

GOVERNMENT PROCUREMENT POLICY BOARD

RESOLUTION NO. 08-2004

WHEREAS, Republic Act No. 9184 (“R.A. 9184”), entitled “An Act Providing for the Modernization, Standardization and Regulation of the Procurement Activities of the Government and for Other Purposes,” was enacted into law on January 10, 2003, and took effect on January 26, 2003,

WHEREAS, the Implementing Rules and Regulations Part A (“IRR-A”) of R.A. 9184 was approved and signed by Her Excellency, the President of the Philippines, on September 18, 2003, published on September 23, 2003 in Manila Times and Malaya, and took effect on October 8, 2003;

WHEREAS, pursuant to Section 53(b) of the IRR-A of R.A. 9184, procuring entities may undertake infrastructure projects “by administration” in case of imminent danger to life or property during a state of calamity, or when time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities;

WHEREAS, although several administrative issuances provide for, recognizes, and promotes undertaking of infrastructure projects “by administration” or force account, there exist no standard procedures or guidelines to direct procuring entities of its proper implementation;

WHEREAS, there is a need to establish standard procedures and guidelines for the implementation of infrastructure projects undertaken “by administration” or force account by Departments, Bureaus, Offices and Agencies of the National Government, Government-Owned and/or –Controlled Corporations, Government Financial Institutions, State Universities and Colleges, and Local Government Units in order to ensure compliance with the principles and policies governing public procurement;

WHEREAS, during the 4th meeting of the Government Procurement Policy Board (“GPPB”) held on June 10, 2004, the GPPB members discussed and unanimously agreed to adopt the draft guidelines for the implementation of projects undertaken “by administration” or force account, subject to the incorporation of their comments;

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WHEREAS, during the 5th meeting of the GPPB held on July 22, 2004, the Members of the GPPB discussed and unanimously approved to adopt the Guidelines for the Implementation of Projects Undertaken “By Administration” or Force Account, a copy of which is attached hereto as Annex “A” to form an integral part hereof;

NOW, THEREFORE, for and in consideration of the foregoing, WE, the Members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, by virtue of the powers vested on US by law, hereby **RESOLVE** to confirm, adopt and approve, as WE hereby confirm, adopt, and approve the attached Guidelines for the Implementation of Projects Undertaken “By Administration” or Force Account, as submitted to US and modified according to OUR comments.

This resolution shall take effect immediately.

APPROVED this 22th day of July, 2004 at Pasig City, Philippines

HON. EMILIA T. BONCODIN

Secretary

Department of Budget and Management

HON. ROMULO L. NERI

Director General

National Economic and Development
Authority

DEPARTMENT OF EDUCATION

DEPARTMENT OF ENERGY

DEPARTMENT OF FINANCE

DEPARTMENT OF HEALTH

**DEPARTMENT OF INTERIOR AND
LOCAL GOVERNMENT**

**DEPARTMENT OF NATIONAL
DEFENSE**

GOVERNMENT PROCUREMENT POLICY BOARD

RESOLUTION NO. 08-2004

**DEPARTMENT OF PUBLIC WORKS
AND HIGHWAYS**

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

**DEPARTMENT OF TRADE AND
INDUSTRY**

**DEPARTMENT OF TRANSPORTATION
AND COMMUNICATIONS**

PRIVATE SECTOR REPRESENTATIVE

GUIDELINES FOR THE IMPLEMENTATION OF PROJECTS UNDERTAKEN “BY ADMINISTRATION” OR FORCE ACCOUNT

1.0 Purpose and Coverage

These guidelines shall standardize and provide rules for the implementation of projects undertaken “by administration” or force account by all Departments, Bureaus, Offices and Agencies of the National Government; GOCCs; GFIs, SUCs, and LGUs.

2.0 Requirements for Implementation of Projects Undertaken “By Administration” or Force Account

2.1 Unless otherwise provided by law, projects costing not more than Two Million Pesos (₱2,000,000.00) may be undertaken by administration or force account under the following circumstances:

- a) In case of imminent danger to life or property during a state of calamity, or when time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities; and
- b) Where there has been failure of public bidding for the second time as provided under Section 35 of Republic Act 9184 (R.A. 9184) and its Implementing Rules and Regulations Part A (IRR-A).

2.2 To undertake projects by administration, the implementing agency should own the tools and construction equipment to be used or have access to such tools and equipment owned by other government agencies.

2.3 To undertake projects by administration, prior approval of the head of the procuring entity concerned shall be obtained.

3.0 Labor Component of Projects Undertaken “By Administration” or Force Account

3.1 For projects undertaken by administration, the labor component may be undertaken in-house by the procuring entity concerned or awarded through *pakyaw* labor contracts.

- 3.2 The maximum capital outlay for each *pakyaw* labor contract shall be limited to Five Hundred Thousand Pesos (₱500,000.00).¹
- 3.3 The *pakyaw* labor contract shall be awarded through public bidding conducted with at least three (3) *Pakyaw Groups* participating. *Pakyaw Groups* shall comply with the following requirements:
- a) Not a regular licensed contractor; and
 - b) Drawn from the vicinity of the project or belong to various Barangay Associations contiguous to the project site.
- 3.4. Unskilled labor shall be drawn from the Barangay where the project is located; Semi-skilled labor shall be recruited within the Municipality, preferably within the Barangay; and Skilled labor shall be recruited within the province, preferably within the Barangay/Municipality.

4.0 Effectivity

- 4.1 These Guidelines or any amendments thereof shall take effect immediately after publication in the Official Gazette or a newspaper of general nationwide circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies of these guidelines.

¹ As provided under Presidential Decree 1948, dated July 18, 1984