



CIAP BOARD RESOLUTION NO. 08
Series of 2015

ENDORISING THE AMENDMENTS TO CERTAIN PROVISIONS OF THE IMPLEMENTING RULES AND REGULATIONS OF R.A. 4566 (THE CONTRACTOR'S LICENSE LAW) FOR THE APPROVAL OF THE PRESIDENT OF THE PHILIPPINES PURSUANT TO THE PHILIPPINE CONTRACTORS ACCREDITATION BOARD (PCAB) RESOLUTION NO.151, SERIES OF 2015

On motion duly seconded.

WHEREAS, the Construction Industry Authority of the Philippines (CIAP), under Section 2 (a) of PD 1746 is tasked to promote, accelerate and regulate the growth and development of the construction industry in conformity with national goals;

WHEREAS, among the powers of CIAP are: to evolve an overall strategy and exercise centralized authority for the optimum development of the construction industry; to establish criteria for the classification and categorization of contractors which accurately reflect their contracting capacity and performance capability; to enforce relevant and reasonable rules and requirements, as well as implement practicable and efficient procedures for prequalification of public projects; and to perform such other functions necessary to achieve its objectives;

WHEREAS, the same law provides that CIAP shall exercise jurisdiction over its implementing arms to include Philippine Contractors Accreditation Board (PCAB) which has the powers to implement the provisions of R.A. 4566 (Contractor's License Law), as amended by PD1746;

WHEREAS, Section 5 of RA 4566, provides that the PCAB may, with the approval of the President of the Philippines, issue such rules and regulations as may be deemed necessary to carry out the provisions of RA 4566.

WHEREAS, Section 5.10 of the Implementing Rules and Regulations (IRR) of RA 4566, provides that the PCAB is empowered to add to, delete from, amend, revise or otherwise update the requirements and procedures for categorization as provided therein, whenever deemed necessary by the Board to render categorization relevant responsive to actual prevailing conditions.

WHEREAS, PCAB, cognizant of the present demand in the industry to be globally competitive and to be at par with the foreign competitors in terms of capitalization, proposed possible amendments to the IRR of RA 4566 on the requirements for a license to be relevant and responsive to the actual prevailing industry conditions;

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[Signature]

WHEREAS, in the CIAP 66th Regular Meeting held on 26 July 2013, the Board discussed and passed Resolution No. 5, series of 2013, approving the proposed amendments to the IRR of RA4566 and directing PCAB to reflect and implement the said amendments;

WHEREAS, consistent with the directive of the CIAP Board, PCAB passed Resolution No. 333, s. 2013 on 27 August 2013, entitled, "Creating a "Quadruple A" or "AAAA" Category under the PCAB Regular License for Contractors with a Networth of at least One (1) Billion Pesos, and Allowing Foreign Contractors to be Licensed under the said Category";

WHEREAS, during the 67th Regular Meeting of the CIAP held on 26 March 2014, Resolution No. 2, series of 2014 was passed confirming the amended IRR of RA 4566 for endorsement to the Office of the President (OP) for approval;

WHEREAS, prior to endorsement to the OP also contained in CBR 2, s. 2014, is the directive to conduct a public forum to be organized by the PCA and participated in by the construction industry stakeholders as well as the representatives from the Department of Labor and Employment (DOLE), Professional Regulation Commission (PRC), Bureau of Immigration (BI) and other concerned entities in order to detail out necessary safeguards to level the playing the field (i.e. hiring of foreign workers by foreign contractors should be 1:1 with local understudy, among others).

WHEREAS, the PCA held a public forum among its members and submitted its final position on conditions to qualify for Quadruple A. as reflected in its letter addressed to CIAP dated 10 September 2014. This position was then presented in the 68th CIAP Regular Meeting held on 11 September 2014 and the Board agreed to request Department of Trade and Industry (DTI) to give its comments/input on the conditions proposed by the Philippine Constructors Association, Inc. (PCA).

WHEREAS, in the CIAP 69th Regular Meeting held on 27 January 2015, after thorough discussions of the PCA's proposals, the Board passed Resolution No. 1, s. 2015, adopting the qualifications and coverage for the Quadruple A and directed PCAB to finalize the drafting of the same;

WHEREAS, in the PCAB 5th Regular Meeting for 2015 held on 21 May 2015, the Board passed Resolution No. 151, s. 2015, incorporating the amendments in the IRR of RA 4566 citing the Quadruple "A" as an additional category to a Regular License with Annotation;

WHEREAS, in line with the direction of the Government to open up to industry, there is a need to immediately endorse for approval of the President the proposed amendments in the IRR of RA 4566 as this will be the basis for the new category Quadruple A. Thus, the CIAP Secretariat recommended that Resolution approving the final amendments to IRR of RA 4566 as drafted by PCAB and previously approved by the CIAP Board for endorsement to OP be done thru AD REFERENDUM;

Handwritten signatures and initials at the bottom right of the page, including a large signature, 'MS', 'M', 'GP', 'FFS', and 'VE'.

NOW, THEREFORE, for and in consideration of the foregoing premises, the members Construction Industry Authority of the Philippines (CIAP) in an AD REFERENDUM conducted on 29 May 2015, **RESOLVES** as it is hereby **RESOLVED**, to endorse for approval of the Office of the President the amendments to the Implementing Rules and Regulations of RA 4566 (Contractors License Law) hereto attached as "Annex A" and made an integral part of this Resolution. The Board **FURTHER RESOLVED** that PCAB shall issue guidelines to implement the said amendments.

UNANIMOUSLY APPROVED.
29 May 2015, Makati City.

