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ORDINANCE NO. 2025-XXX

AN ORDINANCE ADOPTING AND LOCALIZING THE CONSTRUCTORS PERFORMANCE EVALUATION SYSTEM (CPES) IN THE CITY OF NAGA, DESIGNATING THE NAGA CITY PROJECT MONITORING COMMITTEE (PMC) AS THE IMPLEMENTING UNIT, PRESCRIBING GUIDELINES FOR ITS IMPLEMENTATION, AND APPROPRIATING FUNDS THEREFOR

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EXPLANATORY NOTE

The Implementing Rules and Regulations (IRR) of Republic Act No. 12009, otherwise known as the New Government Procurement Act, mandates all procuring entities to evaluate the performance of their contractors and subcontractors;

The CPES is a system of grading the performance of a constructor for a specific kind of project using a uniform set of criteria, aimed at ensuring that infrastructure projects conform to specified requirements and quality standards;

The City Government of Naga, through Ordinance No. 2025-061 (Naga City Bantay Proyekto Ordinance), has institutionalized the quality assurance of government infrastructure projects and mandated the rectification of defects;

To effectively implement the quality assurance mandate of Ordinance No. 2025-061, there is a need to adopt a standardized, objective, and quantitative evaluation tool that aligns with national standards and allows for the cross-referencing of contractor performance across government agencies;

The Naga City Project Monitoring Committee (PMC), reconstituted under Executive Order No. 2025-018, possesses the mandate and multi-sectoral composition necessary to oversee project monitoring and evaluation, making it the ideal body to serve as the CPES Implementing Unit;

NOW, THEREFORE, be it ordained by the Sangguniang Panlungsod of the City of Naga in session assembled, that:

SECTION 1. Title. – This Ordinance shall be known as the **"Naga City CPES Ordinance of 2025."**

SECTION 2. Declaration of Policy. – It is the policy of the City Government of Naga to ensure transparency, accountability, and efficiency in the procurement and implementation of infrastructure projects. The City herein adopts the Constructors Performance Evaluation System (CPES) formulated by the then National Economic Development Authority but extending its coverage to the Defects Liability and Warranty Periods of the project, thus its name of CPES +.

CPES+ seeks to: a) Establish a uniform set of criteria for rating the performance of constructors undertaking city government projects; b) Create a centralized database of contractor performance to guide the Bids and Awards Committee (BAC) in eligibility

screening, post-qualification, and awarding of contracts; c) Ensure that infrastructure projects delivered to the Nagauenos meet the highest standards of quality and timeliness.

SECTION 3. Definition of Terms. – For purposes of this Ordinance, the following terms shall be defined as:

a. **CIAP** – Construction Industry Authority of the Philippines. b) **Constructor** – Any person or entity licensed by the PCAB who undertakes construction projects for the City Government of Naga.
b. **CPES** – Constructors Performance Evaluation System; a grading system for the performance of a constructor using criteria approved by the NEDA Board Committee on Infrastructure (INFRACOM).
c. **CPE** – Constructors Performance Evaluator; an individual or group accredited by CIAP tasked to undertake performance evaluation.
d. **CPES-IU** – CPES Implementing Unit; the unit responsible for the implementation of CPES.
e. **Corrective Action Plan (CAP)** – A plan of action proposed by the constructor to correct non-conformance findings.
f. **EAO** – Engineering and Administrative Overhead; expenses authorized under the General Appropriations Act and relevant guidelines for project-related costs.
g. **PMC** – Naga City Project Monitoring Committee.

SECTION 4. Designation of the CPES Implementing Unit. – The **Naga City Project Monitoring Committee (PMC)** is hereby designated as the CPES Implementing Unit (CPES-IU) for the City Government of Naga.

SECTION 5. Composition and Functions of the CPES-IU. – The PMC, acting as the CPES-IU, shall exercise the following technical and administrative functions, utilizing its existing Secretariat and Technical Working Group (TWG):

a. **Administrative Functions (Secretariat):** a. Prepare a monthly list of all infrastructure projects issued a Notice to Proceed (NTP). b. Determine the frequency and tentative dates of evaluation visits (During Construction and Upon Completion) based on project duration and status (e.g., 30% completion trigger). c. Coordinate with the City Engineer's Office (CEO) and the Constructor regarding site visits. d. Maintain the CPES Databank and file all rating sheets and reports. e. Submit authenticated copies of the Constructor's Performance Summary Report to the CIAP and the City Mayor.

b. **Technical Functions (TWG/CPEs):** a. Conduct actual site evaluations using the CPES Checklist relevant to the project type (e.g., Horizontal, Vertical). b. Issue Corrective Action Requests (CARs) for non-conforming works. c. Evaluate the effectiveness of the Constructor's Corrective Action Plan (CAP). d. Assign the Final CPES Rating upon project completion.

SECTION 6. Composition of the CPE. – The evaluation team shall be composed of evaluators accredited by the CIAP. The City Government shall prioritize the accreditation of: a) Engineers and Architects from the City Engineer's Office (CEO) who are not directly involved in the supervision of the project being evaluated. b) Representatives from the **Philippine Institute of Civil Engineers (PICE) – Naga City Chapter**, **United Architects of the Philippines (UAP)**, and other professional organizations represented in the Naga City People's Council (NCPC).

