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**PPA MEMORANDUM CIRCULAR**

No. 24-2004

**To :** All Assistant General Managers  
All Port District Managers  
All Port Managers  
The Manager, Internal Control Department  
The Manager, Facilities Construction & Management Department  
The Manager, Project Development Department  
The Manager, Human Resource Management Department  
The Project Director, Project Management Team Office  
All Accredited Constructors of PPA Projects  
All Others Concerned

**SUBJECT :** Implementing Guidelines on the Constructors Performance Evaluation System (CPES) and Creation of PPA CPES Implementing Unit (IU).

**1. AUTHORITY**

Pursuant to the Implementing Rules and Regulations (IRR-A) of Republic Act No 9184, otherwise known as the Government Procurement Reform Act and in accordance with the Implementing Guidelines of the Constructors Performance Evaluation System (CPES) approved by the NEDA Infracom on 30 January 1998 and the NEDA Board Resolution No 18 (s 2002), the following are hereby adopted

- 1 1 Creation of the PPA CPES Implementing Unit (IU),
- 1 2 Guidelines on the evaluation by the Authority of all Constructors performance using CPES,
- 1 3 Inclusion in the Projects' Engineering and Administrative Overhead Cost the budget for the CPES

**2. OBJECTIVES**

- 2 1 The CPES is being implemented in order to
  - 2 1 1 Apply a uniform set of criteria for rating the performance of PPA Constructors,

*VISION*

*By 2010 PPA shall have met the international standards in port facilities and services in at least ten (10) ports in support of national development 14*

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*MISSION*

*We commit to provide reliable and responsive services in our ports, sustain development of our port communities and the environment, and be a model corporate agency of the government*

2 1 2 Develop a centralized base of information on performance rating of Constructors as one of the bases for the following

2 1 2 1 Eligibility Screening,

2 1 2 2 Shortlisting,

2 1 2 3 Postqualification,

2 1 2 4 Award of Contract,

2 1 2 5 Project Monitoring and Control,

2 1 2 6 Issuance of Certificate of Completion and/or Final Acceptance of Project,

2 1 2 7 Quality Improvement, and

2 1 2 8 Other purposes of government agencies, project owners, financing and insurance companies and other interested parties, and

2 1 2 9 Contribute in ensuring that infrastructure projects are conformed to the specified requirements of project owners

2 2 The CPES IU is hereby created and placed under the Internal Control Department (ICD) to preserve independence and objectivity in the course of the evaluation and to avoid overlapping of functions

### **3. SCOPE**

This Circular shall be used in evaluating the performance of all PPA Constructors undertaking PPA locally and foreign funded infrastructure projects, repair projects and other related construction projects

This Circular shall apply to the following

3 1 Local Constructors licensed by and registered with the Philippine Constructors Accreditation Board (PCAB),

3 2 Foreign Constructors licensed by PCAB, and

3 3 Joint ventures and consortia licensed by PCAB

#### 4. DEFINITION OF TERMS

The terms used in this Circular shall be defined as follows

- 4 1 **Constructor** – deemed synonymous with the term builder and hence, any entity including joint venture and consortium, licensed by PCAB who undertake or purports to have the capacity to undertake or who submit bid for infrastructure projects
- 4 2 **CIAP** – The Construction Industry Authority of the Philippines
- 4 3 **PDCB** – The Philippine Domestic Construction Board
- 4 4 **Constructors Performance Evaluation System (CPES)** – a System of grading the performance of a Constructor for a specific kind of project using a set of criteria
- 4 5 **Constructors Performance Evaluators (CPE)** – an individual accredited by the CIAP tasked to undertake performance evaluation of a Constructor's project using the CPES guidelines
- 4 6 **Performance Evaluation Team (PET)** – a group of CPEs chosen by IU to compose the team tasked to conduct evaluation on a particular project using the CPES
- 4 7 **Corrective Action Plan (CAP)** – is a plan of action proposed by the constructor to the Authority's Implementing Office (IO) which is aimed to correct the non-conformance findings on the project based on the CAR issued by the CPEs. 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 of his authorized representative
- 4 8 **Corrective Action Request (CAR)** – a form wherein the CPE records his/her validated findings including corresponding locations which do not conform to any of the checklist criteria requiring immediate actions by the constructor
- 4 9 **Preventive Action Plan (PAP)** – is a plan of action proposed by the constructor to the Authority's IO which is aimed to prevent the recurrence of non-conformance findings on hison-going and/or future projects
- 4 10 **Infrastructure Projects** – refers to construction, repair works, improvement or rehabilitation of roads, ports, buildings, port facilities, dredging and reclamation and other related construction projects

