



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

097.13 DPWH
03-09-2015

MAR 06 2015

DEPARTMENT ORDER)

NO. 31)
Series of 2015)

**SUBJECT: PRESCRIBING A SUPPLIER'S
PERFORMANCE EVALUATION SYSTEM
(SPES)**

In line with the continuing efforts of this Department to improve its procurement operations, a Supplier's Performance Evaluation System (SPES), as described below, is hereby adopted to be used by all concerned:

A. Objectives of SPES

SPES seeks to achieve the following objectives:

1. To set an objective and consistent method to evaluate, measure, and rate a Supplier's performance in the provision of goods for DPWH projects.
2. To provide the DPWH with a means to incentivize Suppliers to perform well in the provision of goods.
3. To provide the DPWH essential inputs in the process of selecting Suppliers for its future procurement of goods.
4. To give Suppliers the opportunity to improve their job performance from one SPES rating period to another.

B. General Guidelines

1. The evaluation and rating of a Supplier's performance, using SPES, shall be done by an Inter-Office Team as follows:
 - a. For the Central Office: The Inter-Office Team shall be formed by the DPWH Management Committee and composed of the Procurement Service (PrS) as Head of the Team and representatives of the Implementing Unit (IU) and End-User Unit (EUU) concerned as members.
 - b. For the Regional/District Office: The Inter-Office Team shall be formed by the Regional Director/District Engineer and composed of the Procurement Unit as Head of the Team and representatives of the IU and EUU concerned as members.
2. The evaluation and rating using SPES shall be done by the concerned Inter-Office Team for each goods procurement upon the expiry of the warranty period for the goods delivered and accepted under the contract.
3. The Central/Regional/District Inter-Office Team concerned shall furnish the PrS with the results of their SPES evaluation and ratings.

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4. SPES shall be supported by a database for Goods to be maintained by the PrS.
5. SPES shall be applied to all contracts for goods approved after the date of this Department Order.

C. Criteria and Weights

SPES shall use four criteria, with their corresponding weights, as follows:

| Criteria | Weights |
|------------------------|---------|
| 1. Quality | 40% |
| 2. Cost | 15% |
| 3. Delivery Schedule | 30% |
| 4. Users' Satisfaction | 15% |
| Total | 100% |

D. Basic Rating System

SPES shall use the following adjectival ratings with corresponding quantitative measures for each criterion as shown in item E:

Very Satisfactory (VS)
Satisfactory (S)
Fair (F)
Unsatisfactory (U)

E. Specific Criteria, Indicators, and Rating System


| Criterion | Weight | Indicator | Rating |
|--|--------|--|---|
| 1. <u>Quality</u> : Extent of compliance with the approved specifications for the goods | 40% | % of goods, in terms of cost, that comply with the specifications | VS: 90 to 100% S: 80 to <90% F: 70 to <80% U: <70% |
| 2. <u>Cost</u> : Extent of variance from the Approved Budget for the Contract (ABC) | 15% | Cost of goods as % of ABC | VS: <=70% S: >70 to 85% F: >85 to 100% U: >100% |
| 3. <u>Delivery Schedule</u> : Extent of delay/slippage in delivery | 30% | % slippage from agreed delivery period | VS: <=0 S: >0 to <5% F: 5 to <10% U: >=10% |
| 4. <u>Users' Satisfaction</u> : Incidence of complaints | 15% | % of goods, in terms of costs, with complaints on quality or performance | VS: 0 to 5% S: >5 to 10% F: >10 to 15% U: >15% |
| Total | 100% | | |

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F. Application of SPES Ratings

The minimum passing rating to qualify for the procurement of goods in the DPWH is 70%. Any Supplier with an SPES rating of less than 70% in the last round of evaluation shall be disqualified from participating in the next procurement of goods in the DPWH.

This Order takes effect immediately.


ROGELIO L. SINGSON
Secretary

4.7.2 JABS/MGNO

Department of Public Works and Highways
Office of the Secretary



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