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Department Circular
No. C1
Series of 2019

SUBJECT: GUIDELINES FOR THE IMPLEMENTATION OF CONSTRUCTORS’ PERFORMANCE EVALUATION SYSTEM (CPES) AT THE DEPARTMENT OF AGRICULTURE

1. LEGAL BASES

Pursuant to Section 12.3, Annex “E” of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184, otherwise known as the Government Procurement Reform Act, all procuring entities implementing government infrastructure projects are required to evaluate the performance of their contractors using the NEDA-approved Constructors Performance Evaluation System (CPES) guidelines for the type of project being implemented. The CPES Implementing Units (IU) shall be responsible for the implementation of the CPES Implementing guidelines, including but not limited to, the supervision of Constructors Performance Evaluators (CPEs) to be accredited by the Construction Industry Authority of the Philippines (CIAP). The DA CPES IU shall be responsible for the following: a) pre-screening of applications of CPEs, b) funding for CPEs accreditation training and seminars; and c) yearly evaluation of CPEs.

Likewise, Rule 24.3.1a under Section 24 of the Implementing Rules and Regulations (IRR) of Republic Act No. 10601 (Agricultural and Fisheries Mechanization Law) mandates the Philippine Council for Agriculture and Fisheries (PCAF) to strengthen the then Infrastructure Support and Coordination Section (ISCS) into an Agricultural and Fishery Mechanization and Engineering Division to effectively provide technical and administrative leadership to the PCAF-Agriculture and Fishery Mechanization Committee (AFMeC), the Implementing Unit of DA-CPES, and the coordination and monitoring of the Local AFMeC activities and the policy formulation, analysis, advocacy and program development on Agricultural and Fishery Mechanization.

2. OBJECTIVES

This Department Circular shall serve as the Implementing Guidelines of CPES at the Department of Agriculture following the National Economic and Development Authority (NEDA)-approved CPES Guidelines. It also aims to contribute in ensuring that all infrastructure projects implemented by DA conform to the specified requirements.

3. SCOPE

This Guidelines shall cover the mechanism and operation of CPES on the DA implemented infrastructure projects. For DA-funded infrastructure projects
being implemented by other government agencies, the Implementing Office may request the DA CPES-IU to conduct CPES on their infrastructure projects.

This Guidelines shall be used by the DA CPES-IU and DA Implementing Offices as basis in the implementation of CPES.

4. DEFINITION OF TERMS

4.1 Constructor- is deemed synonymous with the term “builder” and hence, refers to any entity including joint venture and consortium licensed by PCAB that undertakes or purports to have the capacity to undertake or submits a bid for infrastructure projects.

4.2 Corrective Action Plan (CAP) - is a plan of action proposed by the contractor to the concerned Department’s implementing units which is aimed to correct the non-conformance findings on the project based on the Corrective Action Request (CAR) issued by the Constructor Performance Evaluator (CPE). The CAP shall include the contractor’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.

4.3 Corrective Action Request (CAR) - a request form wherein the CPE records the validated finding(s) including corresponding location(s) which do not conform to any of the checklist indicators requiring immediate actions by the contractor.

4.4 Constructors’ Performance Evaluation System (CPES)- a system of grading performance of a constructor for a specific kind of projects using a set of criteria, approved by the NEDA Board Committee on Infrastructure.

4.5 Constructors’ Performance Evaluator (CPE) - an individual accredited by CIAP tasked to undertake performance evaluation of a constructor’s project using NEDA-approved CPES guidelines.

4.6 DA Implementing Office- refers to any unit, office, bureau, attached agency, or corporation within the Department of Agriculture (DA) tasked to implement and supervise the implementation of infrastructure projects.

4.7 DA Implemented infrastructure project- refers to the infrastructure project implemented and supervised by the DA.

4.8 DA-funded infrastructure project- refers to the infrastructure project which is funded by the DA and is supervised and implemented by a government agency other than DA.
4.9 Implementing Office- refers to any government agency (e.g. Department of Public Works and Highways (DPWH), Local Government Unit (LGU)) tasked to implement and supervise the construction of infrastructure projects funded by the Department of Agriculture.

