

**CVA Vulnerability Analysis Matrix
Procurement of Civil Works (Locally Funded)**

ACTIVITY	RESPONSIBLE UNIT/PERSON	OBJECTIVE	RISK FACTOR	LIKEHOOD OF OCCURRENCE	SIGNIFICANCE OF IMPACT	CONTROL ACTIVITY/ MECHANISM	ASSESSMENT OF CONTROL OR SAFEGUARD	AREA FOR IMPROVEMENT
1. Preparation of Project Procurement Management Plan (PPMP)	Implementing Office (IO), BAC-TWG	To define the scope of work, ABC, and implementation schedule; to determine if the pre-requisites for procurement in terms of funding, engineering, technical docs., and project site are met; also to determine the method of procurement.	Tendency to jack – up/bloat the unit price in the preparation of ABC	High, due to Political Intervention (DEOs) Absence of updated price index of construction materials and civil work items in some offices	High, it will result to overbudgeting/ overpricing	D.O. # 57 s. 2002 (Preparation of ABC) D.O. #152 s. 1997 (Guidelines on Price Monitoring on Construction Materials, Civil Work Items and Highway Maintenance Activities) DPWH Procurement Manual	Insufficient	Strict Implementation & monitoring of D.O. Nos. 57 s. 2002 & 152 s. 1997, and DPWH Procurement Manual Immediate implementation of AASHTO Trns*port Cost Estimation System (CES)
2. Pre-Procurement Conference	IO, BAC-TWG	To determine the completeness of documents and compliance to the provisions of R.A. 9184 prior to advertisement	None	-	-	RA 9184 & DPWH Procurement Manual	Sufficient	
3. Advertisement/ Posting	IO, Central/Regional/District BAC-TWG	To invite prospective bidders to apply for eligibility and to bid for the project.	Possibility of limiting the no. of prospective bidders	Low, due to non-compliance to DO requiring posting of ads for provincial projects in at least one local paper (ROs/DEOs)	Medium	Posting in the DPWH Website & G-EPS RA 9184, DPWH Procurement Manual, D.O. #210 s. 2004 (Guidelines in Advertisement/Posting of Locally Funded Civil Works	Insufficient	Strict implementation and monitoring of RA 9184, DPWH Procurement Manual, D.O. Nos. 210 & 241 s. 2004 Immediate implementation of AASHTO Trns*port

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						Contracts) & D.O. #241 s.2004 (Add'l. Requirement in the Procurement of Infra. Projects Costing P2M to P5M Pesos)		Letting and Award System (LAS)
4. Application for Eligibility / Expression of Interest	CO (PMO/Regional/District BAC)	To determine eligible/ interested bidders	Limiting the number of participating contractors (ROs/DEOs) Collusion/political interventions Transacting with unauthorized representatives Lending License (DEOs)	Medium	High, defies the purpose of competitive bidding	Requiring bidders to present orig. CRC; and LOI should be signed by authorized person as stated in their license and should be submitted only by authorized liaison officer; DPWH Procurement Manual	Insufficient	Strict implementation and monitoring of existing controls.
5. Eligibility evaluation, Including notification of eligible and ineligible bidders	BAC –TWG, IO	To qualify compliant bidders and inform eligible/ineligible bidders	Risk of abuse of discretion at the DEOs level (due to manual processing of the eligibility) Letter of eligibility/ineligibility not immediately sent to concerned bidders	Medium Low	High High	Computerized screening/processing of the eligibility applications of contractors, including notification of eligible/ineligible bidders by CO-BAC Suspension/ Blacklisting of contractors DPWH Procurement Manual	Insufficient, some offices still do the eligibility evaluation manually	Mandatory use of computerized Civil Works Registry (CWR) for all DPWH offices Strict implementation and monitoring of the DPWH Procurement Manual

