

(CORPLAW)

Republika ng Pilipinas
PAMBANSANG PANGASIWAAN NG PATUBIG
(National Irrigation Administration)
Lungsod ng Quezon

MC # 21, s. 1983

TO : THE ASSISTANT ADMINISTRATORS, HEADS OF DEPARTMENTS
AND STAFF, REGIONAL IRRIGATION DIRECTORS, PROJECT
MANAGERS, OPERATION MANAGER OF UPRIIS, PROVINCIAL
IRRIGATION ENGINEERS, IRRIGATION SUPERINTENDENTS
AND ALL OTHERS CONCERNED
National Irrigation Administration

SUBJECT : IMPLEMENTATION OF COMMISSION ON AUDIT CIRCULAR
NO. 83-101-5; GUIDELINES GOVERNING THE DELINEATION
OF APPROVING AUTHORITY COVERING CONTRACTS FOR
INFRASTRUCTURE PROJECTS OF NATIONAL GOVERNMENT
AGENCIES

For the information, guidance and implementation of all concerned,
quoted hereunder is an excerpt of the Commission on Audit Circular No.
83-101-5 dated June 8, 1983.

**"GUIDELINES GOVERNING THE DELINEATION OF APPROVING AUTHORITY
COVERING CONTRACTS FOR INFRASTRUCTURE PROJECTS OF NATIONAL
GOVERNMENT AGENCIES.**

Section 1. Scope. These guidelines shall govern the approval
of contracts for infrastructure projects of national government
agencies, including government-owned and/or controlled corporations,
pursuant to P.D. No. 1594 and its Implementing Rules and Regulations,
and in accordance with the recommendations of the Executive Committee
as approved by the President.

Section 2. Definition of Terms. As used in these guidelines,
the following terms shall be construed as defined:

a. Executive Committee refers to the Executive Committee
created pursuant to the provisions of Section 3, Article IX of the
Constitution to assist the President in the exercise of his powers
and functions and in the performance of his duties and responsibili-
ties, as the President may prescribe.

b. Contract Review Committee refers to the Contract Review
Committee created pursuant to LOI No. 646 dated 22 December 1977.

c. Contracts means construction contracts for infrastructure
projects; supply contracts for equipment, materials, and supplies
directly used for infrastructure projects; and consultancy contracts
involving services in such fields as pre-investment studies archi-
tectural or engineering design; and construction supervision, as
well as fields of law, finance, management, and other technical
services related to infrastructure, entered into by national
government agencies, including government-owned and/or controlled
corporations, whether awarded through public bidding or negotiation.

d. Infrastructure Ministries refer to the Ministry of Public
Works and Highways, the Ministry of Transportation and Communications,
and the Ministry of Energy.

e. Non-Infrastructure Ministries refer to Ministries other
than the Ministry of Public Works and Highways, the Ministry of
Transportation and Communications, and the Ministry of Energy.

f. Infrastructure Projects mean the construction, rehabilitation, restoration, betterment, and/or improvement of roads, bridges, railways, seaports, airports, communication facilities, irrigation, flood control, drainage, water supply, national buildings, school buildings, hospital buildings, and/or other related construction projects which form part of the capital investments of the national government.

g. Locally-funded projects mean infrastructure projects which are fully financed from domestic sources, i.e., without any foreign loans or grants.

h. Foreign-assisted projects mean infrastructure projects which are partly or fully financed from foreign loans and/or grants.

Section 3. Limits of Approving Authority. As approved by the President, the limits of authority for contract approval are as follows:

1. CONSTRUCTION CONTRACTS FOR LOCALLY-FUNDED AND FOREIGN ASSISTED PROJECTS AWARDED THRU DOMESTIC PUBLIC BIDDINGS

1.4 Government-Owned or Controlled Corporations attached to Infrastructure Ministries or where an Infrastructure Minister is a Member of the Governing Board and the Infrastructure Contract is Relevant to the Scope of Work of the Infrastructure Minister

- a. Infrastructure Minister - Up to P15 million
- b. Executive Committee - Exceeding P15 million up to P30 million
- c. President - Exceeding P30 million

2. CONSTRUCTION CONTRACTS FOR FOREIGN ASSISTED PROJECTS AWARDED THRU INTERNATIONAL COMPETITIVE BIDDING

2.4 Government-Owned or Controlled Corporations attached to Infrastructure Ministries or where an infrastructure Minister is a Member of the Governing Board and the Infrastructure Contract is Relevant to the Scope of Work of the Infrastructure Minister.

