# CONSTRUCTION INDUSTRY AUTHORITY OF THE PHILIPPINES PROGRAMS & ACTIVITIES FOR CY 2018

# **Construction Industry Authority of the Philippines**

For CY 2018, CIAP will implement the following programs:

- 1. Industry policy research work, formulation and review Undertake policy research work and studies of identified critical issues/concerns affecting the construction industry, and policy review & formulation.
- 2. Agency plan preparation coordination and performance monitoring against standards and targets
- Regionalization of CIAP services thru the CIAP Window To enhance and expand the access and delivery of services in the region towards ensuring a more effective and efficient decentralization program. CIAP Windows are maintained in Region I (La Union), Region III (Pampanga, Region V (Legaspi), Region VII (Cebu), Region VIII (Leyte), Region X (Cagayan de Oro), CAR (Baguio) and CARAGA.
- 4. Implementation of the Information Systems Strategic Plan (ISSP) (2018-2020)

The ISSP was developed to guide the CIAP in all its Information and Communication Technology (ICT) projects. It aims to ensure that projects and investments will support the activities of the agency towards the fulfillment of its mission, and are all aligned with the government goals and ICT directions.

5. Database Build Up of the Market and Policy Information System (MPIS)

This involves the encoding of socio-economic indicators (i.e. statistical data, news clips relevant to construction trends) in the socio-economic information system, a sub-module of the MPIS. This will also include the scanning of CIAP policies, agenda items and materials of board meetings held from 1981 to present and other relevant information and uploading such in the MPIS.

6. Adoption of the Quality Management System (QMS) standards in accordance with the requirements of ISO 9001:2015.

### Philippine Contractors Accreditation Board

The Construction Industry Authority of the Philippines (CIAP), through the Philippine Contractors Accreditation Board (PCAB), is vested with the authority to issue, suspend and revoke licenses of contractors to investigate such violations of Republic Act 4566, otherwise known as the Contractor's License Law and its Implementing rules and Regulations as may come to its knowledge and for this purpose, issue subpoena testificandum and subpoena duces tecum to secure appearance of witnesses in connection with the charges presented to the Board and to discharge such other powers and duties affecting the construction industry in the Philippines. The PCAB is also mandated to register and classify the government

contractors for infrastructure projects pursuant to the Implementing Rules and Regulations of Republic Act 9184.

Consistent with PCAB's licensing and registration functions to ensure that only competent and reliable contractors are allowed to engage in construction contracting, PCABs thrusts and expected outcomes include improvements to its operations focusing on efficiency of the systems and procedures to facilitate license/registration processing work and enhance the quality of the licenses through a more extensive verification of technical and financial qualifications in support of a contractors' application.

Corollary to the above functions, PCAB will implement the following plans, activities and programs:

- 1. Massive information campaign on enforcement of the provisions of Republic Act 4566 (Contractors License Law)
- 2. Streamlining of procedures in the processing of new licenses, renewal and upgrading of license category
- 3. Implement a strengthened investigation function of the PCAB to be undertaken by newly named "Monitoring and Enforcement Division under the approved Rationalization Plan
- 4. Conduct policy and procedural review of construction accreditation operations and activities, a significant function in enforcing RA 4566 and its Implementing Rules and Regulations.
- 5. Track down operations of unlicensed contractors and apply penalties as provided for under E.O. 913 (Trade & Industry Law and its IRR)
- 6. Improvement in all processes to maintain Quality Management Standards
- 7. Computerization of PCAB Systems as part of the CIAP-Information Systems Strategic Plan
- 8. Implement a thorough verification process of contractor's qualifications
- 9. Continuous enhancement of PCAB records keeping and information system
- 10. Capability building for all PCAB Staff in areas of frontline services, evaluation, automation, communication skills and service orientation

#### **Philippine Overseas Construction Board**

The 2018 programs of the Philippine Overseas Construction Board are focused on enhancing marketing activities to establish market access in non-traditional markets implementing infrastructure development that may require the services of Philippine contractors, construction workers and engineering/design consultants. POCB shall benchmark with selected ASEAN and non-ASEAN trading partners on capabilities for overseas construction. The thrust of POCB in 2018 is to further expand market presence of the Philippine Construction Industry players in the overseas market. POCB major programs comprise of the following:

- 1. Strengthen the presence in the multi-lateral/regional fora.
  - a. Actively participate in multi-lateral and bilateral cooperation/arrangement (e.g. ASEAN, WTO GATS, ASEAN Plus FTAs and JEC) to put forward Phil. interests in construction services to achieve better market access and favorable treatment to the Philippine contractors, engineering/design consultants and construction workers.
- 2. Strengthen promotion and marketing assistance to Philippine contractors'/consultants' to penetrate target market/s.
  - a. Organize or cooperate in organizing outbound construction missions or business matching in high potential markets.
  - b. Participate in construction exhibits/fairs to showcase the construction capabilities of the Phil. Construction Industry players, e.g. contractors and consultants.
- 3. Provide market information and project leads to contractors and related services:
  - a. Provide construction contractors and allied service providers with information on business practices and related matters on the target overseas construction markets in the form of country profiles, advisories and similar forms of communication.
  - b. Prepare market studies on emerging/non-traditional markets.
- 4. Benchmark with selected ASEAN and non-ASEAN trading partners on capabilities for overseas contracting, marketing and promotion and on government support for overseas construction.
- 5. Registration of Filipino contractors and consultants who undertake overseas projects (new and renewal)
- 6. Processing of applications per authority to bid/undertake overseas projects.
- 7. Monitor overseas performance of contractors and consultants registered with the POCB.

