









CONSTRUCTION INDUSTRY AUTHORITY OF THE PHILIPPINES



# ANNUAL REPORT 2015



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## FOREWORD

Congratulations to the Construction Industry Authority of the Philippines (CIAP) for all the accomplishments inscribed in the publication of the CIAP 2015 Year-End Report.

This publication is a testimony of how lucrative the construction industry in the Philippines has become – both in private and public sectors, in the past year.

CIAP has always been an active partner of the government in implementing sound industry policies that enabled us to construct better quality infrastructure projects for the Filipino people.

I am confident that CIAP will continue to be an avenue of support among constructors and industry partners so that we can achieve our shared mission of providing the highest standard of performance in the delivery of construction services as we aim for sustained economic growth and accelerate nation building.

Mabuhay tayong lahat!

**ROGELIO L. SINGSON**

*Secretary for the Department of Public Works and Highways*





## MESSAGE

### **CIAP in 2015: DRIVING COMPETITIVENESS IN THE PHILIPPINE CONSTRUCTION INDUSTRY**

The Construction Industry Authority of the Philippines (CIAP) is committed to promote, accelerate and regulate the growth and development of the construction industry in conformity with the National Goals. I am pleased to note that significant achievements have been attained in 2015 all directed towards the development of a more competitive construction sector.

We have overcome barriers through the strong cooperation of partners in the government and the private sector. Allow me to take stock of our achievements and how we have contributed to bringing the construction industry notches higher in terms of competitiveness.

CIAP has strongly advocated, formulated, and implemented policies to address the critical issues and concerns of the construction sector. Industry consultations have been conducted to ensure that the voice of the key stakeholders would be taken in to account. In 2015, through the Philippine Contractors Accreditation Board, our endorsement to amend provision of the Implementing Rules and Regulations of RA 4566 (Contractor's License Law) has been approved.

In line with bringing our services closer to the region, CIAP has established a total of seven (7) windows across the Philippines to offer licensing, registration, resolution of construction contract disputes and claims, overseas registration/authorization and promotion, and contractor's evaluation system. This is in collaboration with DTI Regional offices. The number of accredited contractors has been increased by 101% from 2010 to 2015, registering a total of 13,679 applications from 6,796 in 2010.

In keeping with CIAP's mandate to assist local contractors to overseas opportunities, the Philippine Overseas Construction Board has issued a total of 18 registration certification. For four straight years, we have been conducting the Philippine Overseas Construction Symposium to inform Filipino contractors of the need to upgrade capacity in order to compete with the overseas market of contractors.

Acknowledging the significance of strengthening the capacity of the Filipino contractors, CIAP through the Construction Manpower Development Foundation has been conducting training programs and forging partnership with the academe to link the industry needs in the construction sector.

In 2016, CIAP will continuously steer the construction industry to becoming a competitive sector by eliminating policy and procedural hindrances; providing holistic training programmes; and charting a blueprint – a working document for stronger construction sector.

We look forward to global opportunities to strengthen the Philippine Construction Industry.

**USEC. PRUDENCIO M. REYES, Jr.**

*Supervising Undersecretary for the Construction  
Industry Authority of the Philippines*



## MESSAGE

The Construction Industry Authority of the Philippines (CIAP) has existed for more than three decades already and it has embarked on various projects and formulated relevant policies for the promotion and development of the Philippine construction industry.

The CIAP and its Implementing boards, namely the Philippine Contractors Accreditation Board (PCAB), Philippine Overseas Construction Board (POCB), Philippine Domestic Construction board (PDCB), Construction Manpower Development Foundation (CMDf), and a commission named Construction Industry Arbitration Commission (CIAC) have been working towards fulfilling its role to contribute to the national goals in terms of employment generation, foreign exchange generation, and alleviating the lives of underprivileged workers in the construction industry.

It is the goal of the CIAP to ensure that contractors doing infrastructure projects in the Philippines and overseas are legitimate, capable of delivering quality projects, mindful of public safety and respect for environment, highly competitive in the global market, and fulfil their contractual obligations on any construction undertakings. The CIAP implements training and certification programs to support the requirements of the industry for trained construction skilled manpower.

The Board of Directors of the CIAP and its Implementing Boards are personalities well-known in the construction industry and they have contributed valuable inputs, expertise, and resources to implement projects and deliver the services to our clients without much difficulty. The year 2015 is considered as the best year for CIAP because the employees have renewed their cooperation with each other to achieve the agency goals and targets. They regained high moral in performing their duties probably due to the various team activities undertaken by the office to continuously discover each other's interests and preferences. Highlights of CIAP's accomplishment in 2015 include an earnings of more than Php87.8 million which were all remitted to the national treasury, a big increase from previous years' remittances and due recognition by the DTI in CIAP's participation in international trade negotiation for successfully negotiated a better market access path for Philippine contractors and skilled workers to the EFTA countries.

These accomplishments were made possible through the cohesive efforts of our employees, Board of Directors of CIAP and Implementing Boards, and private organizations who believe in us. With much appreciation and gratitude, I wish to thank all of you for devoting your time and efforts to help CIAP accomplish its tasks. Let us keep the flame burning to achieve more than what we had in previous years and aspire for a globally recognized and respected Philippine construction industry.

Thank you and Mabuhay.

**SONIA T. VALDEAVILLA, C.E., MA URP**  
*Officer-in-Charge for the Construction Industry  
Authority of the Philippines*

# CIAP AND ITS IMPLEMENTING BOARDS

## HISTORY

By the virtue of Presidential Decree No. 1746 dated 28 November 1980, the Construction Industry Authority of the Philippines (CIAP) was created to provide the much needed direction for the sector. Attached to the, then Ministry of Trade and Industry (now Department of Trade and Industry), CIAP was empowered to coordinate the efforts of the government and private agencies involved in construction as a means of accelerating growth.

Merged into CIAP are the five (5) implementing arms tasked to oversee the different concerns of the industry: 1) Philippine Contractors Accreditation Board (PCAB); 2) Philippine Overseas Construction Board (POCB); 3) Philippine Domestic Construction Board (PDCB); 4) Construction Manpower Development Foundation (CMDf); and 5) Construction Industry Arbitration Commission (CIAC).

As mandated by the law, the CIAP shall exercise and perform the following powers and objectives:

- Evolve an overall strategy and exercise centralized authority for the promotion and optimum development of the construction industry;
- Monitor and study the operations of the construction industry both here and abroad, to identify its needs, problems and opportunities and to recommend and/or implement policies, legislations, programs and measures to support the development of the industry;
- Rationalize investments in the construction industry in accordance with national investment priorities and development needs;
- Identify and recommend other incentives

necessary to support overseas construction; and

- Promote construction manpower training to supplement the manpower training efforts of the private sector, through the centralization of programming and coordination of activities of all government agencies.

## BRIEF DEFINITION OF FUNCTIONS

The CIAP assumed various roles to properly discharge its developmental responsibilities. To carry out its activities, the industry required the support of four agencies which operated under the umbrella of the CIAP for policy and program integration.

### Philippine Contractors Accreditation Board (PCAB)

The PCAB was formed by virtue of RA 4566 passed by Congress in 1965. It was originally called the Philippine Licensing Board for Contractors (PLBC). With the creation of the CIAP, the PLBC was made an implementing arm thereof, among others, and was renamed PCAB. As such, all the powers and functions of the PLBC were transferred to PCAB. To date, PCAB maintains its regulatory and quasi-judicial functions. Pursuant to its mandate, the PCAB issues or denies the issuance of license based on established criteria/qualifications, and investigates violation of RA 4566 and the regulations thereunder as may come to its knowledge and suspends or revokes licenses of contractors as warranted by investigation results.

### Philippine Overseas Construction Board (POCB)

The POCB was created by virtue of Presidential Decree No. 1167 and amended by Presidential Decree No. 1657 on 27 June 1977.



It is mandated to regulate and promote the Philippine construction capabilities, monitor overseas projects of Filipino contractors, and assist Philippine contractors and construction related services to penetrate/maximize participation in the international market.

### **Philippine Domestic Construction Board (PDCB)**

The PDCB was created by virtue of Presidential Decree No. 1746 to formulate, recommend and implement policies, guidelines, plans and programs for the efficient implementation of public and private construction in the country. Its main objective is to facilitate quality and efficiency in the construction industry by monitoring and evaluating the status of public construction projects, as well as the performance and contracting capacity of contractors engaged in such projects.

### **Construction Manpower Development Foundation (CMDf)**

The CMDf was created on 28 November 1980 as one of the implementing boards of CIAP through Presidential Decree No. 1746, the same law that created the CIAP. CMDf is mandated to oversee the development of human resources of the construction industry. The main thrust of the CMDf has been to train the construction industry's manpower hierarchy. Along this line, the foundation conducted seminars and training programs aimed at upgrading skills at all levels – from construction workers to project managers.

