



REPUBLIKA NG PILIPINAS
REPUBLIC OF THE PHILIPPINES
KAGAWARAN NG EDUKASYON
DEPARTMENT OF EDUCATION
DepEd Complex, Meralco Avenue, Pasig City



175-1

Trunkline : 632-1361
Fax: 633-7231
DEText: 0919-4560027
Website: <http://www.deped.gov.ph>

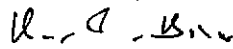
DepED MEMORANDUM
No. 363, s. 2004

AUG 24 2004

DISSEMINATION OF PHILIPPINE CONTRACTORS ACCREDITATION BOARD (PCAB)
CIRCULAR AND RESOLUTIONS

To: Undersecretaries
Assistant Secretaries
Bureau Directors
Regional Directors
Schools Division/City Superintendents

1. For the information and guidance of all concerned, enclosed are copies of the Philippine Contractors Accreditation Board (PCAB) Circular No. 2004-1 dated July 30, 2004; Board Resolution Nos. 001, s. 2004 dated January 16, 2004 and 949, s. 2003 dated December 19, 2003, which are self explanatory.
2. Immediate dissemination of this Memorandum is desired.


RAMON C. BACANI
Undersecretary
Officer-in-Charge

Encls.: As stated

Reference: None

Allotment: 1—(D.O. 50-97)

To be indicated in the Perpetual Index
under the following subjects:

BUREAUS & OFFICES
CONTRACTS
OFFICIALS

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Construction Industry Authority of the Philippines
PHILIPPINE CONTRACTORS ACCREDITATION BOARD
2nd Floor, Jupiter I Building, #56 Jupiter Street, Bel-Air Village, Makati City, Philippines
Tel. Nos. 895-4258, Fax: 895-4220 email: pcab@info.com.ph
www.dti.gov.ph



CIRCULAR NO. 2004-01

On 19 December 2003, PCAB issued Resolution No. 949, s. 2003 and on 16 January 2004, Resolution No. 001, s. 2004. Succinctly, PCAB Resolution 949 adjusted to present values, the networth requirements set in 1982 for all license categories and increased the Allowable Range of Contract Cost (ARCC) as well as the corresponding track record requirements of Single Largest Project (SLP) for size ranges from Small B to Large B.

Table of Size Ranges and Single Largest Project

Size Range	License Category	CFYs 2004-2005 & 2005-2006 (1 st Stage)		CFYs 2006-2007 & 2007-2008 (2 nd Stage)		CFYs 2008-2009 & 2009-2010 (3 rd Stage)	
		SLP	ARCC	SLP	ARCC	SLP	ARCC
Large B	AAA	Above P75 M	< or above P150 M	Above P150 M	< or above P300 M	Above P250 M	< or above P500 M
Large A	AA	Above P50 M up to P75 M	Up to P150 M	Above P100 M up to P150 M	Up to P300 M	Above P150 M up to P250 M	Up to P500 M
Medium B	A	Above P25 M up to P50 M	Up to P100 M	Above P50 M up to P100 M	Up to P200 M	Above P75 M up to P150 M	Up to P300 M
Medium A	B	Above P5 M up to P25 M	Up to P50 M	Above P10 M up to P50 M	Up to P100 M	Above P15 M up to P75 M	Up to P150 M
Small B	C & D	≤ P5.0 M	Up to P10 M	≤ P10 M	Up to P15 M	≤ P15 M	Up to P30 M
Small A	Trade	≤ P500 T	Up to P500 T	≤ P500 T	Up to P500 T	≤ P500 T	Up to P500 T

PCAB Resolution No. 001, Series of 2004, increased each stage of the adjustments in ARCC & SLP from one year to every two years to accommodate projects with durations exceeding one year. Both resolutions were published in newspapers of general circulation.

On 10 March 2004, the Government Procurement Policy Board (GPPB) adopted PCAB Resolution No. 001, series of 2004, in effect modifying the Table of Registration Particulars under Sec. 23.11.2.3 of the IRR-A of RA 9184. The GPPB also approved the implementation of the adjustment as follows;

- 1st Stage – all projects advertised for bidding starting 01 July 2004 up to 30 June 2006
- 2nd Stage – all projects advertised for bidding starting 01 July 2006 up to 30 June 2008
- 3rd Stage – all projects advertised for bidding starting 01 July 2008 and thereafter

In view of this, PCAB has implemented the above adjustment on all applications approved for CFY 2004-2005 (i.e. July 1, 2004 to June 30, 2005).