### Philippine Domestic Construction Board

Pursuant to the mandate of the Philippine Domestic Construction Board (PDCB) to formulate, recommend and implement policies, guidelines, plans & programs for the efficient implementations of public and private construction in the country, the following projects/ programs shall be undertaken:

1. Programs on Domestic Construction Policies and Reforms

This covers the formulation and review of laws and policy issuances relevant to pre-qualification bid/tender & award, and contract implementation systems and procedures, construction safety and related matters.

2. Operationalization of Constructors Performance Evaluation System (CPES)

This includes the continuous review of applicability of existing guidelines as well as the continuous preparation of checklists for other types of infrastructure projects. This is being done thru Inter-Agency Committee composed of representatives from various implementing agencies.

The PDCB will (1) boost awareness about CPES; (2) encourage government agencies, especially the Local Government Units (LGUs), to comply with the requirement of R.A. 9184 to implement the CPES in all infrastructure projects of the government, and (3) accredit more Constructors Performance Evaluators (CPEs). Corollary to this, the PDCB will conduct "Trainers Training" for accredited CPEs who are willing to be trained as resource persons for the accreditation seminars, in order to help the PDCB in its nationwide information campaign and in the CPES accreditation seminars.

3. Assistance to Local Entrepreneurs in the Area of Construction

The PDCB sees that the construction industry has a lot of stakeholders to be tapped to fill in the gap of local entrepreneurs in the area of construction. For CY 2018, PDCB shall provide assistance to the new entrants to the construction industry and conduct free business seminars consisting of series of mentoring sessions.

4. Data Banking/ Information Networking of Constructors Project Performance and Related Construction Data/ Statistics.

This includes the data banking of CPES and Blacklisting reports coming from various agencies. These reports are gathered, processed, encoded and prepared into reports. A) Monthly Blacklisting and B) Annual Consolidated CPES Report are prepared and consolidated. These two reports are also posted in the GPPB Website for the information and reference of all interested parties.

As part of the CIAP ISSP, the Constructors Performance Information System (CPIS) shall likewise be maintained and updated. Enhancement of the CPIS needs to be undertaken to generate more data/information/statistical reports which will be posted in the CIAP/PDCB webpage for information to the public.

# **Construction Industry Arbitration Commission**

 One of the powers vested in the CIAP under Section 2 of P.D. 1746 is "to establish procedures, guidelines and criteria for fair and expeditious adjudication and settlement of claims and disputes in contract implementation". Under Section6 (par. 6, nos. 3&5) of the same law, the implementation aspects of this mandate were made functions of the Philippine Domestic Construction Board (PDCB). From the time of promulgation of P.D. 1746 in November 1980 to February 1985, the adjudication and settlement functions were the direct responsibility of the PDCB, particularly one of its divisions, the Arbitration Division. In February 1985, upon

recommendation of the CIAP and PDCB. Executive Order No. 1008, creating the Construction Industry Arbitration Commission (CIAC) under the administrative supervision of the PDCB, was issued. E.O. 1008 or the Construction Industry Arbitration Law (CIAL) vests CIAC with "original and exclusive jurisdiction over disputes arising from, or connected with, contracts entered into by parties involved in construction in the Philippines". The CIAL, in effect, transferred the PDCB's arbitration functions to the CIAC which has, since the time it became operational in January 1989, actually discharged and exercised the adjudication and settlement functions of both CIAP and PDCB, not only through arbitration proceedings but also by mediation processes. The CIAP Board, in its 22<sup>nd</sup> Regular Meeting held on 13 March 1998, approved the implementing Rules and Regulations (IRR) of P.D. 1746 which, among others, prescribe a policy for the "adoption of different alternative modes of dispute resolution in the implementation of public and private construction contracts" and mandates the CIAC to "establish rules of procedures" for the "fair and expeditious settlement of construction disputes" through arbitration and other alternative dispute resolution (ADR) schemes. Subsequent legislations, namely R.A. 9184 or the Government Procurement Reform Act, and R.A. 9285 or the Alternative Dispute Resolution Act of 2004, affirm CIAC's jurisdiction over disputes arising from both government & private construction contracts entered into by the parties in the Philippines. R.A. 9285, in fact, also mandates the dismissal of pending construction cases filed in the courts and their referral to the CIAC for arbitration.

- CIAC provides front-line dispute resolution services directly benefiting government and private project owners, contractors, subcontractors, consultants/designers, Construction project managers, suppliers and other constituents of the Philippine construction industry. Since the start of its operations in 1989, CIAC has, as of 02 February 2017, resolved/settled 742 cases with a total sum in dispute of P43.555 Billion.
- 3. Aside from the acceptance of cases and the conduct of researches and development of related policies and programs on arbitration and other ADR modes, CIAC also handles the actual resolution and settlement by its accredited arbitrators/mediators of construction contract disputes; an intensive information drive on construction arbitration through seminars and regional symposia; training & accreditation of construction mediators and arbitrators; and providing continuing education programs for its accredited arbitrators and mediators. Starting CY 2011, easy access to CIAC services by industry constituents based in the regions has been established in the Visayas, Mindanao and Luzon, through the CIAP Windows project in the DTI Regional Offices.

### **Construction Manpower Development Foundation**

The Construction Manpower Development Foundation (CMDF) under PD 1746 is mandated to enhance the competencies and capabilities of the human resources of the Construction Industry. The manpower resources of the industry include: craftsmen, engineers, project managers/supervisors and contractors. For CY 2018 CMDF will implement the following programs:

1. Promotion and development of training and other construction manpower development activities

- 2. Formulation and adoption of construction skills and standards and establishment of skills testing & certification facilities in coordination with the Technical Education and Skills Development Authority (TESDA)
- 3. Improvement in all processes to maintain ISO 9001:2015 Certification of CMDF.