### **Construction Industry Arbitration Commission (CIAC)**

The CIAC was created by virtue of Executive Order No. 1008 or the Construction Industry

Arbitration Law. It is one of the implementing boards of the CIAP specifically mandated to facilitate the early and expeditious settlement of disputes in the Philippine Construction Industry through arbitration and mediation. It has original and exclusive jurisdiction over disputes arising from, or connected with, contracts between parties involved in construction in the country, whether the dispute occurs before or after the completion of the contract, or after the abandonment or breach thereof for both government and private contracts. The cases handled by CIAC may include, but are not limited to, violation of specifications for materials and workmanship, violation of the terms of agreement, interpretation or application of contractual provisions, determination of the amount of penalties and/or damages, delays in commencement time and/or project completion, project maintenance and defects, payment default of employer or contractor, and changes in project cost.

## DETAILED BALANCE SHEET

as of December 31 2015  
with Comparative Figures from CY 2014

All figures are in Philippine Pesos

### ASSETS

CURRENT ASSETS	2015	2014
<b>Cash (Note 4)</b>		
Cash-Collecting Officers	20,641.64	264,522.39
Petty Cash Fund	51,326.45	65,155.17
Cash in Bank-Local Currency, Current Account	<u>70,676,460.06</u>	<u>49,103,368.74</u>
Total Cash	<u>70,748,428.15</u>	<u>49,433,046.30</u>
<b>Receivables (Note 5)</b>		
Accounts Receivable (Net)	568,659.70	571,570.71
Due from NGA's	1,384,508.44	847,437.84
Due from Regional Offices	67,330.00	67,330
Disallowances/Charges	1,367,581.72	0.00
Due from Officers and Employees	25,944.61	0.00
Other Receivables	<u>297,440.10</u>	<u>46,388.76</u>
Total Receivables	<u>3,711,464.57</u>	<u>1,532,687.31</u>
<b>Inventories</b>		
Office Supplies Inventories	111,107.22	17,795.83
Accountable Forms Inventories	22,280.00	0.00
Other Supplies Inventory	<u>1,455,334.33</u>	<u>1,445,188.03</u>
Total Inventories	<u>1,587,721.55</u>	<u>1,462,983.86</u>
<b>Property, Plant and Equipment (Note 7)</b>		
Other Land Improvements	2,675,089.79	0.00
Buildings	41,278,375.52	0.00
Machinery	5,360,440.44	0.00
Office Equipment	4,032,477.88	1,342,693.28
IT Equipment and Software	19,574,210.43	9,904,560.25
Communication Equipment	3,869,517.46	0.00
Construction and Heavy Equipment	100,815,502.01	0.00
Other Machinery and Equipment	5,854,085.48	0.00
Motor Vehicles	8,033,015.79	2,341,000.00
Furnitures and Fixtures	5,953,552.98	1,553,735.90
Other Property Plant and Equipment	<u>22,271,348.24</u>	<u>81,450.88</u>
Gross	219,717,616.02	15,223,440.31
Less: Total Accumulated Depreciation	<u>166,249,176.23</u>	<u>5,264,735.23</u>
Net Book Value	<u>53,468,439.79</u>	<u>9,958,705.08</u>

## ASSETS

### CURRENT ASSETS

#### Other Assets

	2015	2014
Advances for Payroll	160,000.00	455,000.00
Advances to Officers and Employees	89,894.94	20,307.60
Prepaid Rent	240,000.00	0.00
Prepaid Registration	13,028.30	14,066.48
Prepaid Insurance	98,058.22	17,927.85
Other Payments	15,669.00	0.00
Guaranty Deposits (Note 6)	<u>3,709,231.74</u>	<u>3,336,271.74</u>
Total Other Assets	<u>4,325,882.20</u>	<u>3,843,573.67</u>
<b>TOTAL ASSETS</b>	<b><u>133,841,936.26</u></b>	<b><u>66,230,996.22</u></b>

## LIABILITIES AND EQUITY

### Current Liabilities

Accounts Payable (Note 9)	15,358,646.34	11,373,392.02
Due to BIR	1,075,727.25	1,032,424.33
Due to GSIS	27,971.62	23,505.97
Due to Pag-IBIG	1,446.37	(21.74)
Due to Philhealth	6,349.52	300.00
Due to Other NGA (Note 11)	1,446.88	1,446.88
Due to National Treasury	16,023.87	223.87
Other Payable (Note 10)	<u>57,793,862.24</u>	<u>50,671,925.11</u>
Total Current Liabilities	<u>74,281,474.09</u>	<u>63,103,196.44</u>

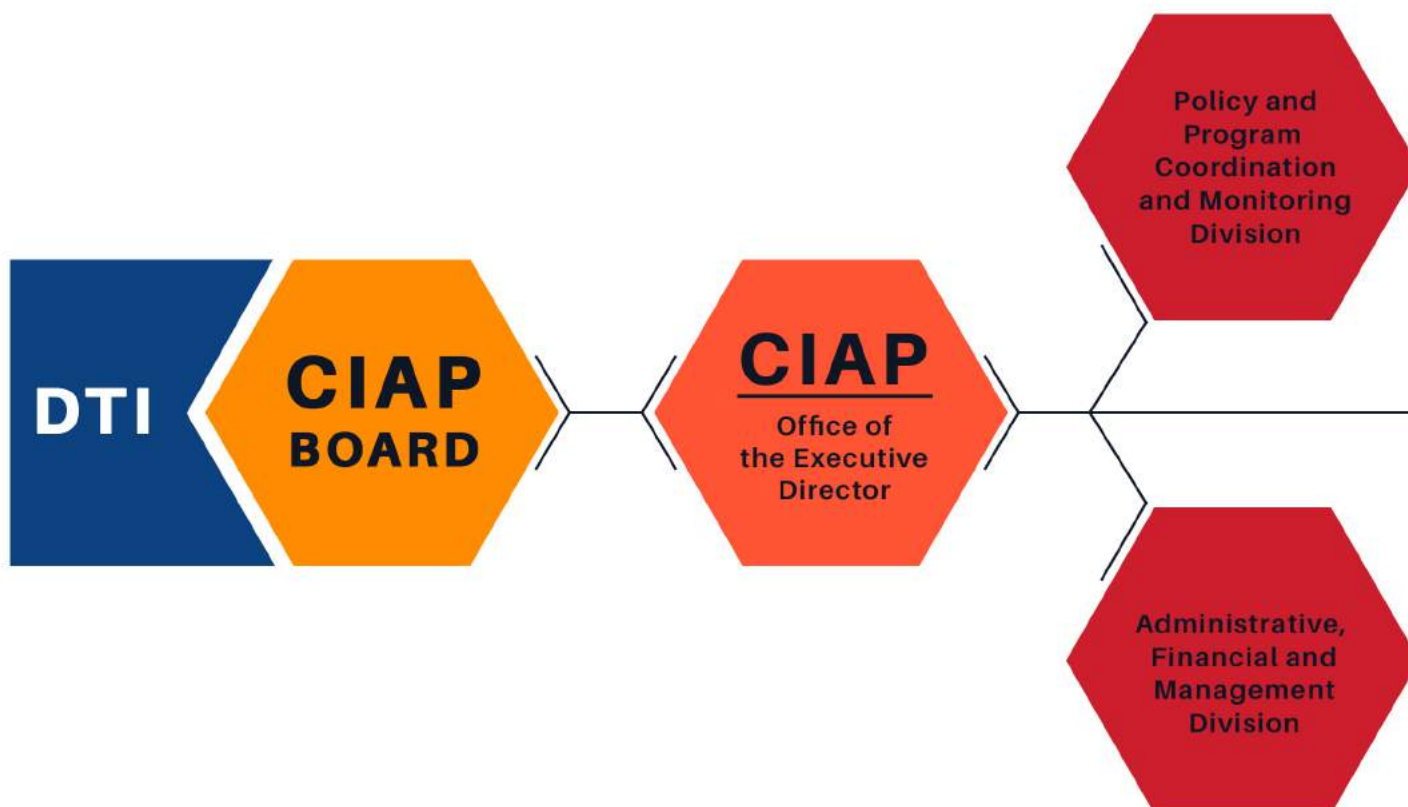
### Deferred Credits

Other Deferred Credits (Note 12)	<u>97,877.01</u>	<u>92,177.01</u>
Total Other Liabilities	<u>97,877.01</u>	<u>92,177.01</u>