- a. Minister - Up to P60 million
- b. Executive Committee - Exceeding P60 million up to P100 million
- c. President - Exceeding P100 million

3. CONSTRUCTION CONTRACTS AWARDED THRU NEGOTIATION

3.3 Government-Owned or Controlled Corporations attached to Infrastructure Ministries or where an Infrastructure Minister is a Member of the Governing Board and the Infrastructure Contract is Relevant to the Scope of Work of the Infrastructure Minister.

- a. Infrastructure Minister - Up to P5 million
- b. Executive Committee - Exceeding P5 million up to P20 million
- c. President - Exceeding P20 million

4. VARIATION ORDERS ON CONTRACTS AWARDED THRU DOMESTIC PUBLIC BIDDING

4.4 Government-Owned or Controlled Corporations attached to Infrastructure Ministries or where an Infrastructure Minister is a Member of the Governing Board and the Infrastructure Contract is Relevant to the Scope of Work of the Infrastructure Minister.

a. Infrastructure Minister

- Up to P5 million per variation order, provided that the cumulative sum of variation orders does not exceed 50% of the original contract price or P7.5 million, whichever is less; deductive change orders, provided that they will not render the project incomplete

b. Executive Committee

- Exceeding P5 million per variation order, or where the cumulative sum of variation orders exceeds 50% of the original contract price or P7.5 million, whichever is less, provided that such cumulative sum does not exceed P15 million.

c. President

- Cumulative sum of variation orders exceeding P15 million

5. VARIATION ORDERS ON CONTRACTS AWARDED THRU INTERNATIONAL COMPETITIVE BIDDING

5.4 Government-Owned or Controlled Corporations attached to Infrastructure Ministries or where an Infrastructure Minister is a Member of the Governing Board, and the Infrastructure Contract is Relevant to the Scope of Work of the Infrastructure Minister.

a. Infrastructure Minister

- Up to P5 million per variation order, provided that the cumulative sum of variation orders does not exceed 25% of the original contract price or P15 million, whichever is less; deductive change orders, provided that they will not render the project incomplete

b. Executive Committee

- Exceeding P5 million per variation order, or where the cumulative sum of variation orders exceeds 25% of the original contract price or P15 million, whichever is less, provided that such cumulative sum does not exceed P25 million.

c. President

- Cumulative sum of variation orders exceeding P25 million

6. VARIATION ORDERS ON CONTRACTS AWARDED THRU NEGOTIATION

6.1 Infrastructure Ministries

- a. Minister - Cumulative sum of variation orders not exceeding 50% of the original contract price or P2.5 million, whichever is less, deductive change orders, provided that they will not render the project incomplete.
- b. Executive Committee - Cumulative sum of variation orders exceeding 50% of the original contract price or P2.5 million, whichever is less, but not more than P10 million.
- c. President - Cumulative sum of variation orders exceeding P10 million

6.2 Government-Owned or Controlled Corporations attached to Infrastructure Ministries or where an Infrastructure Minister is a Member of the Governing Board and the Infrastructure Contract is Relevant to the Scope of Work of the Infrastructure Minister.

- a. Infrastructure Minister - Cumulative sum of variation orders not exceeding 50% of the original contract price or P2.5 million, whichever is less; deductive change orders, provided that they will not render the project incomplete.
- b. Executive Committee - Cumulative sum of variation orders exceeding 50% of the original contract price or P2.5 million, whichever is less, but not more than P10 million.
- c. President - Cumulative sum of variation orders exceeding P10 million.

