

# CONSTRUCTORS' PERFORMANCE EVALUATION SYSTEM (CPES) IMPLEMENTING GUIDELINES FOR INFRASTRUCTURE PROJECTS<sup>1</sup>

## 1. GENERAL

Section 12, Annex E of the **Revised** Implementing Rules and Regulation (IRR) of R.A. 9184 or the Government Procurement Reform Act, requires all procuring entities implementing government infrastructure projects to evaluate the performance of their contractors using the NEDA-approved Constructors Performance Evaluation System (CPES) guidelines for the type of project being implemented. Section 12, likewise, requires all procuring entities to include in their Projects' Engineering and Administrative Overhead Cost, the budget for CPES implementation pursuant to NEDA Board Resolution No. 18 (s. 2002); to establish CPES Implementing Units in their respective offices/agencies/corporations; and to use the CPES ratings for the following purposes: a) pre-qualification/eligibility screening; b) awarding of contracts; c) project monitoring & control; d) issuance of Certificate of Completion; e) policy formulation/review; f) industry planning; g) granting of incentives/awards; and in adopting measures to further improve performance of contractors in the prosecution of government projects.

## 2. OBJECTIVES

The CPES was developed in order to:

- 2.1 Establish a uniform set of criteria for rating the performance of constructors;
- 2.2 Develop a centralized base of information on performance rating of constructors for licensing, pre-qualification, quality improvement, and other purposes of government agencies, project owners, financing and insurance companies and other interested parties; and
- 2.3 Contribute in ensuring that infrastructure projects conform with the specified requirements of project owners.

## 3. SCOPE

The guidelines shall be used in the performance evaluation of constructors undertaking government infrastructure projects as follows:

- 3.1 Local constructors licensed by and registered with the Philippine Contractors Accreditation Board (PCAB);
- 3.2 Foreign constructors licensed by the PCAB; and
- 3.3 Joint ventures and consortia licensed by the PCAB.

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<sup>1</sup> Full text of CPES Implementing Guidelines with amendments (in bold and underlined text) as approved by the NEDA INFRACOM under Resolution No. 03, Series of 2011.

#### 4. DEFINITION OF TERMS

- 4.1 **CIAP** - refers to the Construction Industry Authority of the Philippines, an attached agency of the Department of Trade & Industry created by Presidential Decree (PD) No. 1746 to promote, accelerate, and regulate the growth and development of the construction industry.
- 4.2 **Constructor** - deemed synonymous with the term builder and hence, any entity including joint venture and consortium licensed by PCAB who undertakes or purports to have the capacity to undertake or submits a bid for infrastructure projects.
- 4.3 **Constructors' Performance Evaluation System (CPES)** - a system of grading the performance of a constructor for a specific kind of projects using a set of criteria, approved by the NEDA-INFRACOM.
- 4.4 **Constructors' Performance Evaluator/s (CPE)** - an individual or group of evaluators accredited by CIAP tasked to undertake performance evaluation of a constructor's project using the CPES guidelines and/or evaluation requirements of the construction industry.
- 4.5 **Corrective Action Plan (CAP)** - is a plan of action proposed by the constructor to the concerned agency's implementing office which is aimed to correct the non-conformance findings on the project based on the CAR issued by the CPE(s). The CAP shall include the constructor's specific actions and timetable to immediately correct the findings subject to the approval by the head of the concerned implementing office or his authorized representative.
- 4.6 **Corrective Action Request (CAR)** - a request form wherein the CPE records his/her validated finding(s) including corresponding location(s) which do not conform to any of the checklist indicators requiring immediate actions by the constructor.
- 4.7 **CPES Implementing Unit (IU)** - the unit of an agency responsible for the implementation of CPES.
- 4.8 **Defects Liability Period** - shall be one (1) year from project completion up to final acceptance by the Government.
- 4.9 **During Construction** - reckoned from the time the construction is to start as stated in the Notice to Proceed (NTP) up to substantial completion of the project.
- 4.10 **GPPB** - refers to the Government Procurement Policy Board established under Section 63, Article XX of RA 9184.
- 4.11 **Head of the Procuring Entity** - refers to: (i) the head of the agency or body, or his duly authorized official, for NGAs and the constitutional commissions or offices, and branches of government; (ii) the governing board or its duly authorized official, for GOCCs, GFIs and SUCs; or (iii) the local chief executive, for LGUs: Provided, however, that in an agency, department, or office where the procurement is

decentralized, the Head of each decentralized unit shall be considered as the head of the procuring entity subject to the limitations and authority delegated by the head of the agency, department, or office.

- 4.12 **Implementing Office (IO)** - refer to the unit(s) or department(s) within the agency assigned to supervise the implementation of infrastructure projects.
- 4.13 **INFRACOM** - refers to the NEDA Board Committee on Infrastructure created under Executive Order No. 230, Series of 1987.
- 4.14 **Infrastructure Projects** - refers to construction, improvement or rehabilitation of roads and highways, airports and air navigation facilities, railways, ports, flood control and drainage, water supply and sewerage, irrigation systems, dams, buildings, communication facilities, dredging and reclamation, power generating plants, power transmission and distribution facilities and other related construction projects.
- 4.15 **NEDA** - refers to the National Economic and Development Authority.
- 4.16 **PCAB** - refers to the Philippine Contractors Accreditation Board, one of the implementing Boards of the CIAP which is tasked among others, to issue, deny, suspend, or revoke licenses of construction contractors by virtue of Republic Act 4566, as amended by PD 1746.
- 4.17 **PDCB** - refers to the Philippine Domestic Construction Board, one of the implementing Boards of the CIAP which is tasked to formulate, recommend and implement policies, guidelines, plans and programs for the efficient implementation of public and private construction in the country.
- 4.18 **Percentage Weight** - the weight for a specific item of work, computed by dividing its cost by the total contract amount multiplied by one hundred (100).
- 4.19 **Preventive Action Plan** - is a plan of action proposed by the constructor to the concerned agency's implementing office which is aimed to prevent the recurrence of non-conformance findings on his on-going and/or future projects.
- 4.20 **Rate** - the score for each item of work evaluated, derived using the criteria in evaluating the workmanship and materials aspects.
- 4.21 **Relative Percentage Weight** - refers to the weight of an item of work to be rated computed by dividing the percentage weight of the item of work to be rated by the sum of the percentage weight of all items.
- 4.22 **Relative Rate** - the product of the relative percentage weight and the rate for each item of work.

