



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

• 097.13 DPWH

04.29.2022

APR 29 2022

DEPARTMENT ORDER)

NO. 63)

Series of 2022 4/29/2022

**SUBJECT: GUIDELINES IN ADDRESSING THE
EFFECT OF THE INCREASING
PRICES OF CONSTRUCTION
MATERIALS AND EQUIPMENT
RENTAL RATES UTILIZED FOR
INFRASTRUCTURE PROJECTS**

In order to address the subject issues and concerns relative to the volatility of all construction materials prices brought by the abrupt increase in the prices of petroleum products due to the ongoing conflict between Russia and Ukraine, and so as not to impede the implementation of infrastructure projects, the measures provided hereunder shall be observed and undertaken by all concerned parties.

A. Projects for Bidding

In the preparation of POW/ABC/DUPA for infrastructure projects, Implementing Offices (IOs) are authorized to utilize material prices that vary from those reflected in the quarterly issued Construction Materials Price Data (CMPD), when necessary. Provided, however, that prices to be used in the cost estimates are supported with proper justifications (median among 3 valid and updated canvassed prices and cost analysis for the prices of construction materials which have huge variances from latest issued CMPD, as per DO No. 72, Series of 2018), validated and certified by the concerned head of the implementing office. Concerned officials shall be held solely liable for the reasonableness of the construction material prices used.

The use of operated dry rental rates is likewise authorized in the preparation of POW/ABC/DUPA so that the updated prices of fuel and other petroleum products may also be considered.

B. Projects already Advertised but with Pending Submission of Bids

The BAC, based on the recommendation of the IO, may issue notice of postponement and initiate amendment/updating of the approved ABC to consider the effect of the circumstances stated in item A hereof.

C. Projects already Bid-Out but Not Yet Awarded

Upon recommendation of the IO, and if the increase in price materials as stated in this Order caused the project subject of procurement no longer economically feasible, the BAC may invoke the reservation clause pursuant to Section 41c of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 and declare a failure of bidding. Afterwards, the IO may cause the rebidding of the project.

D. Projects already Awarded/Contracted but Not Yet Started

Before the implementation of the project, the contract, at the instance of the contractor, may be subject for termination by convenience pursuant to Annex I of the RIRR due to circumstances stated in this Order. If warranted, the IO shall cause the take-over of the contract and negotiate with the next-ranked and succeeding lowest and responsive bidder. If unsuccessful, the procuring entity (i.e., IO) may initiate amendment/updating of the approved ABC to consider the effect of the circumstances stated herein, and consequently, conduct re-bidding.

E. Ongoing Projects

The contractor may file a request for price escalation or other relief available to him under existing laws, rules and regulations, subject for review and recommendation of the PEECRC and approval of the Secretary.

Moreover, the said measures shall be undertaken by the concerned parties involved in accordance with the guidelines and procedures stipulated in the RIRR of RA 9184 and other applicable laws.

This order shall take effect immediately.



ROGER G. MERCADO
Secretary

Department of Public Works and Highways
Office of the Secretary



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