

Rules and Regulations
Governing Licensing of
Constructors in the Philippines

TABLE OF CONTENTS

Page No.

RULE	I	DEFINITION OF TERMS	1
Sec.	1.1	Definition of Terms	1
RULE	2	POWERS AND DUTIES OF THE BOARD	2
Sec.	2.1	Powers and Duties of the Board	2
RULE	3	CONSTRUCTOR'S LICENSE	3
Sec.	3.1	License Types	4
Sec.	3.2	License Validity	4
Sec.	3.3	Terms and Conditions of a Constructor's License	5
Sec.	3.4	The License and License Certificate	5
RULE	4	REQUIREMENTS FOR LICENSING	6
Sec.	4.1	Qualifications for Licensing	7
Sec.	4.2	Sustaining Technical Employee	8
Sec.	4.3	Authorized Managing Officer	9
Sec.	4.4	License Application Filing	9
Sec.	4.5	Regular License Application Documents	10
Sec.	4.6	Special License Application Documents	10
Sec.	4.7	License Application Processing	10
RULE	5	LICENSE CLASSIFICATION AND CATEGORIZATION	13
Sec.	5.1	Contracting Classification	13
Sec.	5.2	Classification Processing	14
Sec.	5.3	Multiple Classifications	14
Sec.	5.4	Operation by Classification	14
Sec.	5.5	Updating of Classification Requirements	14
Sec.	5.6	Constructor Categories	14
Sec.	5.7	Categorization Criteria	15
Sec.	5.8	Category Identification	15
Sec.	5.9	Categorization of Special License Constructors	15
Sec.	5.10	Updating of Categorization Requirements	17
RULE	6	LICENSE RENEWAL AND RE-EVALUATION	17
Sec.	6.1	Annual License Renewal	17
Sec.	6.2	License Renewal Application Filing	17
Sec.	6.3	License Renewal Application Documents	18
Sec.	6.4	Classification Review	20
Sec.	6.5	Category Review	22
Sec.	6.6	License Renewal Applicants Failing Classification Review and/or Category Review	24
Sec.	6.7	Provisional License Renewal	25
Sec.	6.8	License Renewal Certificate	26
Sec.	6.9	Late License Renewal and License Lapsing	26

RULE	7	LICENSE AMENDMENTS	
Sec.	7. 1	Category Upgrading	27
Sec.	7. 2	Classification Revision	27
Sec.	7. 3	Application for Classification Revision and Category Upgrading Jointly with License Renewal	27
Sec.	7. 4	Other License Amendments	27
RULE	8	ACCREDITATION OF CONSTRUCTORS	
Sec.	8. 1	Accreditation	28
Sec.	8. 2	Quality of Overall Performance	28
Sec.	8. 3	Index Rating	28
Sec.	8. 4	Performance Factors in Index Rating	29
Sec.	8. 5	Eligibility for Accreditation	30
Sec.	8. 6	Application for Accreditation	31
Sec.	8. 7	Recognized Rating Entities	32
Sec.	8. 8	Accreditation Application Processing	32
Sec.	8. 9	Accreditation Approval	32
Sec.	8.10	Accreditation Certification	32
Sec.	8.11	Accreditation Validity	33
Sec.	8.12	Re-Accreditation	33
Sec.	8.13	Index Rating Review	33
Sec.	8.14	Index Rating Upgrading	34
Sec.	8.15	Accreditation or Re-Accreditation Denial	34
Sec.	8.16	Accreditation Revocation	34
RULE	9	LICENSING AND ACCREDITATION FEES	
Sec.	9. 1	Licensing Fees	35
Sec.	9. 2	Accreditation Fees	36
Sec.	9. 3	Amount of Fees	37
Sec.	9. 4	Payment of Fees	37
RULE	10	RIGHTS AND DUTIES OF LICENSED CONSTRUCTORS	
Sec.	10. 1	Regular License Authorization	37
Sec.	10. 2	Special License Authorization	37
Sec.	10. 3	Joint Operation Licensing	37
Sec.	10. 4	Renewal of License	38
Sec.	10. 5	Disassociation of a Sustaining Technical Employee	38
Sec.	10. 6	Change of an Authorized Managing Officer	38
Sec.	10. 7	Change in an Accreditation Performance Factor	39
Sec.	10. 8	Change of Address	39
Sec.	10. 9	Change of Name	39
Sec.	10.10	Change in Business Organization Style	39
Sec.	10.11	Introduction of Foreign Equity	39
RULE	11	DISCIPLINARY ACTION, PROCESSING AND DECISION	
Sec.	11. 1	Disciplinary Action	40
Sec.	11. 2	Causes for Disciplinary Action	40
Sec.	11. 3	Jurisdiction	41

	Sec. 11. 4	Prescription	42
	Sec. 11. 5	Complaint	42
	Sec. 11. 6	Complaint Withdrawal	43
	Sec. 11. 7	Service and Answer	43
	Sec. 11. 8	Evidence	43
	Sec. 11. 9	Memorandum	43
	Sec. 11.10	Decision	43
	Sec. 11.11	Petition for Reconsideration	43
RULE	12	LICENSE DENIAL AND CANCELLATION	
	Sec. 12. 1	License Denial	44
	Sec. 12. 2	License Renewal Denial	45
	Sec. 12. 3	Permissible Operation after License Non-Renewal	45
	Sec. 12. 4	Retirement from Construction Contracting	45
	Sec. 12. 5	Death or Disassociation of a Partnership Partner	45
	Sec. 12. 6	Death of a Sole Proprietor	46
	Sec. 12. 7	Introduction of Foreign Equity	46
RULE	13	LICENSE SUSPENSION LIFTING AND RESTORATION	
	Sec. 13. 1	License Suspension Lifting	46
	Sec. 13. 2	License Restoration	47
	Sec. 13. 3	License Non-Restoration	47
RULE	14	CODE OF ETHICS	
	Sec. 14. 1	Code of Ethics	47
RULE	15	ENFORCEMENT OF THE LAW	
	Sec. 15. 1	Application of the Law and Exemptions Therefrom	49
	Sec. 15. 2	Enforcement by the Board	50
	Sec. 15. 3	Enforcement by Officers of the Law	50
	Sec. 15. 4	Enforcement in Construction Biddings	50
	Sec. 15. 5	Penalties	50
	Sec. 15. 6	Effectivity	51
APPENDIX	I	CATEGORY EVALUATION	55
APPENDIX	II	ACCREDITATION INDEX RATING	56
APPENDIX	III	FEEES	59
APPENDIX	IV	FINES	62
APPENDIX	V	REPUBLIC ACT NO. 4566	63
		An Act Creating the Philippine Licensing Board for	

Contractors, Prescribing its Powers, Duties and
Functions, Providing Funds therefore, and for other
Purposes

APPENDIX

VI. PRESIDENTIAL DECREE NO. 1746

76

Creating the Construction Industry Authority of the
Philippines

RULE 1 DEFINITION OF TERMS

Sec. 1.1 Definition of Terms

Unless otherwise specified, the following terms, as used herein, shall mean as defined:

- a) "Law" means Republic Act No. 4566, as amended by Letter of Instruction No. 993 and by Presidential Decree No. 1746;
- b) "Authority" means the Construction Industry Authority of the Philippines;
- c) "Board" means the Philippine Contractors Accreditation Board;
- d) "Secretariat" means the secretariat of the Board;
- e) "Person" means an individual, or any juridical entity such as a partnership, a corporation, a joint venture, a consortium, an association or organization, or any combination thereof;
- f) "Constructor" shall have the same meaning as "contractor" as used in Section 9(b) of the Republic Act No. 4566.
- g) "Joint Venture" means a cooperative arrangement of licensed constructors to jointly perform a single specific undertaking/project with each of the partners contributing to the performance;
- h) "Consortium" means a cooperative arrangement between licensed constructor(s) and non-constructor(s) to jointly perform a single specific undertaking/project with the licensed constructor(s) as managing and operating partner(s) and the others as financier(s) or any such other construction supportive role;
- i) "License" means the authority granted by the Board with conformity of the Authority, for a person to engage in construction contracting in the Philippines and, refers to a Regular License, a Special License or both, as discussed in Sec. 3.1 herein.
- j) "Category" indicates the graded level of aggregate capability of a constructor based on pre-determined criteria which include financial capacity, equipment capacity, experience of firm, and experience of technical employees.
- k) "Classification" means the area of operation wherein a constructor can engage in based on the technical experience of his sustaining technical employee.
- l) "Principal Classification" is the main contracting classification of a multi-classification constructor with respect to which his category was evaluated.
- m) "General Engineering" refers to the contracting classification that a licensed "General Engineering contractor", as used in Section 9(c) of the Republic Act No. 4566, is authorized to engage in as further explained in Sec. 5.1 herein.

- n) "General Building" refers to the contracting classification that a licensed "General Building contractor", as used in Sec. 9(d) of the Republic Act No. 4566, is authorized to engage in as further explained in Sec. 5.1 herein.
- o) "Specialty" refers to the contracting classification that a licensed "Specialty" contractor, as used in Sec. 9(e) of the Republic Act No. 4566 is authorized to engage in as further explained in Sec. 5.1 herein.
- p) "Sustaining Technical Employee" means a constructor's nominee from among his technical personnel, who is approved as such by the Board and whose training and experience are to sustain the constructor's classification eligibility and/or to accrue to the constructor's credit rating in categorization;
- q) "Authorized Managing Officer" means the sole management representative of a constructor, duly appointed by the constructor and authorized by the Board to act for and in behalf of the constructor, in all matters concerning requirements of the Board and implementation of R.A. 4566 and P.D. 1746.
- r) "Credit Point" refers to the equivalent weight of importance given to each of the qualification criteria for the purpose of categorizing constructors.
- s) "Accreditation" means the status conferred on a licensed constructor by the Authority, upon the recommendation of the Board, indicating the performance and experience of the constructor as herein in accord with standards set by the Board;

RULE 2 POWERS AND DUTIES OF THE BOARD

Sec. 2.1 Powers and Duties of the Board

The Board is vested by provisions of R.A. 4566 and P.D. 1746 with the following powers and duties:

- a) To perform and implement the policies of the Authority;
- b) To issue, suspend and revoke Licenses of constructors;
- c) To issue rules and regulations, subject to confirmation of the Authority for implementation of R.A. 4566 as amended by P.D. 1746.
- d) To adopt rules and regulations to effect the classification, categorization and accreditation of constructor;
- e) To limit the operations of constructors to within the bounds of their respective classifications and/or any restriction as may be imposed by the Board on their respective Licenses;
- f) To investigate any violation of the Law and the provisions hereof and, for this purpose, may issue subpoena and subpoena duces tecum to secure appearance of witness in connection with any charge presented to the Board; or to cause the investigation of the violation by the Ministry of Trade and Industry under Executive Order No. 913.

- g) To institute action in court and secure a writ of injunction without bond to restrain any unlicensed constructor from engaging or attempting to engage in construction contracting;
- h) To impose fine on any such above said violation;
- i) To enter any premises where construction work is being carried out to inspect the construction and, where necessary, to enforce the Law and the provisions hereof or to prevent contravention thereof; such entry may be by any Board member or any member of the Secretariat duly authorized by the Board;
- j) To collect fees and undertake income generating activities whenever necessary, to sustain the Board's performance of its functions and discharge of its responsibilities;
- k) To gather and collate information on constructors relevant to implementation of R.A. 4566, P.D. 1746 and the provisions hereof;
- l) To publish in a newspaper of general circulation, at least once a year, particulars of licenses issued, renewed, suspended and revoked and such other information relevant to the Law and its administration and deemed proper by the Board;
- m) To keep a permanent record of constructors ever licensed by the Board, including therein the name, address, License number, classification(s), category, License status whether renewed, suspended, cancelled, revoked or denied renewal, accreditation details, if applicable, and such other information of interest to the construction industry and general public; and
- n) To submit an annual report of the activities and proceedings of the Board to the President of the Philippines thru the Authority.

RULE 3 CONTRACTOR'S LICENSE

Sec. 3.1 License Types

Two types of Licenses are hereby instituted and designated as follows:

a) The Regular License

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

The Regular License shall be reserved for and issued only to constructor-firms of Filipino sole proprietorship, or partnership/

*

corporation with at least seventy percent (70%) Filipino equity participation and duly organized and existing under and by virtue of the laws of the Philippines.

* Adjusted to 60% under Art. 48 of Chapter III, Book II of the Omnibus Investment Code of 1987

b) The Special License

"Special License" means a License of the type issued to a joint venture, a consortium, a foreign constructor or a project owner which shall authorize the Licensee to engage only in the construction of a single specific undertaking/project. In case the Licensee is a foreign firm, the license authorization shall be further subject to condition(s) as may have been imposed by the proper Philippine government authority in the grant of the privilege for him to so engage in construction contracting in the Philippines. Annual renewal shall be required for as long as the undertaking/project is in progress, but shall be restricted to only as many times as necessary for completion of the same.

The following can qualify only for the Special License:

- ba) A joint venture, consortium or any such similar association organized for a single specific undertaking/project;
- bb) A foreign firm legally allowed by the proper Philippine government authority to undertake construction activities in the Philippines.
- bc) A project owner undertaking by himself, sans the service of a constructor, the construction of a project intended for sale, lease, commercial/industrial use or any other income generating purpose.

Sec. 3.2 License Validity

a) Regular License

A Regular License shall be valid for one fiscal year, from the 1st of July to the 30th of June of the ensuing year, unless suspended, invalidated, cancelled or revoked earlier by the Board, and shall be renewed annually. A license issued after the 1st of July shall be valid for the remaining part of the fiscal year.

b) Special License

A Special License, shall be cancelled by the Board upon completion of the single specific undertaking/project authorized by the license and to which it is, therefore, restricted, even though before expiry of the fiscal year.

