

Guidebook for **R&D PROCUREMENT**



Illustration from: <http://buyer.sellerinsights.com/files/2010/10/new-role-procurement.jpg>



OFFICE OF THE VICE-PRESIDENT FOR ACADEMIC AFFAIRS
University of the Philippines System

Foreword



A Guidebook for Research and Development (R&D) Procurement was developed in June 2015 as an orientation manual for research project proponents on the terms and reference of the Procurement Process as mandated by the Implementing Rules and Regulations of the Republic Act 9184 also known as Government Procurement Reform Act. The Guidebook also serves as a technical assistance provision on the preparation of cost estimates for equipment, analytic services and consumable items, to the inclusion of other surcharges. The significance of understanding the proper budget preparation, the technical specifications of the items to be procured, as well as the process of procurement is envisioned to keep in track the project implementation timeframe by the institution.



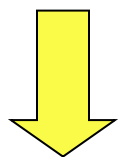
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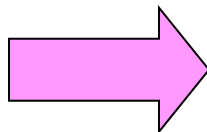
The Budget Preparation Diagram

Start

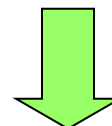
Writing of the Line-Item Budget with the cost of equipment, technical specifications and surcharges (i.e., freight cost, maintenance fee, etc.)



Security on the availability of suppliers (i.e., if the supplier is a locally-based or a foreign supplier)



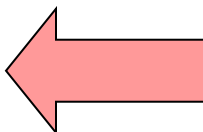
Depending on the cost of the equipment, mode of procurement should be determined



Determination of the mode of procurement and the requirements checklist for each



Preparation of the Project Procurement Management Plan (PPMP) by the procuring entity



PPMP to be included in the budget planning and making of the Annual Procurement Plan by the agency's Supply and Property Management Office

End



Frequently Asked Questions

1. What is the government rule on budget preparation and procurement process?

Since research proponents have sought for a research project funding from the University of the Philippines System which by its nature is a public fund, they will automatically be under the scrutiny of government accountability, hence the necessity of abiding by the rules and procedures for a rightful utilization of the fund as provided by the Republic Act 9184 also known as the Government Procurement Reform Act of 2002.

Refer to the Revised Implementing Rules and Regulations (IRR) of the Republic Act 9184 through the link: www.gppb.gov.ph/laws/laws/RevisedIRR.RA9184.pdf

2. Why is line-item budget important in a project proposal?

In a research project, a Line- item budget serves a significant role in its implementation because it determines how much budget is needed by the research proponent/grantee to execute a particular project on a definite timeframe. Also, it serves an integral part for the institution (in this case, the University of the Philippines) to incorporate the budgetary requirements from its research proponents/entities on its budget planning and making of its Annual Procurement Plan (APP) as required by the Department of Budget and Management (BDM) by the national government.

Refer to Section 7: Procurement Planning and Budgeting Linkage, Rule II of the Revised IRR of RA 9184

3. How can RA9184 be applied on the budget preparation of the project proposal?

The Republic Act 9184 contains all the procedures that will govern the utilization of the fund granted to the proponents, in view of this fact, any procurement that will be done in accordance to the implementation requirements of the whole project will undergo a competitive public bidding or other mode of procurement as what the project necessitates. In view thereof, all documentary requirements provided by the funding institution (in this case, the University of the Philippines) should be complied by the research proponents.

Refer to Section 3: Governing Principles on Government Procurement, Rule I of the Revised IRR of RA 9184



The Proposed Project Budget

THINGS TO CONSIDER IN BUDGET PREPARATION

1. Components of a line-item budget on equipment:

Please note that the budget for equipment/consumables includes the following:

a) cost of equipment

The cost of equipment is the item's purchase price, or historical cost, plus other initial costs related to acquisition and asset use.¹

b) freight rate and taxes

Price charges by transportation carrier for moving a n item or commodity from point A to point B. Actual amount charged varies based on weight of object being moved, type of commodity being moved, and distance traveled.²

b.1.) For imported goods, the Bureau of Customs, Department of Finance (DOF) provides a functional online tax computation in order to determine the cost upon transfer of the equipment from its point of origin to the country. Please visit the website: **www.customs.gov.ph**

The online portal for the Tax Computation will be shown in the next page.

¹ Source: <https://www.boundless.com/accounting/textbooks/boundless-accounting-textbook/controlling-and-reporting-of-real-assets-property-plant-equipment-and-natural-resources-6/components-of-asset-cost-42/cost-of-equipment-235-6408/>

² Source: <http://www.businessdictionary.com/definition/freight-rate.html>

THE TAX COMPUTATION PORTAL³

customs.gov.ph/tax-computation/

**DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS**

Home About Services Issuances References Announcements News and Events FAQs Careers Contact Us

QUICK LINKS

- AMO's Corner
- Philippine Tariff Finder
- Customs Declaration Form
- Reports of Import Entries
 - Guide to Understanding the Published Monthly Import Data and 3-Month Average Import Valuation
- List of Active Importers And Brokers
- Court Rulings For Rice Importation
- Customs Dashboard
- Plans and directions of the BOC, 2014-2015

Tax Computation

- Tax Calculator

Fundamentals of Computation of Duties and Taxes for Imported Goods

A. Basic Formula

Total Duties and Taxes =	Customs Duty
	+ VAT
	+ IPF
	+ Excise Tax (if applicable)

B. How to Arrive at Customs Duty

Customs Duty =	Customs Value (Dutiable Value)
	x Foreign Exchange Rate
	x Rate of Duty

CONTACT US

(02) 705-6052, 705-6067

For Your Customs Concern
helpdesk2@customs.gov.ph

SEARCH

TRANSPARENCY SEAL

EXCHANGE RATES

Effective: 2015 May 30 to 2015 June 05

CURRENCY	PHIL. PESO
USD	PHP 44.6500
JPY	PHP 0.3601
GBP	PHP 68.3636
HKD	PHP 5.7588
CAD	PHP 35.9038

b.2.) tax exemption

The default option will always be local suppliers and in cases wherein two-failed biddings occurred and the act necessitates for a direct contracting as mandated by **Section 50, Rule XVI of the Revised IRR of RA9184**, the University of the Philippines (UP) will facilitate the request for Certificate of Tax Exemption with the DOF.

c) delivery charge

A fee paid by the customer for the delivery of a purchased product, collected by the parcel service, the company, or both.⁴

³ Source: <http://customs.gov.ph/tax-computation/>

⁴ Source: <http://www.businessdictionary.com/definition/delivery-charge.html>

d) maintenance cost

The costs incurred to keep an item in good condition and/or good working order. When purchasing an item that requires upkeep, consumers should consider not just the initial price tag, but also the item's ongoing maintenance expenses.⁵

e) brokerage fee / commission

A fee charged by an agent, or agent's company to facilitate transactions between buyers and sellers. The brokerage fee is charged for services such as negotiations, sales, purchases, delivery or advice on the transaction.⁶

f) storage charge

Commerce: Amount charged to store goods in transit at the point of origin, destination and ports of entry during the transport. Storage charges are also assessed by companies who are in the business of renting storage space.⁷

g) customs duties

Tariffs or taxes payable on merchandise imported or exported from one country to another.⁸

Note:

The Bureau of Customs (Department of Finance) provides an online portal named as **Philippine Tariff Finder (PTF)** (website:<http://www.tariffcommission.gov.ph>) that houses all eight existing tariff schedules of the Philippines. The PTF aims to provide quicker access to crucial information resource necessary for Philippines businesses to prosper in a flat, highly competitive world. (Source: www.customs.gov.ph)

⁵ Source: <http://www.investopedia.com/terms/m/maintenance-expenses.asp>

⁶ Source: <http://www.investopedia.com/terms/b/brokerage-fee.asp>

⁷ Source: <http://www.businessdictionary.com/definition/storage-charge.html>

⁸ Source: <http://legal-dictionary.thefreedictionary.com/Customs+Duties>

The Philippine Tariff Finder portal⁹

Welcome to the Philippine Tariff Finder.

This facility is intended to help you search for Philippine tariff rates on products of your interest. All eight (8) Philippine tariff schedules can be accessed through this facility, namely:

1. Most Favoured Nation (MFN)
2. ASEAN-Australia-New Zealand Free Trade Area (AANZFTA)
3. ASEAN-China Free Trade Area (ACFTA)
4. ASEAN-India Free Trade Area (AIFTA)
5. ASEAN-Japan Comprehensive Economic Partnership Agreement (AJCEPA)
6. ASEAN-Korea Free Trade Area (AKFTA)
7. ASEAN Trade in Goods Agreement (ATIGA)
8. Philippines-Japan Economic Partnership Agreement (PJEPA)

To make the best use of this facility, please click on the **How To's** tab for more information.

