



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

097-13 DPWH (R)
11-10-93

3 November 1993

DEPARTMENT ORDER) SUBJECT: **Right of Contractor to be Heard
Before Rescission of His Contract**
No. **202** *my*
Series of 1993)

A Contractor shall be given seven (7) working days to submit a written explanation as to why the DPWH or its Implementing Offices should not rescind his contract upon receipt of "Intent to Rescind" for any of the following causes attributable to the contractor per Clause 97, DPWH Standard Specifications, Volume I, 1988, to wit:

- a) Abandonment of the Contract Works.
- b) Not actually having on the project site the minimum essential equipment listed on the Bid necessary to prosecute the Works in accordance with the approved working schedule, as required for the project before twenty-five percent (25%) of the original Contract time expires.
- c) Not executing the Works in accordance with the Contract or is persistently or flagrantly neglecting to carry out his obligations under the Contract.
- d) Neglect or refusal to remove materials or to perform anew work that has been rejected as defective or unsuitable.
- e) Sub-letting any part of the Contract Works without approval by the Government.
- f) Becoming bankrupt or having a receivership order made against him or presenting his petition in bankruptcy or making an arrangement with or assignment in favor of his creditors or agreeing to carry out the Contract under a committee of inspection of his creditors or, being a corporation, going into liquidation for the purposes of amalgamation or reconstruction, or assigning the Contract without the prior consent in writing of the Government, or having an execution levied on his goods.

Rescission of contract due to negative slippage in excess of fifteen percent (15%) shall be covered by Department Order No. 102, Series of 1988, which calibrates actions and warnings on contracts with negative slippages at different stages.

This Order takes effect immediately.


GREGORIO R. VIGILAR
Secretary



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
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DPWH
9-20-89

18 September 1989

DEPARTMENT ORDER)

No. **142** *7m* *9/20*
Series of 1989

SUBJECT: Contracts with Negative Slippages
of 15% or More

In the interest of public service, all contractors with on-going DPWH contracts having incurred negative slippages of 15% or more as of October 31, 1989 shall be pre-disqualified from future biddings until after the negative slippages have been reduced to less than -15% before December 15, 1989.

In this connection, any extension of contract time by the implementing office concerned shall be strictly made in accordance with the provisions of PD 1594 and its Implementing Rules and Regulations particularly Section CI 10, EXTENSION OF CONTRACT TIME, viz:

1. The contractor must file a written notice prior to the expiration of contract time and within thirty (30) calendar days after additional work involved has been started or after the circumstances leading to such claim have arisen.
2. No extension of contract time shall be granted due to:
 - a. Unfavorable weather conditions except as specifically defined in the contract.
 - b. Negligence or inexcusable failure of contractor to provide the required equipment, supplies or materials.
 - c. Other causes for which the government is not directly responsible nor provided in the contract conditions as valid basis for time extensions.

No time suspensions shall be given without prior approval of the Undersecretary in charge or the Secretary, per delegation of authorities.

Furthermore, the grant of contract time extension for the affected projects will be subjected to post-review as to the compliance of the implementing office to the above.

Henceforth, all other contracts shall strictly observe the calibrated actions for slippages enumerated under Department Order No. 102, dated 8 November 1988.

This Order shall take effect immediately.


FIORELLO R. ESTUAR
Secretary



8 November 1988

DEPARTMENT ORDER)

No. 102) SUBJECT: Calibrated Actions on Contracts
Series of 1988) with Negative Slippages

11/15

To ensure timely and effective remedial steps in response to delays in project implementation, all Project Managers (PMs), Regional Directors (RDs), and District Engineers (DEs) concerned shall undertake the following calibrated actions whenever contracts for infrastructure projects reach the levels of negative slippage (attributable to the contractor) indicated below:

1. Negative slippage of 5% ("Early Warning" Stage): The contractor shall be given a warning and required to submit a "catch-up" program to eliminate the slippage. The PM/RD/DE shall provide thorough supervision and monitoring of the work.


2. Negative slippage of 10% ("ICU" Stage): The contractor shall be given a second warning and required to submit a detailed action program on a fortnightly (two weeks) basis which commits him to accelerate the work and accomplish specific physical targets which will reduce the slippage over a defined time period. Furthermore, the contractor shall be instructed to specify the additional input resources - money, manpower, materials, machines, and management - which he should mobilize for this action program. The PM/RD/DE shall exercise closer supervision and meet the contractor every other week to evaluate the progress of work and resolve any problems and bottlenecks.

3. Negative slippage of 15% ("Make-or-Break" Stage): The contractor shall be issued a final warning and required to come up with a more detailed program of activities with weekly physical targets, together with the required additional input resources. On-site supervision shall be intensified, and evaluation of project performance will be done at least once a week. At the same time, the PM/RD/DE shall prepare contingency plans for the termination/rescission of the contract and/or take-over of the work by administration or contract.

4. Negative slippage beyond 15% ("Terminal" Stage): The PM/RD/DE shall initiate termination/rescission of the contract and/or take-over of the remaining work by administration or assignment to another contractor/appropriate agency. Proper transitory measures shall be taken to minimize work disruptions, e.g., take-over by administration while rebidding is going on.

In all cases, as manager of the project, the concerned PM/RD/DE shall be held accountable for the success or failure of project implementation, including the slippages incurred and the elimination thereof.

This Order takes effect immediately.


FIORELLO R. ESTUAR
Secretary