- 4.23 **Spot** - an area selected from the identified location of on-going and/or completed items of work which will be subject for evaluation/inspection.
- 4.24 **Upon Completion** - refers to 100% completion of the project as reported by the Implementing Office. Completion of project on time includes demobilization and final clean-up.

## 5. FUNCTIONAL/DEPLOYMENT FLOWCHART

The sequential activities to be undertaken by the CPES Implementing Unit (IU), Constructors Performance Evaluators (CPE), Constructor, Implementing Office (IO), and Construction Industry Authority of the Philippines (CIAP) are presented hereunder. The CPES Functional/Deployment Flowchart is illustrated in Annex 1.

### 5.1 Listing of Projects by the CPES-IU

The CPES-IU shall prepare the list of all infrastructure projects of the agency which have been issued Notice to Proceed (NTP) on a monthly basis upon receipt of documents “a” and “b” as listed in Section 10.1 hereof from the Implementing Offices concerned. Thereafter, the CPES-IU shall determine the frequency and tentative date(s) of the evaluation to be undertaken by the CPE for each project based on the following parameters:

- a. During Construction - Except for those projects with a duration of 90 calendar days and below which may be subjected to at least one (1) visit, all projects shall be subjected to a minimum of two (2) evaluations to be performed by the CPE. The number of evaluations beyond the prescribed minimum shall be determined by the CPES-IU based on the size, nature and complexity of the project and shall be subject to approval by the proper authorities within the agency. The first evaluation shall be performed when the project is at least thirty percent (30%) physically complete or as maybe required by the CPES-IU using the S-curve or other appropriate means to determine whether there is substantial work completed for evaluation.
- b. Upon Completion - only one evaluation shall be performed by the CPE right after the Implementing Office (IO) reports one hundred percent (100%) completion of the project.

### 5.2 Consolidation and Review of Documents by the CPES-IU

Prior to the tentative evaluation date(s), the CPES-IU shall require the IO concerned to submit copies of documents “c” to “f” as listed in Section 10.1 hereof and consolidate all of the submitted project documents for subsequent use of the CPE. The punch list listed as document “g” shall form part of the documentary requirement for the “upon completion” evaluation only. Based on the status of the project, the CPES-IU shall determine the most appropriate evaluation date(s)

and fills out the CPES Evaluation Forms to be used for such evaluation.

**5.3 Assignment of CPE and Provision of Documents by the CPES-IU**

The CPES-IU shall coordinate and schedule the most appropriate evaluation date(s) of the CPE. Also, the CPES-IU shall provide the CPE with all the necessary documents for evaluation. The CPE shall be selected by the CPES-IU from the evaluators accredited by CIAP.

**5.4 Review of CPES-IU - Supplied Documents and Pre-determination of Spots for Evaluation by the CPE**

The CPE upon receipt of the documents supplied by the CPES-IU shall review the same and enter pertinent data (e.g. standards and tolerances) in the appropriate spaces provided for in the CPES checklist. The CPE shall also select spots randomly for evaluation prior to site inspection.

**5.5 Finalization of Evaluation Date(s) and Notification of Agency's and Constructor's Project Engineer and/or Authorized Representative**

The CPES-IU shall finalize the date(s) of actual evaluation based on latest project updates provided by the concerned IO and the agreements made with the CPE. The CPES-IU shall, likewise, notify the agency's and constructor's project engineer and/or Authorized Representative before the actual evaluation date(s) within 24 hours for projects located in urban areas where means of communications are readily available and three (3) working days for projects located in remote areas. The presence of constructors and/or its authorized representatives is a requirement during CPES project site evaluation.

**5.6 Notification of CPE, CPE Resource Persons/Witnesses by the CPES-IU.**

The CPES-IU shall inform the CPE and CPE resource persons/witnesses as enumerated in Section 9.3 hereof of the evaluation date(s). The CPES-IU shall request their presence on said date(s) and specified venue. The resource persons/witnesses shall provide necessary information/inputs to the CPE.

**5.7 Consolidation and Submission of Documents by Constructor's Project Engineer and/or Authorized Representative**

The constructor's project engineer shall consolidate documents "a" & "b" as listed in Section 10.2 hereof and present the same during the on-site pre-evaluation meeting to be conducted by the CPE.

**5.8 Conduct of On-site Pre-Evaluation Meeting among CPE, Resource Persons and Witnesses**

Prior to actual evaluation, the CPE and its resource persons/witnesses shall meet to discuss the following: purpose and mechanics of CPES; scope and status of each work item (percentage of accomplishment) to be evaluated; documents supplied by the constructor's project engineer; and other factors affecting the implementation of the project. Based on said discussion, the CPE shall update/validate all of the standards/tolerances on relevant checklists to be used.

#### **5.9 Conduct of Actual Evaluation by CPE**

Based on the pre-determined spots to be evaluated, the CPE and its resource persons/witnesses, shall undertake the necessary evaluation and records findings in relevant checklists. The CPE may list additional indicators in relevant checklists if needed and corresponding findings. The CPE shall also take photos and/or videos to substantiate its findings.

Should there be a need to assess the constructor's performance during the defects liability period, the CPES-IU may request the CPE to undertake such evaluation. The evaluation results shall be submitted by the CPE to the CPES-IU and/or concerned units of the agency.

#### **5.10 Conduct of Post-Evaluation Meeting**

##### **a. Validation of Findings by CPE**

The CPE leader shall convene a meeting to be attended by the CPE members, resource persons and witnesses to deliberate on the findings and validate the causes for such.

##### **b. Finalization of Evaluation Rating and CAR(s) by CPE**

Based on validated findings, the CPE shall meet to finalize its evaluation rating as well as CAR(s), if any, using relevant forms. Each CAR, however, shall be prepared in duplicate copies.

##### **c. Presentation /Issuance of Rating and CAR(s) by CPE**

The CPE leader shall reconvene the meeting with the CPE members, resource persons and witnesses in order for him to present the evaluation rating and issue the duplicate copies of the CAR(s) to the constructor's project engineer.

