



**AUG 22 2011**

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

097.13 DPWH  
08-22-2011

**DEPARTMENT ORDER ) SUBJECT : GUIDELINES ON THE UTILIZATION OF**  
NO. 47 ) **SAVINGS DERIVED FROM PROJECTS**  
Series of 2011 08-22-11 ) **IMPLEMENTED UNDER THE FY 2011**  
 ) **GENERAL APPROPRIATIONS ACT**

In order to rationalize the utilization of savings derived from projects, the following guidelines are hereby prescribed for the guidance of all concerned.

1. Savings shall refer to the amount realized from projects funded under the DPWH Annual Infrastructure Program as a result of value engineering and competitive bidding processes.
2. Total savings shall be determined at the end of the third quarter and computed as follows :

$$\text{Total Savings} = \sum \{ (\text{Appropriation Amount}) - [(\text{Contract Amount}) + (\text{Engineering Administrative and Overhead (EAO) cost}) + (\text{Right-of-Way Acquisition Cost, if any})] \}$$

3. Seventy percent (70%) of the total savings shall be used primarily for projects under the following circumstances:

3.1 To fund new projects:

- 3.1.1. The project to be funded should be of the same project category.
- 3.1.2. The project to be funded shall be within the same congressional district.
- 3.1.3. The project to be funded shall be implemented by the same Implementing Office.

3.2 For continuation of the same project:

This includes extension/widening of roads, provision of drainage facilities and slope protection works, and installation of directional signs/road safety devices. If the amount involved is 10% or less of the contract price, it shall be covered by a variation order, provided that the contract is still in effect. However, if the amount involved is more than 10% of the contract price, and/or if the contract is already completed, another procurement process shall be resorted to.

4. All requests for the utilization of savings derived from projects to fund new projects or for continuation of the same project shall be supported by Approved Plans, Program of Works, and ABC and shall be approved by the undersigned. The attached form shall be used for this purpose. In addition, such request shall be supported by a Certificate of Availability of Funds (Savings) signed by the Head of the Implementing Office, which shall not be more than two (2) months old.
5. Thirty percent (30%) of the total savings shall be reserved for the payment of employees' incentives and to address other emergency requirements of the Department. Separate guidelines shall be issued for this purpose.

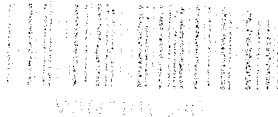
This Order shall take effect immediately.



**ROGELIO L. SINGSON**  
Secretary



WIN1101590



**REQUEST FOR UTILIZATION OF SAVINGS  
FY 2011 DPWH BUDGET**

Regional  
Office/Legislative  
District

District Engineering  
Office/Legislative  
District

FROM					
Project	Project Category	Amount (P'000)			
		Released 1/	ABC	Contract	Savings

- 1.
- 2.
- 3.
- 4.

TO						
Project	Project Category	Scope of Work	Road Condition 2/	Target 2/	Project Cost (P'000)	Justification

- 1.
- 2.
- 3.
- 4.

Supporting Documents per D.O. \_\_\_\_\_

- ☐ Approved Program of Works
- ☐ Approved Plans
- ☐ ABC
- ☐ Certificate of Availability of Funds (Savings)

\_\_\_\_\_  
Head of Implementing Office

Note:

- 1/ - Released amount less retention
- 2/ - For road and bridge projects