



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

28 February 2017

MEMORANDUM

FOR : HONORABLE MARK A. VILLAR  
Secretary  
This Department

Respectfully submitted is the letter dated 10 February 2017 of **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
<b>MFO 1 – National Road Network Services :</b>  <b>Network Development</b> - Construction of By-Passes/Diversion Roads, including ROW - Construction of Concrete Road - Daang Maharlika (Alternate Route) (NRJ-Mayor Democrito D. Plaza II Avenue-Las Nieves-Sibagat), (Bilay-Mandamo Section), Agusan Del Norte, Package 3 <b>Allocation</b> - Php 130.00 Million <b>Physical Target</b> - 12.360 lane km <b>Unit Cost</b> - Php 10,517,799.35/lane km	<b>MFO 1 – National Road Network Services :</b>  <b>Network Development</b> - Construction of By-Passes/Diversion Roads, including ROW - Daang Maharlika (Alternate Route) (NRJ-Mayor Democrito D. Plaza II Avenue-Las Nieves-Sibagat) Package 3 (Bilay-Mandamo Section), Agusan del Norte, <b>Allocation</b> - Php 130.00 Million <b>Physical Target</b> - 9.240 lane km <b>Unit Cost</b> - Php 14,069,264.07/lane km

JUSTIFICATION:

The physical target is shortened by 3.12 lane km (from 12.360 lane km to 9.240 lane km) due to hauling/transporting of construction materials (aggregates) from quarry/source to project site, since the Cabadbaran quarry (35 km from Butuan City) is banned for quarrying activity issued by the Provincial Governor of Agusan del Norte and the Mayor of Cabadbaran City. The new quarry site is utilized nearest to the project site at Maug River, Agusan del Sur, which is 74kms 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 and also increase of indirect cost percentage for Overhead, Contingencies and Miscellaneous (OCM) and Contractor's Profit (CP) pursuant to D.O. #197, series of 2016 (Revised guidelines of New ABC).

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

In view of the above, the request for Modification of the Project is respectfully recommended for consideration and approval.

RAFAEL C. YABUT  
Senior Undersecretary  
Visayas and Mindanao Operations

APPROVED/DISAPPROVED:

RAUL C. ASPE  
Undersecretary for Technical Services  
Officer-In-Charge

Department of Public Works and Highways  
Office of the Secretary



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cc: USEC. MARIA CATALINA E. CABRAL, Ph.D.  
Undersecretary for Planning and PPP

3.5 IMM/LCA/DSS

10/11/17 3/2/17