Sec. 3.3 Terms and Conditions of a Contractor's License.

- a) The License is non-transferable.
- b) The License is valid during the contracting fiscal year (July 1 to June 30) for which it was issued provided it has not been suspended, cancelled or revoked by the Board.
- c) The license is to be renewed annually on or before the expiration of its validity.
- d) The Licensee must not submit any bid, or enter into any construction

contract after the License has expired and before the same is renewed otherwise the constructor shall be deemed to be operating without a contractor's License and shall be liable to appropriate disciplinary action and payment of additional License fee.

- e) The Licensee must not undertake/implement any construction project which is not within the scope of his License classification otherwise he shall be liable to appropriate disciplinary action and payment of additional licensing fee.
- f) The Licensee's qualification is subject to review at any time to ascertain the constructor's eligibility to the present classification and category of his License.
- g) License category may be upgraded and other classification(s) may be added to the license upon formal application by the Licensee together with all the necessary supporting documents.
- h) The Licensee must notify the Board in writing of resignation or disassociation of any of its Sustaining Technical Employee and must replace the said employee within a period of ninety days from the date of resignation or disassociation.
- i) The Licensee must submit to the Board monitoring reports that may be required from time to time.
- j) The Licensee must observe and abide by the provisions of Republic Act No. 4566, as amended by Presidential Decree No. 1746, its implementing Rules and Regulations, and other orders or instructions which the Board may issue from time to time pursuant to its power and authority under the Law.
- k) The Licensee must at all times observe and adhere to the letters and spirit of the code of ethics for constructors.
- l) Any misrepresentation or false information submitted to the Board shall subject the Licensee to administrative disciplinary action without prejudice to the imposition of penal sanctions provided by law.
- m) A Licensee who is retiring from the construction business must advise the Board in writing and must immediately surrender the license to the Board for cancellation.

Sec. 3.4 The License and License Certificate

The License shall authorize the Licensee to engage in construction contracting in the Philippines, subject to License type and classification restrictions as stipulated in Sec. 3.1 and 5.4 hereof. The License shall be in the name of the successful License applicant, whether a sole proprietorship, partnership, corporation, joint venture, consortium or any other association. Each Licensee, even one of multiple classifications, shall be issued only one License.

The License certificate shall bear, among others, the following information:

- a) Name of Licensee with name of the Authorized Managing Officer or proprietor, if a sole proprietorship, appended thereto;
- b) License number;
- c) Date of issue and date of expiry;
- d) Contracting classification(s) with, if a multi-classification constructor, the Principal classification identified as such;
- e) Constructor category;
- f) If a Special License, identification of the single specific undertaking/project thereby authorized and other condition(s) as may have been imposed; and
- g) Signatures of the Chairman and members of the Board and the Chairman of the Authority.

The Special License certificate shall be of a title indicative of its type and numbered in a series separate from that of the Regular License. The Board, at its own discretion, may adopt a different medium of certification for the Special License.

In any revision of a constructor's License which necessitates a change in any of the information on the License certificate, the certificate previously issued him shall be submitted to the Board for annotation thereon.

RULE 4 REQUIREMENTS FOR LICENSING

Sec. 4.1 Qualifications for Licensing

To be eligible as a candidate for licensing, an applicant shall have the following minimum qualifications deemed by the Board to be necessary for the safety of the public and the interest of both the public and the construction industry;

- a) He must, by virtue of his Sustaining Technical Employee or by himself, if sole-proprietor-applicant, have at least two (2) years of construction implementation experience, and knowledge of Philippine construction-building codes and ordinances, labor safety codes and other laws applicable to construction operation, subject to the nomination requirement as provided for under Section 4.2 hereof.
- b) He must, by virtue of his Authorized Managing Officer or by himself, if a sole-proprietor-applicant, have at least two (2) years of experience in construction contracting; business management and contract administration, and knowledge of Philippine laws on contracts, liens, taxation, labor and other construction business matters, subject to the nomination requirement as provided for under Section 4.3 hereof.
- c) He must have a stockholders/owner's equity or networth of at least the amount required to qualify for the lowest constructor category; and

d) If a partnership or corporation, the applicant firm shall have, in its Articles of Partnership/Incorporation, construction as a primary purpose, or as a division or department separate and distinguishable from the overall organization of the firm.

The foregoing notwithstanding, the eligibility of an applicant shall be further contingent upon his non-possession of any of the disqualifications for or impediments to licensing as stipulated in Sec. 11.1 hereof.

* increased to three(3) years on 23 August 1988 Board Meeting

Sec. 4.2 Sustaining Technical Employee

A Sustaining Technical Employee shall be nominated by the constructor from among his technical personnel and whose training and experience shall be considered by the Board in determining the appropriate contracting classification(s) and/or category of the constructor as may be sustained by such qualifications. To fully qualify for the said nomination, the Sustaining Technical Employee, in addition to the requirement stated in Section 4.1(a) hereof, must:

a) Be a technology professional licensed by the Professional Regulation Commission and of academic discipline relevant to the classification of his intended assignment; provided that, in lieu thereof:

aa) A licensed technology professional of any other academic discipline but who has been employed, in a managerial/supervisory capacity, by a constructor in construction of a classification for at least four(4) years immediately prior to his nomination, may be deemed eligible by the Board for nomination to the classification by the constructor; and

ab) For trade category with Specialty Classification, an individual with two years construction implementation experience in the specialty classification to which he is being nominated shall suffice.

b) Be a full-time employee of the nominating constructor; not associated professionally or employment-wise with any other party, particularly one engaged in construction or construction-related activities; except a party affiliated with the nominating constructor or with whom such association is deemed by the Board to be not undesirable nor incompatible with his role as a Sustaining Technical Employee; and

c) Have none of the following disqualifications:

ca) Involvement in any construction malperformance of grave consequence, in any capacity and deemed by the Board to be suggestive of his negligence, incompetence and/or malpractice;

cb) Involvement in any act or omission liable for disciplinary action as stipulated in Sec. 11.2 hereof, by himself or in collaboration with any other person or firm and of which he or the other person or firm was found guilty by the Board;

cc) Conviction by a court of competent jurisdiction of any offense

involving moral turpitude; and

- cd) If a former Sustaining Technical Employee or Authorized Managing Officer disassociated with his constructor-employer; failure to notify the Board of the disassociation in accordance with the provisions of Sec. 10.5 and Sec. 10.6 hereof.

The Board, however, shall be empowered to moderate or otherwise modify the application of any of the foregoing disqualifications, if justifiable by evidence of mitigating circumstance and of any loss or injury resulted therefrom having been amply and properly restituted, and if there is a reasonable indication of a deterrent against repetition or recurrence of the same.

A constructor may have more than one Sustaining Technical Employee to qualify for licensing in more than one classification. He may also have more than one Sustaining Technical Employee in any classification in which he is licensed. Only one Sustaining Technical Employee is necessary to sustain a constructor's eligibility for a classification. A technology professional of academic multi-discipline may even be approved by the Board to sustain a constructor's eligibility for more than one classification. In categorization, however, every addition of a Sustaining Technical Employee of the required experience in a classification accrues to the improvement of a constructor's credit rating in that classification in the categorization criterion of Experience of Technical Personnel.

A Sustaining Technical Employee who meets the qualifications stipulated in Sec. 4.3 hereof, may be appointed by a constructor and approved by the Board to hold a position of Authorized Managing Officer concurrently. A sole proprietor, himself, or any officer of a partnership/corporation may be a Sustaining Technical Employee.

Sec. 4.3 Authorized Managing Officer

An Authorized Managing Officer shall be nominated by the constructor to be its authorized sole management representative to act on all matters concerning the requirements of the Board and implementation of R.A. 4566 and P.D. 1746. To qualify for the said nomination, the Authorized Managing Officer nominee, in addition to the requirement stated in Sec. 4.1 (b) hereof, must:

- a) Be a senior executive of the nominating constructor firm, empowered to render general management and administrative decisions;
- b) Have none of the disqualifications applicable to a Sustaining Technical Employee and stipulated in Sec. 4.2 (c) hereof.

A constructor shall have only one Authorized Managing Officer whose appointment shall be evidenced by a joint resolution of all the partners, if a partnership, joint venture or consortium, and by a resolution of the firm's board of directors, if a corporation, a sole-proprietor constructor, however, must, himself, be the Authorized Managing Officer of the firm.

An Authorized Managing Officer who meets the qualifications stipulated in Sec. 4.2 hereof, may be nominated by a constructor and be approved by the Board to hold the position of a Sustaining Technical Employee concurrently.

Sec. 4.4 License Application Filing

License application shall be filed with the Secretariat. The required application documents shall be as prescribed in Sec. 4.5 and Sec. 4.6 hereof.

An application which is complete with respect to prescribed documentary requirements, shall be received by the Secretariat and considered filed as of the date of such receipt.

Sec. 4.5 Regular License Application Documents

An application for a Regular License shall comprise of the following:

- a) Duly accomplished application form as prescribed by the Board;
- b) ORGANIZATION
 - ba) List of corporate directors and officers/partners (for Corporation/Partnership only);
 - bb) List of stockholders/partners and their respective equity holdings in the applicant firm (for Corporation/Partnership only);
 - bc) Certificate of Registration with the Bureau of Domestic Trade (for sole proprietorship only);
 - bd) Certificate of Registration with the Securities and Exchange Commission and Articles of Incorporation and By-Laws (for corporation/ partnership only);
 - be) SSS Certificate of Membership of the Company;
 - bf) Nomination of Authorized Managing Officer;
 - bg) Curriculum Vitae of Authorized Managing Officer/ Proprietor;
- c) FINANCIAL
 - ca) Latest audited financial statements signed on each and every page by a Certified Public Accountant and properly stamped-received by the Bureau of Internal Revenue;
 - cb) Supplementary schedules of the latest audited financial statements of the applicant for the immediately preceding taxable year, except in case of a newly formed corporation or partnership;
 - cc) Income Tax Return of the applicant for the immediately preceding taxable year properly stamped-received by BIR and the official receipt covering income tax paid, except in case of a newly formed Corporation/Partnership;
 - cd) Authorization to depository bank to release information to FCAB;
 - ce) Bank Statement of Account for the last month of the immediately preceding taxable year certified by the Bank Manager;

cf) Transfer Certificate of Title, tax declaration, latest official receipt covering payment of realty tax of land and other real properties owned by the firm;

d) EQUIPMENT CAPACITY

da) List of equipment currently owned;

db) Deed of Sale or Invoice with complete address of vendor or official receipt issued by the vendor covering the equipment currently owned;

dc) Certificate of Registration with current official receipt of BLT registration fees paid covering transportation and delivery equipment owned by the firm;

e) EXPERIENCE OF SUSTAINING TECHNICAL EMPLOYEES

ea) List of technical personnel employed by the company;

eb) Affidavit of Sustaining Technical Employee(s);

ec) Curriculum vitae of Sustaining Technical Employee(s); and

ed) SSS Form R-1 to include the name of the Nominated Technical Employee(s).

The Board may require the submission of pertinent documents/information other than the above in order to fully determine the qualifications of an applicant.

Sec. 4.6 Special License Application Documents

An application for a Special License shall comprise, on a case to case basis, of the following:

a) A Joint Venture of all Filipino Partners

aa) Application properly accomplished on form as prescribed by the Board;

ab) Joint venture agreement;

ac) Joint resolution of all partners authorizing one among them to act in their behalf;

ad) Identification of the project by title, owner and location; and

ae) "Invitation to Bidders", "Instruction to Bidders", or "Notice to Bidders" published in newspapers or disseminated by the tendering agency showing the deadline for Pre-qualification and the date of bidding.

b) A Joint Venture of Filipino and Foreign Partners

- ba) All documents required for Case (a); and
- bb) Special License of each foreign partner, applicable to the joint venture.
- c) A Consortium of All Filipino Partners
 - ca) Application properly accomplished on forms as prescribed by the Board;
 - cb) Consortium agreement;
 - cc) Joint resolution of all partners authorizing a constructor among them to act in their behalf;
 - cd) Of each non-constructor partner,
 - i. Bureau of Domestic Trade or Securities and Exchange Commission Registration Certificate, whichever is applicable;
 - ii. Articles of Partnership/Incorporation;
 - iii. List of officers and directors and their respective equity in the firm;
 - iv. List of stockholders who each holds twenty percent (20%) or more equity in the firm;
 - v. Certification by the firm's secretary of Filipino equity percentage in the firm; and
 - vi. Latest audited financial statements and Income Tax Return submitted to the Bureau of Internal Revenue;
 - ce) Identification of the project by title, owner and location; and
 - cf) "Invitation to Bidders", "Instruction to Bidders", or "Notice to Bidders" published in newspapers or disseminated by the tendering agency showing the deadline for Pre-qualification and the date of bidding.
- d) A Consortium of Filipino and Foreign Partners
 - da) All documents required for Case (c), except:
 - i. That the constructor referred to in Item (cc) shall be a Filipino, and
 - ii. That Item (cd) shall not apply to foreign non-constructor partner(s);
 - db) Special License of each foreign constructor partner, applicable to the consortium; and
 - dc) Of each foreign non-constructor partner,
 - i. Authorization by the proper Philippine government authority to participate in the consortium, and

ii. Company brochure and latest audited financial statements duly authenticated by the embassy of the partner's country.

e) A foreign Constructor

- ea) Application properly accomplished on form as prescribed by the Board;
- eb) General Information Sheet;
- ec) Board Resolution authorizing its Resident Alien Representative in the Philippines to act for and in behalf of the company. The Board Resolution must define the scope and/or limitations of the powers of the Resident Alien Representative;
- ed) Board Resolution appointing and authorizing the Filipino Resident Agent to accept summons and other legal process in behalf of the applicant;
- ee) Copy of Contractors License/Permit/Authority issued by the appropriate government agency in the home country of the applicant foreign contractor, if required by the home government;
- ef) Certification from the appropriate Tendering Agency (Ministry, Bureau, Office) that the project is foreign financed/internationally-funded and that international bidding is required, or the participation of foreign contractors is allowed under the Bilateral Agreement entered into by and between the Philippine Government and the foreign/ International Financing Institution;
- eg) Certificate issued by the Board of Investments allowing the foreign contractor to undertake construction project in the Philippines;
- eh) Copy of "Invitation to Bid" or "Instruction to Bidders" or "Notice to Bidders" showing the date of bidding;
- ei) List of completed construction project(s) in the Philippines undertaken by the company during the last three (3) years showing the following: Title of Projects, Location, Tendering Agency (DPWH, MWSS, NIA, etc.) Lending Institution (IBRD, ADB, OECF), Date contract was signed, Date of completion, Loan Agreement No.;
- ej) List of on-going construction project(s) in the Philippines being undertaken by the company showing the following: Title of Projects, Location, tendering Agency, Lending Institution, Date Contract was signed, scheduled date of completion, Loan Agreement No.;
- ek) Audited Financial Statements during the preceding year; and
- el) Philippine Income Tax Return during the preceding year, if applicable.

f) A Project Owner

- fa) All documents required in Sec.4.5 hereof;
- fb) Identification of the project by title owned and location.