4.10 Preventive Action Plan (PAP)- is a plan of action proposed by the constructor to the concerned Implementing Office which is aimed to prevent the recurrence of non-conformance findings on his on-going and/or future projects.

4.11 Procuring Entity- refers to any unit, office, bureau, attached agency, or corporation procuring infrastructure projects.

4.12 Project Owner- refers to any unit, office, bureau, attached agency, or corporation which initiates the implementation of infrastructure projects.

5. DEPARTMENT OF AGRICULTURE CONSTRUCTORS' PERFORMANCE EVALUATION SYSTEM - IMPLEMENTING UNIT (DA CPES-IU)

Pursuant to Rule 24.3.1a under Section 24 of the IRR of the Republic Act No. 10601 (Agricultural and Fisheries Mechanization Law), PCAF shall be the Constructors’ Performance Evaluation System Implementing Unit (CPES-IU) of the Department of Agriculture (DA). The PCAF-Agricultural and Fishery Mechanization and Engineering Unit (AFMEU) shall serve as the DA CPES-IU pending the approval of the plantilla positions of the PCAF-Agricultural and Fishery Mechanization and Engineering Division (AFMED).

6. ROLES AND FUNCTIONS

6.1 PCAF

The PCAF shall have technical and administrative functions as follows:

6.1.1 Technical

a. Undertake accreditation processes which consist of: i) pre-screening and endorsement of application of CPE applicants; and ii) facilitate conduct of CPES required trainings and seminars;

b. Undertake yearly performance evaluation of CPEs;

c. Update CPE members on latest developments and other technical functions;

d. Orient resource persons or witnesses on the details of project evaluation;

e. Review and prepare CPES reports and recommend appropriate actions based on the CPES Rating;

f. Assign its accredited CPE staff member to act as individual CPE or members of the CPE team as required;

g. Act as a regular member of the CPE Team;
h. Conduct on-site evaluation of on-going infrastructure projects and record the findings;

i. Validate findings and reports of the Constructors’ Performance Evaluators; and

j. Assist in the coordination with concerned agencies regarding the construction of infrastructure projects funded by DA.

6.1.2 Administrative

a. List all projects to be subjected to evaluation using CPES and identify and assign personnel to compose the CPE Team;

b. Schedule orientation-seminar on CPES for the members of CPE Team and resource persons or witnesses;

c. Prepare latest project status, schedule CPE site visits, coordinate visit with the Head of the Implementing Office and concerned constructor, and file all CPES related documents;

d. Provide the CPE with the CPES documents, implementing guidelines and forms; and prepare CPE travel documents as required; and

e. Disseminate and maintain a databank of CPES reports and documents to all concerned users within DA, CIAP-Philippine Domestic Construction Board (PDCB), and other interested users.

6.2 DA Implementing Offices

The DA Implementing Offices shall undertake the following activities and functions:

6.2.1. Provide the PCAF-AFMEU the following project implementation documents:

a. Contract documents: approved contract agreement, contract drawing, general and special or local provisions including plans and specifications, method of construction, safety and health measures

b. Approved constructors’ construction program: Critical Path Method (CPM) work schedule or bar chart, materials and manpower schedule, equipment schedule, organizational chart, financial chart such as S-curve or cash flow

c. Constructor’s statistical reports: physical progress or status, equipment and manpower schedules based on the latest approved Program Evaluation and Review Technique (PERT) or Critical Path Method (CPM) work schedule

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, and rebar

f. Punchlists (once the project reaches an accomplishment of ninety five percent (95%) of the total contract amount)

g. Relevant checklists, CPES evaluation form and cover sheet;

6.2.2. Supply additional documents as may be required by CPE:

a. Logbook;
b. As-built plan(s);
c. Variation order(s); and
d. List of subcontractors or suppliers;

6.2.3. Receive Notification of Project Visit from the DA CPES-IU; and

6.2.4. Permit or allow the DA CPEs assigned in their respective offices to conduct CPES in other DA Implementing Offices provided that a Special Order or Memorandum is issued.

