



Republika ng Pilipinas
KAGAWARAN NG PAGAWAIN AT LANSANGANG PAMBAYAN
TANGGAPAN NG KALIHIM

Maynila



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DEPARTMENT ORDER
No. 247)
Series of 2001 / 11-19-01)

SUBJECT : Guidelines for the Preparation, Processing and Approval of Progress Billings, Variation Orders, Procurement (Bidding, Contracting and Monitoring) with Appropriate Sanctions Therefor.

To simplify work flows and streamline operations in order to improve the quality and delivery of DPWH services, the following guidelines for the preparation, processing and approval of progress billings, variation orders, procurement (bidding, contracting and monitoring) for infrastructure projects, with sanctions for violations committed thereof, are hereby prescribed, as amended, for the information and compliance of all concerned.

Guidelines:

- a) *Progress Billings (Annex A)* – To reduce the processing time of progress billings by reducing the number of signatories and specifying the proper way of accomplishing claims for payments both for civil works and consultancy services, we have adopted a modified and simplified processes per Department Order No. 207 dated 13 November 2000 - “Implementation of the New Process on Payment of Contractors Claims for Civil Works Projects” and Department Order No. 25 dated 26 January 2001 – “Implementation of the New Process in Payment of Consultant Claims.” For this purpose, two manuals were developed by the Road Information and Management Support System (RIMSS), which are hereby prescribed for use by all concerned, as follows:
 1. *The Manual containing the “Guidelines and Procedures to Implementing Offices (IO’s)” shall be used by DPWH implementing offices, including the Project Management Offices (PMOs), Regional and District Offices, for verification and checking of the completeness of billing documents submitted by contractors and in the preparation of necessary supporting documents required by the Accounting Division; and*
 2. *The Manual containing the “Guidelines to Contractors of Civil Works Projects”, which covers advance payment, partial payment of materials on site, monthly progress payments, final payments and release of retention, shall be used by the contractors in the preparation of billings to ensure that documents are prepared accurately and properly prior to submission for payment of claims to the Department;*

This will reduce the number of signatories, including initials, from 37 to 16 or 56.8% with processing time from 17 working days to 7 working days or 74.7%. For foreign assisted projects, processing of payments for forex portion by the lending institution may take two weeks processing time. While there are some initials taken which could not be avoided, the accountability is still the responsibility of the signing officials. (see attached flowcharts)

- b. *Variation Orders (Annex B)* – Department Order No. 62 dated 03 April 1998 entitled: “Prescribing Guidelines for the Preparation, Processing and Approval of Variation Orders and As-Staked Plans” with exemptions specifically for foreign-assisted projects per Department Order No. 16 dated 22 January 2001, Department Order No. 85 dated 06 April 2000, and Department Order 226 dated 19 November 1999, are hereby reiterated and stressed. Hence, in the approval of variation orders, authority has been delegated to Project Management Office (PMO) Directors/Regional Directors/District Engineers for variation orders up to an aggregate amount of 10% of the contract price. In addition, authority has been delegated to the Bureau of Construction Director for variation orders up to an aggregate amount of 25% of the contract price. Processing time in the preparation and approval of plans supporting variation orders shall not exceed 45 days (reduced from the period 296-493 days) and preparation and approval of variation order shall not exceed 30 days (covered from the period 100-500 days). Streamlining the processing time and the number of signatories will reduce the approval of variation orders from 30 days to 14 days processing time, a reduction of 53.3% while the number of signatories including initials from 67 to 34 or a reduction of 50.0%. (see attached flowcharts)
- c. *Procurement (Annex C)* – Hereby reiterated and stressed are Administrative Order No. 129 dated 16 May 1994 entitled: “Directing the Adoption and Observance of Standard Processing Time in the Bidding and Award Process for Infrastructure and Other Construction Works and Consulting Services Contracts of the National Government”. and Department Order No. 177 dated 23 September 1993 entitled: “Revised Prequalification and Bidding Procedure” applicable to locally funded projects. All concerned, however, are hereby instructed to adopt a processing time not exceeding 88 working days for foreign assisted projects and 65 days for locally-funded projects in the conduct of bidding and award process of contracts.

Contract Preparation (Annex D) - To expedite and standardize the preparation of contract for infrastructure projects, all concerned are hereby directed to strictly comply with the provision of Department Order No. 148 dated 08 August 2000 pertaining to Contract Preparation System (CPS) developed by Road Information and Management Support System (RIMSS) project.

- d. *Monitoring of Procurements for Foreign Assisted Projects (Annex E)* – To reduce the time to procure foreign assisted projects as per Department Order No. 159 dated 10 September 2001, all offices involved shall utilize the appropriate routing slips for submission to RIMSS Project Office, for tracking and reporting.

Sanctions:

DPWH Officials and employees who fail to comply with the prescribed processing time as provided for in this Order without just cause shall be held liable and subject to sanctions/penalties in accordance with any of the following schedules:

<u>TIME DELAYS</u>	<u>PENALTY</u>
a) One (1) to five (5) working days delay	- Reprimand
b) Six (6) to ten (10) working days delay	- Fine equivalent to or suspension without pay for a period not exceeding one (1) month
c) Over ten (10) working days delay for the first time	- Fine equivalent to or suspension without pay for a period not exceeding three (3) months
d) Over ten (10) working days delay for the second time	- Demotion in rank or salary of one (1) grade or fine equivalent to or suspension without Pay for a period not exceeding six (6) months
e) Over ten (10) working days delay for the third time	- Dismissal from the service without prejudice to any civil and/or criminal prosecution.

Further, the attention of all concerned is called to Sections 5 and 11 of Republic Act No. 6713 dated 20 February 1989, which states that: "All public officials and employees shall, within fifteen (15) working days from receipt thereof, respond to letters, telegrams or other means of communications. Any public official or employee, regardless of whether or not he holds office or employment in a casual, temporary, holdover, permanent or regular capacity, committing any violation of this Act shall be punished with a fine not exceeding the equivalent six(6) months salary or suspension not exceeding one (1) year, or removal depending on the gravity of the offense after due notice or hearing by the appropriate body or agency. If the violation is punishable by a heavier penalty under another law, he shall be prosecuted under the latter statute. Violations of Sections 7, 8 or 9 of this Act shall be punishable with imprisonment not exceeding five (5) years, or a fine not exceeding five thousand pesos. The requirement of divestment shall not apply to those who serve the Government in an honorary capacity nor to a laborer and casual or temporary workers."

The Internal Audit Service (IAS) and its counterpart units in Regional and District Offices shall monitor compliance with this Order and recommend the appropriate sanctions to any DPWH officials/employees found out to have violated the provisions of this Order in accordance with the schedule of penalties mentioned above, and forward its findings and decisions to the Head of Offices concerned for appropriate actions. The IAS may call upon any government entity to assist in the investigations/evaluations of specific cases. In cases involving Presidential appointees, the Head of Office may submit recommendations to the Office of the President, for appropriate action.

Appeals:

Decisions made by the Head of Offices with respect to violations committed under this Department Order may be appealed by concerned parties in accordance with the procedures prescribed under the Administrative Code of the Philippines.

Repealing Clause:

All orders, circulars and memoranda or parts thereof inconsistent herewith are hereby amended, revoked, and/or modified accordingly.

Effectivity:

This Order shall take effect immediately.


SIMEON A. DATUMANONG
Secretary