



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

097.13 DPWH
04.20.2022

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DEPARTMENT ORDER)
NO. 57)
Series of 2022)
04/20/2022

**SUBJECT : GUIDELINES IN THE PAYMENT OF
VARIATION ORDERS FOR THE
FACILITIES FOR THE ENGINEERS
DUE TO CHANGES IN CONTRACT**

To improve the management of Variation Orders (VOs) for infrastructure contracts undertaken by the DPWH particularly its effect in the changes for the Facilities for the Engineer, the following guidelines is hereby issued in relation to the provisions of Annex E of the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) 9184, 2019 DPWH Standard Specifications for Public Works Structures, Department Order No. 3, Series of 2010 – Guidelines on the Acquisition of Motor Vehicles for Use in Infrastructure Project Supervision.

I. RATIONALE

This policy aims to ensure compliance of the Implementing Offices in the computation of the claim of payment due to the changes in contract of standard pay items of work for construction of infrastructure projects under Facilities for the Engineers. Further, this policy aims to establish a coherent, consistent and clear guidelines pertaining to the utilization of the Facilities of the Engineer which will also include the effect of contract time extension as a result of approved work suspensions and variation orders.

II. SCOPE AND APPLICATION

This guidelines and procedures shall be applicable to all contracts of infrastructure projects by the Department, as implemented by the Central, Regional or District Engineering Office.

This DO shall be applicable to all standardized pay items of work for construction of infrastructure projects under facilities for the engineers as provided in D.O. No. 35 Series of 2018, particularly the following:

- a. Provision of Combined Field Office, Laboratory and Living Quarters Building for the Engineer (Rental Basis)
- b. Provision of Combined Field Office and Laboratory Building for the Engineer (Rental Basis)
- c. Provision of Field Office for the Engineer (Rental Basis)
- d. Provision of Laboratory for the Engineer (Rental Basis)
- e. Provision of Living Quarters for the Engineer (Rental Basis)
- f. Operation & Maintenance of Temporary Field Office, Laboratory and Living Quarters Building for the Engineer
- g. Operation & Maintenance of Field Office for the Engineer
- h. Operation & Maintenance of Laboratory Building for the Engineer
- i. Operation & Maintenance of Living Quarters for the Engineer
- j. Provision of 4x4 Pick Up Type Service Vehicle for the Engineer

- k. Provision of 4x4 Pick Up Type Service Vehicle for the Engineer on Bare Rental Basis
- l. Provision of 4x2 Pick Up Type Service Vehicle for the Engineer
- m. Provision of 4x2 Pick Up Type Service Vehicle for the Engineer on Bare Rental Basis
- n. Operation & Maintenance of 4x4 Pick Up Type Service Vehicle for the Engineer
- o. Operation & Maintenance of 4x2 Pick Up Type Service Vehicle for the Engineer
- p. Provision of 4x4 Van Type Service Vehicle (12-seater)
- q. Provision of 4x4 Van Type Service Vehicle on Rental Basis (12-seater)
- r. Operation & Maintenance of 4x4 Van Type Service Vehicle (12-seater)
- s. Provision of Photographs
- t. Provision of Communication Facility for the Engineer
- u. Operation & Maintenance of Communication Facility for the Engineer

This DO shall likewise be applicable to all other pay items of work under facilities for the engineer that are not included in the list hereof, which, upon review/evaluation, are deemed similar and/or necessary for the computation of the claim of payment due to the changes in contract.

III. GUIDELINES IN THE COMPUTATION OF ADDITIONAL PAYMENT DUE TO CHANGES IN CONTRACT

1. For claim of additional payment due to additional works under any variation order and/or contract time extension of standard pay items of work [i.e. Provision of Service Vehicles (Rental or Purchased)], the contractor shall submit the following information/documents relevant to the pay item upon request of a variation order:
 - i. Rental/ Lease Agreement/ Proof of Purchase/ Ownership by the Contractor/ Official Receipts for the Utilities/Consumables/Services;
 - ii. Complete specifications of unit/s being rented/ provided by the contractor. For the provision of service vehicle, this shall include the vehicle model, chassis number, engine number, and plate number;
 - iii. Terms and Conditions
2. The changes in quantities of the service vehicles for the Engineer engaged for use in infrastructure project supervision involved in any variation orders and contract time extension shall comply with the following conditions:
 - i. Rental rates shall be based on the DPWH current schedule of rental rates but shall not exceed the DPWH authorized ACEL rates. A provision in the contract should be provided that when the project duration exceeds 24 months due to delays, change order, extensions, etc. the service vehicles being rented should become the automatic property of the DPWH. For pure rental, in no instance shall the cumulative rental payment exceed the total cost of the vehicle.
 - ii. The change in quantities of the service vehicles for use in project supervision (be it pure rental or purchased) shall be billed based on the original contract unit cost.

- iii. Official Receipts and Delivery Receipts issued by the car companies or their authorized dealers shall form part of the documents to support the request for variation orders.
3. For the changes in quantities due to additional works and/or contract time extension for the Operation and Maintenance of Field Offices, Laboratory Buildings, Living Quarters Building, Service Vehicles and Communication Facilities, the contractor/consultant shall submit to the Implementing Office the documents and information which shall not be limited to the following: ***copy of receipts for Electricity Bills, Water Bills, and other Utility Bills, equipment/appliances/office supplies/other consumables, breakdown of Maintenance Works, and other proofs relative to the above cited pay items.*** This shall serve as proof in the undertaking of the relevant pay item.
4. When there are delays incurred in the project not fault of the contractor where series of contract time extensions have been approved, except when the additional contract time is due to proposed additional works under any variation orders, the Operation and Maintenance of Field Offices, Laboratory, Living Quarters, Service Vehicles, and Communication Facility for the Engineers shall solely based on the actual usage and consumption during the period of suspension as supported by any acceptable evidence, such as, but not limited to: logbook reports, driver's trip tickets, official receipts, certificate of appearance, travel directives, backup computation. Any pay items affected by the suspension/extension with reduced amount of pay item unit cost should be treated as a new item.
5. When there are contract time extensions due to approved work suspension orders, the changes in quantities for the Provision for Progress Photographs corresponding to the period that the project was suspended for any variation orders *shall only be granted provided that there is sufficient justification for the relevant item of work regarding the necessity of its undertaking during the period of suspension.* The contractor/consultant shall submit to the Implementing Office the documents and information which shall not be limited to the actual photographs taken during the period of suspension
6. In case of change in item of work [i.e. from Construction of Field Office for the Engineers to Provision of Field Office/Living Quarters (Rental Basis)] in a variation order, the proposed amount of the latter shall not exceed the former.
7. Non-submission and non-compliance with the above-stated conditions and requirements shall constitute non-payment of the proposed additional quantities of the relevant standard pay items under the Facilities for the Engineer.

This Order shall take effect immediately.


ROGER G. MERCADO
Acting Secretary

6.1.2.MCB/ARQ/LMG/TCA

Department of Public Works and Highways
Office of the Secretary



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