6.3 DA-Bureau of Agricultural and Fisheries Engineering (BAFE)

The DA-BAFE shall undertake the following activities and functions:

6.3.1. Act as a regular member of the CPE Team during the conduct of pre, actual, and post-project evaluations; and

6.3.2. Perform other duties and functions relevant to the Constructors' Performance Evaluation System.

6.4 DA Regional Agricultural Engineering Division (RAED)

The DA RAED shall undertake the following activities and functions:

6.4.1. Assist the DA CPES-IU and CPEs during the conduct of pre-, actual and post-project evaluations;

6.4.2. Assist the DA CPES-IU to coordinate with the Constructor's project engineer and concerned Local Government Unit (LGU) officials;

6.4.3. Recommend and provides accredited CPEs assigned in their respective regions whenever needed by the DA CPES-IU; and

6.4.4. Perform other duties and functions relevant to the Constructors' Performance Evaluation System.

6.5 DA Constructors' Performance Evaluator (CPE)

In order to be a Constructors' Performance Evaluator, the DA engineers must be accredited by the CIAP-Philippine Domestic Construction Board
(PDCB) in accordance with Guidelines for the Accreditation of Government Constructors' Performance Evaluators.

The DA CPE shall undertake the following activities and functions:

6.5.1. Strictly undertake project evaluation based on the NEDA-approved CPES Implementing Guidelines. All necessary tests, verifications and other scope of work expected of CPE/s must be done on the project concerned;

6.5.2. Observe confidentiality of CPES evaluation findings;

6.5.3. Submit CPES evaluation reports to DA CPES-IU five (5) working days after the site evaluation;

6.5.4. Undergo the annual performance evaluation as CPE which shall be conducted by the DA CPES-IU. All those proven to have illegally collaborated with officials involved in the project or have committed graft and corruption or other misdemeanors shall be reported to the proper authority for necessary actions by the DA CPES-IU;

6.5.5. Act as CPE for three (3) years which is the validity period of the accreditation. This accreditation shall be renewed based on the outcome of the CPE performance evaluation and/or recommendations conducted and made by the DA CPES-IU; and

6.5.6. Those who shall be proven to commit offenses enumerated in Item IX-Disciplinary Actions of the CIAP-PDCB’s Guidelines for the Accreditation of Government Constructors’ Performance Evaluators shall be meted out necessary disciplinary actions by the concerned government agency based on Rule XIV-Discipline of the Civil Service Law and Rules. Furthermore, the CIAP-PDCB shall delist the CPE from the list upon recommendations made by the government agency concerned.

6.6 Constructor

The Constructor shall undertake the following activities and functions:

6.6.1. Supply the required documents such as:

   a. Project log book;
   b. Updated records of tests and results and materials quality control program monitoring reports;
   c. PERT/CPM or S-curve; and
   d. Other related reports and documents as deemed necessary during the on-site evaluation (cause of delays, permits, certifications, etc.)

6.6.2 Receive the Notification of Project Visit from DA Implementing Office;
6.6.3 Assist the CPEs during the on-site evaluation;

6.6.4 Receive the Corrective Action Request (CAR);

6.6.5 Prepare and submit the Corrective Action Plan (CAP) and/or Preventive Action Plan to the concerned Implementing Office within 2 working days upon receipt of the Corrective Action Request (CAR); and

6.6.6 Attend pre, actual and post project evaluation meetings with the CPE Team

7. COMPOSITION OF CPE TEAM

The CPE Team shall be composed of the following members and shall be led and supervised by the DA CPES-IU:

- One (1) Accredited DA CPE;
- One (1) DA CPES-IU Technical Staff or Accredited CPE; and
- One (1) Accredited CPE from BAFE

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

- One (1) Representative from Implementing Office/RAED;
- One (1) Representative from the concerned Local Government Unit (LGU);
- One (1) Representative from concerned Agriculture and Fishery Council (AFC); and/or
- Constructor's Project Engineer and/or Consultant assigned in the project

8. SEQUENTIAL ACTIVITIES

The sequential activities to be undertaken by the DA CPES-IU, CPEs, Constructor, Implementing Office, and CIAP are presented hereunder.