Tariff Schedule:

Please select a Tariff Schedule ▼

Enter an **AHTN Code** or **one or more keywords** that describe your product.
[Show me how](#)

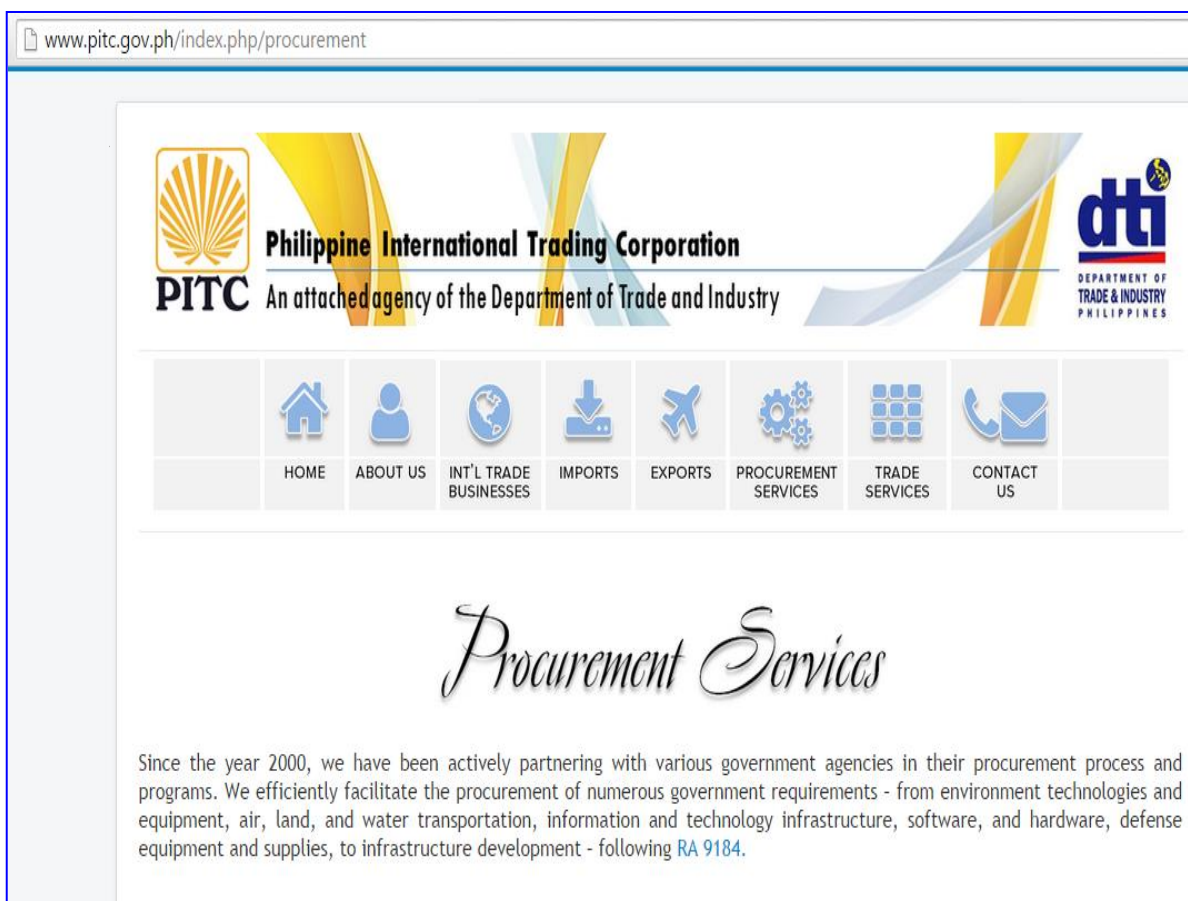
Search

How to search using your AHTN Code or Keywords

Type in at least the first 4 digits of an AHTN Code with no spaces between the digits. If you do not know the AHTN Code, you can enter a description of your product. The TCCP AHTN 2012 tab can help you find valid AHTN codes and keywords

⁹ Source: <http://finder.tariffcommission.gov.ph/>

h) PITC fee (only if equipment will be procured through the PITC)¹⁰



i) bank fees

A bank charge can result from the account holder not maintaining a minimum balance, for overdrafts, or from any of a wide variety of other banking activities and actions. Also called bank fee.¹¹

j) exchange-rate fluctuations

According to **Section 61.4, Rule XIX of the Revised IRR of RA 9184**, should the procuring entity receive bids denominated in foreign currency, the same shall be converted to Philippine currency based on the exchange rate prevailing on the day of the bid opening for purposes of bid comparison and evaluation.

¹⁰ Source: <http://www.pitc.gov.ph/>

¹¹ Source: <http://www.businessdictionary.com/definition/bank-charge.html>

What is inside the PITC Procurement page?¹²

www.pitc.gov.ph/index.php/bidannouncement

Bid Announcement

Opportunities | **Award Notices**

Region: Procurement Mode:
Classification: Business Category:
Keyword:

<Previous> Page 1 of 1 <Next> Showing 1 to 16 of 16 Record(s)

	Publish	Closing	Title	Associated Component
1	31/05/2015	25/06/2015 12:00 PM	BID REF. NO. GAG-B1-2015-081-SUPPLY, DELIVERY, INSTALLATION, TESTING & COMMISSIONING OF 1 LOT VARIOUS BRAND NEW EQPT FOR THE PRODUCTION OF SLATS, FUR. & BUILDERS WOODWORK FOR THE SHARED SERVICES FACIL , Industrial Machinery and Equipment, PHILIPPINE INTERNATIONAL TRADING CORPORATION	Order
2	26/05/2015	03/06/2015 15:00 PM	Supply and Delivery of One (1) Lot Various Office Equipment for the Information and Communications Technology Office , Office Equipment, PHILIPPINE INTERNATIONAL TRADING CORPORATION	Order
3	26/05/2015	03/06/2015 15:00 PM	Supply and Delivery of One (1) Lot Various Communication Equipment for the Information and Communications Technology Office , Communication Equipment, PHILIPPINE INTERNATIONAL TRADING CORPORATION	Order
4	22/05/2015	16/06/2015 08:00 AM	SUPPLY AND DELIVERY OF BRAND NEW AUTOMOTIVE BATTERIES FOR THE PHILIPPINE ARMY (MAG-B1-2015-084) - Rebid , Ordnance Products, PHILIPPINE INTERNATIONAL TRADING CORPORATION	Order
5	19/05/2015	09/06/2015 13:00 PM	SUPPLY AND DELIVERY OF 2,782 PIECES BRAND NEW BAR, MOSQUITO, POLYESTER, WARP KNIT, OD, TYPE B WITHOUT OVERLAPPING JOINT FOR THE PHILIPPINE ARMY (MAG-B1-2015-080) 2nd Rebid , Quartermaster Items, PHILIPPINE INTERNATIONAL TRADING CORPORATION	Order
		09/06/2015	SUPPLY AND DELIVERY OF 60 PIECES BRAND NEW TIRES, (MM50) 36V12 5.0 16 SLT FOR THE PHILIPPINE NAVY	

Powered By PhilGEPS

Reminder:

Procuring entities should maximize the use of government portals/websites such as the PTF and PITC, which contains a listing of potential suppliers and manufacturers, so as to keep track of the procurement timeline and to facilitate an easier determination of the equipment's availability in the market.

¹² Source: <http://www.pitc.gov.ph/index.php/bidannouncement>

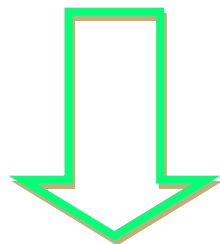


The Project Procurement Management Plan

I. DEFINITION AND SIGNIFICANCE

Project Procurement Management Plan (PPMP) refers to the procurement plan of a specific program/project/activity (PAP) of the agency¹³ of which the procuring entity (the research proponents) should be preparing along with the project's Line-item budget.

The significance of which is for the agency to include the procurement of equipment for research and development in the Annual Procurement Plan (APP) and will have an allocation in the budget plan.



Annual Procurement Plan (APP) refers to the requisite document that the agency must prepare to reflect the necessary information on the entire procurement activities (i.e., goods, services, civil works to be procured) that it plans to undertake within the calendar year, as follows:

- a) Name of the procurement program/project;
- b) Project management office or end-user unit;
- c) General description of the procurement;
- d) Procurement method to be adopted;
- e) Time schedule for each procurement activity;
- f) Source of fund; and,
- g) Approved budget for the contract.¹⁴

¹³ Source: <http://www.dbm.gov.ph/wp-content/uploads/Issuances/2010/Circular%20Letter/CL2010-9/cl2010-9.pdf>

¹⁴ Source: <http://www.dbm.gov.ph/wp-content/uploads/Issuances/2010/Circular%20Letter/CL2010-9/cl2010-9.pdf>

II. INCLUSION IN THE PPMP

The end-user units of the procuring entity shall prepare their respective PPMP for their different programs, activities, and projects (PAPs). The PPMP shall include:

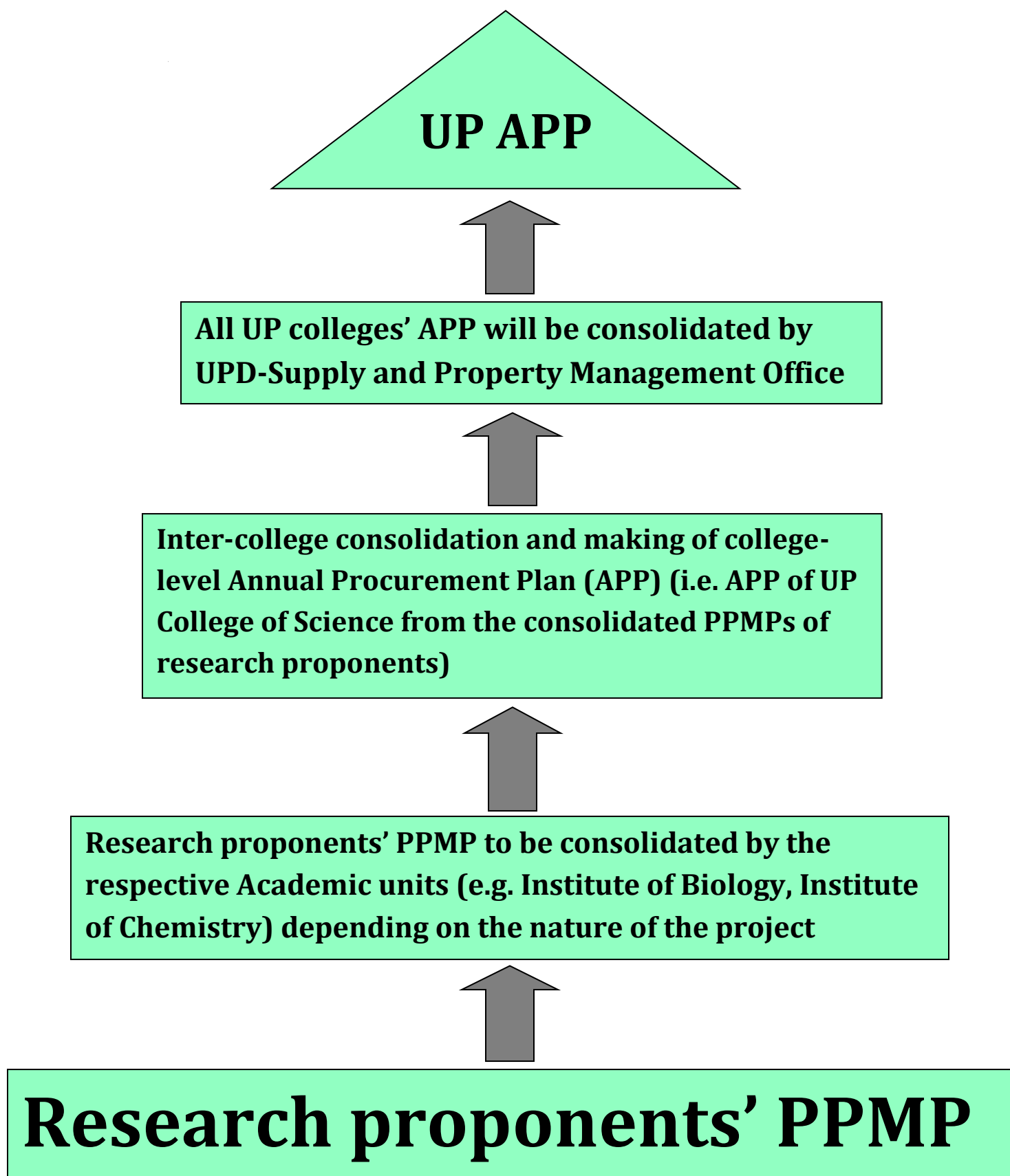
- a) Information on whether PAPs will be contracted out, implemented by administration in accordance with
 - b) The guidelines issued by the GPPB, or consigned;
 - c) The type and objective of contract to be employed;
 - d) The extent/size of contract scopes/packages;
 - e) The procurement methods to be adopted, and indicating if the procurement tasks are to be outsourced;
 - f) The time schedule for each procurement activity and for the contract implementation; and
 - g) The estimated budget for the general components of the contract.
- (Paragraph 7.3.2, Section 7, Rule II of the IRR of RA 9184)**

Reminder:

The submission by the procuring entity of PPMP along with its inclusions stated above is a mandatory for it will be part of the Annual Procurement Plan (APP) of the institution. Failure of compliance nor late submission would mean a delay in the budget planning and procurement process and will affect the implementation period of the project in general.

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IV. THE INTERCONNECTION BETWEEN RESEARCH PROPONENTS' PPMP AND THE UP APP



V.1. WRITING THE TECHNICAL SPECIFICATIONS FORM

As a significant part of the procurement process and integral to the making of PPMP by the proponents, technical specifications form should be written with the following considerations:

a) **FUNCTION.** The equipment/s that will be included in the making of the Line-item budget should be related and will be useful in the conduct of the project implementation in order to avoid disallowance in terms of its allocation. It is important that a separate sheet or annex in the project proposal will be entailed for the description of function of the equipment/items in connection to the implementation of the project.

b) **DESCRIPTION.** As part of the project's implementation process, writing of the specifications of the equipment to be purchased should be written in detail. For example, the quantity of the equipment/s, color, size, thickness and unit of measurements should be provided, and as what are being required in the project.

c) **AVAILABILITY OF SUPPLIERS / MANUFACTURERS.** The research proponents should secure the availability of suppliers / manufacturers of the equipment/s that are intended to be purchased for the project. There are separate requirements being provided for by RA9184 if the supplier / manufacturer is a local or foreign corporation. ***Refer to Section 23 – Eligibility Requirements for the Procurement of Goods and Infrastructure Projects, Rule VIII of the Revised IRR of RA 9184.*** In addition, for some proponents who does not have an idea on the availability of supplier in the market, a listing of registered suppliers / manufacturers can be found in the website of the ***Philippine International Trading Corporation (PITC)*** as illustrated on the 9th page of this guidebook.

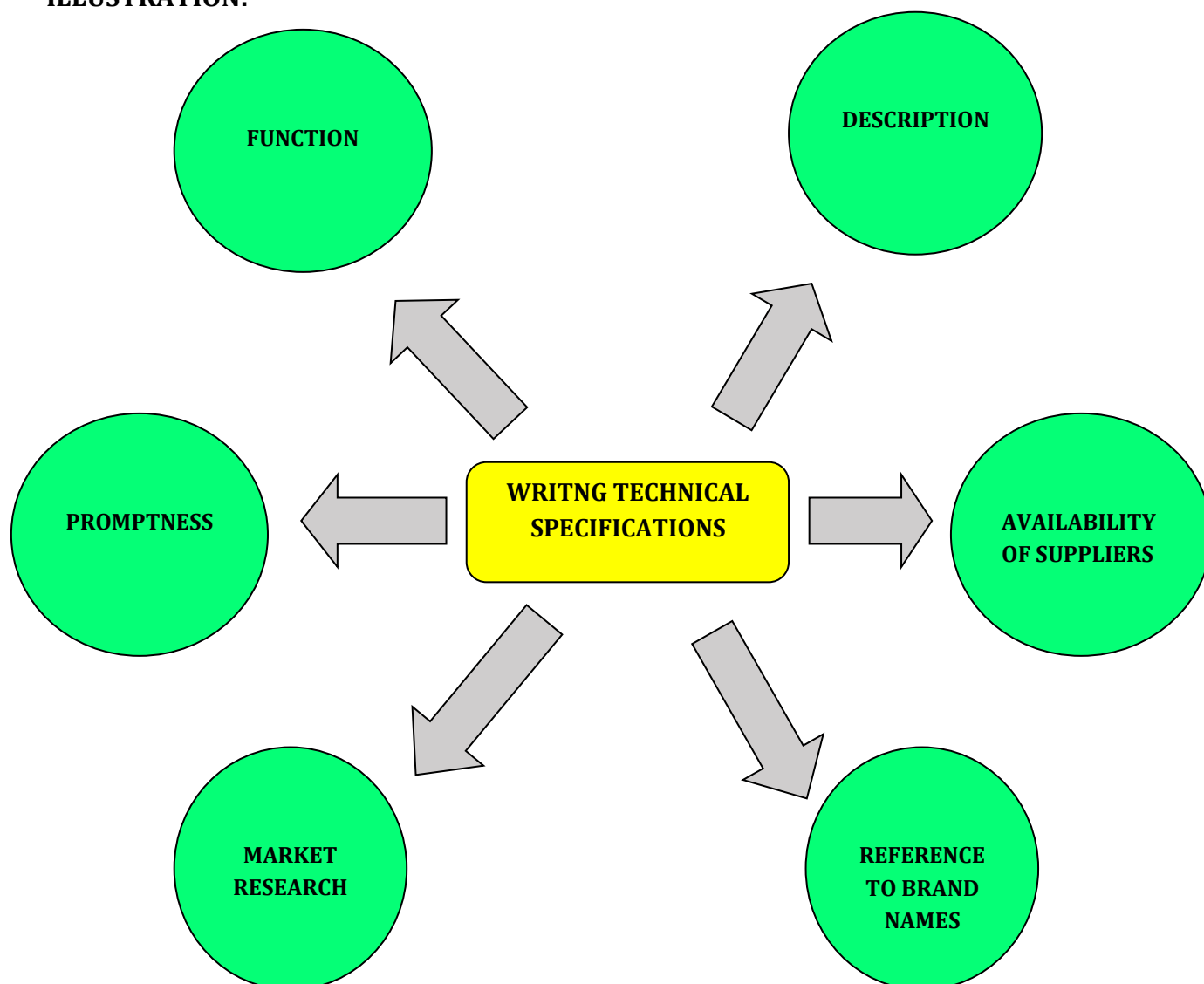
Reminder:

If foreign supplier/s are needed for the procurement, the research proponents should ensure that the foreign supplier/s should be registered under the **Philippine Government Electronic Procurement System (PhilGEPS)**, otherwise it could not participate in the bidding process nor direct contracting as a mode of procurement.

d) **REFERENCE TO BRAND NAMES.** **Section 18, Rule VI of the Revised IRR of RA9184** states that specifications for the procurement of goods shall be based on relevant characteristics and/or performance requirements, thus, reference to brand names shall not be allowed. This provision will further allow for a more competitive bidding from suppliers / manufacturers of the item/s to be purchased.

e) **MARKET RESEARCH and PROMPTNESS.** Writing of technical specifications should be based on a well-thought market research for a more tangible reference on the writing of the function and/or description of the equipment to be purchased. The use of internet and reading of current materials are convenient instruments in determining a detailed technical specifications. Also, while taking into account all of the abovementioned factors to be considered, time is of the essence from the preparation until the finalization of technical specifications in order to avoid the consequences of delays.

ILLUSTRATION:



VI. ATTACHMENT TO PPMP: PURCHASE REQUEST FORM

After the completion of the forms on technical specifications, and after the bidding process (*Refer to page 20 for the Procurement Process*), the procuring entity should accomplish the purchase order form that will reflect the transaction between the procuring entity and the winning bidder for the equipment.

sample form:

PURCHASE ORDER				
UNIVERSITY OF THE PHILIPPINES DILIMAN				
Supplier : <u>Compucare Center</u>		PO No. : <u>UPD-13-02-0000</u> Date : <u>(date created)</u>		
Address : <u>Suite 204 Quadstar Bldg., 80 Ortigas Ave.</u> <u>Greenhills, San Juan, Metro Manila</u>		PR No. : <u>00159-13</u> Date : <u>(date created)</u>		
E-Mail Address : _____		Mode of Procurement : <u>Negotiated Procurement - Small Value Procurement</u>		
Telephone No. : _____				
Gentlemen: Please furnish this office the following articles subject to the terms and conditions contained herein:				
Place of Delivery : <u>College of Engineering - TCAGP</u>		Delivery Terms : <u>within thirty (30) calendar days upon receipt of Purchase Order</u>		
Date of Delivery : _____		Payment Terms : _____		
QTY	UNIT	DESCRIPTION	UNIT COST	AMOUNT
1	unit	Rotary Evaporator • STUART Rotary Evaporator, Vertical Coil • Model: RE301 • Origin: UK Accessories Include: • Digital Water Bath Model: RE300DB • ATTACHED CONDITIONS/SPECIFICATIONS SET IN THE QUOTATION ARE PART OF THIS ORDER • NEGOTIATED PROCUREMENT - SMALL VALUE PROCUREMENT • WITH CHANCELLOR APPROVAL BASED ON BAC RESOLUTION • LOWEST COMPLYING OFFER TERMS AND CONDITIONS • Delivery: within fifteen (15) days upon receipt of Purchase Order • Warranty: One (1) year on parts and service (under normal usage) XXXXXXXXXXXXXXXXXXXXXXXXXXXX	2,523.00	250,000.00 1.02 2.16 1.00 2,365.00
			TOTAL	Php252,369.18
(Total amount in words)				
In case of failure to make the full delivery within the time specified above, a penalty of one-tenth (1/10) of one percent (1%) for every day of delay shall be imposed.				
Very truly yours,				
<u>DAN A. SAGUIL</u> Acting Director, SPMO				
Conforme: _____				
Signature over printed Name of Supplier		Date		
Funds Available: _____		Allotment : <u>416 9626400-499</u>		
		Amount : <u>(amount in PR)</u>		
Standard Form Number: SF-GOOD-58 Revised on: May 24, 2004				

sample form:

[illegible]



The Government Procurement Policy Board

I. FUNCTIONS

The Government Procurement Policy Board (GPPB), as established in Section 63 of the Act, shall have the following duties and responsibilities:

- a) To protect national interest in all matters affecting public procurement, having due regard to the country's regional and international obligations;
 - b) To formulate and amend public procurement policies, rules and regulations, and amend, whenever necessary, this IRR;
 - c) To prepare a generic procurement manual and the standard bidding forms for procurement;
 - d) To ensure the proper implementation by Procuring Entities of the Act, this IRR and all other relevant rules and regulations pertaining to public procurement;
 - e) To establish a sustainable training program to develop the capacity of Government procurement officers and employees, and to ensure the conduct of regular procurement training programs by and for Procuring Entities; and
 - f) To conduct an annual review of the effectiveness of the Act and recommend any amendments thereto, as may be necessary.
 - g) The GPPB shall be under the administrative supervision of the DBM for general oversight and for budgeting purposes.
- (Section 63, Rule XX of the IRR of RA 9184)**

Reminder:

The GPPB is the authorized over-all administering body on the procurement process which means that all the provisions and procedures stated as the content of this guidebook should be in complete adherence so as to avoid legal liability nor sanctions from not following the rules of procurement.

II. The GPPB PROCUREMENT TIMELINE¹⁵

www.gppb.gov.ph/timelines/Goods/goods.html

gppb **GOVERNMENT PROCUREMENT POLICY BOARD**
ENCOURAGE AND FOSTER THE IDEAL OF SERVICE

Home Infrastructure Projects Consulting Services

Procurement Timelines - Goods

BETA VERSION 1.0

Select date to begin with:

Procurement Stage	Start Date	End Date	Add days
Advertisement :			
Pre-bid Conference : Conduct? ☒ Yes ☐ No			Update
Submission of Bids :			Update
Bid Evaluation :			Update
Post-qualification :			Update
Issuance of Notice of Award :			Update
Contract Preparation and Signing :			Update
Approval by Higher Authority : Necessary? ☒ Yes ☐ No			Update
Issuance of Notice to Proceed :			Update

¹⁵ Source: <http://www.gppb.gov.ph/timelines/Goods/goods.html>



The Procurement Process as mandated by IRR of RA9184

(Government Procurement Reform Act)