PCAB, however, wishes to clarify that pursuant to the transitory provisions of BR 001, s. 2004, there will be size ranges issued under the old guidelines which remain valid after July 1, 2004 and up to expiration of previous registration. Size ranges based on adjusted SLPs are marked with asterisks for the information of tendering agencies. Tendering agencies are also encouraged to validate the size ranges of contractors submitting Temporary Certificates of Renewal with PCAB by email <pcab@info.com.ph> or thru fax no. 895-4220.

For immediate compliance.

Makati City, Philippines, 30 July 2004



ERNESTO S. DE CASTRO
Member



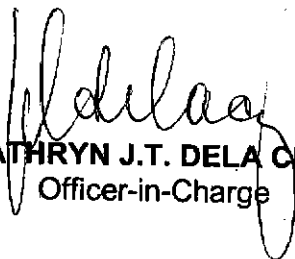
PHILIP TAN C. HUA
Member



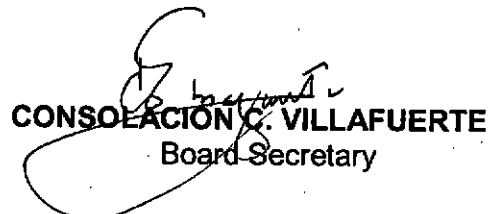
LORETO C. AQUINO
Chairman

Noted by:

Attested by:



KATHRYN J.T. DELA CRUZ
Officer-in-Charge



CONSOLACION C. VILLAFUERTE
Board Secretary

Republic of the Philippines
Department of Trade and Industry
Construction Industry Authority of the Philippines
PHILIPPINE CONTRACTORS ACCREDITATION BOARD
2nd Floor, Jupiter I Building, 56 Jupiter Street, Bel-Air Village
Makati City, Philippines 1209
Tel Nos. (632) 895-31-83/93 Fax No. (632) 895-42-55

**BOARD RESOLUTION NO. 001
SERIES OF 2004**

The Board discussed the implications of the adjustments on the allowable ranges of contract costs (ARCC) and the corresponding track record requirements (single largest project or SLP completed) under PCAB Resolution No. 949, s. 2003, and noted that a yearly upward adjustment of SLPs and ARCCs may be too stringent considering that projects may take more than one (1) year to complete and that a lot of government contractors would be unable to maintain their size ranges thus limiting the number of eligible bidders for medium & large projects to only a few.

After due deliberations, the Board **RESOLVES** to provide for a 2-year implementation period for each stage of the adjustment process, and clarifying the ranges of SLP requirements as follows:


Size Range	License Category	CFYs 2004-2005 & 2005-2006 (1 st Stage)		CFYs 2006-2007 & 2007-2008 (2 nd Stage)		CFY 2008-2009 & 2009-2010 (3 rd Stage)	
		SLP	ARCC	SLP	ARCC	SLP	ARCC
Large B	AAA	Above P75 M	<or above P150 M	Above P150 M	< or above P300 M	Above P250M	< or above P500 M
Large A	AA	Above P50 M up to P75 M	Up to 150 M	Above P100 M up to P150 M	Up to P300 M	Above P150 M up to P250 M	Up to P500 M
Medium B	A	Above P25 M up to P 50 M	Up to P100 M	Above P50 M up to P100 M	Up to P200 M	Above P75 M up to P 150 M	Up to P300 M
Medium A	B	Above P5 M up to P25 M	Up to P50 M	Above P10 M up to P50 M	Up to P100 M	Above P15 M up to P75 M	Up to P150.M
Small B	C & D	≤P5.0 M	Up to P10 M	≤P10 M	Up to P15 M	≤P15 M	Up to P30 M
Small A	Trade	≤P500 T	Up to P500 T	≤P500 T	Up to P500 T	≤P500 T	Up to P500 T

The Board further **RESOLVES** to adopt the following transitory guidelines for the implementation of the above adjustments:

1. The above adjustments in minimum track record requirements per size range with allowable ranges of contract cost shall be applied to all types of applications for registration for government projects (new registration, upgrading of size range, additional project kinds and applications for re-registration) filed starting 01 July 2004;
2. Registration particulars with validity dates extending beyond 01 July 2004 shall remain valid with the same registration particulars reflected therein until expiration date; Provided that, the license is valid and that the licensee possesses the license category required for the corresponding registration size range/s.

