



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

097-13 DPWH (R)
2-3-93

26 January 1993

DEPARTMENT ORDER

No. 18 ^m _{2/3}
Series of 1993

SUBJECT: FULLY MAINTAINED
EQUIPMENT LEASE
CONTRACT (FMELC).

In order to facilitate the short-term lease of equipment to DPWH private contractors without the need for a surety bond, effective henceforth, the Regional Director concerned is hereby authorized to approve the covering Fully Maintained Equipment Lease Contract (FMELC) sample form attached, subject to the following conditions:

1. Only under any of the following circumstance may equipment be leased under the FMELC:
 - a) Availability of equipment.
 - b) Cases which are emergency in nature, involving danger to life and property.
 - c) Meritorious cases wherein the equipment being requested for lease is not offered by the private sector and the intended use will redound to the benefit of the country's economy.
 - d) Where the Contractor's minimum equipment requirement as per approved prequalification documents is available at the project site and the equipment under request will be used to accelerate implementation of the government project.
2. The Regional Director concerned shall certify on the face of the FMELC that the subject equipment is not needed by any of the administration projects within his region.
3. A minimum lease period of fifteen (15) straight (continuous) calendar days shall be allowed. Renewal of lease for the same project beyond fifteen (15) days may be authorized only after a lapse of at least forty five (45) calendar days from the date of return thereof. Only one (1) renewal may be allowed. Rental shall commence when the equipment leaves the Lessor's yard and shall terminate only upon return of the equipment to the Lessor's yard but not to exceed 15 days; utilization in excess of 8 hours (one-day) shall be considered overtime and rental shall be charged for each hour of overtime or fraction thereof.

4. Only authorized DPWH personnel shall be allowed to operate subject equipment and its safety and security shall be the responsibility of the Regional Equipment Engineer concerned including the withdrawal upon the termination of the lease period.
5. Rental payment corresponding to the intended lease period shall be paid in advance and shall include the wages, per diems, and the usual travelling allowances of the operator, helper and security personnel assigned to the unit and cost of transporting the equipment to and from the project site shall be charged against the account of the lessee.
6. Advance payment shall be treated as outright rental payment and no negative adjustment shall be made, regardless of whether the equipment is returned on or before due date. Accordingly, the corresponding official receipt should be issued to cover the payment and same should be remitted to the Bureau of Treasury pursuant to existing regulations.
7. A representative of the Regional Equipment Engineer or Area Equipment Engineer should conduct daily inspection of the equipment rented out to ensure that Preventive Maintenance (PM) servicing is implemented correctly and on schedule and for verifying accuracy of daily logsheet data prepared by the operator/driver of the equipment and the utilization and maintenance reports. Said representative shall submit his report, copy furnished the RES Auditor.
8. The Director of the Bureau of Equipment shall immediately be advised by telegram of such leases.

Copies of all FMELC should be furnished the Bureau of Equipment for their records, information and guidance.

Any violation hereof shall be dealt with accordingly.

Previous memorandum insofar as inconsistent herewith is hereby revoked or suspended.


EDMUNDO V. MIR, CESO I
Undersecretary
OIC-Office of the Secretary

Copy furnished: RES Auditors