



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
MANILA

REC'D. DEC. 15, 1988

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12 December 1988

DEPARTMENT ORDER) SUBJECT: Project Implementation
No. 117 72 12/15
Series of 1988 12/15

Pursuant to the government policy of promoting the private sector as the main engine for development, infrastructure projects shall generally be undertaken by contract after public bidding.

A project may be undertaken by administration or force account only under the following conditions:

1. Any project with a cost of P1,000,000 or less, based upon the approved program of work, may be undertaken by administration by the concerned implementing office (Regional/District Office) without the benefit of prior public bidding, upon the approval of:

a. the District Engineer if the project costs P200,000 or less, and

b. the Regional Director if the project costs more than P200,000,

provided that the aggregate value of such projects undertaken by administration under each project category in a given district does not exceed 25% of the total value of all projects therein costing P1,000,000 or less; provided, further, that there shall be no splitting of projects to place them within the approving authority of the Regional Director/District Engineer.

2. A project costing more than P1,000,000 may be undertaken by administration by the implementing office only in either of the following cases:

a. Failure of public bidding - i.e., no or only one contractor prequalified, or no or only one prequalified contractor participated in the bidding, or no responsive bid was received in the bidding;

b. Emergency arising from a natural or man-made calamity in order to avert imminent loss of life or property; or

c. Termination, rescission, or partial takeover of a contract for failure of the contractor to discharge his contractual responsibilities, pursuant to P.D. 1870;

provided that, for projects to be undertaken by administration under items 2-a and 2-b above, prior approval of the following offices is obtain:

a. the Undersecretary concerned if the project costs not more than P3,000,000,

b. the Secretary if the project costs more than P3,000,000 but not more than P10,000,000, and

c. the President of the Philippines, upon recommendation of the Secretary, if the project costs more than P10,000,000.

3. The labor component of a project undertaken by administration may be awarded by the implementing office to qualified "pakyaw" contractors after competitive bidding, provided that each pakyaw contract does not exceed P100,000, and that the pakyaw contractor is based in the municipality/province where the project is located and is not a regular licensed contractor but preferably a community group such as Parents-Teachers Association or barangay association.

This Order takes effect immediately.



FIGRELLD R. ESTUAR
Secretary