



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

097-13 DPWH
 9-25-03

SEP 25 2003

DEPARTMENT ORDER)

No. _____

257

Series of 2003 *SAO 9-25-03*

SUBJECT : Allocation of the Authorized 3.5% Deductions from Project Funds for Engineering and Administrative Overhead (ESAO)

In order to rationalize the allocation of the 3.5% deductions from project funds for ESAO, as authorized under Section 8 of the Special Provisions of the DPWH Appropriation, under R.A. No. 9206, the following percentage breakdown of the said 3.5% deductions shall be retained for the use of the different offices, as indicated hereunder.

For Capital Outlay under the Infrastructure Program of the DPWH, the following percentages of deductions/retentions shall be made from project funds released by the Department of Budget and Management:

Program/Project Fund Category	Percentage of Deductions/Retentions from Project Funds				Total
	Central Office (C.O.)	Equipment	Regional Office (R.O.)	Implementing Office (I.O.)	
UNDER INFRA PROGRAM					
A. Foreign-Assisted Projects	0.50%	0.50%	0.50%	2.00%	3.50%
B. Locally-Funded Projects	0.25%	0.50%	0.50%	2.25%	3.50%

For projects whose funding is sourced from outside the Infrastructure Program of the DPWH, the following retentions shall be made to ensure that adequate funds are available for engineering supervision, pre-construction activities and other administrative expenses related to project implementation:

Program/Project Fund Category	Percentage of Deductions/Retentions from Project Funds					Total
	C.O.	Equipment	R.O.	I.O.	PMO	
OUTSIDE INFRA PROGRAM						
A. Schoolbuilding Projects	0.25%	0.50%	0.50%	2.25%		3.50%
B. Calamity Fund/Quick Response Fund	0.25%	0.50%	0.50%	2.25%		3.50%
C. DA/Farm-to-Market Road	0.25%	0.50%	0.50%	1.75%	0.50% (BOC)	3.50%
D. CARP		0.50%	0.50%	1.50%	1.00%	3.50%
E. Priority Development Assistance Fund	0.25%	0.50%	0.50%	2.25%		3.50%

Program/Project Fund Category	Percentage of Deductions/Retentions from Project Funds					Total
	C.O.	Equipment	R.O.	I.O.	LGU	
OTHER PROJECTS						
F. National Projects Implemented by LGUs and Other Agencies	0.25%	0.50%	0.25%	0.25%	2.25%	3.50%

Projects costing P100,000.00 and below are not subject to any retention.

The issuance/utilization of the 3.5% engineering and administrative overhead funds is subject to the submission of a special budget as embodied in Section 8 of the Special Provisions of the DPWH Appropriation, under R.A. No. 9206.

All previous Department Orders and other issuances inconsistent herewith are hereby deemed revoked and/or superseded accordingly.

For strict compliance.


FLORANTE SORIQUEZ
Acting Secretary