Sec. 4.7 License Application Processing

The processing of License applications shall be made on a monthly batch basis. The Board shall either approve or disapprove each application subject to subsequent approval of the Authority. The Board's decision shall be communicated in writing to each applicant within ten (10) days from the date of such decision and, accordingly, the license certificates shall be prepared for and issued to those whose applications were duly approved.

Any applicant who was not satisfied with the Board's decision on its application may file a written request for reconsideration and to present appropriate documents to the Board in support of such request within thirty (30) days from receipt of notice thereof. Failure to do so shall be a ground for the Board not to entertain such request if filed beyond the prescribed thirty (30) day period.

RULE 5 LICENSE CLASSIFICATION AND CATEGORIZATION

Sec. 5.1 Contracting Classification

In pursuance of the provisions of Sec. 17 of R.A. 4566 and Sec. 2(d) of P.D. 1746 and for the purpose of a more accurate evaluation of a constructor's capability, the three main contracting classifications of General Engineering, General Building and Specialty, as provided in Sec. 9 of R.A. 4566 are hereby subclassified, by areas of specialization, as follows:

a) General Engineering Construction:

- aa) Road, highway, pavement and bridge
- ab) Irrigation and flood control
- ac) Dam, reservoir and tunneling
- ad) Port, harbor and offshore engineering

b) General Building Construction:

- ba) Building and industrial plant
- bb) Sewerage and sewage treatment/disposal plant and system
- bc) Water treatment plant and system
- bd) Park, playground and recreational work

c) Specialty Construction:

- ca) Foundation Work
- cb) Structural Steel Work
- cc) Concrete pre-casting and pre-stressing
- cd) Plumbing and sanitary work
- ce) Electrical work
- cf) Mechanical work
- cg) Mechanical work (Ventilation-refrigeration)
- ch) Mechanical work (Elevator-conveyor)
- ci) Fire protection work
- cj) Waterproofing work
- ck) Painting work

The Board shall be empowered to add, delete, modify and/or alter the foregoing sub-classifications, whenever deemed necessary by the Board to render them more relevant and responsive to prevailing conditions.

Wherever the term "classification" is used herein, it shall mean to refer to classification or sub-classification or both.

Sec. 5.2 Classification Processing

The classification of a constructor shall be determined by the training and experience of the constructor or of his Sustaining Technical Employee. To qualify for a classification, said training and experience shall be of the nature and level required for the classification, same as required for eligibility of a Sustaining Technical Employee and stipulated in Sec. 4.1 and 4.2 hereof. The Board, however, may prescribe any additional requirement whenever deemed necessary.

Sec. 5.3 Multiple Classifications

A License applicant or a licensed constructor may apply for and be issued more than one classification; provided that one of which shall be designated by the applicant as his Principal classification. The rest shall be considered as other classification(s).

The category of a multi-classification constructor shall be evaluated with respect to his Principal classification and shall be recognized as such.

Sec. 5.4 Operation by Classification

A licensed constructor shall operate within the classification(s) that he is authorized, by his License, to engage in. A Regular License constructor shall, however, be allowed to undertake an extra classification work, if it is incidental and/or supplementary to a project under his contract and to be undertaken in conjunction with his implementation of said project.

Sec. 5.5 Updating of Classification Requirements

The Board shall be empowered to add to, amend or otherwise modify the classification eligibility requirements as stipulated in Sec. 5.2 hereof, whenever deemed necessary by the Board to render such requirements compatible with the intent of classification.

Sec. 5.6 Constructor Categories

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

Sec. 5.7 Categorization Criteria

Evaluation of category shall be based on the following criteria, quantified by equivalent credit points in scales as determined by the Board:

a) Financial Capacity

Financial capacity shall be in term of Networth based on the latest audited financial statements submitted to the Bureau of Internal Revenue, or paid-up capital based on the latest audited financial statements submitted to the Securities and Exchange Commission, if a newly-organized partnership or corporation.

b) Equipment Capacity

Equipment capacity shall be in term of book value as reflected in the constructor's latest audited financial statement submitted to the Bureau of Internal Revenue or to the Securities and Exchange Commission, whichever is applicable, of equipment owned which are in operational condition and applicable to construction of the classification in which the constructor is to be categorized. Said owned equipment shall include units under installment payment and/or under lease purchase.

c) Experience of Firm

Experience of firm shall be in terms of:

ca) Aggregate number of years in which the constructor firm, under the same business identity, has been actively engaged in construction contracting and operation; and

cb) Average annual value of work completed by the firm during the past three(3) years or, if a constructor's License is less than three(3) years, since being licensed, based on audited financial statements submitted to the Bureau of Internal Revenue.

d) Experience of Technical Personnel

Experience of technical personnel shall be the sum total of individual experience of each of the Sustaining Technical Employee nominated to the classification in which the constructor is to be categorized. Said individual experience of a Sustaining Technical Employee shall be as defined and qualified below:

da) The experience shall be in term of aggregate number of years in which the Sustaining Technical Employee, in his present employment as well as previous, has been involved in construction of the classification in which the constructor is to be categorized.

db) It shall include only the years in which he was performing in managerial/supervisory capacity bearing on construction operation and/or contract implementation.

dc) It shall be subject to a creditable ceiling of twenty (20)

*
years, over which no excess shall be recognized, and to a creditable floor set by the Board for each constructor category.

The Board shall be empowered to add to, amend or otherwise modify the foregoing criteria whenever deemed necessary by the Board.

* increased to thirty years per Board Resoulution No. 125, Series of 1994

Sec. 5.8 Category Identification

Evaluation of a constructor's category shall consist of rating his various qualifications by credit points. The constructor's category shall be the one sustainable by each of the following three (3) category determinants:

- a) Minimum credit points in the criterion of Financial Capacity.
- b) Minimum credit points in the criterion of Experience of Technical Personnel.
- c) Aggregate credit points in all criteria as provided for under Sec. 5.7 hereof.

The credit point scale of each category determinant mentioned above is shown in APPENDIX I.

Constructors aspiring for a particular category must satisfy all the minimum credit points required under the three category determinants mentioned above which correspond to the desired category. Otherwise, the constructor shall be considered for the any lower category as could be fully sustained by his present qualifications. Each constructor shall be given only one category. A multi-classification constructor shall be given the category corresponding to his Principal Classification.

Sec. 5.9 Categorization of Special License Constructors

Special License Constructors shall be allowed modified applications of the provisions of Sec. 5.7 hereof, on a case to case basis, as follows:

- a) A Joint Venture or Consortium

A joint venture or consortium shall be assigned the category of the Filipino constructor-partner with the biggest equity share therein or, in case of absence of equity predominance, whose representative holds the highest executive position thereof; provided that, if applied for by the joint venture or consortium, the Board shall evaluate the category corresponding to the combined capabilities and resources of the partners which are to be summarized in joint statements by the partners under oath, and audited and/or authenticated as the Board may require.

- b) A Foreign Constructor

A foreign constructor may be categorized in accordance with the provisions of Sec. 5.7 and 5.8 hereof, based on its qualifications as could be established from the license application documents stipulated in Sec. 4.6.e hereof.

- c) A Project Owner

Experience of firm, as a criterion, shall be made up of aggregate cost and construction time of past project(s) which a project owner may have undertaken without the service of a constructor.

The Board, at its own discretion, may prescribe separate procedures and requirements for categorization of Special License constructors, in consideration of their peculiarities and possible time constraints in the processing of their applications.

Sec. 5.10 Updating of Categorization Requirements

The Board shall be empowered to add to, delete from, amend, revise or otherwise update the requirements and procedures for categorization, as provided herein, whenever deemed necessary by the Board to render categorization relevant and responsive to actual prevailing conditions.

RULE 6. LICENSE RENEWAL AND RE-EVALUATION

Sec. 6.1 Annual License Renewal

A licensed constructor, unless he is retiring from construction contracting, shall renew his License annually to maintain the continued validity of his License. Renewal shall be applied for on or before the expiry of his current License, which is the 30th of June of every year.

Notwithstanding said deadline, the Board shall be empowered, in the interest of efficiency in renewal application processing, to organize constructors into separate groupings, to assign an earlier renewal deadline for each such grouping, and to require adherence thereto by licensed constructors.

A Special License shall be allowed only as many times of annual renewal as necessary for completing the single specific undertaking/project for which the license was issued. The Board, at its own discretion, may prescribe separate requirements and procedures for renewal of Special Licenses.

Sec. 6.2 License Renewal Application Filing

License renewal applications shall be filed with the Secretariat. An application complete with the required documents as prescribed in Sec. 6.3 hereof, and accompanied by payment for applicable fees, shall be received by the Secretariat and considered filed as of the date of such receipt. A License renewal applicant shall be allowed to rectify any error and/or to make up for any deficiency in his application, as may be discovered by the Secretariat subsequent to its filing. However, in case of an error or a deficiency which is clearly indicative of the applicant's gross disregard of the intent of the requirements prescribed in Sec. 6.3 hereof, the Board may nullify the filing of the application and serve a written notice to that effect on the applicant; within ten (10) days after discovery of such error or deficiency.

Sec. 6.3 License Renewal Application Documents

An annual License renewal application shall comprise of the following:

ORGANIZATION

- a) General Information Sheet on form as prescribed by the Board.

FINANCIAL CAPACITY

- b) Income Tax Return for the preceding taxable year duly stamped-received by the BIR, official receipt of income tax paid, audited financial statement for the preceding taxable year, inclusive of balance sheet, and profit and loss statement duly stamped-received by the BIR; and a statement of changes in financial position on form as prescribed by the Board;
- c) List of Fixed Assets acquired during the immediately preceding year excluding construction equipment, corresponding copy of Deed of Sale and/or official receipt issued by the vendor; and, if applicable, Transfer Certificate of Title, Tax Declaration and Realty Tax Payment Receipt of newly acquired real properties;

EQUIPMENT CAPACITY

- d) List of construction/delivery and transportation equipment/machineries/plants owned by the company on form prescribed by the Board, copy of BLT registration of each equipment for the current year, if applicable, and copy of Deed of Sale and/or official receipt issued by the vendor for any newly acquired equipment;

EXPERIENCE OF FIRM

- e) Statement of Annual Value of Work Accomplished during the immediately preceding year on form prescribed by the Board;

EXPERIENCE OF TECHNICAL EMPLOYEES

- f) Roster of Technical Employees; Curriculum Vitae and Affidavit of Undertaking of each newly nominated Sustaining Technical Employee on form as prescribed by the Board; and
- g) Copy of pertinent page of SSS Form R-3, submitted to SSS during the first quarter preceding the filing of this application, which contains the name(s) of all nominated Sustaining Technical Employees.

The Board may further require the submission of documents other than the above in order to fully ascertain the capability of the constructor.