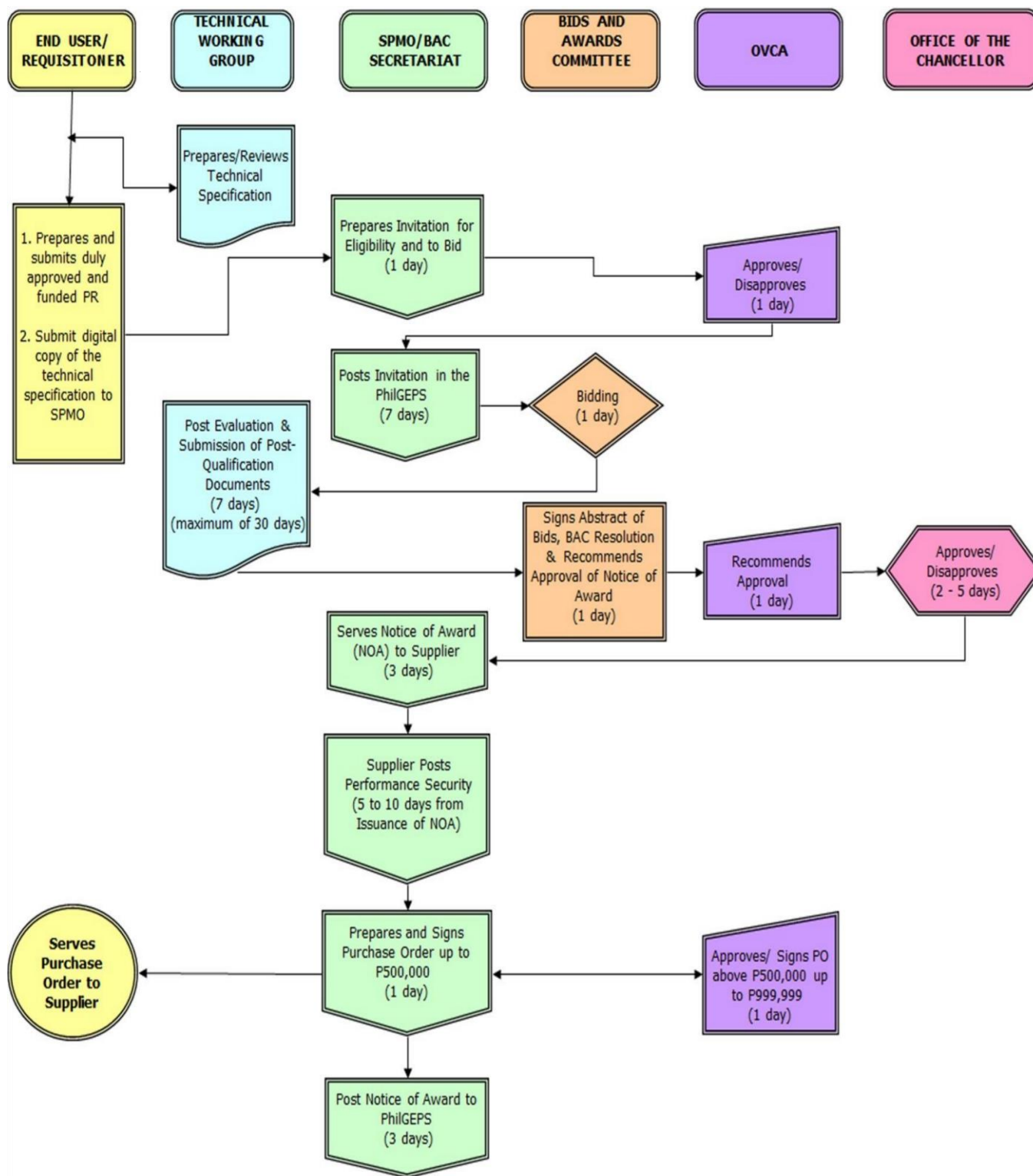
I. DEFINITION

Procurement. Refers to the acquisition of goods, consulting services, and the contracting for infrastructure projects by the procuring entity. In case of projects involving mixed procurements, the nature of the procurement, i.e., goods, infrastructure projects, or consulting services, shall be determined based on the primary purpose of the contract. **(Section 5, Rule I of the IRR of RA 9184)**

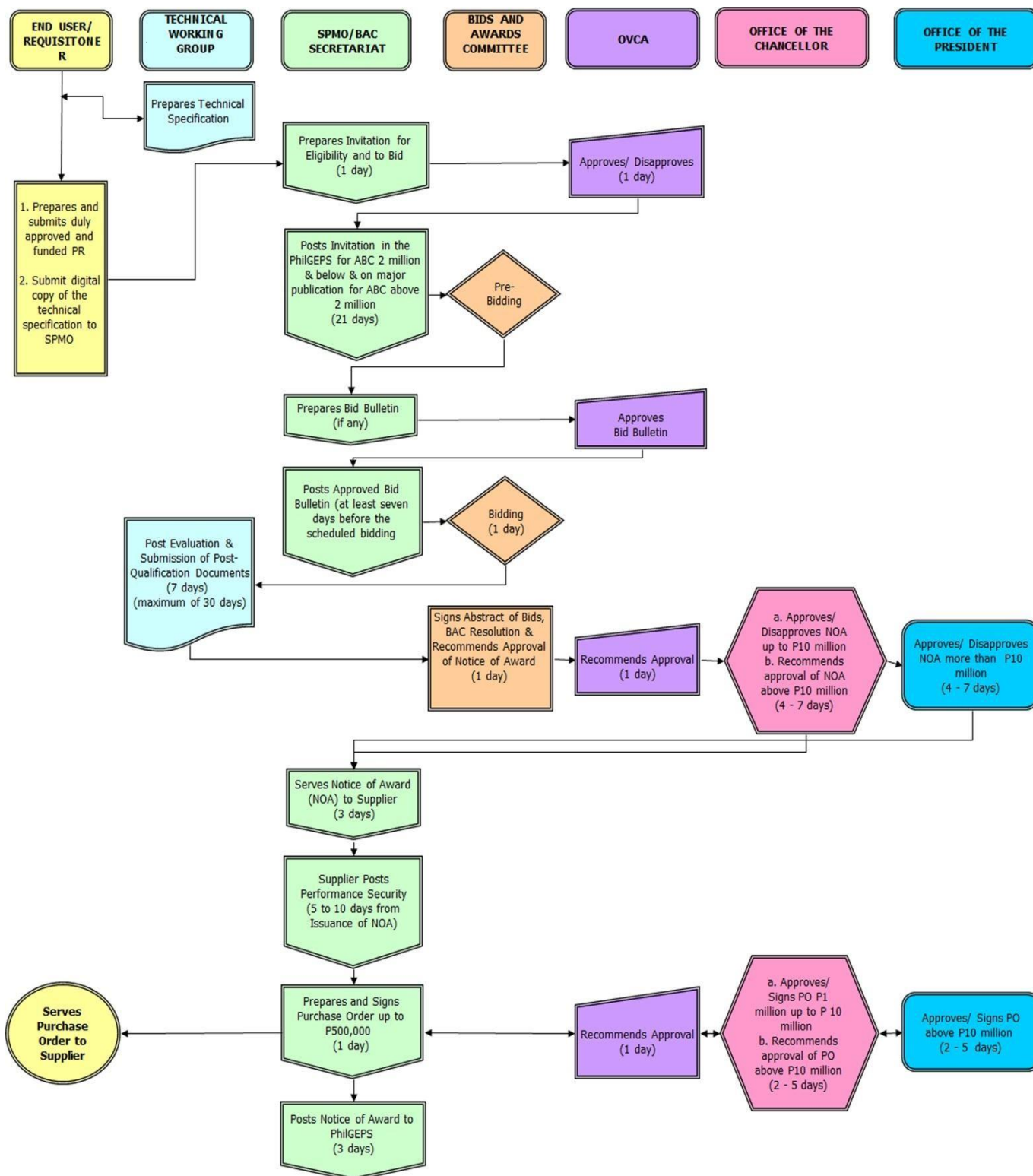
II. MODES OF PROCUREMENT and PROCESSES

Competitive Bidding. Refers to a method of procurement which is open to participation by any interested party and which consists of the following processes: advertisement, pre-bid conference, eligibility screening of prospective bidders, receipt and opening of bids, evaluation of bids, post-qualification, and award of contract. For purposes of, and throughout this IRR, the terms “Competitive Bidding” and “Public Bidding” shall have the same meaning and shall be used interchangeably. **(Section 5, Rule I of the IRR of RA 9184)**

