



REPUBLIC OF THE PHILIPPINES  
MINISTRY OF PUBLIC WORKS AND HIGHWAYS  
OFFICE OF THE MINISTER  
MANILA

5 January 1982

MINISTRY ORDER

NO. 4

Series of 1982

SUBJECT: Validity of Discounts Offered  
by Contractors in their Bid  
Proposals

Our present Proposal Booklets for bidding have no provisions allowing contractors to offer discounts when bidding for only one project. Heretofore, offers of discount by contractors have only been allowed for contract packages involving two or more projects. Usually the contractor bidding in project packages offers a discount in his bid for either one or two or all of the projects, if two or all projects in the package are awarded to him.

In order to preclude possible controversies or protests about the validity of discounts offered by contractors in biddings involving only one project, it is hereby made a policy that, henceforth, offers of discount by contractors, even in bidding for a single project, shall be considered valid, provided that the following conditions are complied with:

1. That such offers of discount shall be applied pro rata among all bid items of work as a reduction of the mark up therefor;
2. That the discounts shall be offered together with the bid documents, preferably on the bid document itself; and
3. That the discount shall be unconditional and absolute.

For the immediate implementation of this new policy, the following instructions are hereby issued:

1. All officials charged with the duty and responsibility of preparing the Proposal Booklets for projects to be bid shall include in these bid proposals a provision that contractors may offer discounts in their quotations, provided such offered discounts are unconditional and absolute and shall be understood to be prorated among all bid items of work.
2. Copies of this Ministry Order shall be posted in the bid bulletin of all offices, for the information of contractors and the public.
3. This new policy should be discussed or explained during pre-bid conferences, for the information and guidance of all participating bidders.

This Ministry Order shall take effect immediately.

JESUS S. HIPOLITO  
Minister