Sec. 6.4 Classification Review

Classification review is a re-examination of a constructor's classification eligibility and shall be required in connection with the processing of a constructor's annual License renewal application and whenever as warranted by disassociation of a Sustaining Technical Employee, by employment termination, death or any other cause, in a classification with only one such employee. Review shall be based on classification criteria as stipulated in Sec. 5.2 hereof, and shall proceed, varying with the circumstance of each case, as follows:

- a) In case of a Sustaining Technical Employee disassociation reported to the Board and the constructor allowed a period of ninety (90)

days to nominate a replacement, as provided in Sec. 10.5 (a) hereof, the constructor's classification eligibility shall be reexamined upon such nomination or, in the absence thereof, at the replacement period expiry.

aa) Where a nominee is found qualified, the constructor shall be allowed to retain the classification

ab) Where no nominee has been found qualified or where there has been no nominee as of replacement period expiry, the classification shall be deemed nullified as of said expiry.

i. If the nullification is to render the constructor unqualified for licensing by provisions of Sec. 4.1 hereof, his License shall be deemed invalidated simultaneously with the nullification of the classification.

ii. If not, to be allowed to retain his License, the constructor shall be required to apply for classification revision to a classification sustainable, if he is of single classification, or to designate another Principal classification, if he is of multi-classification rendered ineligible for his current Principal Classification.

b) In case of an unreported Sustaining Technical Employee disassociation and the constructor allowed a grace period of thirty (30) days to replace the disassociated as provided in Sec. 10.5 (b) hereof, upon the Board's discovery of the disassociation, the constructor shall be re-examined for classification eligibility as of both the grace period expiry and date of the said discovery.

ba) Where a qualified replacement has been under employ by the constructor, since before the grace period expiry, the constructor shall be allowed to retain the classification.

bb) Where no qualified replacement is under employ nor was any under employ at grace period expiry, the classification shall be deemed nullified as of said expiry.

i. If the nullification is to render the constructor unqualified for licensing by provisions of Sec. 4.1 hereof, his License shall be deemed simultaneously invalidated, and any construction contracting activity by him, subsequent thereto, shall be deemed a cause for disciplinary action.

ii. If not, to be allowed to retain his License, he shall be required to apply for classification revision to a sustainable one, if he is of single classification, or to designate another Principal classification, if he is of multi-classification rendered ineligible for his Principal classification. In either situation, any construction contracting activity by him in the classification, subsequent to its nullification, shall be deemed a cause for disciplinary action, except as provided in Sec. 5.4 hereof.

bc) Where a qualified replacement has been under employ but since after grace period expiry, the classification shall be deemed

nullified in the interval from grace period expiry to the employment of the replacement.

- i. If the nullification was to render the constructor unqualified for licensing by provisions of Sec. 4.1 hereof, his License shall be deemed simultaneously invalidated, and he shall be required to submit himself to new license application processing for restoration of his classification and License. Any construction contracting activity by him during the interval from grace period expiry to the replacement employment, shall be deemed a cause for disciplinary action.
 - ii. If not, he shall be required to apply for classification revision for restoration of his classification. Any construction contracting activity by him in the classification, during the period of its nullification, shall be deemed a cause for disciplinary action, except as provided in Sec. 5.4 hereof.
- c) In all cases, the constructor shall be given written notice by the Secretariat of the Board's finding and decision, within ten (10) days after such finding and decision, and shall be allowed thirty (30) days from his receipt thereof, within which to either appeal or, if required to apply for classification revision or to submit to new License application processing, to comply. Within said thirty (30) days period, if he fails to appeal, the decision of the Board shall become final thereafter. If he also fails to comply with the Board requirement, in case either one is imposed, his classification shall be nullified or his License invalidated, whichever may be the case.

Sec. 6.5 Category Review

Category review is a re-evaluation of a constructor's capability to sustain his current category and shall be required in connection with the processing of a constructor's annual License renewal application and whenever is warranted by disassociation of a Sustaining Technical Employee of a single-classification constructor or of a multi-classification constructor in his Principal classification. The Board may also require category review of any constructor whenever deemed justifiable by the Board. Review criteria and procedure shall be same as for category evaluation as stipulated in Sec. 5.7 and Sec. 5.8 hereof, but subject to the following provisions:

a) Re-Evaluation Scopes

- aa) Where required in connection with processing of a constructor's annual License renewal application, the review shall be a general re-evaluation with respect to all four categorization criteria of Financial Capacity, Equipment Capacity, Experience of Firm and Experience of Technical Personnel.
- ab) Where warranted by disassociation of a Sustaining Technical Employee, the review shall be confined to the Experience of Technical Personnel as it bears on a constructor's current category.

b) Financial Capacity Re-Evaluation

Re-evaluation of a constructor's financial capacity shall be based on his latest audited financial statements as submitted to the Bureau of Internal Revenue.

ba) In case of financial impairment rendering him ineligible for his current category, he shall be downgraded to a lower level sustainable.

bb) In case of excessive financial erosion rendering him unqualified for licensing by provisions of Sec. 4.1 hereof, his License shall be deemed invalidated and renewal thereof denied. However, the Board may upon his written appeal, allow him a provisional renewal as defined in Sec. 6.7 hereof, pending his correction or otherwise rectification of his impairment; but only when justifiable by the following conditions:

- i. That extension of License validity can enhance the constructor's prospect of completing his on-going project(s);
- ii. That immediate license revocation can mean unemployment problem of social consequence; and
- iii. That the Board is convinced of the constructor's ability to rehabilitate.

Such financial impairment correction, if allowed by the Board, shall be effected within a specific time duration which shall be the validity period of the provisional renewal as stipulated in Sec. 6.7(bb) hereof.

A constructor so allowed to correct or otherwise rectify his financial impairment shall be subject to category review at the end of the allowed time duration or earlier upon his written request, as also so provided in Sec. 6.7(bb) hereof.

c) Equipment Capacity Re-Evaluation

Re-evaluation of a constructor's equipment capacity shall be based on his latest audited financial statements as submitted to the Bureau of Internal Revenue and on the pertinent documents in support of the constructor's ownership of such equipment.

d) Experience of Firm Re-Evaluation

Re-evaluation of the experience of a constructor-firm shall be based on his track record during the last three years.

e) Technical Personnel Experience Re-Evaluation

Experience of a constructor's technical personnel means the experience of his Sustaining Technical Employee(s) in the classification of his categorization. Re-evaluation thereof shall vary with the circumstance of each case and proceed as follows:

ea) In case of a Sustaining Technical Employee disassociation reported to the Board and the constructor allowed a period of

ninety (90) days to nominate replacement for Board approval, by provisions of Sec. 10.5(a) hereof, re-evaluation of the constructor's technical personnel experience shall be upon such nomination, or at replacement period expiry in the absence of any nomination prior to said expiry, and shall be based on his technical personnel as of the time of re-evaluation, inclusive of replacement nominated, if any.

eb) In case of an unreported Sustaining Technical Employee disassociation and the constructor allowed a grace period of thirty(30) days to replace the disassociated, by provisions of Sec. 10.5.(b) hereof, re-evaluation of the constructor's technical personnel experience shall be upon discovery of the disassociation by the Board, and shall be based on his technical personnel as of grace period expiry. A technical employee employed after said expiry shall not be considered, unless the constructor nominates said employee as his Sustaining Technical Employee and for category upgrading.

ec) In case of disassociation of the lone Sustaining Technical Employee in the classification of the constructor's categorization, classification review shall supersede and category review shall be when called for as a consequence of the classification review and shall proceed as dictated thereby.

f) Re-Evaluation Time Frames

Re-Evaluation of financial capacity and technical personnel experience of a constructor suffering financial impairment and Sustaining Technical Employee disassociation, shall each pursue its own time frame, as stipulated above, and the rating of each shall take effect, separately, on the constructor's category.

Category review shall not be made to serve the purpose of category upgrading, even if sustainable by a constructor's capability as reviewed. Where a constructor's capability is found to have remained unchanged or improved, his current category shall be affirmed; where impaired to so warrant, downgraded to a level sustainable; and where deteriorated to the extent of rendering him unqualified for licensing, his License shall be invalidated, unless allowed by the Board, as in above Case (bb), to correct or otherwise rectify his financial impairment.

In all cases of adverse effect on a constructor's category or License, the constructor shall be given written notice by the Secretariat of the Board's finding and decision, within ten (10) days after such finding and decision, and shall be allowed thirty (30) days from his receipt thereof, within which to appeal. Within said thirty (30) days period, if he fails to appeal, the decision of the Board shall become final thereafter.

Sec. 6.6 License Renewal Applicants Failing Classification Review and/or Category Review

Processing of and action on the License renewal application of constructor found ineligible for his current classification(s) and/or incapable of sustaining his current category, shall proceed as determined by classification review and category review of the

constructor, as provided in Secs. 6.4 and 6.5 hereof.

a) In case of impairment in technical personnel experience due to disassociation of a Sustaining Technical Employee:

aa) Where the impairment dictates nullification of a classification, same shall be excluded from the renewal, but subject to the provisions following and the provisions of Case (ac) of this section.

i. If the classification nullification is to simultaneously invalidate the constructor's License, as in Cases (ab-i) and (bb-i) of Sec. 6.4 hereof, renewal of the License shall be denied; except if the impairment, existing earlier, has been corrected but since after grace period expiry, as in Case (bc-i) of Sec. 6.4 hereof, renewal shall be allowed but subject to processing as a new license application.

ii. If not, as in Cases (ab-ii), (bb-ii) and (bc-ii) of Sec. 6.4 hereof, renewal shall be subject to prior application by the constructor for classification revision and action thereon by the Board and shall conform to said Board action.

ab) Where the impairment dictates category downgrading, renewal shall be in the category sustainable, but subject to the provisions of Case (ac) of this section and except if the impairment, existing earlier, has been corrected but since after grace period expiry, as in Case (eb) of Sec. 6.5 hereof, renewal shall be subject to prior application by the constructor for category upgrading and action thereon by the Board and shall conform to said Board action.

ac) Where technical employee replacement period or grace period, allowed a constructor by provisions of Sec. 10.5(a) and (b) hereof, extends beyond the 30th of June renewal deadline, license invalidation, classification nullification and/or category downgrading shall be held in abeyance pending final evaluation at the expiry of whichever is the period allowed and the constructor shall be given provisional renewal covering the duration of such pendency, in his current classification(s) but sans category designation.

b) In case of impairment in financial capacity:

ba) Where the impairment dictates category downgrading, renewal shall be in the category sustainable by current financial capacity.

bb) Where excessive financial erosion warrants license invalidation, renewal shall be denied; except as in Case (bb) of Sec. 6.5 hereof, where provisional renewal may be allowed in the constructor's current classification(s) but sans category designation, on the semestral basis in accordance with the provisions of Sec. 6.7 hereof.

c) In case of impairment both in technical personnel experience and in financial capacity:

ca) Where technical employee replacement period or grace period

extends beyond the renewal deadline but the financial impairment does not jeopardize the constructor's licensing qualification, as in Case (ac) and Case (ba), respectively of this section, the constructor shall be allowed provisional renewal similarly as in said Case (ac) but with financial evaluation based on his current capacity as in said Case (ba).

cb) Where technical employee replacement period or grace period extends beyond the renewal deadline and the constructor, suffering excessive financial erosion, is allowed provisional renewal, as in Case (ac) and Case (bb), respectively of this section, provisional renewal shall be as governed by said Case (bb) but subject to technical personnel experience evaluation at the expiry of the replacement or grace period.

d) In all cases of adverse effect on License renewal the constructor shall be given written notice by the Secretariat of the Board's finding and decision, within ten (10) days after such finding and decision, and shall be allowed thirty (30) days from his receipt thereof, within which:

da) To appeal the Board's finding and decision, in writing; or waiving such appeal;

db) To apply for classification revision or category upgrading as required, if in Case (aa-ii) or Case (ab) of this section; or

dc) To waive availment of technical employee replacement or grace period and request for regular renewal basing on his current technical personnel capability, in writing, if in Case (ab) of this section; or

dd) To request for provisional renewal, in writing, if suffering excessive financial erosion as in Case (bb) or Case (cb) of this section.

In the absence of any of the above action taken by the constructor within the above said thirty (30) days period, the Board's decision shall become final upon the expiry of the period and any option allowed the constructor shall be considered as having been waived.

Sec. 6.7 Provisional License Renewal

Provisional License renewal is intended as an interim authorization pending final resolution of a license renewal application or of the continued validity of a License and shall be subject to the following stipulations:

a) Circumstances Permitting Provisional License

Provisional renewal of a constructor's License shall be permitted only as warranted by either or both of the following circumstances which necessitate deferment of final action on the constructor's application for License renewal or the continued validity of his license:

aa) Where the replacement period or grace period allowed the

constructor, by provisions of Secs. 10.5(a) and (b) hereof, for his replacement of a disassociated Sustaining Technical Employee, extends beyond the 30th of June renewal deadline; and

- ab) Where the constructor is allowed by the Board to correct or otherwise rectify his financial impairment, as provided in Sec. 6.5 (bb) hereof.
- b) Provisional renewal validity period shall be as determined by the circumstances warranting such renewal.

- ba) If permitted for giving due course to the Sustaining Technical Employee replacement or grace period, such renewal shall be valid from the start of the fiscal year on the 1st of July or from the date of renewal application filing, in case of late renewal as defined in Sec. 6.9 hereof, to the date of replacement or grace period expiry. A late renewal, if applied for after such expiry, in effect forfeits the opportunity for provisional renewal for this purpose. A constructor given a provisional renewal in this case, shall be subject to classification and/or category review and final resolution of this renewal application at the end of the validity of the provisional renewal, or earlier upon his written request.

- bb) If permitted, in accordance with the provision of Sec. 6.5 (bb) hereof, to allow a constructor to correct his financial impairment:

- i. If in connection with annual License renewal, such renewal shall be valid from the start of the fiscal year on the 1st of July or from the date of renewal application filing, in case of a late renewal, to the end of the first semester of the fiscal year on the 31st of December. A late renewal, if applied for after the lapse of the first semester, in effect forfeits the opportunity for provisional renewal for this purpose. In such case of late renewal, however, the Board may at its own discretion, allow for validity in the second semester of the fiscal year to last till the end thereof on the 30th of June.

- ii. If in connection with category review anytime deemed justifiable by the Board, the provisional renewal shall replace the constructor's current License and be of a validity period as determined by the Board, which period shall not exceed six (6) months and shall end on the 31st of December or 30th of June.