1. MODE: BIDDING (Less than 1 Million)

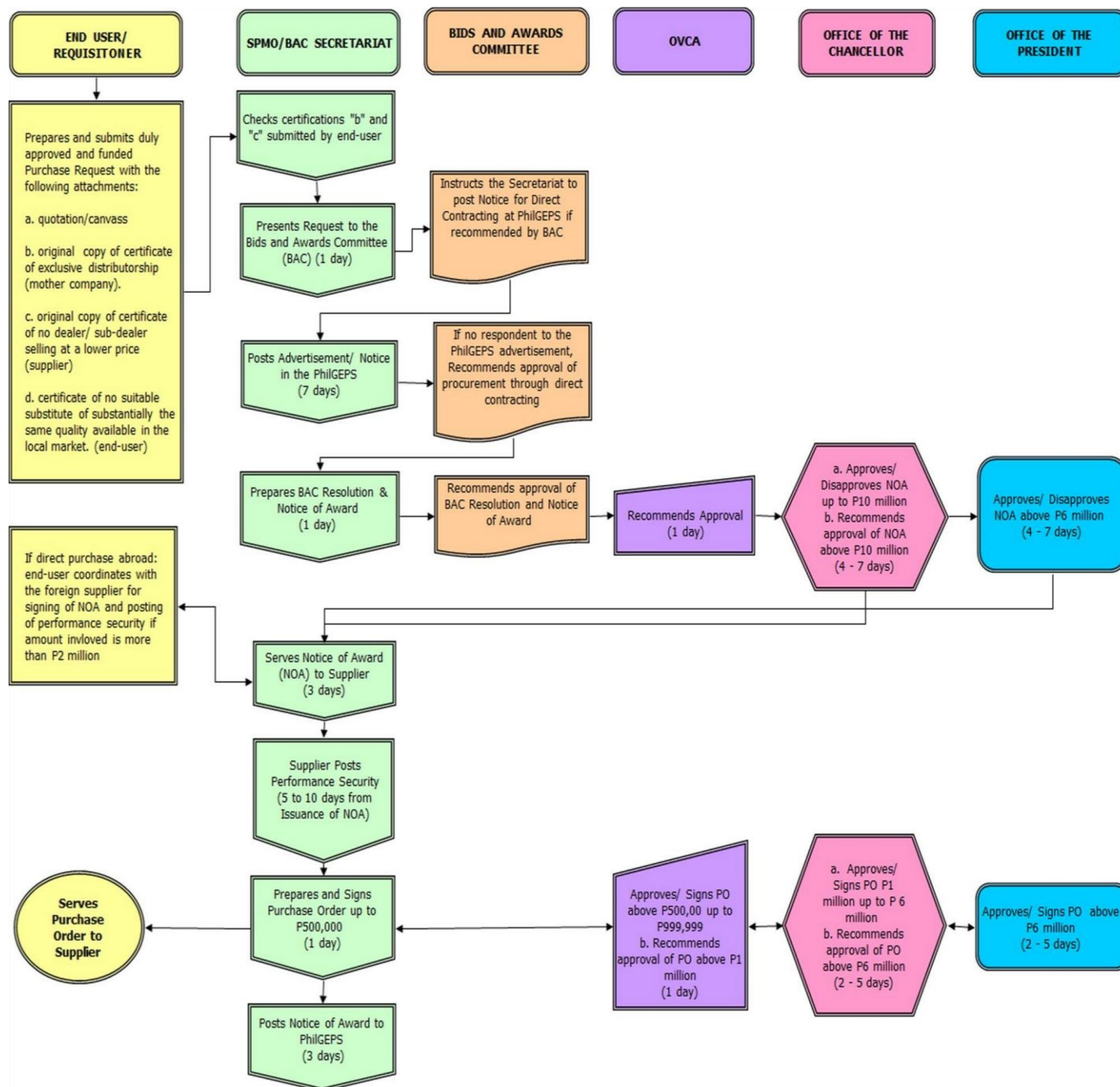


2. MODE: BIDDING (1 Million and above)



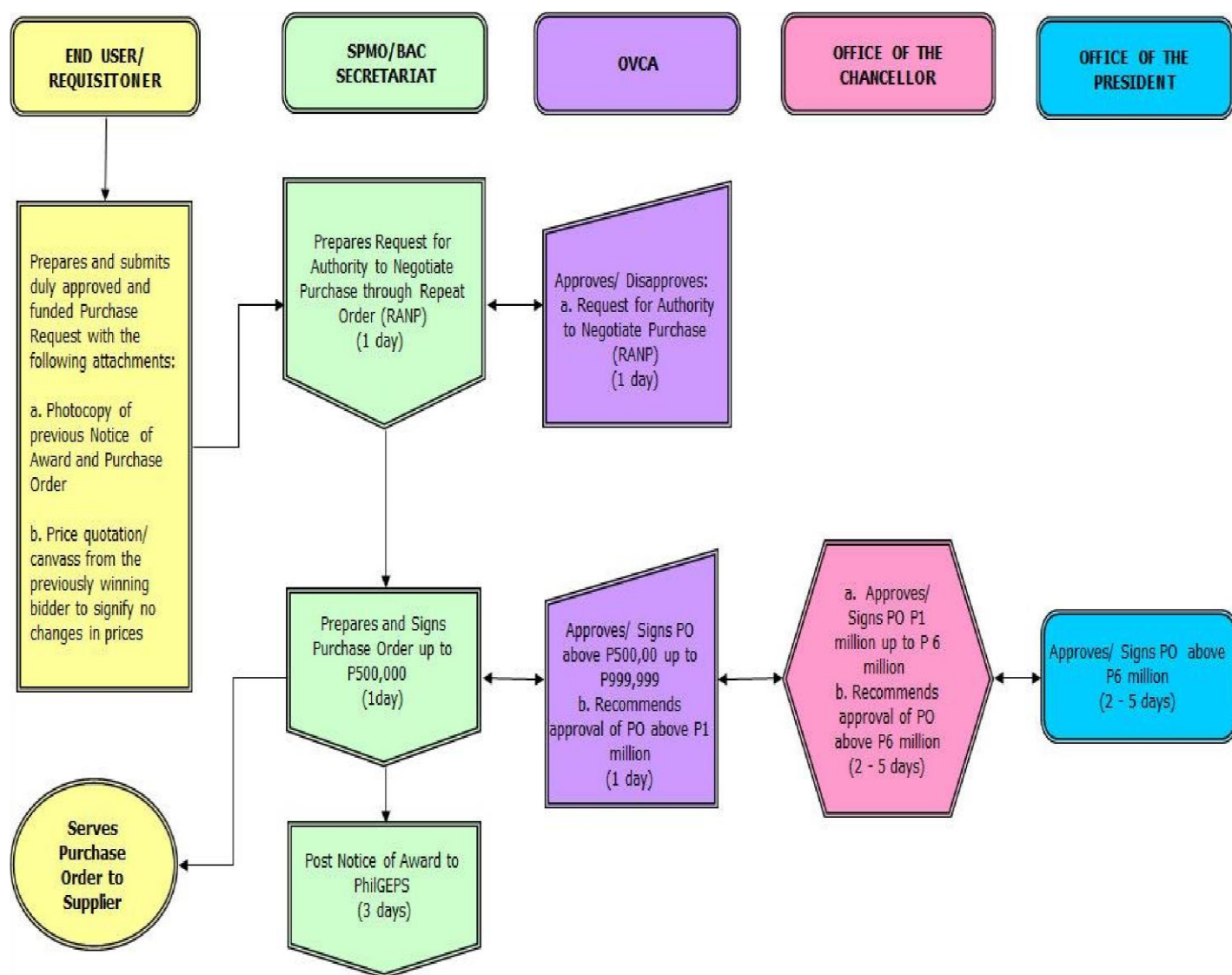
3. MODE: DIRECT CONTRACTING (local and abroad)

Direct Contracting or single source procurement is a method of procurement of goods that does not require elaborate Bidding Documents. The supplier is simply asked to submit a price quotation or a pro-forma invoice together with the conditions of sale. The offer may be accepted immediately or after some negotiations. **(Section 50, Rule XVI of the IRR of RA 9184)**



4. REPEAT ORDER

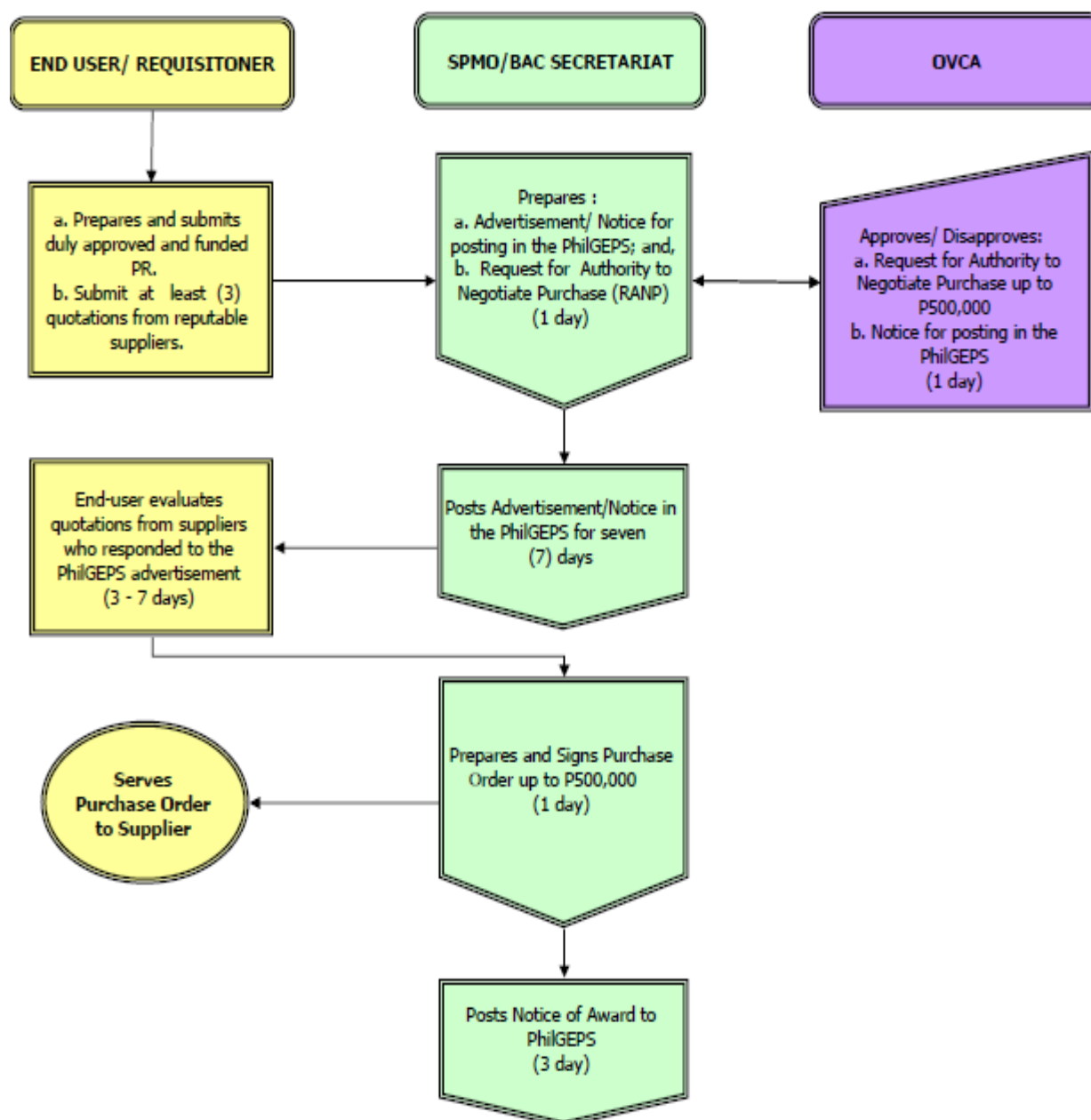
Repeat Order, when provided for in the Annual Procurement Plan (APP), is a method of procurement of goods from the previous winning bidder, whenever there is a need to replenish goods procured under a contract previously awarded through Competitive Bidding. **(Section 51, Rule XVI of the IRR of RA 9184)**