Section 4. Contract Review Committee. The Minister concerned shall submit to the Contract Review Committee, for evaluation and review, all contracts for infrastructure projects which require final consideration by the Executive Committee or the President, as the case maybe, in accordance with the limits of approving authority specified above. The Minister concerned shall also submit all consultancy contracts relating to infrastructure to the Contract Review Committee for clearance on a no-objection basis to effect uniformity of rates and contract provisions.

Section 5. Effectivity. These guidelines shall take effect immediately.

Please be guided accordingly.

(SGD.) CESAR L. TECH
Administrator

August 31, 1983
/tcg

REPUBLIKA NG PILIPINAS
PAMBANSANG PANGASIWAAN NG PATUBIG
(NATIONAL IRRIGATION ADMINISTRATION)
LUNGSOD NG QUEZON

OM # 12, S. 1983

OFFICE MEMORANDUM

TO : REGIONAL IRRIGATION DIRECTORS, PROJECT MANAGERS,
EQUIPMENT MANAGEMENT DIRECTOR, FIELD DIVISION
CHIEFS AND ALL OTHERS CONCERNED
NATIONAL IRRIGATION ADMINISTRATION

SUBJECT : REVISED COMPOSITION OF APPRAISAL COMMITTEE
ON UNSERVICEABLE EQUIPMENT

HEREUNDER IS THE REVISED COMPOSITION OF THE COMMITTEE ON APPRAISAL OF
UNSERVICEABLE EQUIPMENT IN THE REGIONAL AND PROJECT OFFICES OF THE
AGENCY:

IN REGIONAL OFFICES: REGIONAL IRRIGATION DIRECTOR - CHAIRMAN
CHIEF, ENGINEERING DIVISION - MEMBER
CHIEF, EQUIPMENT DIVISION - MEMBER
CHIEF, ACCOUNTING DIVISION - MEMBER
REPRESENTATIVE FROM EMD,
CENTRAL OFFICE - MEMBER
COA REPRESENTATIVE - WITNESS

IN PROJECT OFFICES : PROJECT MANAGER - CHAIRMAN
CHIEF, ENGINEERING DIVISION - MEMBER
CHIEF, EQUIPMENT DIVISION - MEMBER
CHIEF, ACCOUNTING DIV./SEC. - MEMBER
REPRESENTATIVE FROM EMD,
CENTRAL OFFICE - MEMBER
COA REPRESENTATIVE - WITNESS

THE REPRESENTATIVE FROM THE EQUIPMENT MANAGEMENT DEPARTMENT SHALL BE
DESIGNATED BY THE EMD DIRECTOR ON A ROTATION BASIS FROM AMONG ITS
QUALIFIED MECHANICAL ENGINEERS. THE REGIONAL IRRIGATION DIRECTOR/
PROJECT-MANAGER SHALL INFORM THE EMD DIRECTOR AT LEAST ONE WEEK IN
ADVANCE VIA RADIOGRAM OF SCHEDULED COMMITTEE MEETINGS.

THIS MEMORANDUM SUPERSEDES OM # 9, S. 1983 AND TAKES EFFECT
IMMEDIATELY.

(SGD.) CESAR L. TECH
ADMINISTRATOR

SEPTEMBER 1, 1983

CORPLAN

Republika ng Pilipinas
PAMBANSANG PANGASIWAAN NG PATUBIG
(National Irrigation Administration)
Lungsod ng Quezon

MC # 22 s. 1983

MEMORANDUM CIRCULAR

TO : THE ASSISTANT ADMINISTRATORS, HEADS OF DEPARTMENTS AND STAFFS, REGIONAL IRRIGATION DIRECTORS, PROJECT MANAGERS, OPERATION MANAGER OF UPRIIS, IRRIGATION SUPERINTENDENTS AND OFFICERS-IN-CHARGE OF SYSTEMS, PROVINCIAL IRRIGATION ENGINEERS & OTHERS CONCERNED National Irrigation Administration

SUBJECT : DIRECTING THE DESIGN AND IMPLEMENTATION OF MEASURES TO SEE TO A COMPREHENSIVE GOVERNMENT EFFORT TO ATTAIN BALANCE OF PAYMENTS TARGETS.