Validity period of provisional renewal for this purpose shall be on the semestral basis but shall not exceed one (1) semester in duration and shall be co-terminus with the semester. A constructor given provisional renewal for this purpose, shall be subject to category review at the end of the validity of the provisional renewal or earlier upon his written request, as also so provided in Sec. 6.5 (bb) hereof.

c) Non-Extension and Non-Repetition of Renewal

A provisional renewal shall not be extended in validity period, nor

shall it be renewed as such, except:

- ca) In case of renewal resolution delay, thru no fault of the constructor, where extension of validity period shall be allowed to cover such delay; and
- cb) In case of a constructor with excessive financial erosion who was allowed to correct his impairment, as provided in Sec. 6.5 (bb) hereof, but who has failed to rehabilitate sufficiently to qualify for licensing, where repeat provisional renewal may be allowed if warranted by the following:
 - i. That the considerations justifying the original provisional renewal remain to be valid; and
 - ii. That the financial condition of the constructor has been stabilized, if not improved.

The foregoing notwithstanding, provisional renewal shall, however, not be successively repeated to aggregate a validity period of more than eighteen (18) months.

Sec. 6.8 License Renewal Certificate

The License renewal certificate shall bear, among others, the following:

- a) Name of the Licensee with the Authorized Managing Officer's name appended thereto;
- b) Original License number and date of issue;
- c) Renewal certificate date of issue and date of expiry;
- d) Constructor category;
- e) Contracting classification(s) with, if a multi-classification constructor, the Principal classification identified as such;
- f) If a Special License, identification of the single specific undertaking/project thereby authorized and other condition(s) as may have been imposed; and
- g) Signatures of the Secretary and the Executive Officer of the Board.

The certificate for provisional renewal shall, likewise, bear the foregoing information and attestations; except that it shall bear no category designation and shall be conspicuously annotated as such. The Board may, at its own discretion, adopt a different format and/or a different medium for certification of provisional renewal.

Sec. 6.9 Late License Renewal and License Lapsing

A License renewal application filed after the 30th of June renewal deadline but within the fiscal year applied for, is a late renewal. As such, it shall be subject to a surcharge prescribed in Sec. 9.1(e) hereof. Additionally, if the applicant was engaged in any construction contracting activity after the license renewal deadline, he shall be subject to additional licensing fee as provided in Sec. 9.1(i) and to disciplinary action as provided in Sec. 11.1 hereof, for operating with an expired license. A license for which no renewal was applied for one whole fiscal year immediately following its expiry, shall be deemed lapsed and shall be cancelled by the Board, without prejudice to the Board's taking any disciplinary action against the licensee for

practicing construction contracting without a valid License, if he was engaged in any such activity after License expiry.

A License which was suspended and has remained in suspension for more than twelve (12) months due to the Licensee's non-compliance with the requirements and conditions set forth by the Board for lifting of suspension, shall likewise be deemed lapsed and cancelled by the Board. This provision, however, shall not apply to a fixed period suspension, as provided in Sec. 13.1 hereof, imposed as a penalty by itself by the Board. Such penalty suspension may exceed twelve (12) months without prejudice to License renewal, or extend beyond License deadline with no liability of the Licensee for late renewal surcharge, provided that renewal of the License is applied for upon termination of the suspension period.

RULE 7 LICENSE AMENDMENTS

Sec. 7.1 Category Upgrading

A constructor who has been licensed for more than six (6) months, may apply for upgrading of his category. Such an application shall be processed in accordance with the provisions of Sec. 5.7 and 5.8 hereof, for category evaluation.

Sec. 7.2 Classification Revision

A constructor who has been licensed for more than six (6) months, may apply for any of the following classification revisions:

- a) Change of classification of a single-classification constructor;
- b) Change of Principal classification of a multi-classification constructor by replacement with a secondary classification;
- c) Change of Principal classification of multi-classification constructor by replacement with a new additional classification; and
- d) Addition of a secondary classification.

Processing of an application for classification revision shall proceed as provided in Sec. 5.2 hereof. Revisions (a), (b) and (c) shall be subject to category evaluation in accordance with the provisions of Sec. 5.7 and Sec. 5.8 hereof.

Sec. 7.3 Application for Classification Revision and Category Upgrading Jointly with License Renewal

Classification revision and/or category upgrading may be applied for jointly with License renewal, where documents of common requirement need not be duplicated.

In case category upgrading is jointly applied for, category review in the License renewal processing shall be waived in favor of category evaluation.

Sec. 7.4 Other License Amendments

A constructor may apply with the Board for License amendments:

- a) To change his Authorized Managing Officer as previously approved by the Board, or
- b) To change his firm's name as licensed

Any of such changes is subject to prior approval by the Board as so stipulated in Sec. 10.6 and Sec. 10.9 hereof.

RULE 8 ACCREDITATION OF CONSTRUCTORS

Sec. 8.1 Accreditation

Accreditation is hereby instituted to be extended to constructors showing exemplary construction contracting performance and is not intended to be a prerequisite, as the license is, for engaging in construction contracting.

Accreditation shall be by contracting sub-classification and shall involve:

- a) An assessment of the constructor's worthiness for accreditation as evidenced by the quality of his overall performance as a constructor; and
- b) An evaluation of the constructor's Index Rating with respect to a specific contracting sub-classification, as an indicator of his performance capability therein.

Where a constructor is accredited in more than one sub-classification, an Index Rating shall be evaluated for each of the sub-classifications.

Sec. 8.2 Quality of Overall Performance

Overall performance shall mean and include the performance of the constructor-firm in construction and as a business entity, and of the firm's key personnel and principal(s) in their respective career or occupation.

Quality of overall performance shall be as evidenced by past records and shall include such aspects as:

- a) Quality of projects completed;
- b) Faithfulness in contract implementation;
- c) Relationship with clientele, design-professionals, sub-constructors, suppliers and labor; and
- d) Credit standing and general business reputation.

Sec. 8.3 Index Rating

The Index Rating is intended to be an indicator of an accredited constructor's performance capability in a specific contracting sub-classification and is to be expressed in two (2) numerical figures in tandem, intended to reflect the following in sequence:

- a) Effective Contracting Capacity in term of Finance

The first figure is to reflect the Effective Contracting Capacity in term of Finance or ECCF which shall mean the aggregate peso value of contract work, rounded to the nearest million, that an accredited

constructor's financial resources can sustain in a period of twelve (12) months. Where a constructor is accredited in more than one sub-classification, this figure shall represent the aggregate peso value of contract work in all the sub-classifications.

b) Effective Contracting Capacity as an Organization

The second figure is to reflect the Effective Contracting Capacity as an Organization or ECCO which shall mean the largest single peso value project or the aggregate peso value of projects of a sub-classification, rounded to the nearest million, that the organization of an accredited constructor is capable of undertaking in the sub-classification at any one time.

Derivation of Index Rating shall be based on performance factors as prescribed and defined in Sec. 8.4 hereof. Formulae and statistical constants for such derivation shall be as prescribed and detailed in Appendix II hereof. The Board, however, shall be empowered to update the formulae and/or statistical constants whenever deemed necessary by the Board, to render them relevant to and compatible with actual prevailing conditions.

Sec. 8.4 Performance Factors in Index Rating

Derivation of the Index Rating of an accreditation candidate in a sub-classification shall be based on the following performance factors which relate to the same aspects of a constructor's performance capability as the categorization criteria but considered in a different perspective:

a) Financial Capacity

Financial capacity shall be the composite value of the following elements:

- aa) Networth of firm;
- ab) Liquidity of firm in term of current liabilities to current assets ratio;
- ac) Solvency of firm in term of debt to equity ratio; and
- ad) Statistical constants relevant to the construction industry as determined by the Board.

b) Equipment Capacity

Equipment capacity shall be in term of the composite value of the following:

- ba) Value of specialty equipment employed in the sub-classification being evaluated for Index Rating;
- bb) Condition of the above said equipment, expressed in grades in accordance with a grading scale as determined by the Board;
- bc) Total value of equipment pool; and
- bd) Equipment maintenance facilities, expressed in grades in

accordance with a grading scale as determined by the Board.

Multi-purpose equipment may be listed in several sub-classifications where constructor is to be accredited in more than one sub-classification.

c) Performance Experience of Firm

Performance experience of firm shall be the track record of an accreditation candidate firm, in the sub-classification being evaluated for Index Rating and during a period not to exceed ten (10) years immediately preceding the start of accreditation application processing, reflected in terms of:

ca) Largest single peso value project of the sub-classification, executed and completed by the accreditation candidate firm as the responsible constructor;

cb) Number and peso value sizes of other major projects of the sub-classification, executed and completed by the accreditation candidate firm as the responsible constructor;

cc) Quality of performance in each of the above said projects, expressed in grades in accordance with a grading scale as determined by the Board.

d) Performance Experience of Technical Personnel

Performance experience of technical personnel shall be the aggregate construction execution and contract implementation experience of the Sustaining Technical Employees of the accreditation candidate firm, in the sub-classification being evaluated for Index Rating and during a period not to exceed ten (10) years immediately preceding the start of accreditation application processing, reflected in terms of:

da) Largest single peso value project of the sub-classification, executed and completed with the direct involvement of any of the Sustaining Technical Employees, regardless of employment affiliation;

db) Number and peso value sizes of other major projects of the sub-classification, executed and completed with the direct involvement of any one or more of the Sustaining Technical Employees, while employed with the accreditation candidate firm; and

dc) Number and peso value sizes of other major projects of the sub-classification, executed and completed with the direct involvement of each of the Sustaining Technical Employees, previous to his employment with the accreditation candidate firm.

Sec. 8.5 Eligibility for Accreditation

Accreditation shall be applied for and to be eligible as a candidate therefor, a constructor shall:

a) Have been actively engaged in construction contracting, as a duly licensed constructor, for at least thirty-six (36) months immediately prior to his application for accreditation;

- b) Have been engaged in construction of projects requiring engineering knowledge where faulty construction execution or malperformance can be of prejudicial consequence to public safety;
- c) Have been in good standing with the Board; and
- d) Be of constructor category "C" or higher.

Sec. 8.6 Application for Accreditation

A licensed constructor, eligible as a candidate for accreditation by provisions of Sec. 8.5 hereof, may apply for accreditation thru the following procedures:

a) Pre-Application Preparation

In preparation for the application, the applicant shall secure the documentation, authentication and evaluation of all the constituent elements of his performance factors as defined in Sec. 8.4 hereof, from any of the Recognized Rating Entities, listed with the Board as provided in Sec. 8.7 hereof. Where necessitated by the specialization scope limitation of a Recognized Rating Entity, the applicant shall secure such documentation, authentication and evaluation from more than one such entity.

b) Application Composition and Filing

Application shall be filed with the Secretariat and shall comprise of:

- ba) Application properly accomplished on forms as prescribed by the Board;
- bb) Official report(s) and certification(s) by the Recognized Rating Entity/Entities on documentation, authentication and evaluation of the constituent elements of the applicant's performance factors;
- bc) Evidences of satisfactory construction and contract implementation, such as project completion certificates, final acceptance certificates, commendations or citations from project owners or design-professionals, and others;
- bd) Notarized authorization for the Board to solicit or seek from any source, data and information concerning the applicant which are relevant to and material for processing and consideration of the accreditation application; and
- be) Other documents which the Board may require or which the applicant may deem to be supportive of his accreditation application.

All accreditation application submittals, either prepared by the constructor-applicant or by the Recognized Rating Entity/Entities, shall be under oath and considered public documents. The constructor-applicant or the Recognized Rating Entity/Entities shall be liable for any legal consequence of any misrepresentation or omission in their respective preparations to subvert the accreditation process.

Sec. 8.7 Recognized Rating Entities

In the interest of availing of third-party expertise in the accreditation process, the Board shall maintain a list of accounting, management, engineering and such other consultancy firms, of relevant expertise and recognized integrity and to be known as the Recognized Rating Entities, whose documentation, authentication and evaluation of the constituent elements of the performance factors as defined in Sec. 8.4 hereof, are to be deemed by the Board as acceptable supplementation and complementation of the accreditation processing by the Board. It shall be the responsibility of an accreditation applicant to engage and commission the Recognized Rating Entity/Entities of his choice to effect the said documentation, authentication and evaluation.

Sec. 8.8 Accreditation Application Processing

Accreditation application processing by the Board shall consist of:

- a) Verification and confirmation of the application documents;
- b) Interview of the applicant;
- c) Examination and consideration of the application and, if meritorious, Index Rating evaluation; and
- d) Action on the application as follows:
 - da) If favorably considered, recommendation to the Authority for accreditation of the applicant; or
 - db) If not considered favorably, advice to the applicant of his application being deemed "Insufficient".

The Board may cause the publication of the Information in any accreditation application, at its discretion and when deemed by the Board to be contributory to processing of the application.

Processing of an accreditation application shall commence immediately after full compliance of the application requirements by the applicant. Processing time, however, shall be on a case to case basis, depending on the complexity of each case, and shall be as long as is necessary for thoroughness and comprehensiveness in researching past records, in probing into various phases and aspects, and in soliciting information from various sources.

Sec. 8.9 Accreditation Approval

Action on an accreditation application by the Board shall only be recommendatory. Final accreditation approval authority shall be vested with the Authority.

Sec. 8.10 Accreditation Certification

Accreditation shall be evidenced by a certificate issued by the Board. The certificate shall be of a format and with a text as prescribed by the Board, which text shall include, among other relevant information, the following:

- a) Name of the constructor;
- b) Accreditation certificate number;
- c) Constructor's License number;

- d) Date of accreditation and date of expiry;
- e) Sub-classification(s) accredited and corresponding Index Rating(s); and
- f) Signatures of the Chairman and members of the Board and the Chairman of the Authority.

Sec. 8.11 Accreditation Validity

Accreditation shall be valid for a period of twenty-four (24) months, reckoned from the date of accreditation. The date of accreditation shall be the first day of the ensuing quarter immediately after the final accreditation approval of an accreditation application by the Authority.

