

MALACAÑANG

Manila

**PRESIDENTIAL DECREE No. 1746
(As Amended by Executive Order Nos. 679 & 768)**

CREATING THE CONSTRUCTION INDUSTRY AUTHORITY OF THE PHILIPPINES (CIAP)

WHEREAS, the construction industry constitutes an important segment of the industrial sector and contributes significantly to the gross national product of the Philippines;

WHEREAS, construction is now a major industry, accounting for more than five hundred thousand workers and providing livelihood to more than three million Filipinos;

WHEREAS, the construction industry has begun to venture into international markets, generating foreign exchange and providing greater employment to Filipino workers;

WHEREAS, the orderly growth and development of the construction industry and the upgrading of the capability of construction contractors are in consonance with national interest and will benefit both public and private sector;

WHEREAS, the continued growth and development of the construction industry requires an increasing number of skilled construction workers; and

WHEREAS, such growth and development have been hampered by the lack of cohesive government policies and the absence of a central agency to deal with the problems of the industry and to coordinate with other government agencies on matters affecting the industry.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree the creation of the Construction Industry Authority of the Philippines (CIAP) designed to promote, accelerate and regulate the growth and development of the construction industry as follows:

Section 1. Composition. There is hereby established a Construction Industry Authority of the Philippines which shall be composed of the Minister of Trade and Industry as Chairman, the Minister of Public Works and Highways, the Minister of Transportation and Communication, the Minister of Labor and Employment, the Chairmen of the different agencies under the CIAP namely: the Philippine Contractors Accreditation Board, the Philippine Overseas Construction Board, the Philippine Domestic Construction Board, the Construction Manpower Development Foundation, the President of the Philippine Contractors Association, and one representative of the private construction sector to be appointed by the President, as members. The Chairman may designate a special construction industry representative in the Middle East who will become an ex-officio member of the Board. The Chairman shall, also designate a Vice-Chairman from among the members.

Sec. 2. Powers and Objectives. The Construction Industry Authority of the Philippines shall promote, accelerate and regulate the growth and development of the construction industry in conformity with national goals.

Specifically, the Authority shall have the following powers and objectives:

(a) To evolve an overall strategy and exercise centralized authority for the optimum development of the construction industry;

(b) To 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;

- (c) To rationalize investments in the construction industry in accordance with national investment priorities and development needs;
- (d) To establish criteria for the classification and categorization of contractors which accurately reflect their contracting capacity and performance capability;
- (e) To enforce relevant and reasonable rules and requirements, as well as implement practicable and efficient procedures for pre-qualification of public projects;
- (f) To recommend and encourage the adoption of equivalent and realistic contract conditions for construction;
- (g) To seek the adoption of credit and other financing policies necessary for sustaining the continued and orderly development of the construction industry and for supporting Filipino contractors particularly those involved in overseas construction;
- (h) To identify and recommend other incentives necessary to support overseas construction;
- (i) To establish procedures, guidelines and criteria for fair and expeditious adjudication and settlement of claims and disputes in contract implementation;
- (j) To 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;
- (k) To establish a funding mechanism with the private sector to promote and develop the construction industry;
- (l) To perform such other functions necessary to achieve its objectives.

Sec. 3. *Organization.* The Authority shall be attached to the Ministry of Trade and Industry for policy and program coordination. It shall exercise authority with respect to the government agencies that conduct business with or exercise regulatory powers over the construction industry. It shall exercise jurisdiction and supervision over the following agencies which shall act as its implementing arms.

- (a) The Philippine Contractors Accreditation Board;
- (b) The Philippine Overseas Construction Board;
- (c) The Philippine Domestic Construction Board;
- (d) The Construction Manpower Development Foundation.

Sec. 4. *The Philippine Contractors Accreditation Board.* There is hereby created a Philippine Contractors Accreditation Board under the jurisdiction and supervision of the Authority. The Philippine Contractors Licensing Board is hereby abolished and all its funds and records are hereby transferred to the Philippine Contractors Accreditation Board.

- (a) *Composition.* The Board shall be composed of a Chairman and two (2) members to be appointed by the President upon recommendation of the Authority. The present Board of the Philippine Contractors Licensing Board shall continue to hold office as the Board of the Philippine Contractors Accreditation Board until their respective successors have been duly appointed.
- (b) *Functions.* The Philippine Contractors Accreditation Board shall perform the present functions of the Philippine Licensing Board until such time as its other functions, powers and duties are issued by the Authority.

Sec. 5. *The Philippine Overseas Construction Board.* The Philippine Overseas Construction Board created under P.D. 1167, as amended, is hereby placed under the jurisdiction and

supervision of the Authority. It shall continue to perform its present functions and shall perform additional functions as may be assigned by the Authority.

Sec. 6. The Philippine Domestic Construction Board. There is hereby created a Philippine Domestic Construction Board under the jurisdiction and supervision of the Authority.

(a) *Composition.* The Board shall be composed of Chairman and four (4) members to be appointed by the President upon recommendation of the Authority.