For the information, guidance and implementation of all concerned quoted hereunder is an excerpt of the Letter of Instructions No. 1329 dated May 31, 1983:

"LETTER OF INSTRUCTIONS NO. 1329

DIRECTING THE DESIGN AND IMPLEMENTATION OF MEASURES TO SEE TO A COMPREHENSIVE GOVERNMENT EFFORT TO ATTAIN BALANCE OF PAYMENTS TARGETS

To: The Prime Minister and Executive Committee
The Heads of Ministries and Government Owned or Controlled Corporations
All Others Concerned

WHEREAS, the Philippines is engaged in a program of structural adjustment in order to ensure that the workings of the economy is fully appropriate to the more volatile and competitive international environment and to the realities of the world energy situation;

WHEREAS, the principal features of the adjustment program, among others, are to increase the efficiency and the export competitiveness of the Philippine Industry, to improve energy self-reliance, to increase the efficiency of savings mobilization and investment project selection;

WHEREAS, various policy measures have already been adopted for the purpose, including the acceleration of the energy program; gradual relaxation of the few remaining foreign exchange controls on imports, simplification and reduction of tariff levels, lifting of interest rate ceilings, and greater flexibility in the foreign exchange rate to prevent the overvaluation of the peso;

WHEREAS, the Philippines had a high balance of Payments deficit in 1982 and it is necessary to reduce it in 1983;

WHEREAS, it is necessary to carefully screen new foreign borrowings in view of the existing level of the country's international debt which is already more than \$17 billion and in view of the debt service ratio which is close to the statutory limit of 20 percent;

WHEREAS, the measures adopted are acknowledged to mean a temporary slowdown in growth while the economy adjusts, preparatory to higher growth when the process is complete and as the world economy recovers;

WHEREAS, it is necessary for all agencies of government to adopt all possible measures to see to it that foreign exchange receipts are maximized and foreign exchange outflows are minimized and to keep international debt to a minimum, thus ensuring the attainment of structural adjustment program objectives and the preservation of the country's international credit standing;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, pursuant to the powers vested in me by Law, do hereby Order and Instruct the design and implementation of the following measures:

A. Compliance

1. The Prime Minister and the Executive Committee shall oversee the design and implementation of the measures necessary to comply with this Letter. In its work, the guidelines and the specific instructions herein addressed to the various Ministries/Offices/Agencies shall be specifically monitored and amplified as necessary.

2. The Committee shall identify other possible measures that will achieve the same result and report same to the President with its recommendations.

3. Agencies of government, particularly those referred to herein, shall assist the Executive Committee in its work.

B. Generally Applicable Measures

1. All projects of the national government, local government units, government owned or controlled corporations including their subsidiaries, and state universities and colleges (collectively referred to herein as "government"), shall be reassessed with the intention of:

a. Limiting projects with significant imported components only to the most urgent and essential and postponing to future years all other projects;

b. Financing the import requirements of government only from official development sources or export credits; and

c. Postponing the acquisition of equipment or other project inputs which are imported or which have significant imported components, whether these are directly imported or procured locally from indentors of manufacturers representatives;


2. Government agencies shall limit demand for foreign financing of their activities. The Central Bank shall strictly observe the existing ceiling on new external debt and no government agency shall go to the international capital markets for major new borrowings until further notice;

3. Government funds shall not be disbursed for any non-vital activities, whether undertaken by government itself or by private or quasi-public groups which would involve the purchase and disbursement of foreign exchange, whether directly or indirectly. These shall include such activities as cultural, sports, goodwill or other similar missions. Funds for these shall be raised by sponsors preferably from foreign sources. The Central Bank shall discourage private and public enterprises or individuals from making contributions that will involve the disbursement of foreign exchange;

4. The Central Bank shall see to it that financial institutions, both government and private, make no exceptions, even for government agencies, from existing foreign exchange regulations applicable to advances or sales, of foreign exchange, including those for the importation of banned items capital outflows, or gifts or donations."

Please be guided accordingly.

Dec. 31, 1983


CESAR L. TECH
Administrator