Sec. 8.12 Re-Accreditation

Re-accreditation shall mean an accreditation to succeed another and shall, therefore, be subject to the same requirements and procedures as prescribed for accreditation. Re-accreditation may be applied for after expiry of the applicant-constructor's current accreditation. The lapsing of a constructor's accreditation shall be of no impediment to his re-accreditation. It may also be applied for before expiry of the applicant-constructor's current accreditation, provided not earlier than four (4) months before said expiry.

Where a re-accreditation application is filed and received by the Secretariat before expiry of the applicant-constructor's current accreditation but not later than three (3) months before expiry, in case of failure of the Board or the Authority to have the application finally acted upon before expiry, in case of failure of the Board or the Authority to have the application finally acted upon before expiry of the applicant-constructor's current accreditation, the Board shall, in the absence of any impediment to re-accreditation and upon the written request of the applicant-constructor, issue an interim certification to attest to the applicant-constructor's re-accreditation application being under processing and to extend the validity of his current accreditation until revoked by the Board.

Sec. 8.13 Index Rating Review

An accredited constructor shall report to the Board any major change, during validity of his current accreditation, in any of his performance factors as defined in Sec. 8.4 hereof, which may result in his Index Rating downgrading. Said report shall be in writing and on time to be received by the Secretariat not later than thirty (30) days after occurrence of such change.

Where so warranted by such change, revised Index Rating(s) shall be derived by the Board. The Accreditation Certificate previously issued shall be recalled by the Board and a new certificate, bearing the revised Index Rating(s) shall be issued to the accredited constructor to cover the remainder of his current accreditation validity period.

An accredited constructor subject to such an Index Rating downgrading, however, shall be allowed by the Board to effect any necessary remedial measure to avoid or abate the downgrading, subject to the following stipulations:

- a) A written request therefor, shall be submitted by the constructor and received by the Secretariat, within thirty (30) days from date of occurrence of the causative change.
- b) Any remedial measure necessary shall be effected within ninety (90) days, likewise, from date of occurrence of the causative change.
- c) No Index Rating upgrading shall be allowed, even if justifiable by a remedial measure effected.
- d) The constructor shall secure the documentation, authentication and evaluation of the remedial measure(s) effected and the performance factor(s) involved, from any of the recognized Rating Entities, and submit to reevaluation by the Board.

Sec. 8.14 Index Rating Upgrading

An accredited constructor may apply for upgrading of his Index Rating(s). Requirements and procedures for application for Index Rating upgrading shall be the same as for accreditation application as provided in Sec. 8.6 hereof.

Sec. 8.15 Accreditation or Re-Accreditation Denial

Any of the following shall be a sufficient ground for denying accreditation or re-accreditation of a constructor:

- a) Misrepresentation in the application for accreditation or re-accreditation;
- b) Ineligibility for accreditation by stipulations of Sec. 8.5 hereof;
- c) Unsatisfactoriness in quality of over all performance as defined in Sec. 8.2 hereof;
- d) Inadequacy in financial resources, equipment resources or technical staff competence; and
- e) In case of re-accreditation, failure of the applicant-constructor to report to the Board any major change in any of his performance factors, during the period of validity of his previous accreditation and as stipulated in Sec. 8.13 hereof.

Sec. 8. 16 Accreditation Revocation

The accreditation of a constructor may be revoked on any of the following grounds:

- a) Loss of eligibility for accreditation as stipulated in Sec. 8.5 hereof; and
- b) Bad performance during the period of validity of his accreditation to convincingly discredit the quality of his overall performance as defined in Sec. 8.2 hereof and evaluated during the approval of his accreditation.

RULE 9 LICENSING AND ACCREDITATION FEES

Sec. 9.1 Licensing Fees

Licensing and other related and incidental services shall be subject to assessment of the following fees, each payable and applicable as stipulated:

a) License Application Screening Fee, in lieu of the examination fee in R.A. 4566, payable upon filing of License application and applicable to:

aa) A new License application.

b) License Fee, payable before issuance of the License certificate and applicable to:

ba) A new License application approved.

c) License Re-Issue Fee for re-issuance of an original or renewal License certificate, or a pair thereof, payable before re-issuance and occasioned by and applicable to:

ca) A change of business name,

cb) A change of Authorized Managing Officer,

cc) A classification revision,

cd) A category upgrading or downgrading, and

ce) A replacement for a lost/damaged certificate.

d) License Renewal Fee, payable upon filing of License Renewal application and applicable to:

da) An annual License renewal application.

e) Surcharge, as an addition to and payable simultaneously with the License Renewal Fee and applicable to:

ea) A late License renewal as defined in Sec. 6.9 hereof.

f) Classification Fee for classification eligibility evaluation, payable on a per-classification basis, before License issuance or re-issuance as the case may be, and applicable to:

fa) A new License application,

fb) A classification addition,

fc) A classification revision involving the addition or introduction of a new classification, and

fd) A change of the lone Sustaining Technical Employee in a classification sustained by only one such employee.

g) Category Evaluation Fee, payable before license issuance or re-issuance as the case may be, and applicable to:

ga) A new License application,

gb) A change of classification of a single-classification constructor,

gc) A change of Principal classification of a multi-classification constructor, and

gd) A category upgrading.

h) Category Review Fee for review of a constructor's capability to sustain his current category, payable before license re-issuance or upon filing of license renewal application as the case maybe, and applicable to:

ha) A disassociation of a Sustaining Technical Employee in the lone classification of a single-classification constructor or in the Principal classification of a multi-classification constructor, provided that:

i. Where category upgrading is allowable and is applied for by the constructor, this fee shall be waived and the Category Evaluation Fee assessed instead; and

hb) An annual License renewal application, provided that:

i. Where category upgrading is applied for jointly with License renewal, this fee shall be waived and the Category Evaluation Fee assessed instead; and

ii. A constructor who has been licensed or upgraded in category not more than four (4) months prior to his License renewal application, shall be exempt from payment of this fee.

i) Additional License Fee, payable before issuance of the License certificate and applicable to:

ia) A new License application where the applicant was engaged in construction or construction-related activities prior to securing his License, and

ib) A License renewal application where the applicant was engaged in construction or construction-related activities outside of his License classification(s) or after expiry of his License, or while his License was under suspension.

Sec. 9.2 Accreditation Fees

Accreditation and other related and incidental services shall be subject to assessment of the following fees, each payable and applicable as stipulated:

a) Accreditation Eligibility Screening Fee, payable upon filing of the accreditation application and applicable to:

aa) An accreditation application, and

ab) A re-accreditation application.

b) Accreditation Fee for processing, Index Rating and other related functions in approving an accreditation or re-accreditation application, payable on a per-sub-classification basis, within ten (10) days from receipt by the applicant of a payment advice from the Board, and applicable to:

- ba) An accreditation application; and
- bb) A re-accreditation application.
- c) Accreditation Certificate Re-Issue Fee for re-issuance of a certificate of accreditation or re-accreditation; payable before such re-issuance and applicable to:
 - ca) A change in Index Rating, and
 - cb) A replacement for a lost/damaged certificate.
- d) Index Rating Upgrading Fee for re-derivation of Index Rating, payable on a per-subclassification basis, within ten (10) days from receipt by the applicant of a payment advice from the Board; and applicable to:
 - da) An application for Index Rating upgrading.

Sec. 9.3 Amount of Fees

The amount of each of the various licensing and accreditation fees as stipulated in Sec. 9.1 and Sec. 9.2 hereof, shall be as tabulated in Appendix III hereof. The Board, however, shall be empowered to increase or decrease the amount of any of the fees, to delete any thereof, or to institute any new fee, whenever deemed necessary by the Board, but subject to approval by the Authority and to compliance with legal requirements and procedures.

Sec. 9.4 Payment of Fees

Payment of any of the various licensing and accreditation fees shall be made to the Cashier of the Authority. Any such payment made shall not be refundable.

RULE 10 RIGHTS AND DUTIES OF LICENSED CONSTRUCTORS

Sec. 10.1 Regular License Authorization

A licensed constructor, issued a Regular License as defined in Sec. 3.1(a) thereof, is authorized to engage in construction contracting in the Philippines, within the field and scope of his classification(s) in accordance with the provisions of Sec. 5.4 hereof. In case of a provisionally renewed License, however, such authorization shall be subject to any restriction as may be imposed by the Board.

Sec. 10.2 Special License Authorization

A licensed constructor, issued a Special License as defined in Sec. 3.1(b) is authorized to engage only in one single specific construction undertaking/project in the Philippines. In case of a provisionally renewed License, such authorization shall be further subject to any restriction as may be imposed by the Board.

Sec. 10.3 Joint Operation Licensing

A joint venture of licensed constructors as defined in Sec. 1.1(g) hereof, notwithstanding each being individually licensed, shall secure an additional License as a joint venture for it to be legally

authorized to submit a bid, enter into a construction contract, implement a project or otherwise act as a licensed constructor.

A consortium of licensed constructor(s) and non-constructor(s) as defined in Sec. 1.1(h) hereof, shall likewise secure a License as a consortium for it to be legally authorized to submit a bid, enter into a construction contract, implement a project or otherwise act as a licensed constructor.

Sec. 10.4 Renewal of License.

A License shall be renewed every year on or before the 30th of June to have an uninterrupted validity. In a late renewal as defined in Sec. 6.9 hereof, the involved constructor shall be subject to the late renewal surcharge and if he was engaged in any construction contracting activity during the period from the 30th of June deadline to the filing of his renewal application, he may be further subject to the additional License fee and/or disciplinary action for operating with an expired License.

Sec. 10.5 Disassociation of a Sustaining Technical Employee

Disassociation of a Sustaining Technical Employee, by employment termination, death or any other cause, shall be reported in writing to the Board by the employer-constructor, within thirty (30) days from date of disassociation. A constructor so affected, shall be entitled to a time period for replacing the disassociated employee, subject to the following provisions:

a) A constructor complying with the above stipulated reporting requirement, shall be allowed a replacement period of ninety (90) days from date of disassociation to nominate a replacement for approval by the Board. Within this period, he shall be allowed repeated nominations, as long as no nominee has yet been approved by the Board.

b) A constructor failing to so comply, shall be entitled to a grace period of thirty (30) days from date of disassociation, within which a replacement employee shall be deemed as a replacement nominee for approval by the Board, sans nomination by the constructor.

During the replacement or grace period, the constructor's current License shall remain in force. It shall also be the duty of a disassociated Sustaining Technical Employee to give written notice to the Board of his disassociation, unless in case of death, within thirty (30) days from date of disassociation. Failure to notify shall be an impediment to his eligibility as a Sustaining Technical Employee, an Authorized Managing Officer, or a License applicant in any future transaction with the Board.

Sec. 10.6 Change of an Authorized Managing Officer

Change of an Authorized Managing Officer shall be subject to prior approval by the Board. Any act by a constructor's representative not previously approved as the Authorized Managing Officer by the Board, for and in behalf of the constructor in any transaction with the Board, shall be deemed not valid. The constructor shall bear whatever may be the consequence of such invalidity.

In case of disassociation of an Authorized Managing Officer and the affected constructor is unable to immediately appoint a replacement to effect a change, the constructor shall give written notice to the Board to this effect. Upon such notice, he shall be allowed to designate an Officer-in-Charge, for acknowledgement by the Board, to act in the capacity of an Authorized Managing Officer, pending final appointment of a replacement therefor. The final appointment of a replacement Authorized Managing Officer, for approval by the Board, shall be made within ninety (90) days from date of disassociation. It shall also be the duty of a disassociated Authorized Managing Officer to give written notice to the Board of his disassociation, unless in case of death, within thirty (30) days from date of disassociation. Failure to so notify shall be an impediment to his eligibility as an Authorized Managing Officer, a Sustaining Technical Employee, or a License applicant in any future transaction with the Board.

Sec. 10.7. Change in an Accreditation Performance Factor

As also provided in Sec. 8.13 hereof, an accredited constructor shall report in writing to the Board any change in any of his performance factors which may affect his Index Rating, within thirty (30) days from date of occurrence of the change and submit himself to Index Rating review by the Board.

Sec. 10.8 Change of Address

A constructor shall give written notice to the Board of any change in his address as previously recorded with the Board, as soon as practicable but not later than fifteen (15) days after the change. A constructor who fails to so notify shall bear whatever may be the consequence of non-delivery of any communication from the Board.

Sec. 10.9 Change of Name

A Constructor's name shall not be changed without the approval of the Board. The use, by a constructor, of any name other than that by which he is licensed, in any construction contracting activity shall be deemed as engaging in such activity without a License and may be considered a cause for disciplinary action.

Sec. 10.10 Change in Business Organization Style

A re-structuring of a constructor's organization from sole proprietorship to partnership or corporation, or from partnership to corporation, evolves a new business or juridical entity which shall warrant the cancellation of his License. The new entity shall be required to apply for licensing as a new applicant.

The foregoing notwithstanding, however, where the organization before the re-structuring still retains the majority in equity distribution and the management control, the Board may consider an application for transfer of the license to the new entity, subject to terms and conditions which the Board may impose.

Sec. 10.11 Introduction of Foreign Equity

A constructor shall give a written notice to the Board of any intro-

duction of foreign equity into his firm within thirty (30) days from occurrence of such introduction.

RULES 11 DISCIPLINARY ACTION, PROCEEDINGS AND DECISION

Sec. 11.1 Disciplinary Action

A constructor found guilty of any of the causes for disciplinary action, as stipulated in Sec. 11.2 hereof, shall be subject to any or a practicable combination of any of the following disciplinary actions, as determined by the Board with due course given to the disciplinary proceedings:

- a) Revocation of License and denial of the renewal thereof;
- b) Suspension of license for a fixed period as determined by the Board to correspond to the cause or causes for disciplinary action, or for an indefinite period with the lifting thereof conditioned upon the constructor's compliance with the requirements and conditions set forth by the Board for such lifting; and
- c) Imposition of a fine in accordance with the schedules detailed in Appendix IV hereof.