##### **d. Agreement on Rating and CAR(s) by Constructor's Project Engineer and/or Authorized Representative**

If in agreement with the ratings and CAR(s), the Constructor's project engineer and/or Authorized Representative shall acknowledge the relevant documents. Thereafter, said engineer and/or Authorized Representative shall be given duplicate copies of the CAR(s). But in case of disagreements with the rating or any

of the CAR(s), the CPE leader shall inform said engineer and/or Authorized Representative that these shall be settled by an appropriate adjudicating body to be designated by the agency. In cases where the constructor and/or its representatives are absent during the CPES project evaluation, even after advance and proper notification, the CPES Rating of the constructor will be considered final and binding.

e. **Monitoring of Constructor's Compliance on CAR by CPES-IU**

To ensure and check constructor's compliance on CAR, the CPES-IU shall require the government project engineer to submit a Monitoring Report to the concerned Implementing Office, copy furnished the CPES-IU, to validate compliance with the CAR. Emphasis should be on projects with "Remove and Replace" proposed CAP and taking into consideration the pledged date of corrective action by the constructor. If possible, photos shall be attached to provide evidence on the works undertaken.

**5.11 Submission of CPES Reports to CPES-IU**

Immediately after the completion of the evaluation, the CPE leader shall submit to the CPES-IU the original copies of the accomplished CPES Evaluation Form (cover sheet, rating sheet, checklists and summary sheet), Constructor's Performance Summary Report and CAR(s). The CPE leader shall, likewise, prepare a report indicating the documents to be submitted to the agency's designated adjudicating body, in case when there is appeal made by the constructor.

**5.12 Preparation and Implementation of Corrective Action Plan (CAP) and Preventive Action Plan (PAP) by the Constructor**

Based on the non-conformance findings prepared by CPE, the constructor shall prepare and submit the corresponding CAP to the Head of the IO for his assessment and subsequent approval. If the CAP is approved by the Head of the Procuring Entity, the constructor's Project Engineer (PE) and/or Authorized Representative shall implement the plan which shall be monitored by the Project Owner's PE. The concerned IO shall monitor the constructor's implementation of all the recommendations made by the CPE on the noted non-conformances. This shall be supported by videos or photos before, during and after rectification has been made. After the constructor has satisfactorily completed all the corrections made, the IO shall submit the reports to the CPES-IU. However, if CAP is disapproved, the constructor's PE has to submit another CAP proposal for approval by the Head of the Procuring Entity. The constructor has to submit PAP proposal if similar findings by the CPE occurred twice or more. The process of PAP's approval is similar to CAP's.

**5.13 Review of CPES Rating, Preparation of Reports, and Dissemination of Information by CPES - IU**

The CPES-IU, upon receipt of the CPES Evaluation Report for a particular project shall review the completeness, accuracy and consistency of its contents. Should the contents be in order, the CPES-IU shall submit the reports to the CIAP, concerned IO and other departments/units which need the information.

After the required site visits for each project have been completed, the CPES-IU shall issue a CPES Rating to the constructor upon satisfactory completion of the necessary corrective actions listed in the CAR(s).

The CPES-IU shall submit to CIAP's PDCB an authenticated photocopy of the Constructor's Performance Summary Report within thirty (30) days after evaluation; except for implementing agencies evaluating more than one hundred (100) infrastructure projects which may submit the report within two (2) months after evaluation.

**5.14 Databanking by CPES-IU and CIAP**

All original copies of the CPES rating sheets shall be filed and pertinent data stored in a computer by the CPES-IU for easy access and processing of information in the future. This unit shall serve as the agency's databank for all CPES information and documents pertaining to its projects and constructors.

CIAP's PDCB, on the other hand, shall establish the CPES central data bank and maintain linkages with concerned agencies to ensure timely and continuous submission of authenticated copies of accomplished Constructor's Performance Summary Report and to facilitate information sharing among users of CPES data.

**6. ASPECTS OF EVALUATION**

The performance of the constructor shall be evaluated "during construction" and "upon completion" of a project. The assigned weights and aspects to be evaluated "during construction" and "upon completion" shall vary depending on the kind of project as follows:

**6.1 During Construction** - with a weight of 60% for horizontal projects, such as road, bridge, port and harbor, irrigation and flood control, water supply and sewerage, mooring facilities for power barges, etc., and 70% for vertical projects, such as housing and building, power transmission line, substation, and diesel power plant, etc., the maximum weight for the following criteria shall be:

<u>Criteria</u>	<u>Maximum Rating</u>
Workmanship	0.40
Materials	0.30
Time	0.15

Facilities	0.03
Environmental, Safety and Health (ESH)	0.07
Resources Deployment	<u>0.05</u>
Total	<u>1.00</u>

For contracts which do not involve the supply of construction materials or where the materials are supplied by the owner/agency, the maximum weights shall be:

<u>Criteria</u>	<u>Maximum Rating</u>
Workmanship	0.40
Time	0.20
Facilities	0.05
Environmental, Safety and Health (ESH)	0.10
Resources Deployment	<u>0.25</u>
Total	<u>1.00</u>

For projects which include both horizontal and vertical structures, the weight to be followed shall be that of the higher cost component of the project.

The assigned weight for vertical projects is higher than that for horizontal projects in view of the complexity of the nature of the former projects. In general, the evaluation “during construction” is assigned higher weight to ensure that constructors immediately attain satisfactory performance and maintain it until substantial work has been accomplished.

- 6.2 **Upon Completion** - with a weight of 40% for horizontal projects such as road, bridge, port and harbor, irrigation and flood control, water supply and sewerage, **mooring facilities for power barges**, etc., and 30% for vertical projects such as housing and building, power transmission line, substation, **and diesel power plant**, etc., the maximum weight for the following criteria shall be:

<u>Criteria</u>	<u>Maximum Rating</u>
Workmanship	0.50
Materials	0.20
Time	<u>0.30</u>
Total	<u>1.00</u>

For contracts which do not involve the supply of construction materials or where the materials are supplied by the owner/agency, the maximum weights shall be:

<u>Criteria</u>	<u>Maximum Rating</u>
Workmanship	0.50
Time	<u>0.50</u>
Total	<u>1.00</u>

## 7. CRITERIA FOR EVALUATION

### 7.1 During Construction

#### a. Workmanship [Maximum Rating of 0.40]

Workmanship refers to the quality and quantity of on-going and/or completed items of work, which are verifiable, in accordance to approved plans and specifications. This aspect covers the utilization of the correct methodology needed in producing the desired quantity and quality of work. In rating this aspect, efficiency of methodology shall be considered.

