



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

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Department Order No. 28
Series of 1996

Subject: Announcing the Approved Agency Estimate (AAE) in Advertisements or in the Instructions to Bidders.

The Implementing Rules & Regulations (IRR) of P.D. 1594 as amended, provides that the head of office may keep the AAE confidential or publicly announce the AAE through advertisement.

The said IRR also provides that no award of contracts shall be made to a bidder whose bid price is higher than the Allowable Government Estimate (AGE) or the AAE, whichever is higher or lower than seventy percent (70%) of the AGE. Likewise, no negotiation is allowed to bring down the bid to the level of the "AAE/AGE".

Conformably with said provisions and to reduce the probability of bids being rigged, as well as to avoid failure of bidding due to bids exceeding the AAE/AGE, it is hereby directed that all concerned officials of the Implementing Offices and PBAC's shall indicate the AAE in advertisements of Invitations to Prequalify and to Bid, or in the Instructions to Bidders.

This Order applies to locally funded projects only and shall take effect immediately.


GREGORIO R. VIGILAR
Secretary