FOR THE CIAP BOARD:


GREGORY L. DOMINGO

*Secretary of the Department of Trade and Industry and
CIAP Chairman*

Department of Public Works and Highways
Office of the Secretary



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SECRETARY ROGELIO L. SINGSON

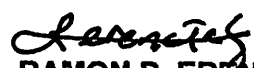
*Secretary of the Department of Public Works and Highways and
CIAP Vice Chairman/Member*


JOSEPH EMILIO ABAYA

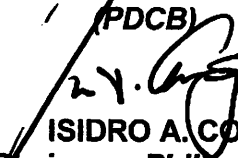
*Secretary of Department of Transportation
Communication (DOTC)*


ROSALINDA D. BALDOZ
*Secretary of Department of Labor and
and Employment (DOLE)*


PERICLES P. DAKAY
*Chairman, Philippine Contractors
Accreditation Board (PCAB)*


RAMON P. ERENETA
*Chairman, Philippine Domestic
Construction Board
(PDCB)*


RODOLFO C. MENGUITA
*Chairman, Construction Manpower
Development Foundation (CMDF)*


ISIDRO A. CONSUNJI
*Chairman, Philippine Overseas
Construction Board (POCB)
and Private Sector
Representative*

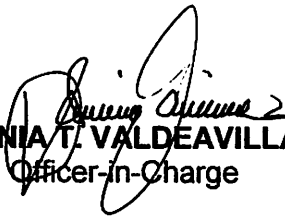
DELFIN J. WENCESLAO, JR.
President, Philippine Constructors Association, Inc. (PCA)

Dept. of Labor & Employment
Office of the Secretary



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Attested by:


SONIA T. VALDEAVILLA
Officer-in-Charge

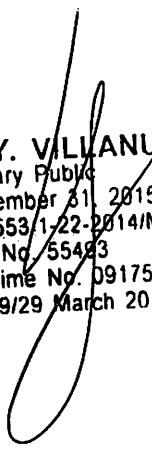

LILIAN G. SALONGA
Acting Board Secretary

Republic of the Philippines)
City of Makati)ss.

Subscribed and sworn to before me, this ____ day of 02 JUN 2015, affiant **ROGELIO L. SINGSON**, Vice Chairman/Member – Construction Industry Authority of the Philippines exhibiting his DPWH ID No. 10-Z0011 issued on April 4, 2011.

NOTARY PUBLIC

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YOLANDA Y. VILLANUEVA
Notary Public
Until December 31, 2015
PTR No. MKT4249553/1-22-2014/Makati City
Roll No. 55483
IBP Lifetime No. 09175
MCLE No. IV-0005379/29 March 2012/Pasig City





**AMENDMENTS TO CERTAIN PROVISIONS
OF THE IMPLEMENTING RULES AND REGULATIONS
OF REPUBLIC ACT (RA) NO. 4566, or the "THE CONTRACTORS' LICENSE LAW"**

Pursuant to the provisions of RA No. 4566 that the PCAB may, with the approval of the President of the Philippines, issue such rules and regulations as may be deemed necessary to carry out the provisions of law, the Board has adopted the following amendments to the Implementing Rules and Regulations.

- I. Section 3.1(a), Rule 3 is hereby amended to read as follows:

Two (2) types of license are hereby instituted and designated as follows:

- a. The Regular License

Regular License means a license of the type issued to a domestic construction firm which shall authorize the Licensee to engage in construction contracting within the field and scope of his License classification(s) for as long as the License validity is maintained through annual renewal: unless renewal is denied or the License is suspended, cancelled or revoked for cause(s).

A Regular License shall be reserved for and issued only to constructor-firms of Filipino sole proprietorship, or partnership/corporation with at least sixty percent (60%) Filipino equity participation and duly organized and existing under and by virtue of the laws of the Philippines.

While a Regular License with Annotation shall be issued to a domestic corporation, irrespective of equity ownership, with a capitalization of at least One Billion Pesos (P1,000,000,000) in cash and shall be legally authorized to undertake only those projects enumerated in Section 4.8 of these rules.

- II. Section 4.8 is hereby added to the Implementing Rules and Regulations and shall read as follows:

Projects that may be undertaken by a holder of Regular License with Annotation:

- A. Vertical Projects - include Buildings such as office or residential condominiums, hotels, malls, hospitals, schools, warehouses and the like; Airport Terminals, Marine Terminals, International Transport Terminals; Power Generation Plants; Manufacturing and Assembly Facilities; and Tourism Resorts, Country Clubs and Golf Courses.

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Department of Trade and Industry
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- B. Horizontal Projects – include Roads, Expressways and Toll Road Systems; Light Rail Systems, Heavy Rail Systems, and Monorail Systems; Water Distribution System; Bulk Water Systems; Sewage and Sewerage System; Power Transmission System and Power Distribution System; Telecommunications Distribution System; Bridges, Flyovers, Viaducts, Overhead Carriageways, Piers, Wharves and Interchanges; Tunnels, Underground Carriageways and Storm Cisterns; Dams, Dikes, Seawalls and Breakwater System; and Reclamation.

Minimum Value of Each Project Contract

The Minimum Contract Value per single Project that may be undertaken by a holder of a Regular License with Annotation is set forth below:

- a. For Vertical Projects – Five Billion Pesos (P5,000,000,000.00); and
- b. For Horizontal Projects – Three Billion Pesos (P3,000,000,000.00).

- III. Section 5.6 is hereby amended to read as follows:

Constructor Categories.

Every constructor shall be graded and assigned a category as an adjunct to his license. General Engineering and General Building constructors shall be categorized in a scale of seven, namely: AAAA (Quadruple A), AAA, AA, A, B, C, and D. Specialty constructors shall be categorized in a scale of seven, namely: AAA, AA, A, B, C, D and Trade.