In assessing/evaluating workmanship, the following procedures shall be observed: a) before going to the project site, the CPE shall identify the location of on-going and/or completed items of works based on the approved plan, and b) from the location identified, the CPEs shall select spots randomly for evaluation. The combined area of spots shall not be less than 10% of the on-going and/or completed items of works. Checklists for Workmanship for roads and bridges, housing and building, ports and harbor, irrigation, flood control, power transmission line, substation, mooring facilities for power barges and diesel power plant projects are presented in Annex 2. Refer to Section 11.4a hereof in determining the rating for workmanship.

In case there are on-going or completed additional works or variation orders, which are verifiable, at the time of inspection, these shall be rated if said variations were approved by the Head of the Procuring Entity.

#### b. Materials [Maximum Rating of 0.30]

To impress upon the constructors the importance of materials in producing the desired quality of an item of work, this aspect is viewed separately from workmanship as another factor in assessing performance.

Materials means the quality, quantity and type of construction materials including asphalt and ready-mixed concrete, and components supplied by entities other than the constructors as required in the contract. The constructor gets the full rating of 0.30 for materials in a particular item of work if he complies with all the applicable indicators in the checklist for materials in Annex 3. Refer to Section 11.4b in rating materials.

Alternative construction materials used by the constructor may also be considered by the CPE in rating the materials aspect, provided there are supporting documents consisting of the approval by the owner's authorized personnel and test results. If a work item does not require the use of materials (e.g., demolition of existing structure, excavation, or scraping), the constructor automatically gets 0.30 in this aspect provided he gets the full

rating in the workmanship aspect for such work item. However, if the particular item of work was not done or inadequately complied with, the rating for material shall be 0.00. Furthermore, when a particular item of work was not rated since it is no longer visible and cannot be verified, the material aspect for such item of work shall not be rated.

Materials for on-going or completed additional works, which are verifiable, at the time of inspection shall also be rated provided said variations were approved by the Head of the Procuring Entity.

Unlike the workmanship and materials aspects which are evaluated on a per item of work, the following four (4) aspects shall be appraised during each visit without particular attention to the work items completed/being completed by the constructor.

c. Time [Maximum Rating of 0.15]

This refers to the over-all accomplishment in accordance with the approved PERT/CPM or approved program of work. The constructor gets a full rating of 0.15 if he is on or ahead of schedule but gets a lower score if there is any delay or slippage attributable to his fault. The score shall depend on the percentage of delay as reflected in the checklist for time aspect presented in Annex 4. Refer to Section 11.4c in rating the time aspect.

**For contracts with no materials or materials are supplied by the owner, the computation of score for Time aspect is presented in Annex 4 – For contracts with no materials or materials are supplied by the owner.**

In case there are on-going or completed additional works or variation orders, time would be rated based on the effective PERT CPM and S-Curve approved by the Head of the Procuring Entity. In case it has not yet been approved by the Head of the Procuring Entity, time shall be rated based on the latest approved PERT CPM and S-curve.

d. Facilities [Maximum Rating of 0.03]

The facilities referred to are those set up by the constructor prior to the actual start of the project and maintained during the construction period. This aspect covers the provision of project signboard, sanitary and/or field and on-site office facilities which includes the surveying, transport and communication, testing and other equipment, appliances, utensils and other items as required in the contract. The constructor merits a full rating of 0.03 if he complies with the indicators enumerated in the checklist for facilities presented in Annex 5. Refer to Section 11.4d in rating this aspect.

In case the contract does not indicate any provision for camp facilities, to be checked are the sanitary, field and on-site office

facilities provided by the constructor for its technical staff and workers.

- e. Environmental, Safety and Health (ESH) [Maximum Rating of 0.07]

The constructor must learn to care for his environment and must try his best not to pollute during project prosecution. He must observe safety and health measures as required in the general and/or special contract provisions, and safeguard the lives of his workers and those of the general public. The constructor gets a full rating of 0.07 if he complies with the applicable indicators enumerated in the checklist for ESH presented in Annex 6. Refer to Section 11.4e in rating this aspect.

- f. Resources Deployment [Maximum Rating of 0.05]

In this aspect, to be evaluated is the constructor's ability to deploy on time, based on the approved PERT/CPM or program of work, the required/pledged facilities and resources such as materials, equipment in good running condition and manpower. Refer to Section 11.4f in rating this aspect. Resources deployment checklist is presented in Annex 7.

Should there be on-going additional works or variation orders at the time of inspection not yet covered by approved variation order, the provision on this matter as stated in Section 7.1-c shall likewise be adopted.

## 7.2 Upon Completion

- a. Workmanship [Maximum Rating of 0.50]

Workmanship is one of the three aspects to be evaluated when the project is one hundred percent (100%) complete as reported by the IO.

The punch lists prepared by the inspectorate team may serve as additional reference for project evaluation. The constructor shall merit a full rating of 0.50 for a particular item of work if he satisfies the applicable indicators in the checklist. Spots comprising not less than ten percent (10%) of the entire project shall be the sample size used in evaluating this aspect.

- b. Materials [Maximum Rating of 0.20]

In rating the aspect of material, a full rating of 0.20 shall be given to materials in a particular item of work if he complies with applicable indicators in the checklist for materials in Annex 3.

If a work item does not require the use of materials (e.g. demolition of existing structure, excavation, or scraping), the constructor automatically gets 0.20 in this aspect provided he

gets the full rating in the workmanship aspect for such work item. However, if the particular item of work was not done or inadequately complied with, the rating for material shall be 0.00. Furthermore, when a particular item of work was not rated since it is no longer visible and cannot be verified, the material aspect for such item of work shall not be rated.

c. Time [Maximum Rating of 0.30]

In rating the aspect of time, comparison shall be made between the approved contract completion time including time extensions granted and actual project completion time. Completion of a project on time includes demobilization and final clean-up.

The constructor shall get a full rating of 0.30 if he is on or ahead of schedule but if the project is delayed due to his fault, he gets a lower score. The score shall depend on the percentage of delay as shown in Annex 4 – Upon Completion.

For contracts with no materials or materials are supplied by the owner, the computation of score for Time aspect is presented in Annex 4 – For contracts with no materials or materials are supplied by the owner for Upon Completion phase.