License invalidation or revocation, renewal denial or License suspension of a constructor shall not serve to relieve him of any existing contract obligation nor to prevent his pursuance thereof. Where he has project(s) on-going at the time of imposition of the disciplinary action, he shall be given written authorization by the Board to continue operating on the same. Such authorization shall be co-terminus with the on-going project(s) and shall not, in any manner, be used to engage in any construction contracting activity not relevant to the implementation of said on-going project(s).

Imposition of a fine shall apply mainly to violations of engaging in construction contracting without a License or with an expired or revoked License, and of operating in a classification not authorized by License; although the Board, at its own discretion, may commute a License suspension or part of the duration thereof into a fine. The Board may make its own findings of violations and impose fines without need of court intervention and require the compliance thereof as a pre-condition for License issuance or renewal.

Sec. 11.2 Causes for Disciplinary Action

Any of the following acts or omissions by a constructor shall constitute a cause for disciplinary action against him:

- a) Malpractices
 - aa) Willful and deliberate abandonment without lawful and/or just excuse of any construction project or operation engaged in or undertaken by him as a constructor;
 - ab) Willful material and substantial departure from or disregard of plans and/or specifications in any material respect, and prejudicial to another without consent of the owner or the

person entitled to have the particular construction project or operation completed in accordance with such plans and/or specifications or their duly authorized representations;

- ac) Willful material misrepresentation and/or use of spurious documents in the pursuit of his business;
- ad) Doing of any willful or fraudulent act as a consequence of which another is injured or damaged;

b) Infractions of the Law

ba) Failure to comply with the provisions of the Law, defined in Sec. 1.1 (a) hereof, and these rules and regulations, including but not limited to:

- i. Operating in a classification not authorized by his License;
- ii. Engaging in construction contracting with an expired or lapsed License;
- iii. Retiring from business without advising the Board and surrendering his License, resulting in the illegal use of his License by another with or without his knowledge;

bb) Aiding or abetting an unlicensed person to evade the provisions of the Law and these rules and regulations, or knowingly combining or conspiring with, or allowing his License to be used by, or acting as an agent or partner or associate or otherwise of an unlicensed person with the intent to evade the provisions of the Law and these rules and regulations;

c) Willful misrepresentation of a material and substantial fact in obtaining his License and in any other application or representation with the Board;

d) Conviction by a court of competent jurisdiction of any offense involving moral turpitude or the commission of which would, in the opinion of the Board, render him unfit to be the holder of the License; and

e) Active participation in the performance by any person or firm of any act or omission constituting a cause for disciplinary action under the Law.

Sec. 11.3 Jurisdiction

The Board shall have jurisdiction over:

a) Any act or omission, by any licensed constructor, constituting a cause for disciplinary action; and

b) Any of the following offenses of misdemeanor by any person, of:

ba) Advertising any title tending to convey the impression that he is a constructor within the purview of the Law, without first securing a License;

bb) Submitting or attempting to submit a bid to construct, or entering into contract or undertaking to construct, or assuming charge in a supervisory capacity of a construction work, without first securing a License;

bc) Presenting or filing the License certificate of another as his own, or otherwise impersonating a licensed constructor;

bd) Giving false evidence of any kind to the Board or any member thereof, in any application or representation with the Board;

be) Using an expired, suspended or revoked License; and

bf) Allowing the use of his License by another.

The Board shall, upon the verified complaint in writing of any person or upon its own motion, investigate and take appropriate disciplinary action against and/or impose a fine on any licensed constructor or any person found to be guilty of any alleged act or omission constituting a cause for disciplinary action or of misdemeanor.

The lapsing or suspension of a License by operation of Law, or by order or decision of the Board or other competent authority, or the voluntary surrender or retirement of a License shall not deprive the Board of jurisdiction to proceed with any investigation of or action or disciplinary proceeding against such License, or to render a decision suspending or revoking it.

Sec. 11.4 Prescription

An accusation or charge against a constructor shall be filed within one (1) year after the act or omission alleged as the ground therefor, except an accusation alleging willful misrepresentation of a material and substantial fact in any application or representation with the Board which may be filed within two (2) years after discovery by the Board of the alleged fact constituting misrepresentation or fraud.

Sec. 11.5 Complaint

A complaint against a licensed constructor for any cause as provided by the Law and rules may be filed by any person, or any firm through its duly authorized representative, or the Board itself may motu proprio file the charge.

The complaint shall be in writing and under oath; shall set forth clearly, distinctly and concisely therein, the charge(s) or offense(s) complained of, supported by affidavit or material evidence, if any; and shall be filed in triplicate with the Secretariat.

The Executive Officer of the Board shall number complaints in consecutive order of their receipt.

Sec. 11.6 Complaint Withdrawal

A complaint may be withdrawn by the complainant in writing and under oath. The Board shall forthwith dismiss the case, unless the Board, in the interest of the public and for protection of the integrity of the construction contracting industry, shall deem it necessary to prosecute

the case, notwithstanding the withdrawal by the complainant.

Sec. 11.7 Service and Answer

In case of a complaint appearing to have merit, a copy thereof shall be served upon the respondent, in person or by registered mail. The respondent shall be required to answer in writing and in triplicate, within ten (10) days after his receipt of the copy of the complaint.

In case of a complaint considered by the Board to be without merit, same shall be dismissed without prejudice to the filing of another complaint based on the same cause of action as may be warranted. The complainant shall be duly notified of such action by the Board.

Sec. 11.8 Evidence

As much as possible, the rules of evidence shall be adhered to in the reception of evidence. However, technical error(s) in the admission of evidence which do not prejudice the substantial rights of any of the parties shall not vitiate the proceedings.

Sec. 11.9 Memorandum

The Board may, at its own discretion, require the complainant or respondent or both, through their respective counsel should they have any, to submit a memorandum in support of their respective defenses as may be warranted by the situation with respect to their arguments relative to the facts in issue.

Sec. 11.10 Decision

The decision shall be in writing, signed by all or at least a majority of the members of the Board and attested by the Secretary and the Executive Officer of the Board, and shall contain clear and distinct findings of facts and of law on which it is based. If the complaint is based on breach of the rules and regulations or the Code of Ethics, the same shall also be stated in the decision.

Sec. 11.11 Petition for Reconsideration

A petition for reconsideration shall be filed within thirty (30) days after notice of decision on the case and shall be for either or both of the following two causes, provided that only one petition for reconsideration for cause shall be entertained by the Board:

- a) The decision is not in conformity with the evidence and/or facts presented; and
- b) Newly discovered evidence or facts which could not, with reasonable diligence, be discovered and produced at the investigation and which when presented would probably alter the result of the investigation.

A petition not consistent with the above stipulated time and cause qualifications shall be considered as filed without action and shall not be entertained; except in case of petition filed later than thirty (30) days after notice of decision where the Board, for special reason(s) which must be stated in its ensuing decision, may decide to act on the petition.

RULES 12. LICENSE DENIAL, AND CANCELLATION

Sec. 12.1 License Denial

Any of the following shall be a sufficient ground for disapproval of a License application and for denial of licensing:

- a) Willful misrepresentation of a material and substantial fact in the License application;
- b) Failure of the applicant to meet the required minimum qualifications for licensing as stipulated in Sec. 4.1 hereof;
- c) Failure of any Sustaining Technical Employee of the applicant to meet the required qualifications as stipulated in Sec. 4.2 hereof;
- d) Failure of the applicant's Authorized Managing Officer to meet the required qualifications as stipulated in Sec. 4.3 hereof;
- e) Involvement of the applicant, in any of the following capacities, in any construction malperformance of grave consequence, suggestive of negligence, incompetence and/or malpractice in the direction or management of operation and/or in the system and method of implementation of the construction:
 - ea) A partner or stockholder of more than thirty percent (30%) equity holding of the firm in charge of the construction;
 - eb) A Sustaining Technical Employee or the Authorized Managing Officer of the firm in charge of the construction; or
 - ec) A person or firm of authority over the system or method of implementation of the construction;
- f) Involvement of the applicant by himself or in collaboration with any other person or firm, in any act or omission liable for disciplinary action, as stipulated in Sec. 11.2 hereof, of which he or the other person or firm was found guilty by the Board;
- g) Conviction of the applicant by a court of competent jurisdiction of any offense involving moral turpitude or the commission of which would, in the opinion of the Board, render him unfit to be a holder of the License;
- h) Ownership of more than thirty percent (30%) of the applicant's equity by person(s) or firm(s) imputed with above cited Grounds (e), (f) and (g); and
- i) Any other ground for denial deemed by the Board to be in the interest of the construction industry and/or of the general public.

The Board, however, shall be empowered to moderate or otherwise modify the application of the above cited grounds (e), (f), (g) and (h), if justifiable by evidence of mitigating circumstance and of any loss or injury resulted therefrom having been amply and properly restituted and if there is deterrent against repetition or recurrence of the same.

Sec. 12.2 License Renewal Denial

Any of the following shall be a sufficient ground for disapproval of a License renewal application and for license renewal denial:

- a) Willful misrepresentation of a material and substantial fact in the License renewal application;
- b) Failure of the License renewal applicant to maintain his licensing qualifications to meet the minimum requirements, as stipulated in Sec. 4.1 hereof;
- c) Lapsing of the License renewal applicant's license, as defined in Sec. 6.9 hereof;
- d) Suspension or revocation of the license as a disciplinary action;
- e) Non-payment by the License renewal applicant of any fine imposed by the Board as a disciplinary action;
- f) Change in the License renewal applicant's equity ownership to occasion the holding of more than thirty percent (30%) thereof by person(s) or firm(s) of unsuitable qualification; as provided in Sec. 12.1 (h) hereof; and
- g) Construction malperformance of grave consequence by the License renewal applicant, determined by a competent authority to be due to applicant's negligence, incompetence and/or malpractice.

The Board shall be empowered to moderate or otherwise modify the application of above cited Grounds (f) and (g) in a manner not incompatible with the purpose and intent of the Law and when justifiable by legal considerations.

The foregoing notwithstanding, License renewal denial shall be subject to the provisions of Sec. 6.7 hereof on provisional renewal.

Sec. 12.3 Permissible Operation after License Non-Renewal

In any case of License non-renewal, invalidation, cancellation or revocation, where the involved licensee-constructor has project(s) on-going at the time of non-renewal, invalidation, cancellation or revocation, he shall be given written authority by the Board to continue with the operation thereof until completion of the same.

Sec. 12.4 Retirement from Construction Contracting

A licensed constructor retiring from construction contracting shall advise the Board in writing of his retirement and shall surrender his original License and latest renewal certificates for cancellation by the Board, within thirty (30) days from date of retirement. A constructor who fails to comply with this requirement shall be held responsible for any unauthorized or illegal use of his License by any party. Such non-compliance shall also be an impediment to his eligibility as a License applicant, a Sustaining Technical Employee or an Authorized Managing Officer in any future transaction with the Board.

Sec. 12.5 Death or Disassociation of a Partnership Partner

The License of a partnership constructor shall be ipso facto terminated and cancelled by the Board upon the death or disassociation of a partner. In case of project(s) on-going at the time of the death or disassociation, the Board may give written authority for the surviving or remaining partner(s) to continue prosecuting such project(s) till completion thereof; provided:

- a) That a written application for such authority is filed with the Secretariat by the surviving or remaining partner(s), within thirty (30) days from the death or disassociation;
- b) That the Board is reasonably assured of the capability of the surviving or remaining partner(s) to undertake the completion of the on-going project(s); and
- c) That there is no legal impediment to their assumption of such undertaking.

Sec. 12.6 Death of a Sole Proprietor

The License of a sole proprietorship constructor shall be ipso facto terminated and cancelled by the Board upon the death of the proprietor. In case of project(s) on-going at the time of the death, the Board may give written authority to an heir to continue prosecuting such project(s) to completion, conditioned upon the following:

- a) That a written application for such authority is filed with the Secretariat by an heir, within thirty (30) days from the death;
- b) That the Board is reasonably assured of the heir's capability and competence to undertake the completion of the on-going project(s); and
- c) That there is no legal impediment to the heir's assumption of such undertaking.

Sec. 12.7 Introduction of Foreign Equity

An introduction of thirty percent (30%) or more of foreign equity into a construction firm holding a Regular License shall ipso facto invalidate the license. The constructor may apply for a Special License subject to stipulations in Sec. 3.1(b) hereof.

RULES 13 LICENSE SUSPENSION LIFTING AND RESTORATION

Sec. 13.1 License Suspension Lifting

A License suspended for a fixed period, imposed to serve as a disciplinary action by itself, shall be lifted by the Board upon expiry of the period when the licensee-constructor shall have served his term of suspension.

A License suspended for an indefinite period pending the licensee-constructor's compliance with the requirements and conditions set forth by the Board, may be lifted by the Board upon proof of such compliance, provided same is effected within twelve (12) months from date of start

* Adjusted to 40% under Art 45 of Chapter III, Book II of the Omnibus Investment Code of 1987.

of suspension. A License left suspended for more than twelve (12) months due to the licensee-constructor's non-compliance with the Board-set requirements and conditions, shall be deemed lapsed and cancelled by the Board, as also so stipulated in Sec. 6.9 hereof.