5. SHOPPING/SMALL VALUE PROCUREMENT/LEASE OF VENUE

Shopping is a method of procurement of goods whereby the procuring entity simply requests for the submission of price quotations for readily available off-the-shelf goods or ordinary/regular equipment to be procured directly from suppliers of known qualifications. **(Section 52, Rule XVI of the IRR of RA 9184)**

MODE: SHOPPING REQUEST/SMALL VALUE PROCUREMENT



III. PROCUREMENT REQUIREMENTS CHECKLIST

1. FOR COMPETITIVE BIDDING under BIDS and AWARDS COMMITTEE (BAC)

Name of Company								
I. ELIGIBILITY REQUIREMENTS		REMARKS *						
CLASS "A" DOCUMENTS								
LEGAL DOCUMENTS								
1	SEC/DTI/CDA Registration							
2	2014 Mayor's Permit/License							
3	Tax Clearance (per Executive Order 396, Series of 2005, as finally reviewed and approved by the BIR)							
4	Notarized Accomplished UP System Questionnaire for Prospective Bidders (please see attached form)							
TECHNICAL DOCUMENTS								
5	Statement of all ongoing and completed government and private contracts for the last two (2) years, including contracts awarded but not yet started, if any, whether similar or not similar in nature and complexity to the contract to be bid. The statement shall include for each contract the following: a. name of contract; b. date and period of contract; c. amount of contract and value of outstanding contracts; d. date of delivery/performance; e. end-user's acceptance or official receipts issued for the contract (if completed); f. copy of the contract. The prospective bidder must have completed a single contract that is similar to the contract to be bid, and whose value, adjusted to current prices using the National Statistics Office (NSO) consumer price indices must be at least fifty percent (50%) of the ABC. However, in the case of Expendable Supplies ¹ , said single contract must be at least twenty five percent (25%) of the ABC. Required : at least Php 132,500.00							
FINANCIAL DOCUMENTS								
6	2013 Audited financial statements, showing, among others, the total and current assets and liabilities, stamped "received" by the BIR or its duly accredited and authorized institutions for the preceding calendar year which should not be earlier than two (2) years from bid submission.							
7	Computation of Net Financial Contracting Capacity (NFCC). ²							
CLASS "B" DOCUMENTS								
8	Valid JVA if it is already in existence. In its absence, duly notarized statements from all the potential joint venture partners stating that they will enter into and abide by the provisions of the JVA in the instance that the bid is successful shall be included in the bid. Failure to enter into a joint venture in the event of a contract award shall be ground for the forfeiture of the bid security. Each partner of the joint venture shall submit the legal eligibility documents. The submission of technical and financial eligibility documents by any of the joint venture partners constitutes compliance. Submit duly accomplished Joint Venture Form.							
II. BID SECURITY³								
III. CONFORMITY WITH TECHNICAL SPECIFICATIONS								
1	Technical Specifications (write down detailed offered specifications)							
2	Manpower requirements (list names and designations); for equipment bidding, list down in-house technicians and maintenance personnel							
3	Statement on the production/delivery schedule and procedure on how to proceed with the project							
4	After-sales service/parts (state warranty, guarantee, etc.)							
IV. NOTARIZED OMNIBUS SWORN STATEMENT (see attached form)								
POST QUALIFICATION (IF FOUND TO BE THE LOWEST BIDDER, PLEASE SUBMIT WITHIN 3 CALENDAR DAYS FROM RECEIPT OF NOTICE)								
1	2013 Income Tax Return and Business Tax Returns (VAT) covering previous six (6) months (May 2014 - October 2014) Only tax returns filed and taxes paid through the BIR Electronic Filing and Payment System (EPPS) shall be accepted.							
2	Certificate of PhilGEPS Registration							
3	Registration with the BIR EPPS							
V. OTHER APPROPRIATE LICENSES AND PERMITS REQUIRED BY LAW AND STATED IN THE BIDDING DOCUMENTS								
¹ Expendable Supplies. Refer to articles which are normally consumed in use within one (1) year or converted in the process of manufacture or construction, or those having a life expectancy of more than one (1) year but which shall have decreased substantially in value after being put to use for only one (1) year (e.g. medicines, stationery, fuel and spare parts). ² Section 23.5.1.4 provides that if the prospective bidder submits a computation of its NFCC, the NFCC must be at least equal to the ABC based on the given computation: $NFCC = [(Current\ assets\ minus\ current\ liabilities)\ (K)]\ minus\ the\ value\ of\ all\ outstanding\ or\ uncompleted\ portions\ of\ the\ projects\ under\ ongoing\ contracts,\ including\ awarded\ contracts\ yet\ to\ be\ started\ coinciding\ with\ the\ contract\ to\ be\ bid.$ Where: K= 10 for a contract duration of one year or less, 15 for a contract duration of more than one year up to two years, and 20 for contract duration of more than two years. ³ <table border="1" style="width: 100%;"> <thead> <tr> <th>Form of Bid Security</th> <th>Amount of Bid Security (Equal to Percentage of the ABC)</th> </tr> </thead> <tbody> <tr> <td>a) Bid Securing Declaration</td> <td></td> </tr> <tr> <td>b) Cash, Cashier's/manager's check issued by a Universal or Commercial Bank or any combination.</td> <td>Two Percent (2%) Php5,300.00</td> </tr> </tbody> </table>			Form of Bid Security	Amount of Bid Security (Equal to Percentage of the ABC)	a) Bid Securing Declaration		b) Cash, Cashier's/manager's check issued by a Universal or Commercial Bank or any combination.	Two Percent (2%) Php5,300.00
Form of Bid Security	Amount of Bid Security (Equal to Percentage of the ABC)							
a) Bid Securing Declaration								
b) Cash, Cashier's/manager's check issued by a Universal or Commercial Bank or any combination.	Two Percent (2%) Php5,300.00							
* ☒ - document submitted (for post qualification) X - document not submitted/insufficient submission								

2. FOR NEGOTIATED PROCUREMENT: After Two Failed Bidding Requirements Checklist

	Documentary Requirements	Remarks
1	Approved Procurement Plan (<i>Sec. 7.2, R-IRR of RA No. 9184; 9.2, COA Cir. 2012-001</i>)	
2	Purchase Request duly approved by proper authorities (<i>9.2 COA Cir. 2012-001</i>)	
3	Technical Specifications/Terms of Reference (<i>Sec. 17.2, R-IRR of RA No. 9184</i>)	
4	Report on the mandatory review of the terms, conditions, and specifications in the Bid Documents, including cost estimates. The ABC cannot be increased by more than twenty percent (20%) of the ABC for the last failed bidding. (<i>Sec.35 and 53.1.1, R-IRR of RA No. 9184</i>)	
5	Copy of letter/document inviting manufacturers/suppliers/distributors to engage in negotiation. (<i>53.1.1, R-IRR of RA No. 9184</i>)	
6	Price quotations/bids/final offers from at least three (3) invited manufacturers/suppliers/distributors. (<i>COA Cir. No. 2009-001 dated February 12, 2009; 9.2.5, COA Cir. 2012-001</i>)	
7	Proof that responding manufacturers/suppliers/distributors are technically, legally and financially capable to enter into a contract with the government. (<i>Sec. 53, R-IRR of RA No. 9184; Reiterated in 9.2.5, COA Cir. 2012-001</i>) Minimum Requirements: a. SEC/DTI/CDA Registration b. Mayor's Permit/Business License c. Tax Clearance (per Executive Order 398, Series of 2005, as finally reviewed and approved by the BIR) d. Latest Annual Income Tax Return and Audited Financial Statement stamped "Received" by the Bureau of Internal Revenue (BIR) e. Statement of all ongoing and completed government and private contracts for the last two (2) years	
8	Statement of the prospective manufacturer/supplier/distributor that it is not blacklisted or barred from bidding by the Government or any of its agencies, offices, corporations or LGU (<i>Sec. 25.2.iv.1, R-IRR of RA No. 9184; 9.2, COA Cir. 2012-001</i>)	
9	Sworn affidavit of the manufacturer/supplier/distributor that it is not related to the Head of Procuring Entity (HOPE) by consanguinity or affinity up to the third civil degree (<i>Sec. 47, R-IRR of RA 9184; 9.2, COA Cir. 2012-001</i>)	
10	Certificate of PhilGEPS Registration of supplier (<i>Sec. 8.2 a and b; 8.2.2 f; 54.3, R-IRR of RA No. 9184</i>)	
11	In case of negotiated procurement with a foreign supplier, a certification that the goods are not available from Local Suppliers. Goods are not available from a local supplier when, any time before advertisement for their procurement, it is determined that no Local Supplier is capable to supply the required goods to the Government, in which case, foreign suppliers, manufacturers and/or distributors may be invited to participate in the bidding. (<i>Annex "A" of GPPB Resolution No.018-2005, dated 12 September 2005</i>)	
12	Other documents peculiar to the contract and/or the mode of procurement and considered necessary in the auditorial review and in the technical evaluation (<i>9.2.2, COA Cir. 2012-001</i>)	

