

**[ DPWH DEPARTMENT ORDER NO. 163, July 31, 1990 ]**

**PROCUREMENT AND USE OF CEMENT FOR DPWH  
INFRASTRUCTURE PROJECTS AND OTHER RELATED MATTERS**

In the interest of public service and in order to rationalize the procurement and use of imported cement for DPWH infrastructure projects, the following guidelines and policies relative thereto are hereby prescribed for the guidance of all concerned:

1. DPWH contractors for infrastructure projects may use imported cement instead of domestically produced cement. Contract prices may be escalated in accordance with the Price Escalation Formula prescribed under P.D. 1594, as amended, without distinction as to the source of the cement used in the project.
2. As a matter of policy, DPWH does not intervene in the procurement of cement for the use of the contractors for their projects. In the interest of public service, however, DPWH may assist contractors in procuring their cement requirements. In such cases, the contractors shall request for assistance, in writing, from the DPWH Implementing Office concerned. The DPWH Implementing Office concerned, thru the DPWH Task Force to Oversee the Supply of Portland Cement (c/o The Director, Bureau of Research and Standards, EDSA, Quezon City), shall inform the contractors regarding arrangements on the allocation for imported cement from the Philippine International Trading Corporation (PITC), PHILCEMCOR, or other cement suppliers, provided that the contractors agree to pay for the cement in accordance with the terms and conditions prescribed by the supplier.
3. The written request of contractors for assistance in the procurement of cement shall contain manifestation that the cement being procured thru DPWH shall be exclusively used for specific DPWH projects.
4. Contractors may, likewise, request in writing the DPWH to advance the payment for the cement requirements of their projects, using funds obligated for their contracts. It is desired, however, that the contractors shall identify the supplier, otherwise DPWH will source their requirements from the PITC, PHILCEMCOR or other cement suppliers offering ready stocks and/or lower prices. For the faithful re-payment of the advanced payment made by the DPWH, the contractors concerned shall submit a Surety Bond issued by an acceptable surety company.
5. Advanced payment made by the DPWH shall be refunded by the contractors concerned through deductions in their progress billings under a definite re-payment schedule mutually agreed upon by DPWH and the contractors. In case of termination/rescission of contract, the advanced