



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

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MINISTRY ORDER)

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SUBJECT: GUIDELINES ON ORGANIZATION
AND STAFFING OF PROJECT
MANAGEMENT OFFICES

To: All Project Managers/Project Engineers
Other Officials Concerned

Pursuant to the provisions of Executive Order No. 710 dated July 27, 1981 and Letter of Instructions No. 1099 dated January 5, 1981, Project Management Offices shall be created to supervise and/or oversee the effective implementation of special projects authorized by the relevant financing agreements/memoranda of understanding/other official documents or as directed by the Minister or higher authorities.

In order to facilitate the organization and staffing of such project management offices as well as to insure speedy and uniform action on requests of approval of the Minister, the following guidelines are hereby prescribed:

I. Basic Considerations

1. The Project Management Office (PMO) shall function within the terms of reference of loan agreements or other official documents delineating project dimensions together with the provisions of the delegation of authority to Project Managers/Project Engineers embodied in Ministry Order No. 23 dated 10 March 1982.
2. The existence of the PMO shall be co-terminous with the project. For this reason, all personnel except the Project Manager and/or Project Engineer shall be employed whether by temporary appointment or by contract, only for the duration of the project.
3. Except for the compensation of the Project Manager and/or the Project Engineer which is part of the annual appropriations of MPWH, personnel services and other operating expenditures of the PMO shall be funded from the project itself. The total annual amount for these operating expenditures shall in no case exceed 3% of the total annual cash investment program of

the project. Generally, the bigger the project cost, the smaller the percentage of surcharges that can be drawn from the project.

4. The creation and number of positions to staff the PMO should be in accordance with the scope of work/activities to be undertaken. Rates for salaries or wages should correspond to the equivalent position titles of the Office of the Compensation and Position Classification (OCPC) and shall not exceed 120% of OCPC rates.
5. The PMO Organization and Staffing Proposal shall consist of the following documents:
 - (1) Transmittal sheet which shall indicate project title; geographic location; project components; time duration; cost and source of funds; and other necessary, relevant information about the project.
 - (2) Organizational, functional and position charts
 - (3) Budget Estimates for personnel services and other operating expenditures.

II. Organizational Chart

1. The organizational chart should show the relationship of the PMO with the regular units of the Ministry, i.e., with the different bureaus, regional offices and district/city engineering offices.
2. To simplify structure, the PMO shall consist of the Technical Groups and the Administrative Support Group. The Technical Groups must be service-oriented in function, i.e., divisions and sections which are the traditional sub-units need not be followed. Instead, flexible task groups may be set up as the needs arise.
3. In order to avoid confusion, nomenclature of organizational units shall be distinct or differentiated from those of regular units of the MPWH.

III. Functional Charts

1. The statement of functions/responsibilities of the Project Manager shall include his relationships to specific officials/organizational units of the Ministry.
2. Functions assigned to, or normally performed by regular line units of the Ministry shall not, as a general rule, be co-opted by the PMO.

3. Responsibilities/authority shall be within the limits set by the delegation of authority granted by the Minister and/or the Deputy Minister in charge of Special Projects.

IV. Position Chart

1. Inasmuch as positions may not be established nor filled simultaneously, the number of man-months (MM) needed shall be indicated opposite each position. If possible, the tentative start and finish time of the incumbent of each position shall be indicated.
2. If new positions, for which no OCPC classification title exists, are desired, at least six (6) months lead time in advance of the need shall be considered for the creation of such position.
3. A one-on-one layering of supervision shall be avoided. It might be preferable to employ fewer but better qualified staff than to employ a larger number with less qualifications.
4. The acceptable ratio of clerical support to technical staff shall be observed (ideally 1 clerical : 8-10 technical staff).

V. Budget Estimates

1. The total proposed budgetary outlay for the PMO shall cover its entire existence. Sub-totals shall be allocated for each year of operations.
2. The items of budget expenditures shall be clearly stated and as much as possible conform to budgetary nomenclature.
3. Provisions shall be made to insure compliance with the existing laws on GSIS, Medicare, PAG-IBIG and others.

For compliance.



JESUS S. HIPOLITO
Minister