### Equity

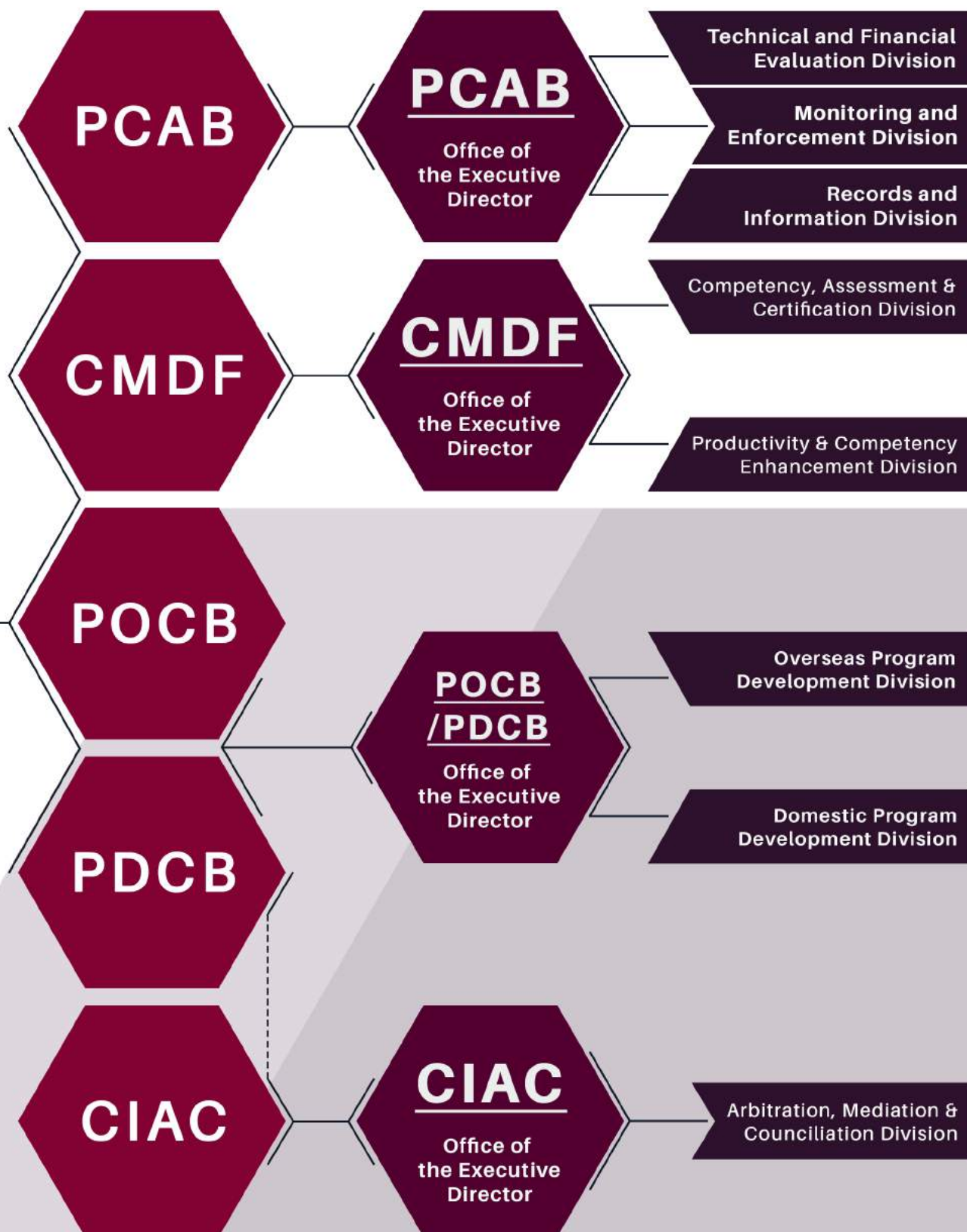
Government Equity, January 1	3,035,622.77	(111,401.28)
Current Operations:		
Balance from CMDf books	57,026,068.93	
Current Operations	581,521.72	3,147,024.05
Adjustments	<u>(1,180,628.26)</u>	
	<u>56,426,962.39</u>	<u>3,147,024.05</u>
Government Equity, December 31	<u>59,462,585.16</u>	<u>3,035,622.77</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>133,841,936.26</u></b>	<b><u>66,230,966.22</u></b>

# CIAP ORGANIZATIONAL STRUCTURE

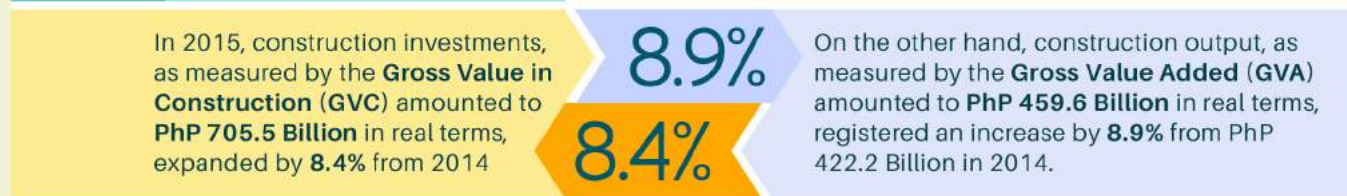
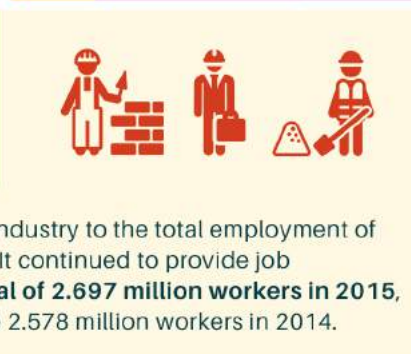
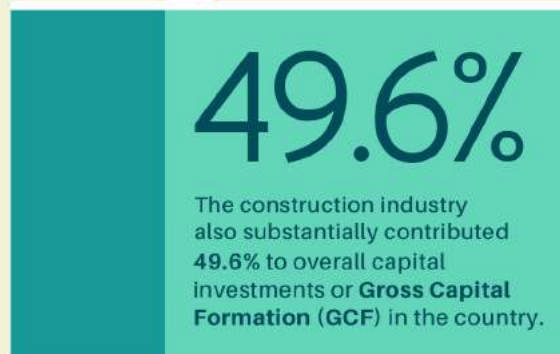
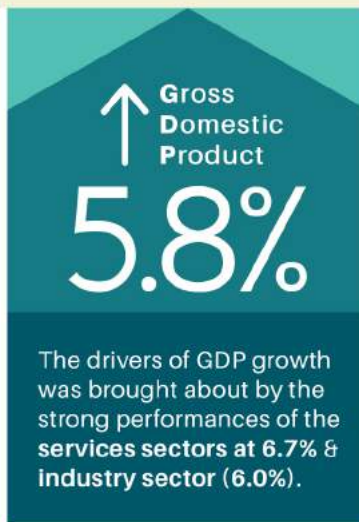


- CIAP - Construction Industry Authority of the Philippines
- PCAB - Philippine Contractors Accreditation Board
- CMDP - Construction Manpower Development Foundation
- POCB - Philippine Overseas Construction Board
- PDCB - Philippine Domestic Construction Board
- CIAC - Construction Industry Arbitration Commission



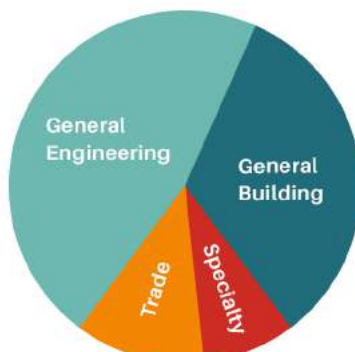
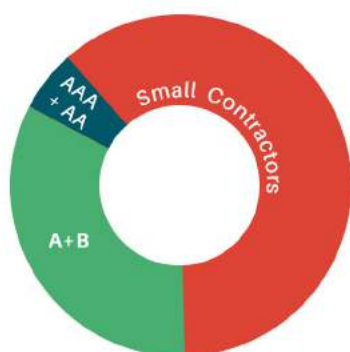






As of April 7, 2016, the Philippine Contractors Accreditation Board (PCAB) issued a total of 7,915 contractors' licenses for CFY 2015-2016

86.8% of which were renewing contractors and the remaining were new entrants



PCAB, likewise, issued special licenses to 12 foreign contractors (all categorized as AAA), 604 Filipino contractors with Joint Venture arrangements and 9 consortia. In terms of nationality, majority of which were Chinese (7), Japanese (3), Korean (1) and Malaysian (1) firms.

For 2015, there were ten (10) active POCB-registered firms. There were about 39 outstanding contracts: 2 of which are project contracts and 37 service contracts. About 1,981 overseas Filipino construction workers were deployed, an **11% increase** from same period in 2014.

On the other hand, about 2,076 construction workers are presently employed on-site by Filipino overseas contractors, representing an increase of **43%** compared to the 1,451 manpower-on-site in the same period of 2014.



# ACCOMPLISHMENTS





# Construction Industry Authority of the Philippines

## 2015 Accomplishments

In line with its mandate, the CIAP provides resources, coordination and monitoring to its implementing boards in developing and implementing policies and programs towards the accomplishment of its strategic objectives.

## Industry Policy Development

The CIAP continued to formulate and/or implement policies, programs and measures to support the development of the industry. These were necessary to be able to come up with an overall strategy for the industry's sustainable growth. Among the policy initiatives/resolutions passed to address major/critical issues are: the amendments to the Implementing Rules and Regulations (IRR) of RA 4566 (specifically, on the qualifications and coverage for the Quadruple A (AAAA) category of PCAB license that was signed into law by then President Benigno Aquino on 23 November 2015); One registry system for the construction industry of professionals and workers; and commitment schedule under the 8th package of the ASEAN Japan Comprehensive Partnership (AJCEP) and the ASEAN Plus Philippine Indicative Initial offers for the European Free Trade Agreement (EFTA) member.