## 8. CPES IMPLEMENTING UNIT

To ensure the effective implementation of CPES, each government agency undertaking infrastructure projects shall either create an independent unit or integrate the CPES functions in an existing unit with similar functions which shall act as the CPES-IU. Ideally, the CPES-IU should be under the office of agency head but it could also be attached to the agency's audit or monitoring group. Its organization and functions are as follows:

### 8.1 Organization

The CPES-IU shall be composed of the following:

- a. Unit supervisor - shall act as the head of the unit;
- b. Technical personnel - shall assist the head in the performance of the unit's technical functions; and
- c. Administrative personnel - shall perform all the administrative and coordinative requirements of the unit.

### 8.2 Functions

The CPES-IU shall have technical and administrative/coordinative functions as follows:

- a. Technical

- a.1 Undertake accreditation processes which consist of: a) pre-screening and endorsement of application of CPE applicants; and b) facilitate conduct of CPES required training and seminars;
- a.2 Undertake yearly performance evaluation of CPEs.
- a.3 Update CPE members on latest developments and other technical functions.
- a.4 Orient resource persons/witnesses.
- a.5 Review and prepare CPES reports and recommend appropriate actions based on the CPES Rating; and
- a.6 Assign its accredited CPE staff member/s to act as individual CPE/s or member/s of the CPE group/team as required.
- b. Administrative/Coordinative
  - b.1 List all projects to be subjected to evaluation using CPES and identify/assign personnel to compose the CPE.
  - b.2 Schedule orientation-seminar on CPES for in-house CPE members and resource persons/witnesses.
  - b.3 Generate latest project status, schedule CPE site visits, coordinate visit with the Head of the Procuring Entity and constructor concerned, and file/safe keep all CPES related documents.
  - b.4 Provide the CPE with CPES documents implementing guidelines and forms, and prepare CPE travel documents as required.
  - b.5 Data banking and dissemination of CPES reports and documents to all concerned users within the agency, CIAP's Philippine Domestic Construction Board (PDCB), and other interested users.

To ensure that constructors understand the mechanics of CPES and how they are rated, their Authorized Managing Officers (AMOs) or their duly authorized Sustaining Technical Employees (STEs) shall be required to undergo a one-time Orientation Seminar on CPES to be conducted by the CIAP-PDCB prior to contract implementation.

## **9. CONSTRUCTOR PERFORMANCE EVALUATOR/S (CPE)**

Each government agency shall have the option of tapping in-house staff, third party evaluators or combination of both either as group/team or individual to compose the CPE. For those agencies whose CPE will be composed of in-house evaluators only or combination of in-house and third party evaluators, such in-house evaluators could either be assigned on a

permanent or ad-hoc basis. It is necessary that all CPE members are not in any way involved with the project to be evaluated in order for them to give an objective and unbiased evaluation of the constructor's performance.

### **9.1 Minimum Qualification of CPES Evaluators**

All CPES evaluators shall be accredited by the CIAP based on the minimum qualifications as follows:

- a. Licensed Engineer or Architect.
- b. Must have at least 5 years experience in the actual implementation of project.
- c. In full enjoyment of his/her civil rights, must not have been convicted of a crime involving moral turpitude or of any other crime for which the penalty imposed upon him/her is over six (6) months of imprisonment.
- d. Willing to undergo all screening requirements and accreditation course for CPES evaluators to be conducted by the CIAP's PDCB or any of its accredited training institutions.

Professionals who have substantially complied with the minimum requirements stated in items "a" to "c" above, and who by reason of trainings or experiences in construction, conducted lectures on CPES accreditation courses upon invitation by the CIAP's PDCB are automatically accredited as CPES evaluators.

### **9.2 Procedure and Requirements for Renewal of CPE Accreditation**

CPE accreditation shall be valid for a period of three (3) years from the date of accreditation. An application for renewal of CPE accreditation may be filed with the CIAP's PDCB not later than two (2) years from expiry date.

The CPES-IU shall endorse the renewal application based on the performance of the CPE. For renewal of CPE Accreditation, it is required that a CPE:

- a. be endorsed by the CPES Implementing Unit Head; and
- b. must have evaluated at least one (1) infrastructure project.

In cases where the CPEs did not have the chance to evaluate projects due to limited number of infrastructure projects of the agency, the following options may be applied:

#### Option 1

Require CPE to attend Enhancement/Orientation Seminar conducted by the Agency CPES-IU in coordination with PDCB;

#### Option 2

CPE applying for renewal of accreditation must have been involved in various CPES related activities such as but not limited to:

- a. Agency representative tasked to formulate/amend the CPES Guidelines, checklist, etc.;
- b. Resource person during seminars conducted on CPES; and
- c. Served as CPE for other agencies.

**9.3 Composition of CPES Evaluators**

The composition of each CPE, individual or group, who have voting power, shall be:

<b>Options</b>	<b>In-house CPE</b>	<b>Third Party CPE</b>	<b>Combination of In-House and Third Party CPE</b>
Group or Team	One (1) CPE occupying supervisory position who shall act as the CPE leader.  One (1) or more CPE/s as members.	Two (2) or more CPEs from other agencies and not directly involved with the project to be evaluated.	One (1) CPE occupying supervisory position.  One (1) or more CPE/s from other agencies, and not directly involved with the project to be evaluated.
Individual	One (1) CPE not directly involved with the project.	One (1) CPE from other agencies, and not directly involved with the project to be evaluated.	

The resource persons/witnesses, who have no voting power, shall include the following:

<b>RESOURCE PERSONS/WITNESSES</b>	
one (1) or more	- Owner’s and Constructor’s Project Engineer and/or Consultant assigned in the project to act as resource person(s);
one (1)	- (Optional) Representative from any of the CIAP accredited constructors’ associations nearest to the project site, knowledgeable in project implementation to act as witness;
one (1)	- (Optional) Representative from the Local Government Unit (LGU) where the project is located to act as witness;
one (1)	- (Optional) Representative from the end-user (e.g. social, religious, or civic organization).