4 11 **Implementing Office (IO)** – refers to the units or departments within the Authority assigned to supervise the implementation of infrastructure projects, i e Facilities Construction and Maintenance Department (FCMD), Harbor Maintenance Department (HMD), Port District Office (PDO), Port Management Office (PMO) and Project Management Team Office (PMTO)

4 12 **CPES Implementing Unit (IU)** – refers to ICD, the PPA Department responsible for the implementation of the CPES

4 13 **Authority** – refers to the Philippine Ports Authority

## 5. CPES IMPLEMENTING UNIT

To ensure the effective implementation of CPES, ICD is hereby assigned as CPES Implementing Unit (IU) It shall act independently from the Implementing Office (IO) ICD functions, as CPES IU, shall be integrated with its inherent function of conducting an internal audit of the Authority

### 5 1 Organization

5 1 1 The Human Resource Management Department (HRMD) shall ensure that the required personnel to maintain the CPES IU are in place

5 1 2 The organization of the ICD CPES IU shall be as follows

5 1 2 1 Unit Supervisor (CPES Unit Chief)- shall act as head of the unit

5 1 2 2 Technical Personnel (CPES Technical Assistant)- shall assist the head in the performance of the unit's technical functions

5 1 2 3 Administrative Personnel (CPES Administrative Asst )- shall perform all the administrative and coordinative requirement of the unit

5 1 3 Functions of the ICD CPES IU organization

5 1 3 1 Supervisory

5 1 3 1 1 Select from the accredited CPEs the composition of the PET and supervise all CPE/PET tasked to undertake Constructor's Performance Evaluation

5 1 3 1 2 The ICD Manager or his representative shall preside over the CPES post evaluation conferences, which shall be attended by the Constructor and the representatives from the IO

5 1 3 1 3 Ensure that the workstation of the selected PPA CPE to compose the PET shall be as much as possible be proximate to the geographical location of the project

5 1 3 2 Technical

5 1 3 2 1 Undertake the Authority's responsibility in CPE accreditation processes, which consists of

5 1 3 2 1 1 selection, coordination, endorsement and pre-screening of applications of CPE applicants,

5 1 3 2 1 2 facilitate conduct of CPES required training and seminars, and

5 1 3 2 1 3 undertake yearly performance evaluation of CPES

5 1 3 2 2 Conduct/Coordinate orientation seminar/upgrading of skills and knowledge of Constructors Performance Evaluator/s (CPES)

5 1 3 2 3 Review and endorse necessary CPES reports

5 1 3 2 4 Act as a member of PET as needed

5 1 3 3 Administrative/Coordinative

5 1 3 3 1 Lists all projects to be subjected to CPES evaluation, schedule and coordinate site visits and identify/assign CPEs to compose PET and endorse the necessary Special Order

5 1 3 3 2 Generate latest project status and provide PET with necessary documents/references File/Savekeep all CPES related documents

5 1 3 3 3 Databank and disseminate CPES reports to all concerned users within the Authority, CIAP-PDCB and other interested users