## CIAP WINDOWS

In order to serve the Filipinos better, CIAP still maintains its 7 service windows in collaboration with the DTI Regional Offices. The CIAP Windows are strategically located throughout the country.



The highest rate of availment of services are in Cebu, Davao and Cagayan de Oro, which reflects the convenience provided by this facility for areas that are far from Metro Manila.

## AVAILMENT OF CIAP WINDOW LICENSING SERVICES (AS OF MARCH 1, 2016)

The table below shows the summary of availment of CIAP services in the respective Regions vis-à-vis those filing their applications directly in the PCAB main office during said CFY.

REGIONS	No. of Contractors licensed per Region	No. of Contractors who applied thru PCAB Makati	No. of Contractors who applied thru DTI-ROG/ Window	% of Contractors who availed the Window services
REGION I La Union	325	255	70	21.54%
REGION III Pampanga	853	561	292	34.23%
CAR Baguio	364	117	247	67.86%
REGION V Legazpi	379	248	131	34.56%
REGION VII Cebu	382	93	289	76.65%
REGION X CDO	149	37	112	75.17%
REGION XI Davao	379	11	368	97.09%
<b>TOTAL</b>	<b>2831</b>	<b>1322</b>	<b>1509</b>	<b>53.30%</b>

The CIAP continuously embarks in its campaign to avail the services through these Windows, to ensure a more cost-efficient way of doing business and ease the filing of PCAB license applications.

## IMPLEMENTATION OF THE INFORMATION SYSTEM STRATEGIC PLAN (ISSP)

Under the leadership of its Board, the CIAP Information System Strategic Plan (CIAP-ISSP) for 2015-2017, has been approved for implementation. The ISSP was developed to guide the CIAP in all its Information and Communication Technology (ICT) related projects. It aimed to ensure that projects and investments will support the activities of the agency towards the fulfilment of its mission, and are all aligned with the government's goals and ICT directions.

The following application systems were already developed under the approved CIAP-ISSP of 2015-2017:

- CIAP Website/Portal – a computerized facility which includes all the CIAP application systems;
- Contractors Licensing and Registration System (CLIRS) - an online system for application of PCAB licenses;
- Constructors Performance Information System (CPIS) - an automated system for the online submission of applications for accreditation of evaluators and CPES reports; and
- Cashiering System - an electronic system for payment transactions.



## PERSONNEL COMPLEMENT

Staffing Summary (as of March 31, 2016)

	NUMBER OF POSITIONS				
	TOTAL	FILLED	UNFILLED		
<b>CIAP</b>					
Office of the Executive Director	4	1	3		
Policy & Program Coordination & Monitoring Division	8	5	3		
Administrative, Financial & Management Division	18	12	6	12	
<b>PCAB</b>					
Office of the Executive Director	3	2	1		
Technical & Financial Evaluation Division	13	11	2		
Records & Information Division	7	7			
Monitoring & Enforcement Division	5	2	3	6	
<b>POCB/PDCB</b>					
Office of the Executive Director	3	2	1		
Overseas Program Development Division	7	3	4		
Domestic Program Development Division	7	3	4	9	
<b>CIAC</b>					
Office of the Executive Director	3	3			
Arbitration, Mediation and Conciliation Division	8	3	5	5	
<b>CMDF</b>					
Office of the Executive Director	3	1	2		
Competency Assessment & Certification Division	8	3	5		
Productivity & Competency Enhancement Division	16	8	8	15	
<b>TOTAL</b>	<b>113</b>	<b>66</b>	<b>47</b>		

## MOVING FORWARD

### *Construction Industry Roadmap*

Undersecretary Reyes also proposed the creation of a construction industry roadmap. He endorsed the request of the CIAP with the DTI for funding for the development of the roadmap, particularly for consultancies and related expenses. The CIAP plans to develop the Construction Industry Roadmap in 2016 to provide clear direction for the industry.



# Philippine Contractors Accreditation Board

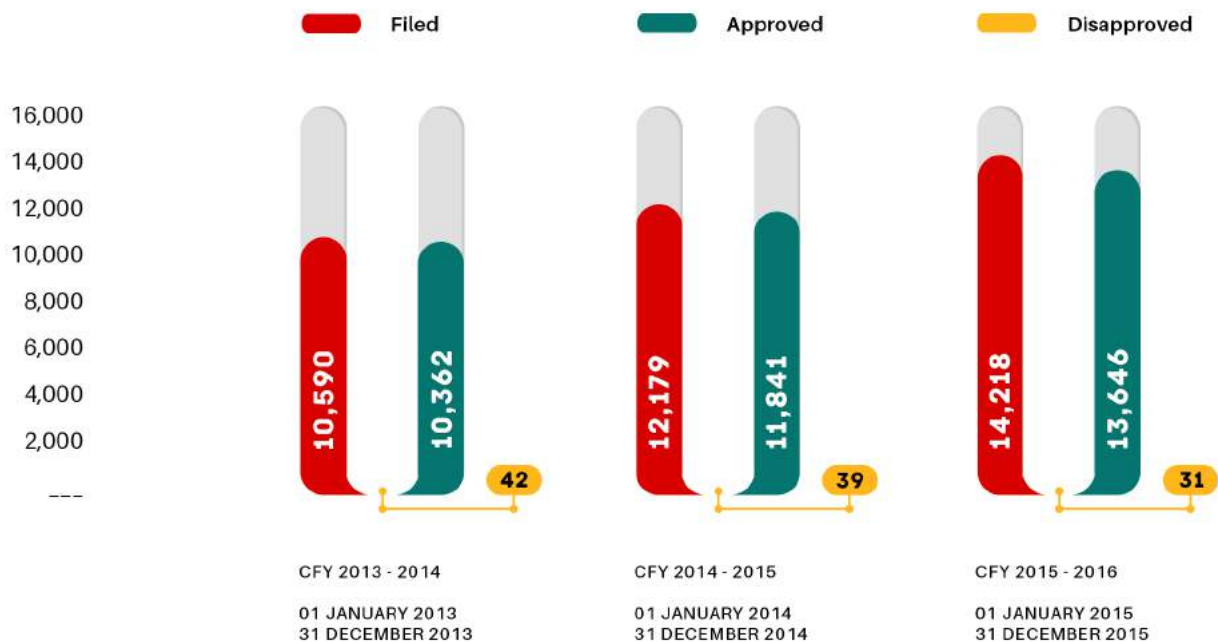
## **ISSUANCE OF LICENSES**

Pursuant to its mandate, the PCAB reviews and classifies all applications for Contractor Licenses based on a careful evaluation of the qualifications of applicants. This is to ensure that only qualified and competent contractors are issued a license. In the process, the PCAB carefully scrutinizes the submitted requirements to ensure that construction companies are accurately categorized and licensed according to their qualifications.

For the year 2015, the PCAB acted on a total of 14,218 applications for New, Renewal, Amendments, Special Licenses and New and Amended Registration for Government Projects. The number of applications has significantly increased by 16.74% vis-à-vis 2014 applications. Out of the 14,218 submitted applications 13,646 applications were approved while others remained under process pending submission of complete requirements.

## Filed and Processed Applications

for Licenses (New, Renewal, Amendments, Special)  
& Registration for Government Projects



The PCAB has likewise approved the conduct of 25 Authorized Managing Officer (AMO) Seminars hosted by accredited contractors associations and professional organizations which were attended by 2,777 participants. The Board also conducted 510 interviews relative to the issuance of PCAB Licenses. The AMO seminars and interviews of the Authorized Managing Officers of license applicants for higher categories are indispensable requirements for the issuance of a new or upgraded contractor's license. Stemming from the issuance of licenses for 2015, the PCAB earned a total of PhP 92,462,956.00 representing more than PhP 20,000,000.00 revenue increase from its 2014 earnings in the amount of PhP 72,232,153.50.

### Investigation of violations of Republic Act No. 4566 and its Implementing Rules

Consistent with the mandate of PCAB to professionalize and ensure safety in the construction industry, the PCAB has suspended the licenses of contractors found to have violated the law and the IRR ranging from 3 to 24 months, ordered the payment of fines, and revoked licenses of contractors who have committed serious violations thereof. In connection with the imposition of disciplinary action, the PCAB formulated a Table of Penalties applicable to the violation committed. In relation to its quasi-judicial mandate, the PCAB filed and processed 22 new cases for newly discovered violations and resolved 23 existing cases.

## RULE-MAKING POWERS

The PCAB issued an amendment to the Implementing Rules and Regulations of Republic Act No. 4566 (IRR) with the adoption of the new Quadruple “A” Category which was approved by the Office of the President in November 2015. Prior to the issuance of Quadruple “A”, PCAB conducted public hearings in Luzon (Manila), Visayas (Cebu) and Mindanao (Davao) and presented the amendment to the Economic Cluster in Malacañang. All comments and recommendations from the various sectors were considered in the adoption of the amendment. The Guidelines to implement the Quadruple “A” Category are soon to be issued.