**10. DOCUMENTS REQUIRED FOR EVALUATION**

The CPE should have the following documents for its review and reference during actual evaluation which shall be supplied by the IO and the constructor’s project engineer:

## 10.1 IO-Supplied Documents

- a. Contract documents: approved contract agreement, contract drawing, general and special/local provisions including plans and specifications, method of construction, safety and health measures
- b. Approved constructor's construction program: CPM work schedule or bar chart, materials/manpower schedule, equipment schedule, organizational chart, financial chart such as S-curve or cash flow
- c. Constructor's statistical reports: physical progress/status, equipment and manpower schedules based on the latest approved PERT/CPM
- d. Materials testing procedures, records of tests and results, materials quality control program
- e. Constructor's operational set-up: general lay-out of facilities, project office and quarters, warehouse, shops for repair/maintenance/carpentry/rebar
- f. List of subcontractors or suppliers
- g. Punch list (for final visit upon completion)
- h. Relevant checklists, CPES evaluation form and cover sheet

## 10.2 Constructor's Project Engineer-Supplied Documents

- a. Project log book
- b. Updated records of tests/results and materials quality control program monitoring reports
- c. Other related reports

## 11. CPES EVALUATION FORMS

The CPES evaluation form and cover sheet to be used by the CPE is contained in Annex 8 and this shall be reproduced by the CPES-IU for distribution to all CPE(s) concerned prior to site visits.

### 11.1 Part 1 - Cover Sheet

Part 1 of the form is the cover sheet, which is to be filled up by the owner's project engineer contains the following general information: name and address of constructor; name and address of owner/authorized managing officer; valid license number; ARC category; nationality of constructor; project name, location; funding source; name of constructor's project manager and materials engineer; name of government construction manager; original and revised contract amount and duration; scheduled date of project start and actual date started; and scheduled date of project completion and actual date completed (number of days advance/delayed are also indicated). Other necessary information pertaining to the project may also be included on this portion.

### 11.2 Part II - Rating Sheet During Construction

The CPE shall use Part II of the form during the "construction phase" first and second visits, respectively. In case the CPE intends to

conduct more than two (2) visits during this phase, Part II of the form may be reproduced to correspond to the additional number of visits it shall make. Part III shall be used for the final visit.

For Part II, the CPE shall list the items of work evaluated during the visit, their corresponding percentage weights and relative percentage weights, and their rates and relative rates for both workmanship and material aspects. As defined in Section 4 hereof, the percentage weight of a particular item of work subjected to evaluation shall be computed by dividing its total cost by the total contract amount while the relative percentage weight of said item of work shall be computed by dividing its percentage weight by the sum of the percentage weight of all evaluated items of work. The relative rate for each item of work for both aspects, which shall be computed by multiplying the rate for each item of work with corresponding relative percentage weight, shall be added and later on reflected in the Summary of Ratings along with ratings for the other aspects covered.

However, in case there are on-going or completed additional works not yet covered by an approved variation order or request for time extension which is not yet approved during the visit, the CPE using a separate form shall fill up all relevant portions such as the Rate column for the workmanship and material aspects, time and resource deployment. The ratings therewith shall be used in updating the appropriate form, either Part II or III, only upon approval of the variation order or time extension.

For Part II, the CPE after completing the Summary of Ratings shall compute the "During Construction" Weighted Rating (A). This can be computed by adding all of the Ratings obtained for each visit during construction phase, dividing the sum of Ratings by the number of visits made, and then multiplying the quotient by sixty (60%) for horizontal projects or seventy (70%) for vertical projects.

### **11.3 Part III - Rating Sheet Upon Completion and Summary Sheet**

For Part III, which will be used for the "upon completion" visit, the CPE shall list the items of work evaluated and their corresponding percentage weights and relative percentage weights, and their rates and relative rates for the workmanship aspect. After adding all of the relative rates, the sum along with the ratings for the time and materials aspects shall be reflected in the Summary of Ratings.

To determine the "upon completion" Weighted Rating (B), the CPE shall multiply the Total Rating by forty percent (40%) for horizontal projects and thirty percent (30%) for vertical projects. The Over-all Rating, on the other hand, shall be computed by adding the "during construction" Weighted Rating (A) and "upon completion" Weighted Rating (B) and multiply the sum by one hundred percent (100%).

The CPE head and members, resource persons/and witnesses present during each visit shall always affix their signature in the spaces provided for in Parts II and III.

After the over-all CPES rating of the constructor has been computed, this shall be reflected in the box marked “Qualitative Description” based on the range of constructor’s CPES rating for the specific project undertaken. Annex 8 shall be revised by the CIAP’s PDCB to indicate the new ranges of CPES ratings and their equivalent qualitative descriptions, as follows:

<u>CPES Qualitative Description</u>	<u>Ranges of CPES Rating</u>
Outstanding	> 96%
Very Satisfactory	> 89% ≤ 96%
Satisfactory	> 82% ≤ 89%
Unsatisfactory	≥ 75% ≤ 82%
Poor	< 75%

#### 11.4 CPES Checklists

The checklists for each indicator are made to aid the accredited CPEs in the objective evaluation of constructors’ performance. These checklists are coded mainly for data banking purposes.

##### a. Checklist for Workmanship

For identification purposes, the checklist for workmanship for Road, Bridge, Housing, Building, Port and Harbor are coded with letters RBWS, HBWS, and PHWS, respectively. The first two letters refer to type, e.g. RB stands for Road and Bridge, and WS refers to workmanship.

The checklists for Workmanship for Road and Bridge, Housing and Building, Port and Harbor, Irrigation, Flood Control, Power Transmission Line, Substation, **Mooring Facilities for Power Barges and Diesel Power Plant** Projects are contained in Annex 2.

The CPE shall select from the checklists those items of work which are applicable for evaluation/assessment. Indicators are set for each items of work but the CPE may add other indicators in the blank spaces provided for. All additional indicators shall be submitted to CIAP for coding purposes.

The checklists for workmanship in Annex 2 shall be revised by the CIAP’s PDCB to reflect, among others, specific indicators for major and minor defects, and additional indicators as needed.

The CPE shall evaluate/assess the pre-determined spots based on the indicators set for each item of work. If there is non-compliance, the CPE shall determine if such is a major or minor defect. If an indicator is not applicable, the CPE should place NA (not applicable) at results box.

Defects are considered major on the following basis:

1. Entail losses to the government;
2. Seriously affect the stability of the structure;
3. Cause severe damage to the aesthetics (depends on the items of work involved).

