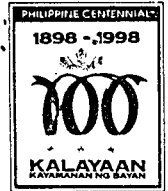




Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
Manila

97-13 DPWH
8-9-99



09 August 1999

DEPARTMENT ORDER) SUBJECT: Guidelines for the Implementation
No. 137-A) of DPWH Projects by LGUs
Series of 1999)
X-X-X-X-X-X-X-X-X-X-X-X-X

Department Order No. 137 dated 30 June 1999 on the above subject is hereby amended by the adoption of the attached revised Annex "D" which is the standard format for the Project Memorandum of Agreement (MOA) between the DPWH and the concerned Local Government Unit for the Implementation of DPWH Projects.

For your compliance.


GREGORIO R. VIGILAR
Secretary

ANNEX "D"
STANDARD FORMAT OF PROJECT MOA-1

PROJECT MEMORANDUM OF AGREEMENT (MOA)
BETWEEN THE DPWH AND THE LOCAL GOVERNMENT UNIT OF
_____ FOR THE
IMPLEMENTATION OF A DPWH PROJECT

This Memorandum of Agreement (MOA) entered into on _____ at _____ by and between:

The Department of Public Works and Highways, herein represented by its District Engineer, _____, and hereinafter referred to as the DPWH;

- and -

The Local Government Unit of _____, herein represented by its Governor/Mayor, _____, and hereinafter referred to as the LGU.

WITNESSETH

WHEREAS, under the 1999 General Appropriations Act or GAA (R.A. No. 8745) and the Public Works and Highways Infrastructure Program Act (R.A. No. 8150), nationally funded infrastructure projects may be implemented by Local Government Units with the demonstrated capability to undertake the Projects by themselves, upon prior consultation with and written concurrence/request of the Representatives or Congressmen concerned;

*WHEREAS, President Joseph Estrada approved on 16 April 1999 the request of the Chairmen of the Regional Development Councils for the DPWH to let Provinces with capabilities to handle among other things, the construction of farm-to-market roads, schoolbuildings, and flood control, which the President clarified on 12 May 1999 to the effect that the said request shall be interpreted in accordance with the provisions of the 1999 GAA (R.A. 8745), particularly Section 85 of the General Provisions and the first and second paragraphs of the Special Provision of the DPWH section thereof;

*Note: This WHEREAS shall be included in the MOA only if the LGU is a Provincial Government.

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WHEREAS, based on the foregoing premises, the DPWH issued Department Order No. 137, dated 30 June 1999, which sets the guidelines, including rules and procedures, for the implementation by Local government Units of DPWH Projects;

WHEREAS, in accordance with the said Department Order, the LGU has submitted to the DPWH a written request given in Annex "I" hereof, for the DPWH to authorize the LGU to implement by administration the DPWH Project mentioned in Annex "I;"

WHEREAS, in accordance with the same Department Order, the DPWH has determined the LGU to have the demonstrated capability to undertake the said Project by administration, as shown by the evaluation results in Annex "II" hereof;"

WHEREAS, in accordance with the same Department Order and pursuant to the aforementioned laws, the Congressman concerned has been consulted and has indicated his written concurrence/request on the proposed implementation by the LGU of the said Project, as shown in Annex "III" hereof;

****WHEREAS**, since the Project Cost is more than Twenty Million Pesos (P20,000,000), the conditions for work by administration prescribed in Section 10 of R.A. 8150 have been met, and prior authority has been obtained from the DPWH Secretary/President to implement the Project by administration;

NOW, THEREFORE, in consideration of the foregoing premises, the Parties to this MOA hereby agree on the following terms and conditions:

ARTICLE I – PROJECT COVERAGE

Section 1.1 This MOA covers the implementation by the LGU of the DPWH Project described in Annex "II" hereinafter called the "PROJECT."

ARTICLE II - PROJECT IMPLEMENTATION

Section 2.1 The LGU shall implement the PROJECT by administration only, in accordance with the Programs of Work, Plans, Specifications, PROJECT Cost, and Time Duration approved by the DPWH Official concerned, which are incorporated into this MOA as Annex "III."

Section 2.2 The LGU shall, to the extent feasible, use labor-based equipment-supported methods in implementing the Project.

****Note:** This WHEREAS shall be included in the MOA only if the Project Cost is more than P20,000,000.00

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Section 2.3 The LGU shall start the project within fifteen (15) days from the approval of the MOA and shall complete the PROJECT within the Time Duration prescribed in Annex "III".

Section 2.4 The LGU shall submit monthly monitoring reports on the PROJECT to the DPWH District Engineer.

Section 2.5 Upon the satisfactory completion by the LGU of the PROJECT as verified by the designated DPWH inspectorate team, the DPWH District Engineer shall issue to the LGU the corresponding Certificate of PROJECT Completion.

Section 2.6 Within one (1) year after the issuance of the Certificate of PROJECT Completion, the LGU shall correct, at its own expense, all defects discovered in the PROJECT due to faulty construction or use of substandard materials. After this one-year period and after the PROJECT is verified by the DPWH inspectorate team as having no defects, the DPWH District Engineer shall issue to the LGU the Certificate of PROJECT Acceptance.

ARTICLE III - PROJECT FUNDING

Section 3.1 The DPWH District Engineer shall issue to the LGU a Letter of Advice of Allotment (LAA) equivalent to the approved PROJECT Cost based on the allotment authorized by the Department of Budget and Management. The LAA shall serve as the obligational authority of the LGU to implement the PROJECT.

Section 3.2 The LGU shall be fully accountable for all funds for the PROJECT released to it by the DPWH.

Section 3.3 The DPWH shall release to the LGU an initial cash advance for the PROJECT equivalent to fifteen percent (15%) of the obligational authority (or PROJECT Cost). The LGU shall take up the said cash advance as a Trust Deposit in a separate checking account with a Government depository bank.

Section 3.4 The DPWH shall release to the LGU succeeding cash funds for the PROJECT equivalent to the amounts of previous cash advances liquidated, based on Liquidation Reports signed by the LGU Treasurer/Chief Accountant and verified and found correct by the LGU Resident Auditor of the Commission on Audit.

ARTICLE IV - EFFECTIVITY

Section 4.1 This MOA shall take effect upon signing by the Parties hereto and shall remain in force until the completion of the PROJECT, unless mutually terminated earlier by the said Parties.

Section 4.2 Either Party to this MOA may initiate the termination of this MOA in the event of a default by the other Party of any of its obligations thereunder.

WITNESS WHEREOF, the Parties hereto have affixed their signatures at _____, this _____ day of _____.

For the LGU:

For the DPWH:

Governor/Mayor

District Engineer

Signed in the presence of:

Head, Accounting Unit

Approved by:

DPWH Secretary/Regional Director

Copy furnished: The Secretary, DPWH
The Congressman concerned