8.1 The DA CPES-IU shall consolidate the list of all infrastructure projects of the concerned DA units, offices, bureaus, attached agencies and corporations which have been issued Notice To Proceed (NTP) on a monthly basis upon receipt of documents from the BAC Secretariat or Agricultural Engineering Division of the Implementing Office concerned. Thereafter, the DA 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; and
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.

8.2 The conduct of CPES shall be included in the provisions in the Memorandum of Agreement (MOA) between DA as funding agency and Implementing Office. The concerned DA funding agency shall coordinate with the Implementing Office (e.g. DPWH, LGU) regarding submission of the project documents mentioned in Section 6.2.1.

8.3 Prior to the tentative evaluation date(s), the CPES-IU shall require the Implementing Office concerned to submit copies of documents “c” to “f” as listed in Section 6.2.1 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 DA CPES-IU shall determine the most appropriate evaluation date(s) and fills out the CPES Evaluation Forms to be used for such evaluation.

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

8.5 The CPE upon receipt of the documents supplied by the DA 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.

The DA CPES-IU shall finalize the date(s) of actual evaluation based on latest project updates provided by the concerned Implementing Office and the agreements made with the CPE. The DA CPES-IU shall, likewise, notify the Implementing Office’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.

8.6 The DA CPES-IU shall inform the CPE team and CPE resource persons or witnesses of the evaluation date(s). The DA CPES-IU shall request their presence on said date(s) and specified venue. The resource persons or witnesses shall provide necessary information and inputs to the CPE.

8.7 The constructor’s project engineer shall consolidate documents as listed in Section 6.6.1 hereof and present the same during the on-site pre-evaluation meeting to be conducted by the CPE Team.

8.8 Prior to actual evaluation, the CPE Team and its resource persons or 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 and validate all of the standards and tolerances on relevant checklists to be used.

8.9 Based on the pre-determined spots to be evaluated, the CPE and its resource persons or 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 or videos to substantiate its findings.

Should there be a need to assess the constructor’s performance during the defects liability period, the DA CPES-IU may request the CPE to undertake such evaluation. The evaluation results shall be submitted by the CPE to the DA CPES-IU and concerned Implementing Office.

8.10 The CPE leader shall convene a meeting to be attended by the CPE team members, resource persons and witnesses to deliberate on the findings and validate the causes for such and to give recommendations and appropriate actions based on the findings.

8.11 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.

8.12 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.

8.13 If in agreement with the ratings and CAR(s), the Constructor’s project engineer and/or Authorized Representative shall acknowledge the relevant documents. Thereafter, the 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.

8.14 To ensure and check constructor’s compliance on CAR, the DA CPES-IU shall require the DA Implementing Office’s Project Engineer to submit a Monitoring Report to the Head of the Implementing Office; copy furnished the DA CPES-IU. 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.
Immediately after the completion of the evaluation, the CPE leader shall submit to the DA 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 DA’s designated adjudicating body, in case when there is appeal made by the constructor.

Based on the non-conformance findings prepared by CPE team, the constructor shall prepare and submit the corresponding CAP to the Head of the concerned Implementing Office for his assessment and subsequent approval. If the CAP is approved by the Head of the Implementing Office, the constructor’s Project Engineer (PE) and/or Authorized Representative shall implement the plan which shall be monitored by the Implementing Office’s PE. The concerned Implementing Office shall monitor the constructor’s implementation of all the recommendations made by the CPE team 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 Implementing Office shall submit the reports to the DA CPES-IU. However, if CAP is disapproved, the constructor’s PE has to submit another CAP proposal for approval by the Head of the Implementing Office. The constructor has to submit PAP proposal if similar findings by the CPE team occurred twice or more. The process of PAP’s approval is similar to CAP’s.