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6. Issuance of bid documents	Concerned IO	To issue bid docs to duly eligible bidders	Risk that BAC will not strictly implement the 3 Strike Policy for the non-purchase of bid docs.	Low	Medium	3 Strike Policy; DPWH Procurement Manual	Insufficient, the 3 Strike Policy is not implemented at all	Strict Implementation of the 3 Strike Policy and the DPWH Procurement Manual
7. Site Inspection	Contractors / Bidders	To familiarize the bidders with the project site	None	-	-			
8. Pre-bid conference	IO, BAC-TWG, Eligible Bidders	To discuss technical & financial components of the contract to bid and to clarify issues regarding the proposed project	None	-	-	RA 9184 & DPWH Procurement Manual	Sufficient	
9. Submission / Opening of Bids	IO, BAC-TWG & Eligible Bidders	To receive/open bid documents at the time specified in the invitation	Accommodation of late submitted documents Granting of motion for postponement to submit bids even without reasonable grounds to favor bidder	Low	High	RA 9184 & DPWH Procurement Manual	Weak Implementation	Strict Implementation and monitoring of existing controls
10. Bid Evaluation	BAC - TWG	To determine the Lowest Calculated Bid (LCB)	Rig the bidding to award contract to the chosen contractor	High, due to political interventions; and collusion between BAC and chosen contractor	High, the quality of the project will suffer	RA 9184 & DPWH Procurement Manual	Insufficient	Strict implementation of the legal requirements; full implementation of government's internet based procurement system; amendment of Sec. 13.13 of IRR-A of 9184 "The absence of observers will nullify the

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								<i>BAC proceedings provided that they have been duly invited in writing"</i>
11. Post-qualification	IO (CO); BAC-TWG ROs/DOs)	To determine the Lowest Calculated and Responsive Bid (LCRB).	Abuse of discretion due to lack of actual inspection and verification (based only on submitted documents)	High, due to political interventions; and collusion between BAC and chosen contractor	High, the quality of the project will suffer	RA 9184 & DPWH Procurement Manual	Insufficient	<p>Actual inspection /verification should be made on the equipment units being pledged and verify the authenticity of the submitted docs. including financial aspects. Create a database (or include in the CWR) for the contractors' equipment to facilitate actual verification.</p> <p>Submit a narrative report together with all the proofs of authenticity of the submitted documents, in addition to the accomplished standard Post-Qualification Evaluation Report (Check List)</p> <p>Strict implementation and monitoring of the DPWH Procurement Manual</p>

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12. BAC Deliberation and Approval of Resolution of Award	BAC Members / USEC concerned / Regional Director / District Engineer	To determine and declare the LCRB and to recommend the approval of contract award by the head of procurement entity.	None	-	-	RA 9184 & DPWH Procurement Manual	Sufficient	
13. Contract Preparation and Approval	IO/ USEC concerned / Asst. Regional Director/ Asst. District Engineer	To have an approved contract	None	-	-	RA 9184 & DPWH Procurement Manual	Sufficient	
14. Issuance of Notice to Proceed	DPWH Secretary / Regional Director / District Engineer	To instruct the successful bidder to proceed with the contract implementation	None	-	-	RA 9184 & DPWH Procurement Manual	Sufficient	

**CVA Vulnerability Analysis Matrix
 Project Implementation**

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1. Study of Approved Plans	Division Chiefs Regional Director	To familiarize with the plans and specifications	Incompetent Field Engineers assigned to the project	High due to: Favoritism in assigning Field Engineers; Political Intervention; Lack of Experience	High, it can result to substandard project	Selection based on Accreditation of Field Engineers (D.O.#73, S.1998) Weekly Meetings Monitoring of projects by the Division Chiefs	Sufficient	Improvement of the existing Accreditation System through specialization based on field of expertise.
2. Coordination with Other Offices	Implementing Office Contractor Project Engineer	To inform the concerned authorities of the area about the project	Collusion of Contractors and LGUs	Low, due to direct coordination of Implementing Office and LGUs.	Medium, since it can impede the proper implementation of the project due to non-cooperation.	Department Order #79 all officials are informed prior to the start of the project	Insufficient	Introduce MOA on the scope of involvement of LGUs.

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3. Conducts of As-Staked	Implementing Office Contractor Project Engineer	To establish the limits of the project	Manipulation of survey data	High, due to absence of policy on submission deadlines	High, it can result to bigger quantities of works and the issuance of change order	Official communication requiring the contractor to conduct as-staked survey. Involvement of the Planning Division/Section in the conduct of joint survey to check the accuracy of the survey data.	Insufficient	Requirement of completion of joint As-staked survey and approval of plans by the contractor representatives, Project Engineer and Planning and Design Division/Section prior to start of construction activities.
4. PERT-CPM Preparation	Contractor Project Engineer Planning Division/ Section	To determine the actual duration of activities	Manipulation of schedule/ Accomplishment data	Medium, due to non-rigid review of schedule and actual location of activities on the project	High, it can result to longer days for each activity.	Schedule of Deployment of Resources Regular Meetings	Insufficient	Standardization of unit cost Require detailed computation on the actual output of resources and equate with the time of deployment. Use of Project Management Software
5. Construction Stage	Field Engineers Contractors	To implement the project according to plans and specifications	Non-conformance with plans and specifications Deployment of resources	High, due to: Assignment of Field Engineers exceeds the limit set by D.O.#73. No extra/standby equipment. Absence	High, it can result to substandard projects.	D.O.#73, S1998 Minimum Testing Requirements Regular meetings QAUs/CPEs Project	Sufficient	Re-orientation of Field Engineers Reiteration of D.O.#73, S1998 Values Formation of QAUs,

