1 – National Road Network Services :</p> <p>Network Development Construction of By-Passes/Diversion Roads, including ROW - Daang Maharlika (Alternate Route) (NRJ-Mayor Democrito D. Plaza II Avenue-Las Nieves-Sibagat), (Don Francisco-Bilay Section) including bridge (Bilay Br.), Agusan Del Norte, Package 2</p> <p>Allocation - Php 200.00 Million (Total) Php 40.896 Million (Concrete Road) ✓ Php 144.539 Million (Bridge) ✓ Php 14.065 Million (Gravel Road) ✓ Php 0.5 Million (ROW Acquisition) ✓</p> <p>Physical Target - 0.582 lane km (Concrete Road) 1,152.43 sq.m. (Bridge) 0.360 lane km (Gravel Road) 162.00 sq.m. (ROW Acquisition)</p> <p>Unit Cost - Php 70,268,041.24/lane km (Concrete Road) Php 125,421.06/sq.m. (Bridge) Php 39,069,444.44/lane km (Gravel Road) Php 3,086.42/sq.m. (ROW Acquisition)</p>

JUSTIFICATION:

The physical target for road component is shortened by 4.858 lane km (from 5.44 lane km to 0.582 lane km) to cover the increase of 10.43 sq.m. (0.80 lm) for the bridge component and due to the huge volume of earthwork (embankment borrow = 26,859.13 cu.m. which is equivalent to 17.65% of the total direct cost) because of the vertical gradient that ranges from 4m – 5.9m depth. The scope of works will also cover the construction of gravel road (0.360 lane km), installation of 692.40 lm metal guardrails (road safety facilities) and the acquisition of road right of way. Further, the decrease in physical target was also due to the increase of indirect cost percentage for OCM pursuant to D.O. #197, series of 2016 (Revised Guidelines of New ABC). In addition, the Cabadbaran quarry (35kms from Butuan City) is banned for quarrying activity issued by the Provincial Governor of Agusan del Norte and the Mayor of Cabadbaran City, and the new quarry site is 65 kms from project site. Thus, an Aggregate Crusher equipment will be used to further process the aggregates to match the quality and grading requirement in the project, thereby, contributing to the increase in the unit cost.

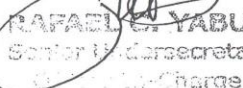
Attached are the required documents, such as Evaluation Form (2017 version 2.1), BP202, Program of Work, Approved Budget for the Contract (ABC), Location Map, Certificate of Availability of Funds (CAF) and Geotagged Photos.

In view of the above justification, the request for Modification of the Project is respectfully recommended for the Honorable Secretary's approval.


DIMAS S. SOQUILON, CESO II
Assistant Secretary for Mindanao Operations


APPROVED/DISAPPROVED:

MARK A. VILLAR
Secretary


RAFAEL B. YABUT
Senior Vice-Secretary
in Charge

3.5 IMM/LCA/DSS

Department of Public Works and Highways
Office of the Secretary


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