



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
CENTRAL OFFICE
Manila

897.70 PWH
05.15.2018

May 11, 2018

DEPARTMENT MEMORANDUM)
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)
CIRCULAR NO. 27)
)
Series of 2018 05.15.18)

FOR / TO : Undersecretaries
Assistant Secretaries
Service Directors
Bureau Directors
Regional Directors
Heads of UPMOs
District Engineers
This Department

For information and guidance, attached is a copy of **PCAB BOARD RESOLUTION NO. 201-2017, re: REVISITING AND ADJUSTING THE FINANCIAL REQUIREMENTS FOR LICENSE CATEGORIZATION; SINGLE LARGEST PROJECT COMPLETED; AND ALLOWABLE RANGES OF CONTRACT COSTS FOR REGISTRATION OF CONTRACTORS FOR GOVERNMENT PROJECTS."**

A copy of said Resolution may also be downloaded from the **DPWH website: <http://dpwhweb>**. If an office cannot access the DPWH website, a hard copy may be obtained from the Records Management Division, HRAS, upon request.

For dissemination to all concerned.


B. ELIZABETH E. YAP, Ph. D., CESO II
Assistant Secretary for Support Services

Encl: PCAB Board Resolution No. 201-2017

Cc: Office of the Secretary

12.1.1 EDY/MVSG



**PCAB BOARD RESOLUTION № 201
Series of 2017**

**REVISITING AND ADJUSTING THE FINANCIAL REQUIREMENTS
FOR LICENSE CATEGORIZATION; SINGLE LARGEST PROJECT COMPLETED; AND
ALLOWABLE RANGES OF CONTRACT COSTS FOR REGISTRATION OF CONTRACTORS
FOR GOVERNMENT PROJECTS**

WHEREAS, under Board Resolution No. 167, s. 2003, PCAB adopted the minimum networth/equity requirement in Contracting Fiscal year (CFY) 2004-2005 which up to present is being applied to contractors;

WHEREAS, after a period of thirteen years, the Board believes that the current networth/equity for license categories are not responsive to the present need considering the magnitude of projects being tendered by public and private project owners;

WHEREAS, likewise, the Board on 19 December 2003 and 16 January 2004 passed the Board Resolution Nos. 949, s. 2003 and 001, s. 2004, adopting the second (2nd) stage of Allowable Range of Contract Cost (ARCC) with corresponding Single Largest Project (SLP) for Size Ranges from Small A to Large B for Registration of Contractors for Government Projects that took effect on 01 July 2009;

WHEREAS, since 2009 up to the present PCAB have been implementing the 2nd stage of the Allowable Range of Contract Cost;

WHEREAS, the Board further believes that there is a need to review the requirements for license categorization and registration of contractors for government projects considering among others, the central tendencies of the equity of contractors for category and as such, deems it necessary and appropriate to adjust the minimum equity for financial requirement; the single largest project completed; and the allowable ranges of contract costs for registration of contractors for government projects;

WHEREAS, based on review conducted by PCAB in collaboration with the Executive Director of CMDP, using the central tendencies of equities per category, the Board further believes that some of the equities may be doubled while others are adjusted based on the median of equities per category;

WHEREAS, the ARCC and SLPs are functions of the equity and should be adjusted accordingly.

NOW, THEREFORE, in view of the foregoing, the Board RESOLVES as it is hereby RESOLVED to adopt the hereunder adjustment for Minimum Networth/Equity Requirements for License Categorization; Allowable Ranges of Contract Costs and Single Largest Projects Completed Requirements for Registration of Contractors for Government Projects:

1. License Categorization

<u>Category</u>	<u>Minimum Networth/Equity</u>	
	<u>CFY 2004 -2005 to CFY 2017- 2018</u>	<u>CFY 2018-2019 and onwards</u>
AAA	P 90,000,000	P 180,000,000
AA	45,000,000	90,000,000
A	9,000,000	30,000,000
B	4,500,000	10,000,000
C	3,000,000	6,000,000
D	900,000	2,000,000
E	45,000	100,000

2. Single Largest Project Completed and Allowable Range of Contract Costs

<u>Size Range</u>	<u>License Category</u>	<u>CFYs 2006-2007 & 2007-2008 to Present Second (2nd) Stage</u>		<u>CFY 2018-2019 and onwards</u>	
		<u>SLP</u>	<u>ARCC</u>	<u>SLP</u>	<u>ARCC</u>
Large B	AAA	Above P150 M	< or above P300 M	Above P225 M	< or above P450 M
Large A	AA	Above P100 M up to P150 M	Up to P300 M	Above P150 M up to P225 M	Up to P450 M
Medium B	A	Above P50 M up to P100 M	Up to P200 M	Above P75 M up to P150 M	Up to P300 M
Medium A	B	Above P10 M up to P50 M	Up to P100 M	Above P15 M up to P75 M	Up to P150 M
Small B	C & D	≤ P10 M	Up to P15 M	≤ P15 M	Up to P30 M
Small A	E	Up to P 500 T	≤ P500 T	Up to P 1 M	Up to P1 M

The Board furthermore RESOLVED that:

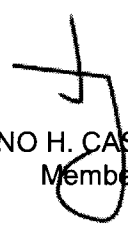
1. PCAB's adjustments for license categorization shall be effective for application for CFY 2018 - 2019;
2. The adjustment for Registration for Government Projects shall take effect on 01 July 2018; and
3. The registration of contractors before 01 July 2018 shall remain valid until expiration provided the license is valid and the licensee possesses the license category required for the corresponding size ranges.

SO ORDERED.

22 November 2017, Makati City


PERICLES P. DAKAY
Chairman


FAROUK M. MACARAMBON Sr.
Member


FILOMENO H. CASTILLO Jr.
Member

Attested by:


HERBERT D.G. MATIENZO
Executive Director


SERGIE T. RETOME
Board Secretary

Enabling Business, Empowering Consumers



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