



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

July 11, 1984 ✓

MINISTRY ORDER)

NO.)

Series of 1984)

T O : REGIONAL DIRECTORS, PROJECT MANAGERS, CHIEF
ACCOUNTANTS, BUDGET OFFICERS AND OTHERS
CONCERNED

SUBJECT: THREE PER CENTUM (3%) ENGINEERING AND ADMINISTRATIVE
OVERHEAD EXPENSES

Existing Public Works Acts/Decrees authorized the expenditures of direct engineering and administrative overhead expenses incidental to project prosecution in an amount not to exceed five per centum (5%) of the amount actually released for a project. However, as matter of fiscal policy due to economic difficulties, OBM has limited the engineering and administrative overhead expenses to only three per centum (3%) of the fund actually released.

The MPWH, in response to a Presidential call for austerity and also as a matter of fiscal policy, has limited the use of the three per centum (3%) overhead fund only to locally funded projects and the local counterpart fund of Foreign Assisted Projects. However, lately, due to severe cutbacks in programmed expenditures and the escalation of costs of construction inputs, the three per centum (3%) imposed on locally funded projects and local counterpart funds of Foreign Assisted Projects are no longer sufficient.

In view hereof, as a change of policy, any amount as maybe necessary but not exceeding three per centum (3%) of the foreign loan proceeds actually released by OBM is now authorized to be made available for additional engineering and administrative overhead expenditures incidental to the prosecution of the project.

This order takes effect immediately.


JESUS S. HIPOLITO
Minister

OK for file - 7/18/84