The Quadruple “A” or “AAAA” category represents an elite group of qualified contractors evaluated on the basis of the amount of capitalization/net worth invested in construction. This license category is open to both local and foreign contractors with a minimum of PhP 1 Billion Pesos investment in cash as inward remittance for foreign contractors. The project cost has to be at least PhP 5 Billion for vertical projects and PhP 3 Billion for horizontal projects to avoid encroaching on the projects of medium and small contractors.

As implemented by the PCAB, the Quadruple “A” category is subdivided into two (2) categories namely: Quadruple “A” Local and Quadruple “A” Foreign. Quadruple “A” Foreign License holders are limited to private projects, unless the government projects are foreign-financed or subject to international bidding. On the other hand, Quadruple “A” Local may undertake both public and private projects within the Philippines.

In early 2016, the first Quadruple “A” Project was approved with the licensing of GJC Philippines, Inc.

## POLICY RESOLUTION

Operational Policy Resolutions issued:

- **Acceptance of Special License Application Filed Less Than Five (5) Days before the Bidding/ Negotiation Date Subject to Imposition of Additional Processing Fee** (*PCAB Board Resolution No. 047, series of 2015; 27 January 2015*). The purpose is to provide a bigger number of bidders in a particular project for government to be able to obtain the most advantageous bid;
- **Limiting the Change of Employers of Technical Personnel To Only One Within a Particular CFY For STE Nomination Purposes** (*PCAB Board Resolution No. 051-s, series of 2015; 26 February 2015*). This will avoid the practice of STE transfers within the same CFY which show that the contractor’s nominated STE only lent an accommodation signature to qualify for the license;
- **Issuance of Temporary Renewal License Certificate for CFY 2015-2016** (*PCAB Board Resolution No. 057, series of 2015; 26 February 2015*). This aims to provide continuity of operations for contractors who have valid licenses the preceding CFY and have filed their renewal applications for the current CFY prior to expiry; and
- **Issuance of a circular/letter to all Developers, Government Owned and Controlled Corporations (GOCCs) and Local Government Units (LGUs) Against Hiring Unlicensed Contractors** (*PCAB Board Resolution No. 092, series of 2015; 30 April 2015*). This serves to remind all project owners that a contractor’s license is a legal requirement before any construction activity (bidding, contract award, etc.) is undertaken.



## CONTINUING PLANS & PROGRAMS

As a priority program, the PCAB will undertake the review and upgrading of financial qualifications and requirements for all categories, to rationalize the gaps between categories and enable contractors to cope with the effects of inflation within the last 15 years when said financial qualifications were last approved.

The PCAB shall also embark on monitoring the Special Licenses issued to foreign contractors, joint ventures and consortia for the bidding of a particular project to ensure the renewal of the same for projects won to legally continue with project implementation. Licensed contractor – members of the concerned joint venture/consortium who fail to renew their licenses shall be subject to penalty and other disciplinary action as circumstances may warrant.

The PCAB looks into the possibility of prescribing the hiring of one or two ASEAN Chartered Professional Engineers as Sustaining Technical Employees of Contractors with Category “AAA” to enable local contractors to be competitive with the advent of the ASEAN Integration.

In line with capacity-building, the Board aims to develop a one and a half day Advanced AMO Curriculum for Contractors in the Triple “A” Category, to be attended by the AMO of Triple “A” Contractors. Currently, the PCAB is offering a two-day basic seminar for AMOs in the Triple “A” category.

*PCAB continues to endeavour to ensure, administer, enforce and monitor that only qualified and reliable contractors are allowed to undertake construction business in the country as well as to uphold public safety and national interest.*





# Philippine Overseas Construction Board

The POCB successfully accomplished the following undertakings pursuant to its mandate.

## REGULATORY

As part of its regulatory function, in the last quarter of 2014, the POCB approved two (2) new applications for registration, fifteen (15) applications for renewal of registration, and three (3) authorities for manpower service contracts. Their registrations were valid for two (2) years or until 2016.

During the year 2015, four (4) new applications for registration as POCB contractors were approved and nine (9) applications for renewal of registration approved. Two (2) requests for Project Authorization for Manpower Service Contract were also approved for the following projects: "The Construction of FPC Green Energy 30 MW Biomass Cogeneration Plant in Australia" by Meralco Industrial Engineering Services, Inc. and "The Oil and Gas Sonamet Project in Angola" by Hedron Construction & Development Corporation.

The performance of POCB-registered companies operating overseas were also monitored as part of its regulatory and control mechanism to its registered companies. In 2015, nine (9) companies have remitted a total foreign exchange earnings of US\$20.791 million



for the period of January-December 2015. There were 2,076 Filipino workers in overseas project contracts, consultancy services, and manpower service contracts. Of this number, 1,526 are working in the Asian countries and African countries. As of this period, one (1) POCB-registered company is undertaking overseas construction activity and eight (8) companies are undertaking 37 overseas manpower service contracts. There were two (2) project contracts completed during the period.

Office visits were being conducted to validate and confirm the qualifications and capabilities of contractors applying for registration to POCB in conformity with its regulatory function.

## OVERSEAS PROMOTION

Implementing its program of promotion, the POCB through its Chairman and Members of the Board initiated and conducted an outbound construction mission on 21-25 October 2014 in Cambodia and Myanmar. A week after the mission, some participants immediately received invitations and proposals for Joint Venture Agreements from Cambodian businessmen.

On 15-19 September 2015, the POCB went to Lao PDR and Viet Nam for its outbound construction mission participated in by twenty (20) POCB registered companies composed of contractors, consultants, and suppliers.

The Board Chairman, Engr. Consunji, was the Head of the Mission while Engrs. Sonia T. Valdeavilla and Leilani d.L. del Prado were the Mission Project Manager and Assistant Project Manager, respectively. The mission to Lao PDR resulted in business matching and one-on-one meetings between the Philippine and

Lao PDR delegations on business interests and possibilities of strategic alliances in infrastructure development of Lao PDR. Invitations and project proposals from Lao PDR businessmen were immediately received by the mission participants upon their return to the Philippines. The mission to Viet Nam led to an exchange of experiences on Public-Private Partnership (PPP) and Build-Operate-Transfer (BOT) projects being implemented between the Philippine and Viet Nam mission participants. Various investment projects in Viet Nam were initiated among which were four (4) priority projects in Water Supply, Waste Management, Solid Waste Treatment amounting to US\$ 1 Billion.

Likewise, as part of its promotion program, the POCB conducted its 3<sup>rd</sup> Philippine Overseas Construction Symposium on 20-21 November 2015 which identified project opportunities with the non-traditional markets of Japan, South Korea, and New Zealand as well as discussed the challenges of the ASEAN Economic Community (AEC) 2015.

The 4<sup>th</sup> Philippine Overseas Construction Symposium was conducted on 22 October 2015 at the Philippine International Convention Center (PICC) which identified project opportunities in non-ASEAN trading partners and raised awareness on the Philippine-European Free Trade Association Foreign Trade Agreement (PH-EFTA FTA) negotiations as well as updates on the ASEAN Economic Community 2015. The countries of interest to explore construction opportunities in 2016 were also named in the symposium with Japan, the 4 EFTA Member States (Iceland, Liechtenstein, Norway, and Switzerland), and Papua New Guinea as the First Preference.

The CIAP, through the POCB, continuously

promoted and showcased Filipino capabilities through participation in the PhilConstruct, an annual construction trade fair exhibit, on 5-8 November 2014.

On 11-15 March 2015, the POCB participated in the 20<sup>th</sup> Philippine World Building & Construction Exposition (Worldbex) Construction Trade Fair at the World Trade Center with a theme of "Building Vision in the Realm of ASEAN Integration", which continuously opens the door for international integration.

In 2015, carrying out its function to continuously promote overseas construction to its registered companies, the POCB sent eighteen (18) advisories, invitations to bid, and project referrals from Timor Leste, Thailand, Hongkong SAR, Lao PDR, Myanmar, Jordan, India, and Japan.

Pursuing its function of recommending or participating in the negotiation of bilateral or multi-lateral agreements to facilitate the entry of contractors in overseas markets and to protect the interest of Filipino contractors and their workers operating overseas, the POCB of the CIAP representing the Construction Services Sector attended and participated in various trade agreements namely: the Philippine-European Free Trade Association Free Trade Agreement (PH-EFTA FTA), the Philippine Working Group on Services for the ASEAN-Japan Comprehensive Partnership (AJCEP), the Philippines-Turkey Technical Economic Cooperation (PH-TR TEC), and the Regional Comprehensive Economic Partnership (RCEP).

On 1-5 February 2016, the POCB participated in the 5<sup>th</sup> and final rounds of the PH-EFTA FTA. The four (4) EFTA States composed of Iceland, Liechtenstein, Norway and Switzerland have fully liberalized their Construction Services Sectors which have the most advanced energy sector, particularly in Offshore (oil drilling and exploitation) industry, including building, construction, shipbuilding, geothermal and hydro-electric power productions, and in the areas of seismic and drilling equipment, underwater construction and floating production solutions.