5 2 Responsibility of the CPES IU

5 2 1 The ICD as CPES IU shall be responsible for the following

5 2 1 1 Listing of Projects

The IU shall prepare the list of infrastructure projects of the Authority which have been issued a Notice to Proceed (NTP) on a monthly basis upon receipt of documents "a" and "b" as listed in Section 10 1 of the CPES Implementing Guidelines Thereafter, the 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 – a minimum of two evaluations shall be performed by the CPE, except those projects with duration of less than two months, which must be evaluated at least once The number of evaluation beyond the prescribed minimum shall be determined by the 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
- b Upon Completion – only one evaluation shall be performed by the CPE right after the Constructor claims one hundred percent (100%) completion of the project

5 2 1 2 Consolidation and Review of Documents

Prior to the tentative evaluation date(s), the IU shall require the IO concerned to submit copies of documents "c" to "f" as listed in Section 10 1 of the CPES Implementing Guidelines and consolidate all of the submitted project documents for subsequent use of the CPE The punchlist listed as document "g" as listed in Section 10 1 of the CPES Implementing Guidelines shall form part of the documentary requirement for the "upon completion" evaluation only Based on the status of the project, the IU shall determine the most

appropriate evaluation date(s) and fills out the CPES Evaluation Forms to be used for such evaluation

5 2 1 3 Assignment of CPE and Provision of Documents

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

5 2 1 4 Review of IU-Supplied Documents and Pre-determination of Spots for Evaluation by the CPE

The CPE upon receipt of the documents supplied by the IU shall review the same and enter the pertinent data (e.g. standards and tolerances) in the appropriate spaces provided for in the CPES checklist. The CPE shall also randomly pre-determine the spots for evaluation comprising at least ten percent (10%) of the on-going or accomplished portions of each item of work, which are verifiable.

5 2 1 5 Finalization of Evaluation Date(s) and Notification of the IO Project Engineer and Constructor's Project Engineer

The IU shall finalize the date(s) of actual evaluation based on the latest project updates provided by the concerned IO and the agreements made by the CPE. The IU shall, likewise, notify the IO Project Engineer and the Constructor's Project Engineer before the actual evaluation date(s) within 24 hours for projects located in urban areas where communications are accessible and three (3) working days for projects in remote areas.

5 2 1 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 9.2 of the CPES Implementing Guidelines of the evaluation date(s). The CPES IU shall request their presence on said date(s) and specified venue. The resource persons/witnesses are to provide valuable inputs to the CPE.

5 2 1 7 Consolidation and Submission of Documents by the Constructor's Project Engineer

The Constructor's Project Engineer shall consolidate documents "a" and "b" as listed in Section 10 2 of the CPES Implementing Guidelines and present the same during the on-site pre-evaluation meeting to be conducted by the representative of the IU together with the CPE/PET

5 2 1 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 the said discussion, the CPE shall update/validate all of the standards/tolerances on relevant checklists to be used

5 2 1 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 finding in relevant checklists The CPE may list additional criteria 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 warranty period, the IU may request the CPE to undertake such evaluation The evaluation results shall be submitted by the CPE to the IU and/or concerned units of the agency

5 2 1 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 the 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

The Constructor's project engineer can either agree or disagree with the rating and in all or some of the CAR(s). Should there be agreements on the rating contained in the summary rating sheet and all CAR(s), the CPE leader shall request said engineer to affix his signature in spaces provided for in all copies of said documents. Thereafter, said engineer 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 that these shall be settled by an appropriate adjudicating body to be designated by the Authority.

