LEVEL 2 PROCEDURE to address:
ISO 9001: 2000

Element 6.3- Facilities

APPROVALS:

REV. JONIEL HOWARD H. GICO
Vice President for Administration

DR. JUANITO M. ACANTO
President

CARL DE LA PEÑA
Chairman, Construction Committee
CHANGE RECORD

<table>
<thead>
<tr>
<th>Rev. No.</th>
<th>Date</th>
<th>Approved By</th>
<th>Description of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2. Dr. Juanito M. Acanto</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Joniel Howard H. Gico</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>July 18, 2005</td>
<td>1. Joniel Howard H. Gico</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Dr. Juanito M. Acanto</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Carl de la Peña</td>
<td></td>
</tr>
</tbody>
</table>

DISTRIBUTION LIST

<table>
<thead>
<tr>
<th>Copy No.</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Master</td>
<td>- File in Computer</td>
</tr>
<tr>
<td>2</td>
<td>- Document Control</td>
</tr>
<tr>
<td>3</td>
<td>- Secretariat – BOT/ CONSCOM</td>
</tr>
<tr>
<td>4</td>
<td>- VP – Administration</td>
</tr>
<tr>
<td>5</td>
<td>- Office of the President</td>
</tr>
</tbody>
</table>

1.0 PURPOSE AND SCOPE

1.1 Purpose: This document provides guidelines for the construction, renovation, or improvement of land improvement projects such as roads,
buildings, utilities (electricity, water), workspaces and other infrastructures required by the university.

1.2 Scope: These guidelines cover activities starting from the review of plans and recommendations of the University President, the approval of the Board of Trustees (BOT) where required, the bidding of projects for construction, awarding the contract to a selected contractor, monitoring the progress of construction and the final acceptance of the finished project. The guidelines cover projects in the main campus of the University and other locations owned by the University.

2.0 Responsibilities

2.1 The Construction Committee is responsible for the implementation of these guidelines.

2.2 The Office of the Vice-President for Administration (OVP-ADMIN) is responsible for the implementation of duly approved construction projects.

3.0 Definition of Terms

3.1 Construction Committee (CONSCOM) – A committee of the BOT created to review the plans and recommendations of the University President with regards to the construction of roads, buildings and other infrastructures and the renovation and improvement of buildings.

3.2 Renovation – to alter or add something to improve the condition of an original facility

3.3 Repair – to restore to good condition

3.4 Maintenance – to keep in an existing state, i.e., repainting, replacement of parts before breakdown.

3.5 Change order – a departure from the originally approved plans and specifications of a project that may be required during the implementation of a project.

4.0 Guidelines

4.1 Construction of land improvement projects should be in accordance with a Campus Development Plan.
4.2 Construction of workspaces and facilities for employees and students should comply with the guidelines/requirements of government-regulatory agencies.

4.3 New land improvement projects and renovations of existing structures costing Php 200,000 and above should have the approval of the BOT through the CONSCOM.

4.4 Any land improvement project costing below Php 200,000, “self-funded” or otherwise such as gazebos, sheds, walk-ways and other beautification schemes which involve permanent structures that impact on the landscape of the campus should be formally brought to the attention of the BOT through the CONSCOM for information, co-ordination and control before implementation.

4.5 Barangay Clearance, Building Permit, Environmental Clearance Certificate, Occupancy Permit and other government requirements should be complied with before a project is started and a finished structure used or occupied. The University President, however, in case of exigency and in close liaison with the government agency concerned, may make exceptions from this guideline.

4.6 At least three qualified architectural/engineering firms should be invited to submit designs of proposed major infrastructure projects costing more than Php 2,000,000.00 for consideration of the CONSCOM and approval of the BOT.

4.7 The architectural/engineering firm chosen to design a project should be disallowed to participate in the bidding for the construction of the project.

4.8 Only pre-qualified contractors should be allowed to participate in the bidding for a construction project. (Note: Refer to Doc. SE-6.3-PR-01D “List of Qualified Bidders” for guidelines for pre-qualification of contractors.)

4.9 At least five pre-qualified contractors should be invited to bid for a construction project.

4.10 For projects costing Php 5,000,000 and above, “Invitation to Bid” should be published in a newspaper of regional circulation for at least five(5) days and responding bidders should be subject to pre-qualification of Contractors.

4.11 The bidding process and the awarding of contract to a selected bidder should follow a procedure defined in Doc. SE-6.3-PR-01B “Contract Bidding and Awarding”.
4.12 Advance payment that may be advanced to the selected contractor should be limited to:

- 15% of contracts below Php 1.0 million
- 10% of contracts for Php 1.0 million and above

4.13 In cases where further negotiations with the selected contractor be required by CONSCOM, a negotiation team composed of OVP-Admin and two other members should be designated by CONSCOM.