The EFTA allows entry and temporary presence without economic needs test for intra-corporate transferees covering executives/managers, specialists, business visitors and contractual service suppliers/sellers in construction and related engineering sectors. They are keen to recruit highly skilled workers in building and construction and engineering due to skills shortages and gaps in their workforce. They also offered opportunities for installers and maintainers in construction and related engineering services.

On the other hand, the Philippines made offers to the four (4) EFTA States for the Pre-erection work at construction sites - Demolition Work, and Site Formation and Clearance Work; Construction Work for Civil Engineering - Long Distance Pipelines, Communication and Power Lines (cables); Special Trade Construction Work in Other Special Trade Construction Work; Installation Work in Gas Fitting Construction work; and Renting Services related to equipment for construction or demolition of buildings of civil engineering works, with operator.

A Consultation Meeting with the Construction Industry's Stakeholders was conducted by the POCB on 7 May 2015 to formulate Request and Offer Lists for the PH-EFTA FTA negotiations in the Construction Services Sector. The requests formulated included General Construction Work for Buildings and Civil Engineering; Installation and Assembly Work; Building Completion and Finishing Work; Pre-Erection Work at Construction Site; Foundation work, concrete work, steel bending and erection; Special Trade Construction Work; Architectural, Engineering, Integrated Engineering, Urban Planning and Landscape Architectural Services.

## POLICY FORMULATION

The POCB through the initiatives of its Chair, Engr. Isidro Consunji, conducted a highly fruitful Round Table Discussion on Alien Employment Permit (AEP) on 22 June 2015 which led to the “Exemption from Securing Alien Employment Permit (AEP) of Temporary Construction Workers/Installers with less than six (6) months of stay in the Philippines”. Three (3) POCB Board members, Engr. Oscar Mercado, Engr. Michael Reyes, and Mr. Francisco Gonzalez, Jr., representatives from the Department of Labor and Employment (DOLE), Bureau of Immigration (BI), Department of Justice (DOJ), Department of Foreign Affairs (DFA), Professional Regulations Commission (PRC), Department of Interior and Local Government (DILG), and a private sector representative from First Balfour, Inc. joined the discussion.

The CIAP, through the POCB, revised and submitted to the DTI on 4 May 2016 the legally reviewed Memorandum of Understanding between the DTI-CIAP and the Ministry of Economy of the Republic of Turkey concerning Cooperation in Construction Industry Development which was drafted in 2012 for possible cooperation initiatives and interest in pursuing the 1<sup>st</sup> Philippine-Turkey Joint Economic Cooperation in the 2<sup>nd</sup> half of 2016.

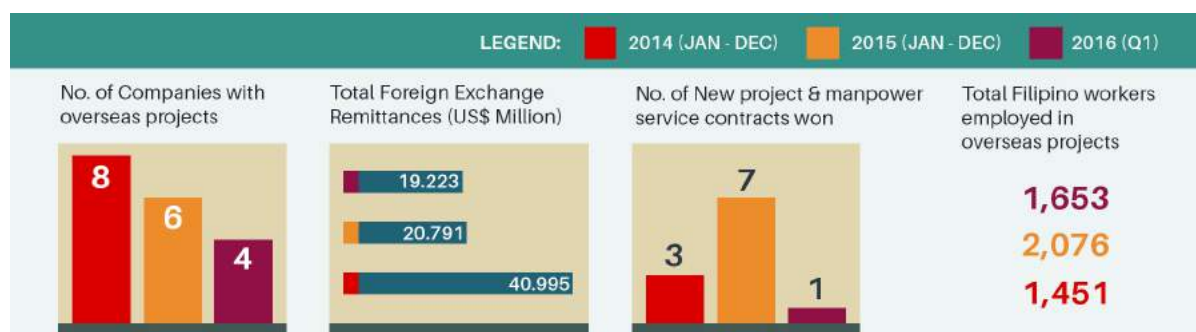
## OVERSEAS DEVELOPMENT

In line with its program of developing the Philippine Overseas Construction Industry and to continually educate and provide updates on its stakeholders, the POCB conducted an Awareness Seminar on Regional Comprehensive Economic Partnership (RCEP) and ASEAN Plus 1 Free Trade Agreements for Small and Medium Players in the Construction on 18 May 2016. The seminar generated inputs and feedbacks on how the two (2) initiatives impacted and affected the construction businesses of the construction stakeholders. It likewise reinforced the capacities of the stakeholders relative to the ASEAN and global standards, practices, trends, and regimes so that they remain confident and competitive in the overseas construction industry.

As part of its continuing study and research for a more aggressive and innovative marketing strategy, a quarterly research on the profile of identified countries with construction business opportunities is being done by the POCB to be apprised of overseas market information and business opportunities.

## MONITORING OF OVERSEAS CONSTRUCTION ACTIVITIES

The monitoring of the performance of construction contractors engaged in overseas projects is done by the POCB on a quarterly basis through the submission of reports by the concerned contractors.





# Philippine Domestic Construction Board

The PDCB successfully undertook the following endeavors, in line with its mandate.

## THE CPES PROCESS

The CPES is an objective system to evaluate all government-based construction projects in the Philippines.

Its objective is to ensure the early detection of unsatisfactory performance or violations in the contractual provisions during construction, such as the use of substandard materials, poor workmanship, deviation from the project specifications or poor safety practices, so that these can be corrected in a timely manner.

To accomplish this objective, constructors are rated by accredited CPES Evaluators based on at least two "During Construction" or Initial Visits and one "Final Visit". The rating is based on a set of six criteria for the Initial Visit: 1) Workmanship, 2) Materials, 3) Time, 4) Facilities, 5) Environmental Safety and Health, and 6) Resources Deployment during the construction of the project. For the Final Visit or upon completion of the project, the criteria diminish to three, namely: 1) Workmanship, 2) Materials, and 3) Time. There is a grade for each of the six criteria for the Initial Visits. The grades are averaged and multiplied by 70%, while the grade for the Final Visit is equivalent to 30% for vertical projects. For horizontal projects, the average grade for the Initial Visits is equivalent to 60% and the Final Visit is equivalent to 40%.



If the Initial Visits reveal that there are unsatisfactory aspects of the project, these aspects are subjected to corrective action, based on qualitative findings and recommendations of the CPES evaluators. Any unsatisfactory output noted during the previous visit should already be corrected during the next visit of the evaluator. The project will not be allowed to proceed unless the evaluator sees that the unsatisfactory output has been corrected; such as removing and replacing certain structures in the project. Such a recommendation for corrective action means that the contractor failed to meet the specifications in the project contract. For the Final Visit, there is a punch list to ensure that every aspect of the project has been satisfactorily met. If the contractor fails to meet the set standards, the government agency can recommend the contractor for blacklisting.

According to the policy guidelines, which has been amended four times to make the rating system more stringent, the current passing score is 82% to get a satisfactory rating. If the contractor gets a grade below 82%, the contractor cannot bid for any government project for a period of one year or as prescribed by the agency concerned. The CPES reports are posted in the Government Procurement Policy Board (GPPB) website which procurement officers should check prior to awarding construction contracts. If a contractor has a failing grade in any of the PDCB reports, the project cannot be awarded to that contractor, even if the company is the lowest bidder.

*The objective of the CPES is to make sure that projects are not awarded simply because the contractor is the lowest bidder, but for the performance of that contractor to be an equally important criterion in becoming the winning bidder.*

The CPES reports serve as the data that can be used by the Bids and Awards Committees of different government agencies to ascertain the good performance of contractors.

Constructors that fail the CPES evaluation can become blacklisted. The PDCB has blacklisting guidelines to govern this process. Contractors recommended for blacklisting are given due process. There is a dialogue between the contractor and the agency to determine the cause of the poor performance of the contractor and how it could address the problem within the prescribed time. Agencies can also sue the erring contractor and ask for damages for failure to comply with the specifications of the project contract. The periods for blacklisting vary from one year for the first offense and two years for subsequent offenses, as indicated in the Procurement Law.

In sum, the CPES is a monitoring, correction, evaluation tool for government projects and contractor performance, that seeks to encourage contractors to maintain, if not improve, their performance to retain their right to undertake construction projects for the public and private sector.

## ACCREDITING CPES EVALUATORS

When the CPES Guidelines was approved by the NEDA, the extent of their mandate should only have been formulate implementing guidelines and policies. However, when the issue of the system implementation process came up, the NEDA also asked the CIAP, through the PDCB to accredit the evaluators who will implement the system. Despite the fact that teaching and training is not in their mandate, the PDCB willingly took on this challenge.

Given the limited personnel and budget of the PDCB and the extent of the coverage of the CPES, which covers all government agencies, including national government agencies, state universities and colleges, GOCCs and LGUs, they needed to come up with an effective strategy for implementation. The PDCB realized that the best strategy is to accredit evaluators from the different government agencies to help them with implementing the CPES.

The PDCB developed a three-day accreditation seminar to train potential evaluators in implementing the CPES. The first day is devoted to Lectures and Workshops to learn the use of the CPES. The second day is used for Case Study that simulate the Initial and Final Visits. The third day serves as a Practicum where the participants do a site visit in groups.