5 2 1 1 1

Submission of Accomplished Rating Sheet, Constructor's Performance Summary Report (CPSR) and CAR(s) by CPE

Immediately after the completion of the evaluation, the CPE leader shall submit to the IU the original copies of the accomplished rating sheet (cover 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 Authority's designated adjudicating body, in cases where there is an appeal made by the constructor

5 2 1 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 the BPE, the constructor shall prepare and submit the corresponding CAP to 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 IO Head, the Constructor's project engineer shall implement the plan and to be monitored by the IO's project engineer. However, if CAP is disapproved, the Constructor's project engineer has to submit another CAP proposal for approval by the IO Head. 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 2 1 13 Review of CPES Rating, Preparation of Reports, and Dissemination of Information by the IU

The IU, upon receipt of the CPES rating sheet and CPSR for a particular project and visit, shall review the completeness, accuracy and consistency of its contents. Should the contents be in order, the IU shall submit it to the General Manager through the A/GM CASP. Further, it shall furnish copies of the report to the Head of the IO of the project being evaluated, the Chairman of the Bids and Awards Committee (BAC), the concerned Constructor, the CIAP-Philippine Domestic Construction Board (PDCB), and other concerned users within five (5) working days or as the need arises. These 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 IU

The IU shall submit to CIAP's PDCB an authenticated photocopy of the CPSR on a monthly basis

5 2 1 14            Recommends Issuance of the Certificate of CPES Over-all Rating to Concerned Contractor

The IU shall recommend to the General Manager to issue a Certificate of Over-All Rating for every project evaluated by CPES. The Certificate shall be issued to the concerned Constructors duly approved by the General Manager.

The over-all rating indicated in the Certificate of Over-all Rating shall be derived based on the CPES Implementing Guidelines.

5 2 1 15            Databanking by IU

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 Authority's databank for all CPES information and documents pertaining to its projects and Constructors.

## 6. FUNDING

6 1            Source of funds for the implementation of the CPES shall be in accordance with NEDA Board Resolution No 18 (s 2002) approved on 10 December 2002 which states that

*"to ensure the continuous implementation of the Construction Performance Evaluation System (CPES) all government agencies are directed to include in the Projects' Engineering and Administrative Overhead Cost the budget for the CPES "*

6 2            In view thereof, the Project Development Department (PDD), the Port District Office-Engineering Services Division (PDO-ESD) and the Port Management Office-Engineering Services Division (PMO-ESD) should include and identify the *Project Engineering and Administrative Overhead Cost Budget* the funds allotted for the CPES

Expenses to be incurred in the implementation of the CPES by the Authority's CPES IU such as travelling expenses, allowances and supplies required by the ICD CPES IU and the CPE/PET shall be charged to the said *Project Engineering and Administrative Overhead Cost*

6 3 ICD should include and identify a separate budget for the conduct of CPES training and seminars to be allocated for the enhancement of knowledge and skills of concerned PPA employees. This cost should be included in the *Manpower Development Budget* of the PPA.

**7. CONSTRUCTORS PERFORMANCE EVALUATORS/PERFORMANCE EVALUATION TEAM (CPE/PET)**

7 1 CPE/PET shall be guided accordingly by the provision of the NEDA-approved Constructors Performance Evaluation System (CPES) Implementing Guidelines in conducting an objective evaluation of constructors performance.

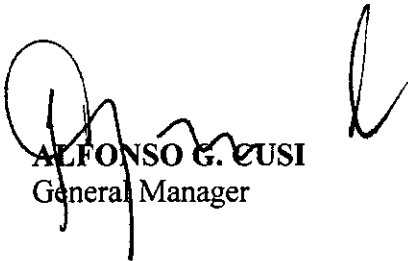
7 2 The designated CPE/PET shall coordinate with the Unit Supervisor in the conduct of the actual evaluation.

7 3 The designated CPE/PET shall report to the ICD Manager whenever a Special Order is issued to implement the CPES for a particular project.

7 4 CPE/PET shall prepare and submit the Accomplished Rating Sheet, Constructor's Performance Summary Report (CPSR) addressed to the ICD Manager after every project site visit/evaluation.

**8. EFFECTIVITY**

This Memorandum Circular shall take effect immediately and shall remain in force unless otherwise revoked or amended.

  
ALFONSO G. CUSI  
General Manager