(b) *Functions.* The Philippine Domestic Construction Board shall formulate, recommend and implement policies, guidelines, plans and programs for the efficient implementation of public and private construction in the country. Specifically, it shall:

1. Formulate and recommend appropriate policies and guidelines for pre-qualification, bidding and contract award for public infrastructure projects;
2. Monitor and evaluate information on the status of public construction projects as well as on the performance and contracting capacity of contractors engaged in such projects;
3. Adjudicate and settle claims and disputes in the implementation of public construction contracts and for this purpose, formulate and adopt the necessary rules and regulations subject to the approval of the President;
4. Formulate and recommend approximate and standardized contract terms/conditions and guidelines for determining contract price adjustments in private construction;
5. Formulate and recommend rules and procedures for the adjudication and settlement of claims and disputes in the implementation of contracts in private construction;
6. Perform such other functions as may be assigned by the Authority.

Sec. 7. The Construction Manpower Development Foundation. There is hereby created a Construction Manpower Development Foundation which shall serve as the manpower development arm of the Authority.

(a) *Composition.* The Foundation shall have a Board of Directors as composed of a Chairman and four (4) members to be appointed by the Minister of Trade and Industry upon recommendation of the Authority.

(b) *Functions.* The Foundation shall perform the following functions:

1. Draw up an overall construction manpower development plan and relevant strategies;
2. Develop and implement manpower training programs for the construction industry;
3. Formulate and adopt construction skills and standards and establish skills testing and certification facilities in coordination with the National Manpower and Youth Council;
4. Recommend appropriate policies and measures to rationalize training and export of trained manpower in the construction industry in coordination with the Ministry of Labor and Employment (MOLE) and other pertinent government agencies;
5. Develop a funding mechanism in cooperation with the construction industry to enable it to carry out its functions by collecting fees and undertaking income generating activities;
6. Borrow from financing institutions to support its operations;
7. Perform such other functions as may be assigned by the Authority.

The Foundation shall coordinate its activities and work program with the National Manpower and Youth Council, the Bureau of Employment Services of the MOLE, the Philippine Overseas Construction Board and the Ministry of Education and Culture.

Sec. 8. *Executive Office.* The Authority shall have an Executive Office headed by a full-time Executive Director to be appointed by the Chairman.

The Executive Office shall maintain a technical, legal and management staff to assist the Executive Director in the performance of these duties and responsibilities.

The Executive Director shall report directly to the Authority on matters pertaining to and/or concerning the Authority and shall be responsible for monitoring and implementation of the policies and programs of the Authority, particularly by the four (4) agencies of the Authority, to the purpose of ensuring effectiveness and proper coordination.

The Philippine Contractors Accreditation Board, the Philippine Domestic Construction Board and the Construction Manpower Development Foundation shall establish their own Secretariats to service their respective Boards and to assist the Authority in the execution of its functions and responsibilities, subject to pertinent budgetary organization, compensation and civil service rules and regulations. Each of the three (3) agency Secretariats shall be headed by their respective Executive Officers to be appointed by the Chairman of the Authority upon recommendation of their respective Boards. The Philippine Overseas Construction Board shall continue to maintain its Executive Staff.

All relevant agencies of the government involved in the development and promotion of the construction industry are hereby directed to coordinate with the Authority in the execution of its functions.

Sec. 9. *Compensation.* The Authority shall fix (a) per diems of the Chairmen and the members of the different Boards of the implementing agencies; and (b) the salaries and allowances of the Executive Director, the staff of the Executive Office as well as the office of the different Secretariats under the Authority, subject to pertinent budget, compensation, organization and civil service rules and regulations.

Section 10. *Meetings.* The Authority and the Boards of the implementing agencies shall meet as often as is necessary but not less than once a quarter. Special meetings may be called by the respective Chairmen. The presence of the majority of the members of the Authority or the Boards of the implementing agencies shall constitute a quorum.

Section 11. *Rules and regulations.* The Authority shall issue such rules and regulations as may be necessary for the implementation of the general provisions of this Decree.

Section 12. *Funding.* The amount of five million pesos (P5,000,000.00) is hereby authorized to be released from the Special Activities Fund to cover the operating and capital expenses of the CIAP and its implementing agencies for CY 1981, subject to Sec. 40 of P.D. No. 117.

The Authority and its implementing agencies are hereby empowered to collect fees and undertake income generating activities as may be necessary in the execution of its functions and responsibilities. The Authority and its implementing agencies are hereby authorized to use its income to finance its operations, the provisions of law, to the contrary, notwithstanding.

Section 13. *Separability Clause.* The provisions of this Decree are declared to be separable and if any provision or the application thereof is held invalid or unconstitutional, the validity of the other provisions shall not be affected.

Section 14. *Repealing Clause.* All provisions of existing laws, proclamations, decrees, letters of instruction with this Decree are hereby repealed or modified accordingly.

Section 15. *Effectivity Clause.* This Decree shall take effect immediately.

Done in the City of Manila, this 28th day of November, in the year of Our Lord, nineteen hundred and eighty.