Once the government engineers and architects satisfy the requirement and eventually get accredited as CPES Evaluators, they are empowered to conduct the CPES under the supervision of the agency's CPES-Implementing Unit. They are tasked with evaluating projects within their agency provided they are not the engineer or architect assigned to the project. The PDCB has also formed a pool of trainers from accredited evaluators to conduct the trainings to supplement the staff of the PDCB.

## **IMPLEMENTING THE CPES**

In implementing the CPES, the PDCB prioritized government projects because taxpayers' money is being used to fund these projects.

The main challenge that they faced in implementing the system is the sheer number of agencies that they needed to cover and how to get these agencies on board with implementing the CPES.

They needed a policy to push for the use of the CPES, since agencies will not comply if there is no policy. Hence, the PDCB lobbied for the incorporation of the CPES into the Procurement Law. However, despite the fact that the CPES is mandatory, there are still some compliance issues among government agencies. The big departments such as DPWH are able to implement the system but the small agencies are unable to implement it due to the limited number of engineers and architects on staff. However, despite this challenge, the PDCB has helped establish eight CPES Implementing Units in National Government Agencies, 13 in GOCCs, two in state universities and colleges and two in government financial institutions.

A CPES Implementing Unit is a body created within the agency to oversee the implementation of the CPES. It can be a separate body or an existing unit or division whose function relates to monitoring and supervision of infrastructure projects implemented by the agency. Without this unit, the CPES cannot be implemented.

The PDCB was barely finished with the national government agencies, but with the addition of the LGUs, the bulk of the work expanded due to the sheer number of LGUs. They began their preliminary work with LGUs in 2015 through the Provincial Road Management Facility (PRMF), an AusAID funded project, piloted in ten provinces, and will go full steam ahead in 2016. The PDCB was involved in using the CPES for the Capacity Development Program of the LGUs before they are given funding for road projects. The PDCB was able to establish the CPES Implementing Units in 12 LGUs and accredit 173 evaluators in since it began working with LGUs in 2015.

The PDCB also partnered with government agencies like the GPPB to further encourage the use of the CPES. The GPPB put in place the Annual Procurement Compliance Performance Index (APCPI) which

is required of all government agencies. One of the pillars of this policy is construction management. Under construction management, the CPES is the assessment system being used. Hence, agencies that are using APCPI are now requesting the PDCB to conduct seminars for them on the implementation of the CPES, because if they fail the APCPI, they will have low Performance-Based Bonus or PBB. There are already 39 agencies implementing the CPES, which is already substantial given that not all agencies undertake infrastructure projects.

The PDCB has also started the implementation of the CPES in the private sector through a Memorandum of Agreement with the Philippine Institute of Civil Engineers, Inc. (PICE) for the implementation of the CPES in the private sector. The PICE is also coordinating with the Philippine Contractors Association (PCA) in implementing the system. Both organizations believe that the implementation of the CPES in the private sector can also serve as a tool to recognize outstanding contractors working on projects in the private sector. The PICE wants to showcase the competencies of Philippine engineers while the PCA wants to highlight the capabilities of Philippine contractors to show that the Philippine construction industry is globally competitive.

## **THE CONSTRUCTORS PERFORMANCE INFORMATION SYSTEM**

To further increase the efficiency of the implementation of the CPES, PDCB has developed the Constructors Performance Information System (CPIS), an automated system for the online submission of applications for accreditation of evaluators and CPES reports. The system was conceptualized and developed from 2014-2015 and will begin piloting in 2016. It is one of the three components of the Construction Industry Application System (CIAS), pursuant to CIAP's Information System Strategic Plan (ISSP).

The CPIS automates the CPES process and serves as a link to implementing agencies CPES, GPPB and other CIAP implementing Boards. It also facilitates efficiency and transparency in contractor evaluation. Given that the CPES reports can be viewed online, this system also encourages evaluators to be fair and thorough in the assessments that they give.

## **RECOGNIZING OUTSTANDING EVALUATORS**

Every year since 2013, PDCB has organized an annual gathering of accredited evaluators to share best practices and award the best performing accredited evaluators per agency. For 2015, the 3<sup>rd</sup> National Convention of Accredited CPES Evaluators of the Philippines had 247 participants and ten awardees from different agencies implementing the CPES. By recognizing outstanding practices and performances, PDCB hopes to instil a sense of pride and responsibility among evaluators for the valuable work that they do.





# Construction Industry Arbitration Commission

Pursuant to its mandate, the CIAC accomplished the activities discussed below.

## **ARBITRATION & MEDIATION**

The CIAC provides a mechanism for the expeditious and speedy resolution of construction contract claims and disputes. It contributes to the development and growth of the construction industry because, through this mechanism, long-standing claims are resolved/settled. It is an alternative to court litigation which sometimes takes years, while the CIAC is mandated to resolve the case within six months from the signing of the terms of reference (TOR) or from the start of proceedings.

The CIAC's goal is to ensure that the arbitration process is efficient and results in the speedy resolution of cases, taking into consideration possible approved time extensions, depending on factors such as the volume of documents, the number of witnesses and the number of issues involved in a case. In some cases, prior to arbitration, cases undergo mediation where an accredited mediator tries to bring the parties to an agreement. A mediator is given 30 days from acceptance of an appointment to complete meetings and consultations with the parties. If the mediation process fails, there is a transition to arbitration. In 2015, the Commission was able to resolve/settle 26 construction arbitration cases with a total Sum In Dispute (SID) of PhP1.76 Billion within an average time lapse of 3.22 months from TOR signing or start of proceedings.



## DISPUTE RESOLUTION THROUGH ARBITRATION

REGULAR CLAIMS (A)	No.	Sum in Dispute (Php)
Pending cases as of 31 Dec. 2015	21	1,589,669,060.21
Add: New cases filed in 2015	28	2,093,920,469.70
Total	49	3,683,589,529.91
	==	=====
Less: Cases Resolved	23	1,512,620,891.89
Cases Settled	3	248,259,911.93
Cases Dismissed/Withdrawn	4	1,118,984,228.53
Total Cases Acted Upon/Disposed	30	2,879,865,032.35
	==	=====
Pending cases as of 31 Dec. 2015	19	803,724,497.56
	==	=====
SMALL CLAIMS (B)		
Pending cases as of 31 Dec. 2014	-	-
Add: New cases filed in 2015	1	758,000.00
Less: Cases resolved/settled/dismitted/withdrawn	-	-
Total Cases Acted Upon/Disposed	-	-
	-	-
Pending cases as of 31 Dec. 2015	1	758,000.00
	==	=====
Total pending arbitration cases as of 31 Dec. 2015 (A+B)	20	804,482,497.56
		=====

## DISPUTE RESOLUTION THROUGH MEDIATION

MEDIATION	No.	Sum in Dispute (Php)
Pending cases as of 31 Dec. 2014	-	-
Add: New cases filed in 2015	2	36,751,951.25
Less: Cases settled/dismitted/withdrawn	2	36,751,951.25
Cases Acted Upon/Disposed	2	36,751,951.25
Pending cases as of 31 Dec. 2015	-	-

## **POLICY FORMULATION**

The Commission also passed the following resolutions and memorandum orders:

- Resolution No. 01-2015 Approving the Accreditation of New Construction Mediators;
- Resolution No. 05-2015 Amending CIAC Resolution No. 04-2011 [Adopting Rules on a Rating System for the Participation of CIAC Arbitrators and Mediators in the Mediators and Arbitrators Continuing Education (MACE) Program];
- Resolution No. 06-2015 Revising CIAC Resolution No. 07-2011 Amending the Minimum Requirement for Accreditation as CIAC Arbitrators; and
- Memorandum Order No. 01-2015 Period of Filing of Requests for Extension of Time to Render Award.

Under Resolution No. 01-2015, CIAC accredited 18 additional mediators that it previously trained from its pool of arbitrators, bringing the number of accredited construction mediators to 32.

## **POLICY REVIEW**

The Commission also started a review of its rules for purposes of aligning these with accepted international practices, but always within the bounds of Philippine law, particularly EO 1008 or the Construction Industry Arbitration Law. For this purpose, the Commission held consultative dialogues on proposed amendments to the CIAC Rules and initially approved some proposals for fine-tuning by a Committee on Style.

## **MEDIATORS AND ARBITRATORS CONTINUING EDUCATION (MACE) PROGRAM**

To ensure that the arbitrators and mediators are equipped for their tasks, the CIAC conducts seminars and workshops for its accredited arbitrators and mediators. For 2015, the Commission held four (4) MACE seminars.

## **IMPLEMENTATION OF THE ISSP**

The CIAC's office system has been automated since the early 1990s. Its first computerized system was the Office Systems for Construction Arbitration (OSCAR), developed through external consultants, which later evolved into the Integrated Systems for Construction Arbitration (IS/CA). The enhancement of the IS/CA forms part of the CIAP's approved Information System Strategic Plan for 2015-2016. The Commission provided the CIAP with the Terms of Reference and all necessary inputs for the upgrading of the IS/CA.

