



**CAAP MEMORANDUM CIRCULAR NO:** 11-2021

**TO :** ALL CONCERNED

**SUBJECT :** GUIDELINES ON PROGRESS PAYMENTS FOR WORK ACCOMPLISHED ON INFRASTRUCTURE PROJECTS

**DATE :**

### I. POLICY STATEMENT

Progress payment is the equivalent compensation paid to the Contractor for actual work accomplished as determined by the Civil Aviation Authority of the Philippines in accordance with the relevant provision of the Revised Implementing Rules and Regulations of Republic Act 9184, the published and issued Philippine Bidding Documents for Infrastructure Projects, and other relevant laws and circulars.

### II. PURPOSE

These Guidelines, based on Annex "E" of the Revised Implementing Rules and Regulations of Republic Act 9184, the published and issued Philippine Bidding Documents for Infrastructure Projects, and other relevant laws and circulars, were formulated by the Civil Aviation Authority of the Philippines (CAAP) to provide policies, rules and procedures relative to the progress payments for work accomplished by the Contractor.

### III. SCOPE AND COVERAGE

These Guidelines shall apply to all Services, Departments, Divisions, Sections and Units of the CAAP.

### IV. GENERAL GUIDELINES

1. Once a month, the Contractor may submit a request for payment for work accomplished. The request shall be submitted together with the corresponding Statement of Work Accomplished (SWA) or progress billing.
2. Thereafter, progress payments can be made once a month, provided that the Contractor submits a SWA/progress billing and a request for payment for work accomplished.
3. CAAP shall have the right to deduct the following from the certified gross amounts to be paid to the Contractor as progress payment:

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- a) Cumulative value of the work previously certified and paid for;
- b) Portion of the advance payment to be recouped for the period;
- c) Retention money in accordance with the condition of contract;
- d) Taxes;
- e) Amount to cover third party liabilities; and
- f) Amount to cover uncorrected discovered defects in the works.

**V. PROCEDURES**

The processing of progress payments are as follows:

1. The Contractor shall submit a request for payment for Work accomplished. This shall be submitted together with the following:
  - a) Corresponding Accomplishment Report/Statement of Work Accomplished (SWA) or progress billing, if applicable;
  - b) Surety Bond for Retention Money, if applicable;
  - c) Copy of compliance to materials testing requirements and results as certified by the Department of Public Works and Highways (DPWH) or any government-accredited testing institution, if applicable;
  - d) Project accomplishment photographs;
  - e) Field Weather Chart/Philippine Atmospheric Geophysical and Astronomical Services Administration (PAGASA) Weather Report, if applicable;
  - f) Additional Performance Security in the Prescribed Form and Amount if Variation Order exceeds the Original Contract Cost, if applicable;
  - g) Affidavit of the Contractor certifying the payment of all materials, labor and equipment that were used in the project.
  
2. The CAAP Project In-Charge shall check the Contractor's request for payment/progress billing and certify the amount to be paid to the Contractor.
  
3. The CAAP Project In-Charge shall process the progress payment and all the following attachments as per Commission on Audit (COA) Circular 2012-001 dated 14 June 2012 and the Handbook on Government Expenditures (National):
  - a) Approved CAAP Annual Procurement Plan (*certified true copy*);
  - b) Approved Plans and Specifications (*blue print, certified true copy*);
  - c) Approved Program of Work, Detailed Cost Estimates, and Quantity Take-off (*certified true copy*);
  - d) Certificate of Availability of Funds/Certificate of Budget Allocation (*certified true copy*);
  - e) Advertisement of the Project (*certified true copy*);
  - f) Copy of Winning Bidder's:
    - Business Name Registration from Securities and Exchange Commission/Department of Trade and Industry/Cooperative Development Authority (*certified true copy*);
    - Business/Mayor's Permit from the principal place of business is located (*certified true copy*);

