

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 336

ESTABLISHING LABOR-BASED UNITS IN THE INFRASTRUCTURE  
AGENCIES OF THE GOVERNMENT AND FOR OTHER PURPOSES

WHEREAS, it is the policy of the government to adopt labor-based methods in infrastructure projects to alleviate unemployment and underemployment, promote self-reliance, and conserve foreign exchange through reduced importation of construction equipment and fuel;

WHEREAS, to effectively and efficiently undertake infrastructure projects on a nationwide scale using labor-based methods, there is a need to improve existing systems and procedures and strengthen the institutional capabilities of government infrastructure agencies;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Establishment of Labor-Based  
Units (LBUs)

The Department of Public Works and Highways (DPWH), the Department of Local Government (DLG), the Department of Transportation and Communications (DOTC), and the National Irrigation Administration (NIA) are hereby directed to establish, within six (6) months from the date of this Order, labor-based units (LBUs) in their respective agencies.

1.1 Structure and Composition

- 1.1.1 The LBUs shall be established at the policy (central) and operational (regional/field) levels to be manned by experienced staff trained in labor-based methods.
- 1.1.2 The head of the LBUs at both policy and operational levels shall be at least a third ranking career official of the agency. He shall be assisted by a competent staff of well-trained, experienced personnel.

- 1.1.3 The sizes of the LBUs at the different levels shall be determined by the respective department/agency heads within thirty (30) days, and the LBUs shall be installed, manned and made fully operational after six (6) months from the date of this Order.
- 1.1.4 The establishment of the LBUs should not result in an increase in personnel services or in the maintenance expenses of the concerned agencies. The personnel to be assigned in the LBUs shall be drawn from the existing units of the agency, through a system of screening, selection and training which shall be immediately instituted for this purpose.
- 1.1.5 The DPWH, the DLG, the DOTC, and the NIA, in coordination with the Department of Budget and Management (DBM), shall make the necessary realignment of their operating budgets, if needed, to formalize the establishment of the LBUs.

## SECTION 2. Agency Programs

- 2.1 The DPWH, the DLG, the DOTC, and the NIA shall include in their annual programs, starting CY 1989, provisions for the nationwide use of labor-based methods, particularly small, rural-based projects, and shall allocate specific sums for these projects. Thereafter, the use of labor-based methods on a nationwide scale shall be a regular component of agency annual programs.

- 2.2 For 1988, the DPWH, the DLG through the concerned Local Government Units (LGUs), the DOTC, and the NIA shall identify suitable labor-based methods of construction or maintenance.
- 2.3 The heads of the DPWH, the DLG, the DOTC, and the NIA, shall, jointly or individually as may be warranted, issue the appropriate guidelines for the programming of labor-based projects.

SECTION 3. Encouragement of the Private Sector

- 3.1 The DPWH, the DLG, the DOTC, and the NIA, coordinated by the National Economic and Development Authority (NEDA), shall undertake a review of existing systems and procedures for licensing, bidding, bid evaluation, contract award and related aspects to determine their applicability to labor-based methods, and to formulate improved and/or new systems and procedures with a view to providing sufficient incentives to small contractors to more actively participate in the labor-based programs of the government.
- 3.2 Within six (6) months after the establishment of the LBUs, the DPWH, the DLG through the concerned LGUs, the DOTC, and the NIA shall start the implementation by contract of at least one (1) project in each of the regions covered under their respective programs, using labor-based methods to demonstrate the feasibility and profitability of undertaking labor-based projects through contract.
- 3.3 The DPWH, the DLG, the DOTC, and the NIA shall assist small contractors in organizing labor-based operations and in the training of their personnel.

SECTION 4. Assistance from Other Agencies

The following agencies are hereby directed to provide needed support to ensure the successful implementation of this Order:



- 4.1 The DBM shall facilitate the release of funds intended for labor-based projects and/or programs within the approved agency allocations.
- 4.2 The NEDA, as well as the Regional Development Councils, shall assist in the monitoring and promotion of labor-based programs and projects nationwide.
- 4.3 The Department of Labor and Employment shall assist in the recruitment and training of laborers for employment in labor-based projects.
- 4.4 All other agencies and instrumentalities of the government shall provide the necessary support and assistance that may be required of them in the implementation of this Order.

SECTION 5. Repealing Clause

All orders, rules and regulations inconsistent herewith are hereby repealed and/or modified accordingly.

SECTION 6. Effectivity

This Executive Order shall take effect immediately.

DONE in the City of Manila, this 13th day of September in the year of Our Lord, nineteen hundred and eighty-eight.



By the President:



CATALINO MACARAIG, JR.  
Executive Secretary