

Department of Budget and Management
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE

NPM No. 112-2015

02 November 2015

ENGR. FRANK TUPAS

Engineer II

LOCAL GOVERNMENT OF KIDAPAWAN CITY
Kidapawan City Hall Compound, Cotabato Rd,
Kidapawan City, Cotabato


Re: Pakyaw Labor

Dear Engr. Tupas:

This is in response to your electronic mail letter dated 21 September 2015 inquiring on the requirement of a Philippine Contractors Accreditation Board (PCAB) license for the engagement of *Pakyaw* labor in the implementation of Infrastructure Project.

Under the Revised Guidelines for the Implementation of Infrastructure Projects by Administration¹ (Guidelines), the term *Pakyaw* refers to a system of hiring a labor group for the performance of a specific work and/or service incidental to the implementation of an infrastructure project by administration whereby tools and materials are furnished by the implementing agency. For the specific work/service output, a lump-sum payment is made either through the group leader or divided among the *pakyaw* workers and disbursed using a payroll system.

For your guidance, the engagement of *Pakyaw* labor is not governed by the rules on public bidding under the Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184. As can be gleaned from the Guidelines, specifically Section 4 thereof, *Pakyaw* labor shall be drawn from the vicinity of the project, or *Pakyaw* labor groups belong to various barangay associations contiguous to the project. The location or area from which the labor groups shall be drawn depends on whether the labor sought to be drawn are unskilled, semi-skilled, or skilled.

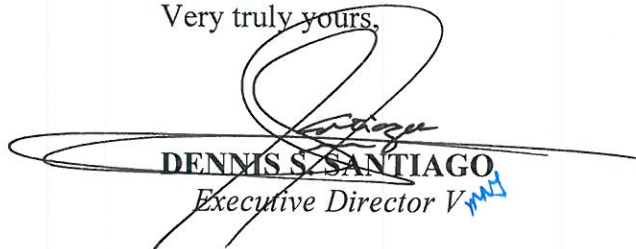
In this regard, the eligibility documents, such as PCAB license, for competitive public bidding under Section 23.1 of the IRR of RA 9184 are not required to be submitted in *Pakyaw* Contracting System. In fact, Section 4.7 of the Guidelines provides that in no case may *Pakyaw* groups be regular or licensed contractors or organized by and/or under the management of a regular or licensed contractor. Laborers supplied by job-contractors/labor-only contractors are likewise disqualified to become members of the *Pakyaw* groups when the job-contracting/labor-only contracting is specifically carried out for the purpose. 

¹ Issued through GPPB Resolution 03-2006 dated 6 December 2006.

Based on the foregoing, we are of the view that a PCAB license is not required for the engagement of *Pakyaw* labor groups as the same are formed and composed of workers recruited from the vicinity of the projects and are in no case regular or licensed contractors or organized by and/or under the management of a regular or licensed contractors.

We hope that this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Note that this is issued on the basis of particular facts and situations presented, and may not be applicable given a different set of facts and circumstances. Should there be other concerns, please do not hesitate to contact us.

Very truly yours,



DENNIS S. SANTIAGO
Executive Director V *mmh*

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