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- Tax Clearance per Executive Order No. 398, Series of 2005 (*certified true copy*);
  - Philippine Contractors Accreditation Board License and Registration (*certified true copy*);
  - Financial Proposal (*certified true copy*);
  - Bid Security (*certified true copy*);
- g) Results of Eligibility & Technical Requirements Compliance/Financial Comparative Evaluation/Abstract of Bids as Read (*certified true copy*);
- h) Abstract of Bids as Calculated (*certified true copy*);
- i) Bid Evaluation Report (*certified true copy*);
- j) Post-Qualification Report (*certified true copy*);
- k) BAC Resolution recommending for the Award of the project to the winning bidder (*certified true copy*);
- l) Notice of Award (*certified true copy*);
- m) Contract Agreement including the following:
- Performance Security (*certified true copy*);
  - Approved Method of Working Plan or Construction Methods (*certified true copy*);
  - Approved Construction Schedule, Bar Chart & S-Curve (*certified true copy*);
  - Approved PERT/CPM Network Diagram (*certified true copy*);
  - Approved Manpower Schedule (*certified true copy*);
  - Approved Equipment Utilization Schedule (*certified true copy*);
  - Department of Labor and Employment Submitted/Approved Construction Safety & Health Program (*certified true copy*);
- n) Notice to Proceed (*certified true copy*);
- o) Transmittal of Contract Documents to COA bearing the receipt date by COA (*certified true copy*);
- p) Certificate of Commencement of Work (*certified true copy*);
- q) Notice of Work Suspension/Notice of Resumption of Work, if applicable (*original copy*);
- r) Approved Variation Order covering Extra Work Orders/Change Orders, if applicable (*certified true copy*);
- s) Approved Plans and Specifications for Variation Order, if applicable (*certified true copy*);
- t) Copy of the following due to the Approved Variation Order, if applicable:
- Additional Performance Security in the Prescribed Form and Amount if Variation Order exceeds the Original Contract Cost (*certified true copy*);
  - Revised Method of Working Plan or Construction Methods (*certified true copy*);
  - Revised Construction Schedule, Bar Chart & S-Curve (*certified true copy*);
  - Revised PERT/CPM Network Diagram (*certified true copy*);
  - Revised Manpower Schedule (*certified true copy*);
  - Revised Equipment Utilization Schedule (*certified true copy*);
- u) Contract Time Report/Statement of Time Elapsed (*original and duplicate copy*);
- v) Field Weather Chart/PAGASA Weather Report, if applicable (*certified true copy*);



- w) Accomplishment Report/Statement of Work Accomplished (*original and duplicate copy*);
  - x) Copy of compliance to materials testing requirements and results as certified by the DPWH or any government-accredited testing institution, if applicable (*original copy*);
  - y) Project accomplishment pictures showing before, during and after construction (*colored copy*);
  - z) Inspection Report (*original and duplicate copy*);
  - aa) Periodical Estimate (*original and duplicate copy*);
  - bb) Inspection and Acceptance Report (Acceptance of Works of Partially Completed Projects (*original and duplicate copy*);
  - cc) Certificate of Initial Acceptance (Acceptance of Works of Partially Completed Projects (*original and duplicate copy*);
  - dd) Payment Certificate (*original and duplicate copy*);
  - ee) Budget Utilization Request (*original and duplicate copy*); and
  - ff) Disbursement Voucher (*original and duplicate copy*).
4. The Head of the Implementing Unit shall submit his recommendations, together with the supporting documents, to the Director General for consideration.
  5. The Director General, acting upon the recommendation of the Head of the Implementing Unit, shall approve the progress payment after being satisfied that the same is accurate, justified, and in order.
  6. Any kind of payment, including advance and progress payments, must be made by CAAP as soon as possible, but in no case later than forty-five (45) days after the submission of an invoice or claim by the Contractor, accompanied by documents submitted pursuant to the contract, and upon fulfilment of other obligations stipulated in the contract.

## VI. CONDITIONS

1. The first progress payment may be paid by CAAP to the Contractor provided that at least twenty percent (20%) of the work had been accomplished as certified by the CAAP Project In-Charge.
2. Except as otherwise stipulated in the Instruction to Bidders/Bid Data Sheet of the published and issued Bidding Documents of the project, materials and equipment delivered on the site but not completely put in place shall not be included for payment.
3. No payment of interest for delayed payments and adjustments shall be made by CAAP.
4. Items of the Works for which a price of "0" (zero) or "-" (dash) has been entered in the financial proposal will not be paid for by CAAP and shall be deemed covered by other rates and prices in the Contract.

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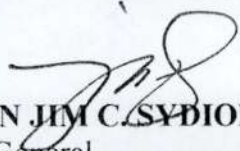
5. If the CAAP Project In-Charge or the Project Monitoring and Evaluation Team observed and noted defects and/or deficiencies in the ongoing implementation and corresponding notice has been issued and received by the Contractor or his duly authorized representative in the project site, CAAP must not process any progress payment unless the discovered defects and/or deficiencies are corrected by the Contractor within seven (7) calendar days after receipt of the notice of defects and deficiencies and to complete them within thirty (30) calendar days.
6. The value of Work executed shall:
  - a) Be determined by the CAAP Project In-Charge;
  - b) Comprise the value of the quantities of the items in the Bill of Quantities completed; and
  - c) Include the valuations of approved variations.
7. The CAAP Project In-Charge may exclude any item certified in a previous certificate or reduce the proportion of any item previously certified in any certificate in the light of later information.
8. The Service Chief of the Implementing Unit shall have the power to review, revise, the submission of the CAAP Project In-Charge.
9. Upon completion of the necessary documents, the Service Chief of the Implementing Unit shall submit or recommend the approval of such documents which require the signature of the Director General.

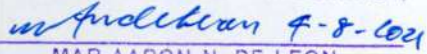
#### **VII. REPEALING CLAUSE**

All other Guidelines which are inconsistent with the provisions of this CAAP Memorandum Circular are hereby repealed, modified or amended accordingly.

#### **VIII. EFFECTIVITY CLAUSE**

This Circular shall take effect immediately.

  
**CAPTAIN JIM C. SYDIONGCO**  
Director General

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