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

DEPARTMENT ORDER)
)
NO. 98)
Series of 2017 *DR. 09.17*)

SUBJECT : Delineating the Functions of the Special Action Committee (SAC) to the Procurement Service, Legal Service and concerned Implementing Offices for Procured Contracts for Infrastructure Projects, Goods and Services and Consulting Services

In the exigency of the service and to improve efficiency in the conduct of verification of the genuineness of all bid/performance/warranty securities such as surety bonds, letters of credit, bank guarantees, and Contractors All Risks Policies including securities for advance payments and release of retention money submitted by Bidders/Contractors, their renewal, and when necessary, their forfeitures, the functions of the offices stated in Department Order 41, series of 2017 are hereby amended and clarified:

A. For Centrally-Procured and Implemented Contracts

1. Procurement Service (PrS) – Shall be responsible for the verification of the genuineness of all bid/performance/warranty securities and Contractors All Risks Policies including securities for advance payment and release of retention money submitted by Bidders/Contractors. Upon receipt of the confirmation from the issuing bank/insurance company, PrS shall forward it together with the original copy of the bid/performance/warranty security, advance payment/retention money security, or Contractors All Risks Policies to the Implementing Office concerned.

2. Implementing Office (IO) – Shall be responsible for the safekeeping of the original bid/performance/warranty securities, advance payment/retention money securities and Contractors All Risks Policies of the Bidders/Contractors. When a bid/performance/warranty security, or Contractors All Risks Policy is due to expire before the award of contract/completion of project or the full repayment of the advance payment by the Bidder/Contractor, it shall take immediate steps to require the concerned Bidder/Contractor to submit a renewed/extended validity period of the expiring bid/performance/warranty security. All IOs shall immediate report to the Legal Service any cases that require forfeitures of

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bid/performance/warranty securities and collections of their money values, and the recoupment of unliquidated advance payments or partial payments of materials for terminated or rescinded contracts of contractors for appropriate legal action.

3. Legal Service

- Shall initiate legal action for the forfeitures of bid/performance/warranty security and the collection of their money value and the recoupment of unliquidated advance payments or partial payments of materials for all terminated or rescinded contracts of contractors as reported by IOs.

B. For Regional/District Engineering Office (RO/DEO)-Procured and Implemented Contracts

All functions and responsibilities defined in Items A1-A3 above shall be undertaken by the Office of the Regional Directors/District Engineers through their respective Procurement Unit.

C. For Centrally-Procured but RO/DEO Implemented Contracts

PrS shall undertake the verification of the bid securities while the concerned IO shall undertake the verification of the performance/warranty securities, securities for advance payments/release of retention money, and Contractors All Risks Policies. All other functions and responsibilities stated in Items A1-A3 shall be undertaken by the Office of the Regional Director/Office of the District Engineer through its Procurement Unit.

D. For Centrally Managed and Implemented Contracts but procured in RO/DEO

The RO/DEO concerned shall undertake the verification of the bid securities while PrS in coordination with the IO concerned in the Central Office shall undertake the verification of the performance/warranty securities, securities for advance payments/release of retention money and Contractors All Risks Policies. Legal Service on the other hand shall be responsible on all legal actions pertaining to the forfeitures of bid/performance/warranty securities and collections of their money value.

This Order supersedes Department Order No. 41, series of 2017 and shall take effect immediately.

MARK A. VILLAR
Secretary


RAFAEL C. YABUT
Senior Undersecretary
Officer-In-Charge

12.1.1 EYAP/NEP

Department of Public Works and Highways
Office of the Secretary



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