

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

1999-13 DPWH  
2011-12

10 September 1990

DEPARTMENT ORDER) SUBJECT: PROCUREMENT AND USE OF CEMENT  
No. 199 (2) FOR DPWH INFRASTRUCTURE PROJECTS  
Series of 1990 (1/2) AND OTHER RELATED MATTERS

In the interest of public service and in order to rationalize the procurement and use of imported cement for DPWH infrastructures projects, the following guidelines and policies relative thereto are hereby prescribed for the guidance of all concerned:

1. DPWH contractors for infrastructure projects may use imported cement instead of domestically produced cement.
2. As a matter of policy, the DPWH does not intervene in the procurement of cement for use of contractors in their projects. In the interest of public service, however, the DPWH may assist contractors in procuring their cement requirements. In such cases, the contractors shall request in writing for assistance from the DPWH Implementing Office concerned. The DPWH Implementing Office concerned, through the DPWH Task Force to Oversee the Supply of Portland Cement (c/o The Director, Bureau of Research and Standards, EDSA, Quezon City), shall inform the contractors regarding arrangements on the allocation of imported cement from the Philippine International Trading Corporation (PITC), the Philippine Cement Corporation (PHILCEMCOOR), or other cement suppliers, provided that the contractors agree to pay for the cement in accordance with the terms and conditions prescribed by the supplier.
3. The written request of contractors for assistance in the procurement of cement shall contain a manifestation that the cement being procured thru the DPWH shall be exclusively used for specific DPWH projects and does not exceed the cement requirements of these specific projects.
4. Contractors may likewise request in writing the DPWH to advance the payment for the cement requirements of their projects using funds obligated to cover cost of their contracts. The contractors shall identify the suppliers; otherwise, the DPWH will source their requirements from the PITC, the PHILCEMCOOR, or other cement suppliers offering ready stocks and/or lower prices. In no case will the DPWH pay for the imported cement from a supplier that is selling cement at price higher than that stipulated by the PITC for that week as confirmed by the Department of Trade and Industry (DTI). This advance payment facility can be availed of by interested contractors only until 13 November 1990.
5. The price ceiling for locally produced cement will follow the price ceiling set by the DTI.

6. For the faithful repayment of the advance payment made by the DPWH, the contractors concerned shall submit a Surety Bond issued by a surety company acceptable to the DPWH.

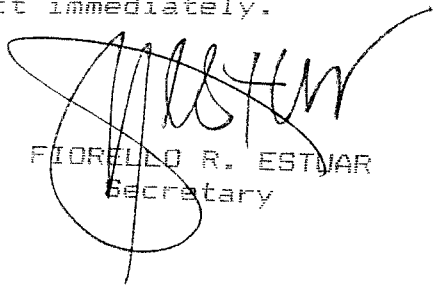
7. The contractors concerned shall liquidate or refund the advance payment or cement made by the DPWH through deductions in their progress billings under a definite repayment schedule mutually agreed upon by and between DPWH and the contractors. In case of termination/rescission of a contract, the advance payment shall be considered an obligation of the contractor. In such cases of contract termination/rescission, DPWH reserves the right to assume or not assume eventual ownership of unused cement remaining on stock in the project and its consequent payment or non-payment in the financial liquidation of the terminated/rescinded project.

8. To liquidate the advance payment, the amount to be deducted by DPWH from the contractor's billings (in case of imported cement) shall not be higher than the price of cement as derived from the price index for cement of the National Statistics Office on the date of the bidding for the project. For domestic cement, however, the amount to be deducted by DPWH shall be the government price ceiling for domestic cement at the time of bidding.

9. The contractors concerned shall be responsible for the quality of the cement that they use. The DPWH reserves the right to reject those which do not comply with the prescribed specifications. Furthermore, the contractors concerned shall be fully responsible for the proper storage of the cement, including possible damage or loss that may occur.

10. In calculating the price escalation to be paid to contractors whose cement requirements were paid in advance by DPWH under this Department Order, cement as a component of concrete shall no longer be escalated. Thus the factor  $C_i/C_o$  in the escalation formulas shall be 1 and the concrete fluctuation factors shall therefore be modified accordingly.

This Order shall take effect immediately.

  
FIORINLO R. ESTIVAR  
Secretary