Spots with a single major defect shall forfeit all points for the rest of the indicators in the said spot. Further, if the number of complying spots is less than fifty percent (50%) of the total number of spots, the rating for that specific item of work is zero (0).

Determining Results, Score, Total Score and Rate.

- a.1 Determine the number of non-compliance or full compliance per indicator
- a.2  $\text{Results} = \text{Compliance} / \text{Number of spots}$
- a.3  $\text{Score} = \text{Results} \times 0.40$  (During Construction);  
 $\text{Score} = \text{Results} \times 0.50$  (Upon Completion)
- a.4  $\text{Total Score} = \text{Sum of all the scores}$
- a.5  $\text{Rate of an Item of Work} = \text{Total Score (a)}/\text{No. of Indicator (b)}$

b. Checklist for Materials

The checklist for Materials is contained in Annex 3 and starts with MAT followed by the blank space which is for the corresponding number of the item of work being evaluated. There are five (5) indicators for this aspect and all indicators shall be rated. Compliance to each indicator means full score of one (1) and non-compliance means score of zero (0).

If the constructor complies with indicator number 1 which is compliance to test requirements, then the remaining four (4) indicators need to be evaluated. If the constructor does not comply with indicator number 1, however, the remaining four (4) indicators shall also be evaluated for CAR purposes but the final rating is automatic zero (0).

If a work item does not require the use of materials (e.g. demolition of existing structure, excavation, or scraping), the constructor automatically gets 0.30 during construction and 0.20 upon completion in this aspect provided he gets the full rating in the workmanship aspect for such work item. However, if the particular item of work was not done or inadequately complied with, the rating for materials shall be 0.00. Furthermore, when a particular item of work was not rated since it is no longer visible and cannot be verified, the material aspect for such item of work shall not be rated.

Determining Results, Score, Total Score and Rate.

- a.1  $\text{Results} = \text{If indicator is complied (C)} = 1$  and if not complied (NC) = 0

- a.2 Score = Compliance =  $1 \times 0.30$  (During Construction);  
Score = Compliance =  $1 \times 0.20$  (Upon Completion);  
Score = Non-Compliance =  $0 \times 0.00$
- a.3 Total Score = Sum of all the Score (a)
- a.4 Determine number of indicators = 5 (b)
- a.5 Rate = Total Score (a) / No. of Indicators (b)

c. Checklist for Time

The checklist for Time is contained in Annex 4. Part One is for “During Construction” and Part Two is for “Upon Completion”. The checklist shall be revised by the CIAP’s PDCB to incorporate the new procedure for scoring of Time aspect which is through “calibration” instead of “bracketed” during construction phase.

For Part One – “During Construction” Form

Determining Results, Score and Rate

- a.1 Deduct the corresponding percentage of delay from 15% which is the maximum score for Time. The result is the score.
- a.2 Rate is equal to score (Rate = Score)

For Part Two – Upon Completion Form

The checklist shall be revised by the CIAP’s PDCB to incorporate the amendment during “Upon Completion” phase and delete the provision of incentive when the project is completed ahead of schedule with perfect score for workmanship.

Determining Results, Score and Rate

- a.1 Place check in the results box for the corresponding performance in time aspect.
- a.2 Equivalent score is set for each criteria.
- a.3 Rate is equal to score. (Rate = Score)

d. Checklist for Facilities

The checklist for Facilities is contained in Annex 5. The CPE should verify from the site if the indicators set for facilities are complied (C) or not complied (NC). Compliance means score of one (1) and non-compliance means score of zero (0). The CPE shall select only the indicators which are applicable.

Determining Results, Score, Total Score and Rate

- a.1 Results = If indicator is complied (C) = 1 or not complied (NC) = 0.
- a.2 Score = Compliance =  $1 \times 0.03$ ; Non-compliance =  $0 \times 0.00$
- a.3 Total Score = Sum of all the Scores (a).
- a.4 Determine number of indicators = 5 (b).
- a.5 Rate = Total Score (a) / No. of Indicators (b).

e. Checklist for Environmental, Safety and Health (ESH)

The checklist for ESH is contained in Annex 6. These were lifted from Department Order (DO) No. 13, series of 1998 of the Department of Labor and Employment (DOLE) entitled Guidelines Governing Occupational Safety and Health in the Construction Industry. The CPE should verify if each indicator set for this aspect is being strictly implemented by the constructor. The CPE shall select only the indicators which are applicable.

Determining Results, Score, Total Score and Final Rating

- a.1 Results = If indicator is complied (C) = 1 and if not complied (NC) = 0.
- a.2 Score = Compliance =  $1 \times 0.07$ ; Non-compliance =  $0 \times 0.00$
- a.3 Total Score = Sum of all the Scores (a).
- a.4 Determine number of indicators = 16 (b).
- a.5 Rate = Total Score (a) / No. of indicators (b).

f. Checklist for Resources Deployment

The checklist for Resources Deployment is contained in Annex 7. The CPE should check the actual deployment of resources (materials, manpower and equipment) and verify if the constructor complies or does not comply as per latest approved resources schedule. All indicators shall be rated.

Determining Results, Score, Total Score and Rate

- a.1 Results = If indicator is complied (C) = 1 and if not complied (NC) = 0.
- a.2 Score = Compliance =  $1 \times 0.05$  ; Non-compliance =  $0 \times 0.00$
- a.3 Total score = Sum of all the scores (a)
- a.4 Determine number of indicators = 3 (b)
- a.5 Rate = Total Score (a)/No. of Indicators (b)

**11.5 Corrective Action Request (CAR)**

The CPE shall issue CARs to the constructor for each finding of non-conformance, using the form attached as Annex 9. The IO shall approve and monitor the implementation of the corrective action plan submitted by the constructor.

**11.6 Constructors Performance Summary Report**

The CPEs shall process and summarize all their findings on the project in the Constructor's Performance Summary Report (Annex 10) and submit it to CPES-IU. The CPES-IU shall review and finalize the report prior to submission to the CIAP and other departments within the agency for data banking and other purposes.

**12. INFORMATION UTILIZATION AND DATA BANKING**

The CPES rating and other information contained in the authenticated copies of Constructors Performance Summary Report (Annex 10) to be regularly

provided by government agencies concerned to CIAP's PDCB and centrally maintained by the same shall be made available to all interested users either electronically or in hard copy/diskette.

