

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

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DEPARTMENT ORDER) SUBJECT : Guidelines in the Procurement and  
NO. 166 ) Implementation of Pre-fabricated  
Series of 1995 ) School Building Projects


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In line with the decentralization policy of the government and to hasten the implementation of the government's school building program, all DPWH Regional Directors are hereby authorized to procure pre-fabricated school building materials including installation, in accordance with the following guidelines:

A. PROCUREMENT:

1. The respective Regional PBAC shall prequalify firms for the supply/delivery/assembly of pre-fabricated school building materials.
2. Only manufacturers/fabricators with the necessary fabrication equipment and facilities and whose sample products have passed testing standards will be prequalified.
3. Prequalification shall include evaluation of the technical and financial capabilities of the firms, with consideration of their production capacities for the last six (6) months.
4. Samples of the firm product(s) shall be submitted for testing at the Bureau of Research and Standards, the DPWH regional laboratories, or any DPWH-accredited testing laboratories.
5. Upon prequalification, an Approved Agency Estimate (AAE) should be prepared using DPWH approved Standard Plan for pre-fabricated school buildings, which will include the following:
  - a. Supply/delivery of building materials.
  - b. Assembly/installation of the building materials.
6. The opening, abstracting and evaluation of the bids/offers submitted by the prequalified firms shall be done by the Regional PBAC concerned.
7. The lowest complying offeror shall be awarded the contract provided that its bid is not higher than the AAE.
8. In case the lowest bid is higher than the AAE, negotiations shall be made with the lowest offeror to reduce its bid to AAE.

9. In no case shall award of contract to the lowest complying offeror exceed his production capability as previously determined by the Regional PBAC.
10. If the production capability of the lowest complying bidder does not meet the total requirement called for in the bid, options are:
  - a. Offer to the second lowest bidder to supply the remaining requirement at the government AAE.
  - b. If the offer is not acceptable to the second lowest bidder or it is not capable of supplying the remaining requirement, further negotiations may be made with the other complying offerors in ascending order until the total requirement is met.
  - c. If the offer is not acceptable to all other bidders, a rebidding shall be conducted.
11. Award of contracts shall be approved in accordance with the existing limits of authority delegated to Regional Directors and Undersecretaries.
12. Procurement and implementation of pre-fabricated school building projects shall be subject to other relevant accounting and auditing rules and regulations.

**B. IMPLEMENTATION:**

1. The DPWH District Offices shall directly supervise the projects. The corresponding supervision cost of one percent (1%) will be sub-allotted to the concerned District Offices.
  2. The District Engineer concerned will coordinate with the concerned school principal as to the site where the project is to be constructed.
  3. District Engineers are reminded to closely coordinate with the concerned school officials in the selection of school sites, especially to avoid those which require unduly high site development costs.
  4. The manufacturer/fabricator must submit samples of the materials that will be incorporated in the fabrication, for testing at the Bureau of Research and Standards, the DPWH regional laboratories, or DPWH accredited testing laboratories, considering existing issuances relative to testing of materials.
  5. The regional offices will assign materials quality control engineers at each fabrication plant of the manufacturer/fabricator to ensure that the materials being used/fabricated are the ones tested in accordance with
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the specifications.

6. Inscription of the schoolbuilding markings on the roofing and on one side of the building should be part of the contract cost.

C. MODE OF PAYMENT:

1. In accordance with existing guidelines, upon delivery of at least 50% of the required material components at site, payment thereof may be made provided a corresponding ten (10%) retention as guarantee for the completion of deliveries and/or installation shall be deducted from the amount being claimed. This will require a certification from the concerned District Engineer, concurred in by the concerned principal, as to the quantity of materials delivered at site. However, it is the responsibility of the manufacturers/fabricators to safeguard the building components and other materials at their own expense.
2. Final payment will be made by the Regional Office in accordance with the existing delegation of authority, upon completion and acceptance of the entire project. A certification to this effect shall be issued by the concerned District Engineer, duly concurred in by the school principal.
3. The certifications mentioned under Item C-1 and C-2 above must be properly submitted to the Regional Office prior to payment.
4. All payments shall be made at the Regional Office in accordance with existing accounting and auditing rules and regulations.

D. MONITORING:

1. Quincenal reports on the progress of these projects shall be submitted to the Central Office by the District Office thru the Regional Office.

All communications in connection with the prosecution of the Program that shall be submitted to the Central Office shall be coursed thru the Chairman, Task Force on School Building, furnishing their respective DECS counterpart a copy thereof.

This Order supercedes all other issuances inconsistent herewith.

  
GREGORIO R. VIGILAR  
Secretary

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