



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

07 APRIL 1998

DEPARTMENT ORDER

No. **65**
Series of 1998

Pursuant to Special Provision No. 11 of the DPWH Appropriation under the CY 1998 General Appropriations Act R.A. 8522 which provides:

“Engineering and Administrative Overhead. In order to insure that at least ninety-six and one half percent (96.5%) of the infrastructure fund released by the Department of Budget and Management is made available for direct implementation of the project, any authorized deduction from project funds for administrative overhead, preconstruction activities after detailed engineering, construction project management, testing and quality control, acquisition, rehabilitation and repair of heavy equipment and other related equipment and parts used in the implementation of infrastructure projects, shall not exceed three and one half percent (3.5%) of the project cost, subject to Section 35, Chapter 5, Book VI of E.O. No. 292. PROVIDED, that not more than one half percent (0.5%) to be retained in the Central Office is used for said acquisition, rehabilitation and repair of equipment and parts. The DPWH shall submit to DBM quarterly reports of such disbursement. Violation of, or non-compliance with this provision shall subject the government official or employee concerned to administrative, civil and/or criminal sanction under Section 43 of Chapter 5, Section 57 of Chapter 6 and Section 80, Chapter 7, Book VI of E.O. No. 292.” *(Conditional Implementation - President's Veto Message, February 1, 1998, page 1522, R.A. 8522.)*

The following retention shall be made from funds for capital outlay released by the Department of Budget and Management to be used for Engineering Supervision, Administrative Overhead and Acquisition, Rehabilitation and Repair of Heavy Equipment:

	C.O.	Equipment	R.O.	Implementing Office	TOTAL
A. Foreign Assisted Project	0.50%	0.50%	0.50%	2.00%	3.50%
B. Locally Funded Project					
1. Basic	0.25%	0.50%	0.75%	2.00%	3.50%
2. Add'l Priority Project/ Public Works Act	0.25%	0.50%	0.75%	2.00%	3.50%
C. Nationwide					
1. Preliminary Detailed Engineering	0.25%	0.50%	0.75%	2.00%	3.50%
2. Nationwide Traffic Counting	0.25%	0.50%	0.75%	2.00%	3.50%
3. Road Safety Program	0.25%	0.50%	0.75%	2.00%	3.50%

For projects whose funding is sourced form outside the Infrastructure Program of the Department, the following retention shall be made in accordance with the special provision as follows:

	C.O.	Equipment	R.O.	Implementing Office	TOTAL
A. Countrywide Dev. Fund	0.25%	0.50%	0.75%	2.00%	3.50%
B. School Building Projects	0.25%	0.50%	0.75%	2.00%	3.50%
C. Calamity Fund/Quick Response Fund	-	-	0.50%	2.50%	3.00%

However, in case the implementing unit or office is the Regional Office, it shall be entitled to the allocation shown above in addition to their share.

Projects each costing P50,000.00 and below are not subject to the above mentioned retention.

For compliance.


GREGORIO R. VIGILAR
Secretary

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