SECTION 7. Conflict of Interest. – To ensure objectivity, no individual shall act as a CPE for a project in which they have direct supervision or a conflict of interest. In such cases, "Third Party Evaluators" from professional associations or other government agencies shall be tapped.

SECTION 8. Aspects of Evaluation. – Contractors shall be evaluated based on the NEDA-approved criteria:

a. **During Construction (60% for Horizontal / 70% for Vertical projects):**
   i. Workmanship (Maximum Rating: 0.40)
   ii. Materials (Maximum Rating: 0.30)
   iii. Time (Maximum Rating: 0.15)
   iv. Facilities (Maximum Rating: 0.03)
   v. Environmental, Safety and Health (ESH) (Maximum Rating: 0.07)
   vi. Resources Deployment (Maximum Rating: 0.05)

b. **Upon Completion (40% for Horizontal / 30% for Vertical projects):**
   i. 1. Workmanship (Maximum Rating: 0.50)
   ii. 2. Materials (Maximum Rating: 0.20)
   iii. 3. Time (Maximum Rating: 0.30)

SECTION 9. Frequency of Evaluation. – a) **During Construction:** A minimum of two (2) visits for projects with a duration exceeding ninety (90) calendar days. The first visit shall be conducted when the project is at least thirty percent (30%) physically complete. b) **Upon Completion:** One (1) final visit when the project reaches one hundred percent (100%) completion.

SECTION 10. Corrective Action Request (CAR). – a) If the CPE observes defects or non-compliance with plans and specifications, a CAR shall be issued immediately to the contractor. b) The contractor must submit a **Corrective Action Plan (CAP)** within two (2) working days, detailing the methods and timeline for rectification. c) No Certificate of Completion or Final Payment shall be issued until all CARs are settled and verified by the CPES-IU.

SECTION 11. Use of CPES Ratings. – The CPES Ratings shall be utilized by the Bids and Awards Committee (BAC) and the City Government for: a) **Eligibility Check:** A CPES rating of "Satisfactory" or higher in all ongoing and completed government projects shall be a requirement for post-qualification. b) **Blacklisting:** A constructor with a CPES rating of "Poor" or "Unsatisfactory" in any of his projects shall be subject to blacklisting proceedings in accordance with the GPPB Guidelines on Blacklisting of Manufacturers, Suppliers, Distributors, Contractors, and Consultants. c) **Incentives:** Constructors with a consistent "Outstanding" rating may be granted incentives or recognition by the City Government, such as citations during the City Charter Anniversary.

SECTION 12. Post-Qualification Requirement. – During the post-qualification stage of procurement, the BAC shall check the CPES ratings of the bidder's ongoing and completed projects. A bidder with a zero (0) rating for "Time" or a rating below "Satisfactory" may be post-disqualified.

SECTION 13. Defects Liability and Warranty Periods. – The CPES-IU shall inspect the project two month prior to the end of the Defects Liability Period and every year thereafter during the project's Warranty Period. Any defect discovered during these periods

shall be brought to the attention of the contractor for rectification. The city government may also undertake the repair of the affected sections if under the warranty period subject to reimbursement by the contractor as provided for under Republic Act No. 12009. In all instances however, rectification by the concerned contractor shall be the default option.

Failure to rectify the same shall bar the contractor and the engineers listed in its bidding documents from participating in any procurement project of the city government for both goods and civil works. In the event other procuring entities request for a CPES of the contractor, such defects and inaction shall be disclosed along with a failed score in the CPES+ rating.

The bar from participating in city government procurements shall be without prejudice to other legal remedies the city government may take.

SECTION 13. Appropriations. – Pursuant to NEDA Board Resolution No. 18 (s. 2002) and DBM-DA Joint Memorandum Circular No. 04, s. 2021, the funding for the implementation of the CPES shall be charged against the Engineering and Administrative Overhead (EAO) of the respective infrastructure projects.

The City Budget Office and City Accountant shall ensure that the allowable percentage for EAO, which shall not exceed 2% of project cost, includes specific allocation for CPES activities, including: 1. Honoraria for accredited CPEs (subject to DBM guidelines). 2. Transportation and logistical expenses for site visits. 3. Office supplies and equipment for the CPES-IU. 4. Training and accreditation fees for new CPEs.

SECTION 14. Capacity Building. – The City Government, through the Human Resource Management Office (HRMO) and the CPES-IU, shall facilitate the accreditation training of engineers and private sector representatives of the PMC by the CIAP-PDCB to ensure a sufficient pool of qualified evaluators.

SECTION 15. Implementing Rules and Regulations (IRR). – Within sixty (60) days from approval of this Ordinance, the CPES-IU shall be guided by the Implementing Guidelines for Infrastructure Projects approved in 2014 by the National Economic and Development Authority (now the Department of Economy, Planning, and Development (DEPDev) and any succeeding amendments thereto. In addition, the CPES-IU, in consultation with the City Engineer and City Legal Office, shall formulate additional guidelines to cover the evaluation of the project during its defects liability and warranty periods.

SECTION 16. Separability Clause. – If any provision of this Ordinance is declared invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be in full force and effect.

SECTION 17. Repealing Clause. – All ordinances, executive orders, and administrative regulations or parts thereof inconsistent with this Ordinance are hereby repealed or modified accordingly.

SECTION 18. Effectivity. – This Ordinance shall take effect ten (10) days after its publication in a newspaper of general circulation in Naga City and posting as required by law.