The DA 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 Implementing Office and other government agency 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.

All original copies of the CPES rating sheets shall be filed and pertinent data stored in a computer by the DA CPES-IU for easy access and processing of information in the future. This unit shall serve as the DA’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.

9. IMPLEMENTATION OF CPES ON DA INFRASTRUCTURE PROJECTS

CPES shall be undertaken in all DA infrastructure projects regardless of contract amount and funding source and whose contract are awarded either thru bidding or negotiated by offices/agencies concerned.

10. CONDUCT OF ACTUAL EVALUATION BY CPEs

The Accredited DA CPEs shall be tapped by the DA CPES-IU in the evaluation of the infrastructure projects implemented by the concerned DA Implementing Offices. They shall be assigned to evaluate constructors in another region other than their respective regions. It is necessary that all CPEs are not in any way involved (e.g. relatives of the constructor, etc) with the project to be evaluated in order for them to give an objective and unbiased evaluation of the constructor's performance.

The DA CPES-IU shall issue a special order or memorandum signed by the DA Secretary thru Undersecretary for Operations and Agri-Fisheries Mechanization to the Head of the Implementing Offices regarding the details of the Constructors’ Performance Evaluation such as the members of the CPE Team, date of evaluation, and the name and location of project to be evaluated.

11. EXIT CONFERENCE

After the conduct of the post-evaluation of DA infrastructure projects, the Implementing Office shall convene an exit conference for the discussion and presentation of evaluation ratings, CAR(s), CAP(s), PAP, Monitoring Report, and Constructor’s Performance Summary Report. This conference shall be participated in by the DA CPE Team members and resource persons, concerned Implementing Office Directors/Executive Directors/Heads, Bids and Awards Committee Chairpersons and concerned constructors.

12. PERFORMANCE REVIEW

The DA CPES-IU shall conduct Performance Review semi-annually. The conference participants shall include the DA Secretary, Undersecretaries, Assistant Secretaries, concerned Bureaus and Attached Agencies and Corporations Directors/Executive Directors/Heads, Bids and Awards Committee Chairpersons, and concerned constructors. The purpose of the performance review is to present the results/findings of the Consolidated Constructors' Performance Summary Report to the concerned individuals mentioned above and to obtain their comments before the Consolidated Constructors' Performance Summary Report is submitted to CIAP.
12. **FUNDING**

Pursuant to the NEDA Board Resolution No. 18 (s. 2002), all concerned offices are required to include in their Projects' Engineering and Administrative Overhead (EAO) Cost the budget for the implementation of CPES. Therefore, all expenses incurred during the conduct of CPES shall be charged against the DA Implementing Offices' fund, while the travelling and other incidental expenses of the CPES shall be charged against their respective offices' funds.

13. **SEPARABILITY CLAUSE**

Should any provision of this Department Circular or any provisions thereof be declared invalid, the other provisions of this Circular, so far as they are separable, shall remain in force and effect.

14. **REPEALING CLAUSE**

All existing administrative orders, rules and regulations, or parts thereof, in conflict with, or inconsistent with any provisions of this Department Circular are hereby repealed or modified accordingly.

15. **EFFECTIVITY**

This Circular shall take effect upon approval by the Department of Agriculture Secretary and fifteen (15) days after its publication in the Official Gazette and in at least two (2) newspapers of general circulation.

Approved and promulgated this ___ day of ___ 2019.

EMMANUEL F. PIÑOL
Secretary
Department of Agriculture

DEPARTMENT OF AGRICULTURE

LOURDES B. PLECHAS
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