APPROVED.

Makati City, Philippines, 16 January 2004



ERNESTO S. DE CASTRO
Member

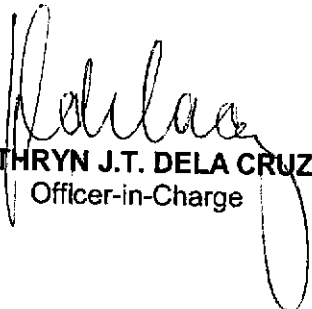


PHILIP TAN C. HUA
Member



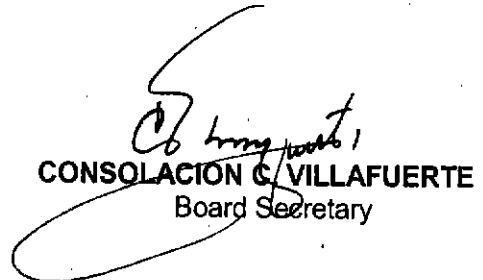
LORETO C. AQUINO
Chairman

Noted by:



KATHRYN J.T. DELA CRUZ
Officer-in-Charge

Attested by:



CONSOLACION C. VILLAFUERTE
Board Secretary



Department of Trade and Industry
Construction Industry Authority of the Philippines
PHILIPPINE CONTRACTORS ACCREDITATION BOARD
2nd Floor, Jupiter I Building, #56 Jupiter Street,
Bel-Air Village, Makati City, Tel. Nos. 895-4220, 895-4258



**BOARD RESOLUTION NO. 949
SERIES OF 2003**

Pursuant to CIAP Board Resolution No. 9, s. 2003, directing the Philippine Contractors Accreditation Board (PCAB) to, among others, implement the adjusted minimum networth requirements for categorization starting Contracting Fiscal Year (CFY) 2004-2005, the Board RESOLVES, as follows:

- To approve for implementation starting CFY 2004-2005 the following networth requirements for licensing:

PCAB License Category	Existing Minimum Networth Requirement	ADJUSTED MINIMUM NETWORTH		
		CFY 2004-2005	CFY 2005-2006	CFY 2006-2007
AAA	P10,000,000	P30 M	P60 M	P90 M
AA	5,000,000	15 M	30 M	45 M
A	1,000,000	3 M	6 M	9 M
B	500,000	1.5 M	3 M	4.5 M
C	300,000	0.9 M	1.5 M	3.0 M
D	100,000	0.3 M	0.6 M	0.9 M
TRADE	5,000	15,000	30,000	45,000

- To approve the following allowable ranges of contract cost (ARCC) under the PCAB guidelines for registration and classification of government contracting:

Size Range	License Category	CFY 2004-2005		CFY 2005-2006		CFY 2006-2007	
		SLP	ARCC	SLP	ARCC	SLP	ARCC
Large B	AAA	Above 75 M	< or above 150 M	Above 150M	< or above P300 M	Above P250 M	< or above 500M
Large A	AA	Above 50 M	Up to 150 M	Above P100M	Up to P300 M	Above P150 M	Up to P500 M
Medium B	A	Above 25 M	Up to P100 M	Above P50M	Up to P200 M	Above P75 M	Up to P300 M
Medium A	B	Above 5 M	Up to P50 M	Above P10M	Up to P100 M	Above P15 M	Up to P150 M
Small B	C & D	≤ P5 M	Up to P10 M	≤ P10M	Up to P20 M	≤ P15 M	Up to P30 M
		None	Up to P5 M*	None	Up to P10 M *	None	Up to P15 M*
Small A	Trade	≤ P500 T	Up to P500 T	≤ P500T	Up to P500 T	≤ P500 T	Up to P500 T
		None	Up to P250 T*	None	Up to P250 T *	None	Up to P250 T*

- Par. 3 of Section 23.11.2 of the IRR of RA9184 allows Small and Small B contractors without similar experience to bid only for contracts not more than fifty percent (50%) of the allowable range of contract cost of their respective size ranges.