Pursuant to Section 12 (5), Annex E of the IRR of R.A. 9184, and to provide for a common and uniform application by all heads of agencies and instrumentalities of the national government, including government-owned and/or controlled corporations (GOCCs), government financial institutions (GFIs), state universities and colleges (SUCs), and local government units (LGUs), the CPES rating results shall be used for, but not limited to, the following purposes:

- 12.1 **Eligibility Check of Constructors** - The CPES rating shall form part of the requirements of the Bids and Award Committees (BACs) for eligibility check in the procurement of infrastructure projects pursuant to Item 4, Section 23.11.2 of the IRR of R.A. No. 9184, which provides that the CPES rating and/or certificate of completion and owner's acceptance of the contract must at least be satisfactory.
- 12.2 **Agency Shortlist** - The CPES rating shall be considered in the shortlisting and selection of constructors for Negotiated Procurement under Section 53.1; 53.2; 53.3; 53.4 of the IRR of RA 9184. Constructors with CPES ratings of at least "Satisfactory" may be considered by the BAC in the shortlist of eligible constructors to be invited for negotiation pursuant to Section 54.2 of the IRR of R.A. No. 9184.
- 12.3 **Post-Qualification** - The CPES rating shall be used in the review of the technical capabilities of a constructor-bidder during the post-qualification stage pursuant to Section 34.3.b.ii of the IRR of RA 9184 which requires the agency to "check the performance of the bidder in its on-going government and private contracts." For this purpose, the BACs shall ensure that the following conditions are met:
  - a) The constructor must not have a zero (0) rating for "Time" for on-going projects; and
  - b) The constructor must have a CPES rating of at least "Satisfactory" in all of his on-going projects.
- 12.4 **Awarding of Contracts** - The CPES ratings may be used by the agencies as additional reference to ensure appropriate awarding of contract.
- 12.5 **Issuance of Certificate of Completion for Projects Subjected to CPES Evaluation** - **The CPES Rating shall be used as basis for the issuance of the Certificate of Completion of projects evaluated using the CPES. If applicable, the concerned Implementing Office of each government agency is required to check compliance of constructors to all the Corrective Action Requests (CARs) recommended by the accredited CPES evaluators and issued by the Implementing Agency. The constructors' compliance with all the CARs issued and other**

**requirements of the project owner shall be the basis for the issuance of the Certificate of Completion.**

- 12.6 Project Monitoring and Control** - The CPES rating/information shall be used by agencies as a reference for project monitoring, audit, and quality control in ensuring the following, among others: a) compliance with contract provisions and specifications; b) prompt and effective action on problems encountered; c) compliance with safety and health regulations and d) compliance with environmental regulations.
- 12.7 Blacklisting of Constructors** - A constructor with a CPES rating of "Poor" or "Unsatisfactory" in any of his projects shall be blacklisted from participating in any **government project in accordance with Section 4.2 (f) of the GPPB Guidelines for Blacklisting of Constructors.**
- 12.8 Policy Formulation/Review** - The CPES rating and other related information shall serve as reference materials in the formulation and review of policies and procedures pertaining to, among others, eligibility check, bidding, award and contract implementation.
- 12.9 Industry Planning** - The CPES rating and other information shall serve as additional reference by the agency's Planning Department/Division, and the CIAP and PDCB in the preparation of plans and programs for the development of the construction sector, including measures to improve constructor's performance in government projects.
- 12.10 Granting of Awards & Recognition** - Constructors with CPES ratings of "Outstanding" shall be considered for awards and/or recognition for outstanding performance. For this purpose, the agency's CPES-IU and CIAP's PDCB shall ensure that the following conditions are met:
- a. The nominee must have at least three (3) projects with a consistent CPES final rating of "Outstanding (at least 96%)" within the period of review which is 3 years;
  - b. Projects already included in previous nominations shall no longer be considered;
  - c. No final CPES ratings of "Poor" and/or "Unsatisfactory" for the period under evaluation; and
  - d. The nominee has fully complied with and passed the CPES requirement on environmental, safety, and health concerns which include the submission to, and approval by, the DOLE of the Constructor's Construction Safety and Health Program.

The list of constructors who are awardees and granted recognition shall be posted conspicuously in the bulletin boards of government agencies and the GPPB's website.

CIAP's PDCB shall issue Certificates of Recognition to constructors with consistent CPES final ratings of "Outstanding".

**12.11 PCAB Registration and Classification** - When applicable, the CPES ratings shall form part of the requirements for Registration and Classification of government constructors pursuant to the guidelines to be issued by the PCAB.

### **13. APPLICABILITY**

These guidelines shall be applied to all constructors of all national government agencies, department, bureau, office, or instrumentality of the Government, including government-owned and/or controlled corporations (GOCCs), government financial institution (GFIs), state universities and colleges (SUCs), and local government units (LGUs) undertaking infrastructure projects.

Private entities may also use these guidelines to evaluate their constructors' project performance.

### **14. EFFECTIVITY**

These guidelines shall become effective upon approval by the National Economic and Development Authority (NEDA) Board's Committee on Infrastructure (INFRACOM) and fifteen (15) days after publication by CIAP.

## **LIST OF ACRONYMS**

1. AMO - Authorized Managing Officer
2. BAC - Bids and Award Committee
3. CAP - Corrective Action Plan
4. CAR - Corrective Action Request
5. CIAP - Construction Industry Authority of the Philippines
6. CPE - Constructors' Performance Evaluator
7. CPES - Constructors' Performance Evaluation System
8. DOLE - Department of Labor and Employment
9. ESH - Environmental, Safety and Health
10. GFIs - Government Financial Institutions
11. GOCCs - Government-Owned and/or Controlled Corporations
12. GPPB - Government Procurement Policy Board
13. INFRACOM - NEDA Board Committee on Infrastructure
14. IO - Implementing Office
15. IU - Implementing Unit
16. LGU - Local Government Unit
17. NEDA - National Economic and Development Authority
18. NGAs - National Government Agencies
19. NTP - Notice to Proceed
20. PAP - Preventive Action Plan
21. PCAB - Philippine Contractors Accreditation Board
22. PDCB - Philippine Domestic Construction Board
23. PE - Project Engineer
24. STE - Sustaining Technical Employee
25. SUCs - State Universities and Colleges