4.14 Implementation of land improvement projects should be administered by the OVP-ADMIN. (Note: Refer to Doc SE-6.3-PR-01C, “Procedure for Project Management”)

4.14.1 Any change order that may be required during the implementation of a project should have the concurrence of CONSCOM.

4.15 Repair and maintenance of existing structures are the responsibilities of OVP-ADMIN. However, any single repair/maintenance activity costing Php 500,000 and above should have the approval of CONSCOM.

4.16 Acceptance of the finished project and final payment to contractor and/or release of the construction bond should have the concurrence of the CONSCOM after the following steps have been done:

4.16.1 Defects in plumbing, lighting, painting and other details may be noted when a project is nearing completion.

4.16.2 The project management team should prepare a checklist of such defects and present it to the contractor for corrective action (Note: Refer to Doc. VPA Form 04-“Checklist – Construction Inspection”)

4.16.3 Prior to final inspection for acceptance of the project, the project management team should furnish the latest “checklist” indicating corrective action done to the CONSCOM (or designated representatives) who will inspect the project and make recommendations for the acceptance of the project.

4.17 Based on Board of Trustees resolution NCPUBT 3/27/04-3: Any University employee who is an immediate member of the family of contractors/bidders, for ethical reason, should not be allowed to take part in any activity related to construction projects undertaken in the University which shall result to conflict of interest.
4.18 Contractor’s with two (2) or more pending or unfinished projects in the University cannot qualify for bidding on a new project.

4.19 Any land improvement project of the administration costing below Two hundred thousand pesos (Php 200,000.00) not requiring the approval of the BOT through CONSCOM, where applicable, should comply with guidelines 4.5, 4.8, 4.9, 4.11 and 4.12 of this DOCUMENT.

4.20 Contractor’s category to qualify to bid in certain project should be determined according to their accreditation to Philippine Contractors Accreditation Board (PCAB), their financial capabilities, organization, technical staffing, expertise and proven track record. Contractors who may not be accredited with PCAB nor duly licensed may participate in bidding for projects costing not more than two hundred thousand pesos (Php 200,000.00).

4.21 Evaluation of contractors performance shall be conducted by OVP-ADMIN, Architect/Designer and end user for every project undertaken by the University. Result of performance evaluation shall be compiled and used to disqualify, re-qualify and update “List of Qualified Bidders”.

4.22 Any construction, renovation and improvement project costing more than One hundred thousand pesos (Php 100,000.00) shall be subject to a public bidding. However for a project which requires special skills and/or requires a specialty contractor, or if the project is urgently needed, the project is exempted from a public bidding but the approval of CONSCOM will be solicited. Negotiated contract will be applied.

4.23 Contractor’s All Risk Insurance shall be required in any construction, renovation, and improvement project identified by the CONSCOM, and OVP-ADMIN wherein Risk or Danger level is high.

4.24 Contractor’s Category, the list of pre-qualified bidders categorized accordingly, should be maintained and updated regularly.

4.24.1 Category A – Contractor’s with complete licenses, resources and good performance back ground in construction industry with 4M’s – Manpower, Money, Machineries and Management, can openly participate in any bidding process regardless of construction/project cost.
4.24.2 Category B – qualified contractors complete with licenses, resources and good performance background in construction industry but of smaller scale. Can participate in any bidding process but limited to a maximum construction/project cost of Ten million pesos (Php 10.0M).

4.24.3 Category C – qualified contractors involved in a small scale project in construction industry, can participate in any bidding process but limited to a maximum construction/project cost of Two million pesos (Php 2.0M).

4.24.4 Category D – contractors involve in a very small scale construction industry who does not have any licenses from any licensing body can participate in a bidding process but limited to a maximum construction/project cost of Two hundred thousand pesos (Php 200,000.00).

5.0 References
5.1 Doc. SE-6.3-PR-01B “Procedure for Contract Bidding and Awarding”
5.2 Doc. SE-6.3-PR-01C “Procedure for Project Management”

6.0 Records
6.1 SE-6.3-PR-01D “List of Pre-Qualified Bidders”
6.2 SE-6.3-PR-01E “List of Pre-Qualified Bonding/ Insurance Companies”
6.3 VPA Form 04 “Checklist – Construction Inspection”
6.4 Status Report on Outstanding Projects
6.5 Bid Documents
6.6 Design Plans and Specifications
6.7 “As Built Plans”/Project
6.8 Contractor's category