



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

097.13 DPWH
08-07-2007

AUG 07 2007

DEPARTMENT ORDER) SUBJECT: **APPLICATION OF DAYWORK AND**
No. **46**) **PROVISIONAL SUM ITEMS IN**
Series of 2007 *08-08-07*) **CONTRACT MANAGEMENT**

Section VII (Bill of Quantities) of the Philippine Bidding Documents for the Procurement of Works which was prepared by the Government Procurement Policy Board (GPPB) defines and prescribes guidelines in the application of Daywork Schedule and Provisional Sums. Attached, for the information and guidance of all concerned, is a copy of the said Section VII (2 pages) of the Philippine Bidding Documents.

In order to establish a definite and common interpretation in the application of Daywork and Provisional Sum in the Contract Management of DPWH Infrastructure Projects, the following guidelines and procedures are hereby prescribed for the guidance and compliance of all concerned.

I. DAYWORK

For minor or incidental works, the Engineer may, if in his opinion it is necessary or desirable, instruct that a variation shall be executed on a daywork basis. These dayworks may include unforeseen works necessary in the prosecution of the project, not captured in the detailed engineering design and not described as specific items in the bill of quantities, like:

- Emergency works as a result of calamity such as landslide, flooding and typhoons;
- Urgent works brought by road accidents which affect the project;
- Removal of temporary obstructions; and,
- Other similar unforeseen works as determined by the Engineer.

The works shall then be valued in accordance with the Daywork Schedule included in the Contract, plus a percentage to be entered by the bidder representing contractor's profit, overhead/contingencies, supervision cost and other charges.

The following procedure shall then apply:

- a. Before ordering goods for the works, the Contractor shall request for quotations from at least 3 suppliers and submit the same to the Engineer.
- b. Invoices, vouchers and accounts or receipts shall be kept by the Contractor for submission prior to payment.

- c. The Contractor shall deliver each day to the Engineer accurate statements in duplicate to include the following details of the resources used in executing the previous day's work:
- The names, occupants and time of Contractor's personnel;
 - The identification, type and time of Contractor's Equipment and Temporary Works; and,
 - The quantities and types of Plant and Materials used.
- d. One copy of each statement will, as agreed, be signed by the Engineer and returned to the Contractor. The Contractor shall then submit approved daywork statement to be reflected into the project's Statement of Work Accomplished for inclusion under the next Interim Payment Certificate.

Funds intended for dayworks may be charged against the Provisional Sum. If a Daywork Schedule is not included in the Contract, this Sub-Clause shall not apply.

II. PROVISIONAL SUM

"Provisional Sum" means a sum included in the Contract and so designated in the Bill of Quantities for the execution of any part of the Works or for the supply of goods, materials, plant or services, or for contingencies, which sum may be used, in whole or in part, or not at all, on the instructions of the Engineer. The Contractor shall be entitled to only such amounts in respect of the work, supply or contingencies to which such Provisional Sums relate as the Engineer shall determine.

The Engineer shall notify the Contractor of any determination made, with a copy to the Employer.

Provisional Sum is usually provided in the Bill of Quantities if there is a high expectation for quantity or cost overrun, as a result of a long gap between the conduct of detailed engineering design and the actual implementation of the project. In such case, Provisional Sum may be used to facilitate budgetary approval of Variation Orders without the need to seek additional budget. But this Sum should be limited if there is a high degree of accuracy in the conduct of detailed engineering design, which should always be the case, and if project is implemented shortly after the completion of the design.

Provisional Sum, if deemed to be needed in the project and provided in the Bill of Quantities, shall not exceed 3% of the project cost. Provisional sum shall be applied only to projects that will go beyond 12 months contract duration.

The Provisional Sum may be used also for the execution of additional works beyond the limit of Dayworks. This maybe due to unknown or unforeseen underground obstruction wherein detailed engineering cannot be possibly undertaken or for other works like relocation of public utilities which requires

specialization and may be undertaken by a nominated sub-contractor. The amount to be paid to the contractor or the nominated sub-contractor with respect to the work performed shall be determined by the Engineer and submitted to the Department for review and approval of proper authorities prior to execution.

Works executed under the Provisional Sum shall be valued at the rates or prices set out in the Tender or as determined by the Engineer. The Contractor shall submit to the Engineer all quotations, invoices and accounts or receipts in connection with the expenditures on works executed under the Provisional Sum. For works undertaken by a nominated sub-contractor, the amount to be paid will be the actual price paid or due to be paid by the Contractor plus other charges and profit as determined by the Engineer. Where such provisional sums are used, the Special Condition of the Contract (SCC) should state the manner they will be used and under whose authority (usually the Project Engineer) they will be implemented.

This Order supersedes/amends previous issuances inconsistent herewith and shall take effect immediately.

HERMOGENES E. EBDANE, JR.
Secretary



WIN7F00117

Section VII. Bill of Quantities

Notes on the Bill of Quantities

Objectives

The objectives of the Bill of Quantities are:

- (a) to provide sufficient information on the quantities of Works to be performed to enable Bids to be prepared efficiently and accurately; and
- (b) when a Contract has been entered into, to provide a priced Bill of Quantities for use in the periodic valuation of Works executed.

In order to attain these objectives, Works should be itemized in the Bill of Quantities in sufficient detail to distinguish between the different classes of Works, or between Works of the same nature carried out in different locations or in other circumstances which may give rise to different considerations of cost. Consistent with these requirements, the layout and content of the Bill of Quantities should be as simple and brief as possible.

Daywork Schedule

A Daywork Schedule should be included only if the probability of unforeseen work, outside the items included in the Bill of Quantities, is high. To facilitate checking by the Entity of the realism of rates quoted by the Bidders, the Daywork Schedule should normally comprise the following:

- (a) A list of the various classes of labor, materials, and Constructional Plant for which basic daywork rates or prices are to be inserted by the Bidder, together with a statement of the conditions under which the Contractor will be paid for work executed on a daywork basis.
- (b) Nominal quantities for each item of Daywork, to be priced by each Bidder at Daywork rates as Bid. The rate to be entered by the Bidder against each basic Daywork item should include the Contractor's profit, overheads, supervision, and other charges.

Provisional Sums

A general provision for physical contingencies (quantity overruns) may be made by

including a provisional sum in the Summary Bill of Quantities. Similarly, a contingency allowance for possible price increases should be provided as a provisional sum in the Summary Bill of Quantities. The inclusion of such provisional sums often facilitates budgetary approval by avoiding the need to request periodic supplementary approvals as the future need arises. Where such provisional sums or contingency allowances are used, the SCC should state the manner in which they will be used, and under whose authority (usually the PROCURING ENTITY's Representative's).

The estimated cost of specialized work to be carried out, or of special goods to be supplied, by other contractors (refer to GCC Clause 8) should be indicated in the relevant part of the Bill of Quantities as a particular provisional sum with an appropriate brief description. A separate procurement procedure is normally carried out by the PROCURING ENTITY to select such specialized contractors. To provide an element of competition among the Bidders in respect of any facilities, amenities, attendance, etc., to be provided by the successful Bidder as prime Contractor for the use and convenience of the specialist contractors, each related provisional sum should be followed by an item in the Bill of Quantities inviting the Bidder to quote a sum for such amenities, facilities, attendance, etc.

These Notes for Preparing a Bill of Quantities are intended only as information for the PROCURING ENTITY or the person drafting the Bidding Documents. They should not be included in the final documents.