



Republic of the Philippines  
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS  
**OFFICE OF THE SECRETARY**  
Bonifacio Drive, Port Area, Manila

14 June 2000

DEPARTMENT ORDER )  
No. 121 )  
Series of 2000 16-15-00 )  
X-X-X-X-X-X-X-X-X-X-X-X-X-X )  
SUBJECT: Contractual Management Procedures  
for Projects for Implementation by the  
Project Management Office for Urban  
Road Projects Office (PMO-URPO)

To provide greater efficiency in the implementation of all projects, foreign-assisted projects (FAPs) as well as locally funded, being implemented by the Project Management Office (PMO) for Urban Road Projects Office (URPO), the following instructions and guidelines are hereby issued to the Project Director of PMO.

1. For FAPs, the cost estimate of the Consultant who prepared the detailed engineering and bidding documents, shall serve as basis for the Approved Agency Estimate (AAE). For locally funded projects, the cost estimate prepared by the PMO for URPO, shall serve as basis for the AAE.
2. A Variation Order (VO) shall not be required for an increase/decrease in the actual quantity of works executed of: (i) not more than ten percent (10%) of the quantity set out in the Bill of Quantities (BOQ) for a major work item, i.e., an item representing more than fifteen percent (15%) of the original total bid price, or (ii) not more than fifteen (15%) of the quantity set out in the BOQ for a minor work item, i.e., an item representing less than fifteen percent (15%) of the original total bid price.
3. The Director of the PMO for URPO is hereby authorized to approve VOs up to an aggregate amount of ten percent (10%) of the contract price for a specific Project.
4. The Director of the PMO for URPO is hereby further authorized to approve as-staked drawings, which will involve an overall increase or decrease of not more than 10% of the total original contract price. For increases or decreases beyond the 10% level, the as-staked drawings shall require the approval of the Bureau of Design (BOD) and Bureau of Construction (BOC).
5. For FAPs, the required performance security shall be in the form of an unconditional bank guarantee or a letter of credit only.
6. Contracts shall be awarded after the Contractors submit an acceptable critical path work program.

This Order shall amend/modify all other Department issuances or portions thereof inconsistent herewith and shall take effect immediately.

  
GREGORIO R. VIGILANTE  
Secretary