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				of Project Engineers in critical activities.		Assessment Sanctions for Field Engrs(Memo 1-29-99) Site Instructions Work Requests		CPEs and Field Engineers

**Corruption Vulnerability Assessment for Financial Management
 (Payment of Contractor's Advance Payments, Progress Billings & Final Payments)**

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<i>First Stage:</i> Preparation of Obligation Slip (OS) Signing of Box A of OS (SARO) Approval of OS (signing of Box B)	Budget Division	To certify the availability of funds	Intentional delay	Low or almost nil	High	Document Tracking System (DoTS), D.O. # 244 s. of 2004 NGAS, E-NGAS D.O. # 1 s. of 2003 (Processing of Disbursements)	Sufficient but not strictly implemented	Strict Implementation Follow-up by contractors and their representatives should be limited to the DoTS. No personal follow-up should be entertained.
			Collusion Political intervention	Low	High	Submission of proposed contract	Sufficient	

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Request for Billings	Contractor	to request release of 15% advance payment to claim payment of work accomplished (1 st progress & intermediate progress billings) to claim final payment of contract completion	giving advance payment prior to substantial mobilization of equipment by contractors' Non-authenticity of IL/C or surety bond/bank guarantee Tendency to bloat accomplishment in the SWA, Monthly Certificate of Payments & other related documents Accommodation in the processing of DVs with incomplete supporting documents	High (low probability of being detected on time)	High Could result to unrecouped advance payments when project is abandoned by the contractor or is terminated works not yet done are paid in advance, thus, could result to overpayment in cases of termination or audit. Could lead to suspensions/disallowances by COA	R.A. 9184 Existence of Inspectorate/Monitoring Teams, QAU, CPES, Audit Teams, etc. Memo dated 1-19-04, imposition of administrative sanctions on erring DPWH officials & employees involved in the processing of documents & implementation of projects	Policies, systems and procedures are in place but there is a need to strengthen implementation of & compliance with existing controls	Imposition of sanctions against erring Project Engineers, Consultants & Contractors Strict implementation of & compliance with Memo dated 11-19-04 & R.A. 6713 Strict compliance with existing laws, rules, & regulations & observance of the conditions of the contract Inspection must be mandatory on the Inspectorate Team
Review of billing summary & supporting documents Preparation of Disbursement Voucher (DV)	Consultants, if any	To verify accuracy of quantities billed & completeness of supporting documents For payment of the contractor/creditor	Collusion among the contractor, consultant & field engineers	High	High	Inspectorate Team	Weak implementation Selective implementation	Random checking by an independent NGO whose mission is to uphold the integrity in government's infrastructure projects, ie, . G-Watch

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Signing of Box A of the DV	Chief Accountant	To certify completeness & propriety of supporting documents; subject to ADA (where applicable)	Collusion Abuse of discretion	Low	High	NGAS E-NGAS	Make sure that the claims are supported by complete documentation before the same is approved	Avoid accommodation of request for payment when there is variance in the accomplishment (When the request corresponds to a percentage of work accomplished which is less than the actual percentage)
Approval of the DV (Box B)	Concerned official	To approve payment	Collusion Abuse of discretion	Low	High	D.O. # 42 s. of 1998 (Omnibus delegated authorities & its amendments)	Make sure that the claims are supported by complete documentation before the same is approved	Avoid accommodation of request for payment when there is variance in accomplishments (Avoid pakikisama)
Inclusion of approved DV in the List of Due & Demandable Accounts Payable (LDDAP)	Accounting Division	To request DBM to fund the obligation.	Collusion Tendency to include in the LDDAP DVs which are not yet approved	Low to Medium	High (inclusion of creditors in the LDDAP without approved DVs could result to overpayment or double payments)	DBM CL 2005-2: Memo dated May 10, 2006 regarding Guidelines in the Preparation of LDDAP	Insufficient	There should be sufficient controls on the part of DBM.
Approval & release of Advice of Notice of Cash Allocation (ANCA) to cover LDDAP	DBM	To fund the obligation.	Collusion	Low	High (Collusion will result to overpayment)	Current cash release program DBM CL 2005-2	Insufficient	More controls on the part of DBM