The CIAC also introduced the following innovations in its portal in the CIAP website: 1) an online fee calculator; and 2) an online list of accredited arbitrators and mediators with links to another website that contains their profiles, to facilitate the process of nominating an arbitrator or mediator for the case. These new features facilitate easy access to CIAC services for the public, removing the need for them to go to the CIAC office for inquiries on fees and information on construction arbitrators and mediators.

## **MOVING FORWARD**

For 2016, the CIAC seeks to train and accredit a new batch of construction arbitrators and finalize the amendments to its rules on the nomination and appointment of arbitrators, as it continues to provide its invaluable services for the early resolution of construction contract-related disputes, in the interest of professional and fair contractual relationships in the Philippine construction industry.



# Construction Manpower Development Foundation

The CMDF successfully undertook the following endeavors, in line with its mandate.

## **CAPACITY-BUILDING PROGRAMS**

The CMDF ensures that Filipino engineers and construction workers are updated, and their knowledge and skills are enhanced. The training programs it offers are geared towards skilled workers who seek to use their enhanced skills as a competitive advantage upon returning abroad. The CMDF offers Productivity Training Development Programs as well as Competency Assessment Programs, particularly:

- Construction Managers Training and Certification Program (COMTCP) - a program designed to train, evaluate and certify current and potential managers, superintendents and supervisors who have been engaged in general building, general engineering and specialty works. The program aims to affirm the competency level of construction project managers, superintendents and supervisors to ensure efficient and effective project execution. Ultimately, the COMTCP targets the enhancement of the individual's career development in the company which will lead to more competitive construction firms;
- Construction Management Courses - short-term courses that covers different aspects of Construction Management which are derived from the Project Management Body of Knowledge of United States of America whose standards are internationally accepted;



- Technology/Supervisory Development Courses - development courses geared towards productivity improvement (i.e. efficiency and effectiveness in the utilization of project resources). Course topics offered are Rebarworks, Formworks, Masonry/Concrete, Electrical, Equipment Management, Plumbing, Steel Fabrication, and Construction Safety Seminar;
- Safety and Health Training Courses – courses that focus on Construction Safety and Health Training which are accredited by the Department of Labor and Employment – Bureau of Working Conditions designed for accrediting Safety Officers, in compliance with the requirement of D.O No. 13;
- Productivity and Skills Upgrading Training Courses – skills upgrading programs that deal with hands-on productivity training where participants are coached on proper job execution and appropriate construction methods and techniques. Course topics offered are civil, electrical and mechanical works; and
- Orientation Seminars for Engineering and Architectural Students – subsidized training seminars that seek to minimize the gap between industry entry requirements against university/college exit requirements. This prepares students for entry in the construction industry. Topics offered are Project Scheduling, Rebarworks, Formworks, Masonry/Concrete, Electrical, Plumbing, Welding, Heavy Equipment Maintenance and Operation, and Construction Safety.

All the CMDF Trainings are conducted by a pool of resource speakers composed of external speakers who are industry practitioners and CMDF internal trainers. These two to five-day training programs can accommodate 20 - 40 participants per run,

and are made available at subsidized fees in venues within Metro Manila as well as Visayas and Mindanao. The multiple venues ensure easy access for construction industry workers and professionals, several of whom attend these trainings when they come home to the Philippines for a vacation.

## TRAININGS CONDUCTED

In 2015, the CMDF fulfilled its mandate by training a total of 3,857 participants in its various training programs. They also facilitated 13 runs of the Authorized Managing Officers (AMO) seminars, in collaboration with the PCAB, training a total of 1,721 participants. It strengthened linkages with the private sector with ten industry associations, ten private companies and ten colleges and universities participating in group or in-house trainings.

KOMATSU Ltd. Inc. conducted its Lucky 8th Batch of Komatsu Human Resource Development Center's seminar last 5 November 2015 for its Global Field Engineering Scholars. These seminars were conducted at CMDF Training Center in Cavite. A total of eight runs were made for the benefit of these scholars. The CMDF also held a Values Orientation and Ethics in Construction Seminar at the Antipolo Institute of Technology for a total of 105 scholars.

## INDUSTRY ACADEME LINKAGE PROGRAM

The CMDF also kicked off the Industry-Academe Linkage Program on December 10, 2015 through a dialogue and seminar workshop. Industry practitioners, government infrastructure agencies, and deans of different colleges and universities participated in the

program to identify the competency gap between engineering graduates produced by the academe and the needs of the construction industry. Thus, the construction industry and academe were able to determine their expectations and target goals.

## MOVING FORWARD

*At CMDF, we continue to innovate while staying true to our mandate.*

The CMDF is looking forward to continuously adding value to their capacity-building programs and facilities by developing more certification programs and expanding its programs and services. The bottom line for them is still the certification of the skills and competencies of construction industry workers to ensure global competitiveness. To accomplish this, it aims to strengthen relationships with relevant government agencies and the private sector to maximize opportunities for the continued professionalization on the Philippine construction industry. One of the policy initiatives will be the implementation of the Construction Industry One Registry System, among others.

## THE CONSTRUCTION INDUSTRY ONE REGISTRY SYSTEM (CIORS)

In 2015, the main contribution of the CMDF to the CIAP's goals, in terms of policy, came in the form of the recommendation and formulation of the framework for the Construction Industry One Registry System (CIORS). The CIORS will be the pioneer online registry system in the Philippine construction industry to highlight relevant competencies in construction productivity by providing validated, comprehensive, and readily-accessible human resource information. While TESDA has been identified as the lead agency for a National Registry System for different industries through the Philippine Quality Framework, the CIORS is tied into the system that will focus solely on the construction industry.

When the CMDF originally proposed the system, it was called the Philippine Construction Human Resource Registry System (PCHRRS). The concept of the system is to record the different Philippine construction competencies. Originally, the development of these competencies was handled by different government agencies: TESDA for skills, DOLE for safety, CMDF for project management, and DPWH for materials engineer certification course, among others. The CIAP Board resolved to accelerate the implementation of the proposal, hence, it was passed as a CMDF policy. This proposal eventually evolved into the CIORS. The CMDF also seeks to craft the implementing guidelines for the CIORS system in consultation with construction industry stakeholders in 2016.

With the advent of the data economy, establishing an online registry system will not only be timely and appropriate, but will also be integral in maximizing the advantages of the current construction boom in the country. Apart from aligned strategies and affirmed commitments that could boost the local construction industry, major stakeholders anticipate the impact and merits of the CIORS on the ASEAN community.

# BOARD MEMBERS



## CIAP BOARD MEMBERS

Left to right: Top: DTI Secretary Gregory L. Domingo (Chairman of the Board), DPWH Secretary Rogelio L. Singson (Vice-Chairman), DOTC Secretary Joseph Emilio Abaya, and DOLE Secretary Rosalinda D. Baldoz. Bottom: Dr. Pericles P. Dakay (Chairman of PCAB), Mr. Isidro A. Consunji (Chairman of POCB and private sector representative to the CIAP Board), Atty. Ramon P. Ereneta, Jr. (Chairman of PDCB), Engr. Rodolfo C. Meguita (Chairman of CMDF), and Delfin J. Wenceslao, Jr. (PCA President).



## PHILIPPINE CONTRACTORS ACCREDITATION BOARD

Left to right: Mr. Farouk M. Macarambon, Sr., Dr. Pericles P. Dakay (Chairman), Mr. Filomeno H. Castillo, Jr.



## PHILIPPINE OVERSEAS CONSTRUCTION BOARD

Left to right: Mr. Francisco B. Gonzalez Jr., Mr. Isidro A. Consunji (Chairman), Mr. Michael Roberto P. Reyes, Mr. Oscar D. Mercado



## PHILIPPINE DOMESTIC CONSTRUCTION BOARD

Left to right: Engr. Anthony L. Fernandez, Engr. Rogelio C. Lombos, Atty. Ramon P. Ereneta, Jr. (Chairman), Engr. Liberito V. Espiritu, Atty. Romeo C. Lagman



## CONSTRUCTION INDUSTRY ARBITRATION COMMISSION

Left to right: Engr. Antonio A. Abola, Atty. Manuel M. Cosico (Chairman), Engr. Emilio Lolito J. Tumbocon



## CONSTRUCTION MANPOWER DEVELOPMENT FOUNDATION

Left to right: Atty. Teodoro C. Pascua, Engr. Rogelio C. Lombos, Engr. Rodolfo C. Meguita (Chairman), Mr. Augusto F. Manalo, Engr. Liberito V. Espiritu



# CIAP Family



Administrative, Financial & Management Division headed by Officer-In-Charge Ms. Edna S. Domingo





Policy & Program Coordination and Monitoring Division



Philippine Contractors Accreditation Board headed by Officer-In-Charge Atty. Alejandria Gomez



Construction Industry Arbitration Commission headed by Executive Director III Kathryn Josephine T. Dela Cruz



Philippine Overseas / Domestic Construction Board headed by Officer-In-Charge Engr. Leilani DL. Del Prado

Construction Manpower Development Foundation headed by Deputy Executive Director Florencio S. Sison (Not in the photo)



# **CONSTRUCTION INDUSTRY AUTHORITY OF THE PHILIPPINES (CIAP)**

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