Sec. 13.2 License Restoration

A constructor whose License was cancelled due to lapsing, as defined in Sec. 6.9 hereof, or invalidated or revoked or denied renewal due to his loss of any of the required licensing qualifications, as stipulated in Sec. 4.1 hereof, shall be allowed to apply for restoration of License, if:

- a) He is seeking License restoration for the first time;
- b) The application therefor is filed within twelve (12) months after License lapsing or after License invalidation or revocation or renewal denial, whichever is the case; and
- c) There is no pending Board action against him nor any impediment to his License restoration.

If otherwise, he shall be allowed to apply only for re-licensing.

In case of restoration and if approved therefor, he shall be allowed retention of his original License number and credit for experience of his firm as a licensed constructor prior to License cancellation, invalidation, revocation or renewal denial. In case of re-licensing and if approved therefor, he shall be deemed a new constructor, to be assigned a new License number and with no creditable experience as a firm.

Sec. 13.3 License Non-Restoration

License restoration shall not be allowed in the following cases:

- a) A constructor whose License was cancelled, revoked or denied renewal as a disciplinary action;
- b) A constructor found guilty, through disciplinary proceeding herein prescribed, of any act or omission constituting a cause for disciplinary action, while under License suspension or after License cancellation, revocation or renewal denial, regardless of whatever may be the disciplinary action called for by such act or omission; and
- c) A constructor, under an indefinite-period license suspension, who has been under suspension for more than twelve (12) months.

However, the Board may, at its own discretion and notwithstanding stipulation to the contrary in the foregoing, allow the restoration of a License, if justifiable by reasons deemed valid by the Board. Likewise at its own discretion, the Board may consider a License cancelled, revoked or denied renewal more than two (2) times a disqualification of the licensee-constructor for licensing.

A constructor hereby disallowed License restoration, except in the case of License cancellation due to prolonged suspension which is separately

provided for in Sec. 13.2 hereof, may apply for re-licensing upon proper showing that all losses caused by the act or omission for which the License was cancelled, revoked or denied renewal have been fully satisfied and that all conditions imposed by the decision of cancellation, revocation or renewal denial have been complied with by him.

RULE 14 CODE OF ETHICS

Sec. 14.1 Code of Ethics

A licensed constructor shall observe the Code of Ethics, upheld by the construction contracting industry since its adoption in 1968 and as restated below, in the interest of instilling professionalism in the industry towards enhancing its image and promoting its orderly development.

FILIPINO CONSTRUCTORS' CODE OF ETHICS

- a) A constructor should be fair and honest in his business dealings, his practices and activities guided by principles of justice and equity.
- b) A constructor should conduct himself with honor and dignity in his relations with his fellow constructors, fully aware that to speak maliciously of the work reputation or ability of a fellow constructor is highly unethical, and should cooperate with them for the protection and advancement of the construction industry.
- c) A constructor should carry his construction contracting on a high ethical level and deliver quality service and faithful performance of the undertaking to which owner-clients are entitled.
- d) A constructor should not advertise his firm's business in misleading terms and false representations which is not only improper but also immoral.
- e) A constructor should refrain from unfair competition which is a disservice to the construction industry.
- f) A constructor should be fair and just to his employees, considering their welfare with sympathy and understanding.
- g) A constructor should not attempt to supplant a fellow constructor who is in the employ of the owner or to prevent a constructor from undertaking that which the owner has engaged him to do, as it is a practice inconsistent with the honor and dignity of the construction industry.
- h) A constructor should hold himself dedicated to the proposition that the construction industry should be rid of participants whose reputation, conduct and practices are inimical to the construction industry.

RULE 15 ENFORCEMENT OF THE LAW

Sec. 15.1 Application of the Law and Exemptions therefrom

R.A. 4566, P.D. 1746 and the provisions hereof shall apply to all construction contracting activities and undertakings by all builders, general engineering constructors, general building constructors and specialty constructors, all as defined in Sec. 9(b-c-d-e) of R.A. 4566, except the following which, as provided in Sec. 10, Sec. 11, Sec. 12, Sec. 13, Sec. 14, and Sec. 15 of R.A. 4566, shall be exempt from the application thereof:

a) Public Personnel

An authorized representative of the Republic of the Philippines or any incorporated town, city, province, or other municipal or political corporation or subdivision of the Republic of the Philippines, acting in his capacity as such;

b) Architects and Engineers

A registered civil engineer or a licensed architect acting solely in his professional functions as defined in R.A. 544, otherwise known as the Civil Engineering Law, or in R.A. 545, otherwise known as the Architecture Law;

c) Minor Work

Any work or operation on one undertaking or project by one or more contracts, with an aggregate contract price of less than ten thousand pesos (P10,000.00) for the labor, materials and all other items; provided:

ca) That this exemption shall not apply in any case wherein the work or construction is only part of a larger or major operation, whether undertaken by the same or a different constructor or in which a division of the operation is made in contracts of amounts less than ten thousand pesos (P10,000.00) for the purpose of evading or otherwise violating the provisions of the Law;

cb) That this exemption shall, likewise, not apply in a case where the minor work is being undertaken by a person or firm not otherwise exempt from application of the Law; and

cc) That the Board shall be empowered to raise or lower the value ceiling of ten thousand pesos (P10,000.00) for minor work whenever deemed necessary by the Board to render same more relevant to prevailing conditions.

d) Small Scale Constructors

Corollary to exemption of minor work, a person or firm whose annual aggregate value of accomplished construction contract work does not exceed twenty-five thousand pesos (P25,000.00); which ceiling, however, may be raised or lowered by the Board whenever deemed necessary to render same more relevant to prevailing conditions;

e) Material Men

Any person who only furnishes materials or supplies without fabricating them into, or consuming them in the performance of, the work of the constructor;

f) Finished Products

Any sale or installation of any finished product, material or article or merchandise, which is not actually fabricated into and does not become a permanent and fixed part of the structure; and

g) Personal Property

Any construction, alteration, improvement or repair of personal property as defined in Article 416 of the Civil Code, or any construction of any project or alteration, improvement or repair of any structure, undertaken by the owner thereof without the service of a licensed constructor, which is not intended for sale, lease, commercial/industrial use or any other income generating purpose.

Sec. 15.2 Enforcement by the Board

Should any person or firm not licensed by the Board, or any constructor whose License is under suspension or has expired or been revoked, engage or attempt to engage in the business of construction contracting, the Board shall have the right to institute the proper action in court and secure a writ of injunction without bond, restraining the said person, firm or constructor.

Sec. 15.3 Enforcement by Officers of the Law

It shall be the duty of all duly constituted law enforcement officers of the national, provincial, city and municipal government or any political subdivision thereof, to enforce the provisions of the Law and to report to the Board any violation of the same.

Sec. 15.4 Enforcement in Construction Biddings

All architects and engineers preparing plans and specifications and all public or private agencies or entities conducting biddings and/or letting out contracts for construction work to be contracted and undertaken in the Philippines, shall include in their invitation to bidders and other bidding documents necessary stipulations to convey to every bidder, whether he is a resident of the Philippines or not, the information that it will be necessary for him to have a License before his bid is considered.

Sec. 15.5 Penalties

Any person or firm shall be deemed guilty of misdemeanor:

- a) If said person or firm, without first securing a License to engage in the business of construction contracting in the Philippines,

aa) For a price, commission, fee or wage;

i. Submits or attempts to submit a bid to construct, or

ii. Contracts to or undertakes to construct, or

iii. Assumes charge in a supervisory capacity of a construction work, or

ab) Advertises any title tending to convey the impression that he is a constructor within the purview of the Law; or

b) If the person or firm shall:

ba) Present or file the License certificate of another; or

bb) Give false evidence of any kind to the Board or any member thereof, on obtaining a certificate or License, or

bc) Impersonate another, or

bd) Use an expired or revoked certificate or License.

Said person or firm shall, upon conviction, be sentenced to pay a fine, scheduled in Appendix IV, subject to the disciplinary action stipulations of Sec. 10.1 hereof.

Sec. 15.6 Effectivity

These rules and regulations shall take effect upon approval by the President of the Philippines.

OFFICE OF THE PRESIDENT

of the Philippines

Malacanang

1st Indorsement

Manila, March 31, 1989

Respectfully returned to the Honorable, the Secretary of Trade and Industry, Makati, Metro Manila, hereby approving the revised Rules and Regulations to implement the provisions of RA 4566, otherwise known as the Contractors' License Law, adopted by the Philippine Contractors Accreditation Board as affirmed by the Construction Industry Authority of the Philippines.

By authority of the President:

(SGD.) CATALINO MACARAIG, JR.
Executive Secretary

APPENDICES

FEES

1. LICENSING FEES

1.1 License Application Screening Fee	P	500.00
1.2 License Fee	AM	50.00
1.3 License Re-issue Fee	AM	50.00
1.4 License Renewal Fee	AM	50.00
1.5 Late License Renewal Additional Fee	AM	20.00
1.6 Classification Fee		

NOTES:

Classification Fee is to vary with category, graduated in proportion with the minimum networth/paid-up capital required of each category. Where classification occasions a re-categorization, the fee shall be based on the ensuing category approved by the Board.

The fee shall be on "per classification" basis; provided that if more than one classification are processed at the same time, each additional classification shall be at a reduced fee equal to fifty percent (50%) of the fee for the first classification.

A sub-classification shall be similarly assessed as a main classification.

- a). The first or only classification processed in any one instance:

Category	AAA	₱ 2,000.00
	AA	1,000.00
	A	200.00
	B	100.00
	C	60.00
	D	20.00
	TRADE	

- b). Each additional classification processed simultaneously with one other classification:

Category	AAA	₱ 1,000.00
	AA	500.00
	A	100.00
	B	50.00
	C	30.00
	D	10.00
	TRADE	Exempt

1.7 Category Evaluation Fee

NOTES:

Category Evaluation Fee is to vary with the ensuing category as evaluated and approved by the Board, graduated in proportion with the minimum networth/paid-up capital required of each category.

Category	AAA	₱15,000.00
	AA	7,500.00
	A	1,500.00
	B	750.00
	C	450.00
	D	150.00
	TRADE	Exempt

1.8 Category Review Fee

NOTES:

Category Review Fee is to vary with the ensuing category as reviewed and approved by the Board, in proportion with the minimum networth/paid-up capital required of each category.

Category	AAA	₱10,000.00
	AA	5,000.00
	A	1,000.00
	B	500.00
	C	300.00
	D	100.00
	TRADE	Exempt

2. ACCREDITATION FEES

2.1 Accreditation Eligibility Screening Fee ₱ 500.00

2.2 Accreditation Fee

NOTES:

Accreditation Fee is to vary with the applicant's category, graduated in proportion with the minimum networth/paid-up capital required of each category; but subject to a floor fee of ₱2,000.00 and to a proviso that if the applicant is capable, as determined by the Board, of sustaining a higher category than his current category, the fee shall be based on the higher category.

The fee shall be on "per sub-classification" basis; provided that if more than one sub-classification are to be evaluated for accreditation at the same time, each additional sub-classification accredited shall be at a reduced fee equal to ten percent (10%) of the fee for the first sub-classification accredited.

a). The first or only sub-classification processed in any one instance:	Category	AAA	₱40,000.00
		AA	20,000.00
		A	4,000.00
		B	2,000.00
		C	2,000.00

b). Each additional sub-classification processed simultaneously with one other classification:	Category	AAA	₱ 4,000.00
		AA	2,000.00
		A	400.00
		B	200.00
		C	200.00

2.3 Accreditation Certificate Re-Issue Fee ₱ 50.00

2.4 Index Rating Upgrading Fee

NOTES:

Index Rating Upgrading Fee shall be subject to the same stipulations for Accreditation Fee, as annotated above under Item 2.2. Where accreditation is referred to therein, it shall be taken as referring to Index Rating Upgrading.

a). The first or only sub-classification upgraded in Index Rating in any one instance:	Category	AAA	₱ 8,000.00
		AA	4,000.00
		A	2,000.00
		B	2,000.00
		C	2,000.00

b). Each additional sub-classification upgraded in Index Rating simultaneously with one other classification:	Category	AAA	₱ 800.00
		AA	400.00
		A	200.00
		B	200.00
		C	200.00

FINES

1. IMPOSITION OF FINES

A fine may be imposed on any of the causes for disciplinary action or any of the offenses of misdemeanor. Hereinunder are schedules of fines on some such causes and offenses normally subject to imposition of a fine. These schedules are not intended and shall, therefore, not be invoked to preclude any other disciplinary action which the Board may take in addition to a fine or in lieu thereof. However, by provisions of R.A. 4566 and notwithstanding these schedules, the amount of any fine shall be subject to a floor of Five Hundred Pesos (P500.00) and a ceiling of Five Thousand Pesos (P5,000.00).

2. CONSTRUCTION CONTRACTING ACTIVITIES IN A CLASSIFICATION NOT AUTHORIZED BY LICENSE OR WITH THE USE OF AN EXPIRED LICENSE NOT SUBJECT TO CANCELLATION OR REVOCATION

- a) For prequalifying as a bidder:
Fine = 0.003% of project budget
- b) For participating in bidding:
Fine = 0.005% of bid price
- c) For entering into construction contract:
Fine = 0.010% of contract sum
- d) For undertaking construction:
Fine = 0.050% of contract value implemented

3. CONSTRUCTION CONTRACTING ACTIVITIES AFTER LICENSE SUSPENSION, CANCELLATION OR REVOCATION, OR SANS A LICENSE

- a) For prequalifying as a bidder:
Fine = 0.010% of project budget
- b) For participating in bidding:
Fine = 0.020% of bid price
- c) For entering into construction contract:
Fine = 0.040% of contract sum
- d) For undertaking construction:
Fine = 0.200% of contract value implemented