



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

16 October 1989

DEPARTMENT ORDER)

NO. **156**

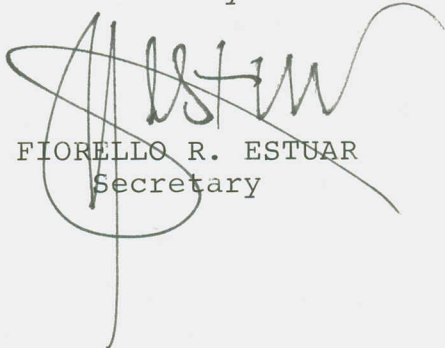
Series of 1989

SUBJECT: PRIOR CLEARANCE/APPROVAL
BY SECRETARY OF NOMINATED
SUBCONTRACTORS

It has been observed in many cases that prime contractors award subcontracts without clearance and/or approval by the Secretary or his authorized representative as to whether or not the nominated subcontractor is qualified to execute the work, taking into account the legal requirements, technical capability and financial contracting capacity of said subcontractor. This practice violates not only the General Conditions of Contract and Sec. 6 of P.D. 1594, prohibiting the subletting of portions of work under contract or any part of interest therein except with the approval of the Secretary but also Sec. 3 of P.D. 1594 on prequalification of contractors and Sec. 28 of R.A. 4566, if the subcontractor-awardee is not duly licensed. For the protection of the interest of the government, this practice should be put to an end and should not be allowed to continue.

It is, therefore, directed that henceforth, before award of portions of work under contract, the prime contractor shall submit a request for clearance/approval by the Secretary or his authorized representative on the nominated subcontractor. The request must be supported with an accomplished Pre-C application as basis in determining whether or not the subcontractor is qualified to undertake the subcontracted work. Any subcontract awarded without undergoing this process shall not be recognized, and any claim by a subcontractor for assistance for the enforcement of any claim against the prime contractor shall not be entertained, without prejudice to the government's right to take over the contract work and to impose appropriate sanction, pursuant to Sec. 11 of P.D. 1594.

This order shall take effect immediately.


FIORELLO R. ESTUAR
Secretary