- To review and update the above adjustments when necessary or at least every five (5) years based on the Consumer Price Index or the purchasing power of the peso; and
- To promulgate the Implementing Guidelines for the above adjustments as follows:
 - Scope**
These guidelines shall apply to all new, renewal and upgrading PCAB license & registration applications for CFY 2004-2005 and onwards.
 - Renewing applicants not meeting the adjusted minimum networth requirement of their existing categories may take any or both of the following options, if applicable:
 - Additional investment/capital infusion**
Supporting documents:
 - Audited financial statements reflecting the additional investment/ capital infusion;
 - In case of partnerships or corporations, amended articles of partnership/ incorporation increasing the authorized capitalization, if applicable, and updated list of stockholders, their nationalities and shareholdings;
 - Certified true copies of documents showing the existence/ownership of newly acquired assets:
 - bank certification/statement of cash in bank account duly certified by the bank manager;

- ii. deeds of sale, invoices, and receipts of purchase of construction and transportation equipment;
- iii. LTO certificate of registration and current official receipt of registration of transportation/delivery equipment in the name of the applicant/licensee; and
- iv. Deeds of sale, transfer certificates of title and tax declaration of real properties (land and building).

4.2.2 Appraisal of real properties, plants, machines and equipment

Supporting documents:

- a. Latest audited financial statements incorporating the said increase in value of assets due to appraisal and appraisal capital; and
- b. Independent appraiser's report.

4.3 Renewing applicants are required to file their renewal applications in accordance with the staggered renewal filing schedule based on the last digit of their respective license numbers as follows:

<u>Last digit</u>	<u>Month of Filing</u>
0 and 1	February
2 and 3	March
4 and 5	April
6 and 7	May
8 and 9	June

4.4 Renewing applicants meeting the adjusted minimum networth of their respective categories need not submit the supporting documents in paragraphs 4.2.1 and 4.2.2 when the following conditions are met:

- 4.4.1 The renewal application was filed within the above staggered renewal filing schedule;
- 4.4.2 The increase in networth as of December 31, 2003 (as reflected in the applicant's audited financial statements duly filed with the BIR) does not exceed 25% of the applicant's networth as of December 31, 2002, or 20% of the networth as of the latest AFS submitted to PCAB for any upgrading application filed in 2003; and
- 4.4.3 The applicant does not have any previous case for which license denial, suspension, or revocation was imposed by PCAB, and/or any pending case with the PCAB at the time of filing of its renewal application.

If any of the above conditions is not met, the applicant shall be required to substantiate additional investment/capital infusion and/or increase in asset values due to reappraisal with appropriate supporting documents in 4.2.1 and 4.2.2 above.

- 4.5 Supporting documents not certified by the issuing parties and/or with signs of tampering/alteration shall be subjected to independent verification by PCAB.
 - 4.6 Renewing applicants failing to meet the adjusted minimum networth will be issued a renewal certificate with the appropriate highest sustainable category.
 - 4.7 The above Implementing Guidelines and subsequent amendments/revisions thereto, shall also apply to the second and third phases of the adjustments for CFYs 2005-2006 & 2006-2007.
5. This resolution shall take effect immediately upon publication in a newspaper of general circulation.

UNANIMOUSLY APPROVED.

Makati City, Philippines, 19 December 2003



ERNESTO S. DE CASTRO
Member

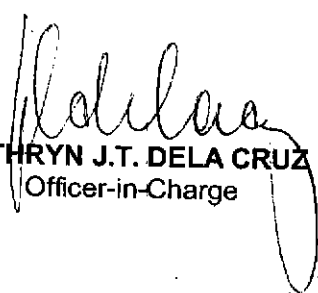


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Member



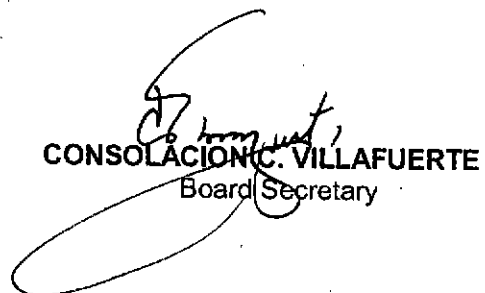
LORETO C. AQUINO
Chairman

Noted by:



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Attested by:



CONSOLACION C. VILLAFUERTE
Board Secretary