3. FOR DIRECT CONTRACTING

No.	Documentary Requirements	Remarks
1	Approved Procurement Plan (<i>Sec. 7.2, R-IRR of RA No. 9184; 9.2, COA Cir. 2012-001</i>)	
2	Purchase Request duly approved by proper authorities (<i>V.1, COA Cir 97-004; 9.2, COA Cir. 2012-001</i>)	
3	Technical Specifications/Terms of Reference (<i>Sec. 17.2, R-IRR of RA No. 9184</i>)	
4	Study/survey done to determine that there are no sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the government (<i>9.2.2, COA Cir. 2012-001</i>)	
5	Copy of letter to selected manufacturer/supplier/distributor to submit a price quotation and conditions of sale (<i>VI. C.1, COA Cir 97-004; 9.2.2, COA Cir. 2012-001</i>)	
6	Certification from the agency authorized official that there are no sub-dealers selling at a lower price and for which no suitable substitute can be obtained at more advantageous terms to the government (<i>Sec. 50 c, R-IRR of RA No. 9184; 9.2.2 COA Cir. 2012-001</i>)	
7	Certificate of Exclusive Distributorship issued by the principal under oath and authenticated by the embassy/consulate nearest the place of the principal, in case of foreign suppliers (<i>VI. C.2, COA Cir. 97-004; 9.2.2, COA Cir. 2012-001</i>)	
8	Certification of the BAC in case of procurement of critical plant components and/or to maintain certain standards (<i>VI. C.3, COA Cir 97-004; 9.2.2, COA Cir. 2012-001</i>)	
9	Sworn statement of the prospective bidder that it is not blacklisted or barred from bidding by the Government or any of its agencies, offices, corporations or LGU (<i>Sec. 25.2.iv.1, R-IRR of RA No. 9184; 9.2, COA Cir. 2012-001</i>)	
10	Sworn affidavit of the bidder that it is not related to the Head of Procuring Entity (HOPE) by consanguinity or affinity up to the third civil degree (<i>Sec. 47, R-IRR of RA No. 9184; 9.2, COA Cir. 2012-001</i>)	
11	Performance and warranty securities, except for shopping and negotiated procurement under emergency cases, small value procurement, lease of real property and United Nation (UN) agencies (<i>Sec. 39.1 to 39.7, R-IRR of RA No. 9184; 9.2, COA Cir. 2012-001</i>)	
12	Certificate of PhilGEPS Registration of manufacturer/supplier/ distributor (<i>Sec. 8.2.1 a and b; 8.2.2 f; 54.3, R-IRR of RA No. 9184</i>)	
13	In case of direct contracting with a foreign supplier, a certification that the goods are not available from Local Suppliers. Goods are not available from a local supplier when, any time before advertisement for their procurement, it is determined that no Local Supplier is capable to supply the required goods to the Government, in which case, foreign suppliers, manufacturers and/or distributors may be invited to participate in the bidding (<i>Annex "A" of GPPB Resolution No.018-2005, dated 12 September 2005</i>)	
14	Other documents peculiar to the contract and/or the mode of procurement and considered necessary in the auditorial review and in the technical evaluation (<i>9.2.2, COA Cir. 2012-001</i>)	

4. FOR SHOPPING / SMALL VALUE PROCUREMENT

	Documentary Requirements	Remarks
1	Approved Annual Procurement Plan (APP) (<i>Sec. 7.2, R-IRR of RA No. 9184; 9.2, COA Cir. 2012-001</i>). The method of procurement to be used shall be as indicated in the approved APP. If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a resolution, shall justify and recommend the change in the mode of procurement to be approved by the Head of the Procuring Entity (HOPE). (<i>Sec. 48.3, R-IRR of RA No. 9184</i>)	
2	Purchase Request duly approved by proper authorities (<i>9.2 COA Cir. 2012-001</i>)	
3	Technical Specifications/Terms of Reference (<i>Sec. 17.2, R-IRR of RA No. 9184</i>)	
4	For Small Value Procurement, Letter/Invitation to submit proposals; The Request for Quotation (RFQ) should indicate the specification, quantity, Approved Budget for the Contract (ABC), and other terms and conditions of the item to be procured. The RFQ shall be sent to at least three (3) suppliers, contractors, or consultants of known qualifications. However, during unforeseen contingencies requiring immediate purchase under Section 52.1(a) of the IRR, the RFQ may be sent to only one (1) supplier. For Shopping under Section 52.1 (b), at least three (3) price quotations must be obtained. (<i>GPPB Resolution No.09-2009, dated 23 November 2009; Sec. 52.1 and 53.9, R-IRR of RA No. 9184; 9.2.5, COA Cir. 2012-001</i>)	
5	The procuring entity must validate whether it is entering into a contract with a technically, legally and financially capable supplier, contractor or consultant by requiring the submission of relevant documents or through other means. (<i>Sec. 53, R-IRR of RA No. 9184; GPPB Resolution No.09-2009, dated 23 November 2009</i>)	
6	Approval of the Head of Procurement Entity or his duly authorized representative on the use of the alternative methods of procurement, as recommended by the BAC (<i>9.2, COA Cir. 2012-001</i>)	
7	Statement of the prospective bidder that it is not blacklisted or barred from bidding by the Government or any of its agencies, offices, corporations or LGU (<i>Sec. 25.2.iv.1, R-IRR of RA No. 9184; 9.2, COA Cir. 2012-001</i>)	
8	Sworn affidavit of the bidder that it is not related to the Head of Procuring Entity (HOPE) by consanguinity or affinity up to the third civil degree (<i>Sec. 47, R-IRR of RA 9184; 9.2, COA Cir. 2012-001</i>)	
9	Certificate of PhilGEPS Registration of manufacturer/supplier/distributor (<i>Sec. 8.2 a and b; 8.2.2 f; 54.3, R-IRR of RA No. 9184</i>)	
10	Other documents peculiar to the contract and/or the mode of procurement and considered necessary in the auditorial review and in the technical evaluation (<i>9.2.2, COA Cir. 2012-001</i>)	

5. RETENTION MONEY

According to **Section 62, Rule XIX of the Revised IRR of RA 9184** in order to assure that manufacturing defects shall be corrected by the supplier, a warranty security shall be required from the contract awardee.

The provision also states that the obligation for the warranty shall be covered by either retention money in an amount equivalent to at least ten percent (10%) of every progress payment, or a special bank guarantee equivalent to at least ten percent (10%) of the total contract price. The said amounts shall only be released after the lapse of the warranty period or, in the case of Expendable Supplies, after consumption thereof: Provided, however, that the supplies delivered are free from patent and latent defects and all the conditions imposed under the contract have been fully met. (**Section 62, Rule XIX of the Revised IRR of RA 9184**)

IV. PROCUREMENT THROUGH THE PHILIPPINE GOVERNMENT ELECTRONIC PROCUREMENT SYSTEM

The PhilGEPS

To promote transparency and efficiency, information and communications technology shall be utilized in the conduct of procurement procedures. Accordingly, there shall be a single portal that shall serve as the primary source of information on all government procurement. The PhilGEPS shall serve as the primary and definitive source of information on government procurement. (**Section 5, Rule I of the IRR of RA 9184**)

The PhilGEPS Official Website¹⁶



Online Registration

Register As

Government Agency: Supplier: CSO:

Submit Cancel

¹⁶ Source: https://philgeps.gov.ph/GEPSNONPILOT/R3/R3_RegisterAs.html

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Note:

PhilGEPS makes available information on all government procurement and bid opportunities, allows obtaining bid documents electronically, access to government agencies Annual Procurement Plan, Uploading of Product Catalog Advertisements, sends automatic notifications for new opportunities and lets suppliers print their own PhilGEPS Certificate of Registration. **(Source: PhilGEPS Official Website)**

Reminder:

Registration with the PhilGEPS is not an accreditation and thus not tantamount to a finding of eligibility, nor is it a guaranty that a manufacturer, supplier, distributor, contractor or consultant may participate in a public bidding without first being determined to be eligible for that particular public bidding.

(Paragraph 8.2.2, Section 8, Rule III of the IRR of RA 9184)

V. THE BIDS AND AWARDS COMMITTEE

FUNCTIONS

(Section 12, Rule V of the IRR of RA 9184)

- a) Advertise and/or post the invitation to bid/request for expressions of interest;
- b) Conduct pre-procurement and pre-bid conferences;
- c) Determine the eligibility of prospective bidders;

- d) Receive bids;
- e) Conduct the evaluation of bids;
- f) Undertake post-qualification proceedings;
- g) Resolve motions for reconsideration;
- h) Recommend award of contracts to the Head of the Procuring Entity or his duly authorized representative:
- i) Recommend the imposition of sanctions in accordance with Rule XXIII;
- j) Recommend to the Head of the Procuring Entity the use of Alternative Methods of Procurement as provided for in Rule XVI hereof; and
- k) Perform such other related functions as may be necessary, including the creation of a Technical Working Group (TWG) from a pool of technical, financial, and/or legal experts to assist in the procurement process, particularly in the eligibility screening, evaluation of bids, and post-qualification.

The BIDDING DOCUMENTS
(Section 17, Rule VI of the IRR of RA 9184)

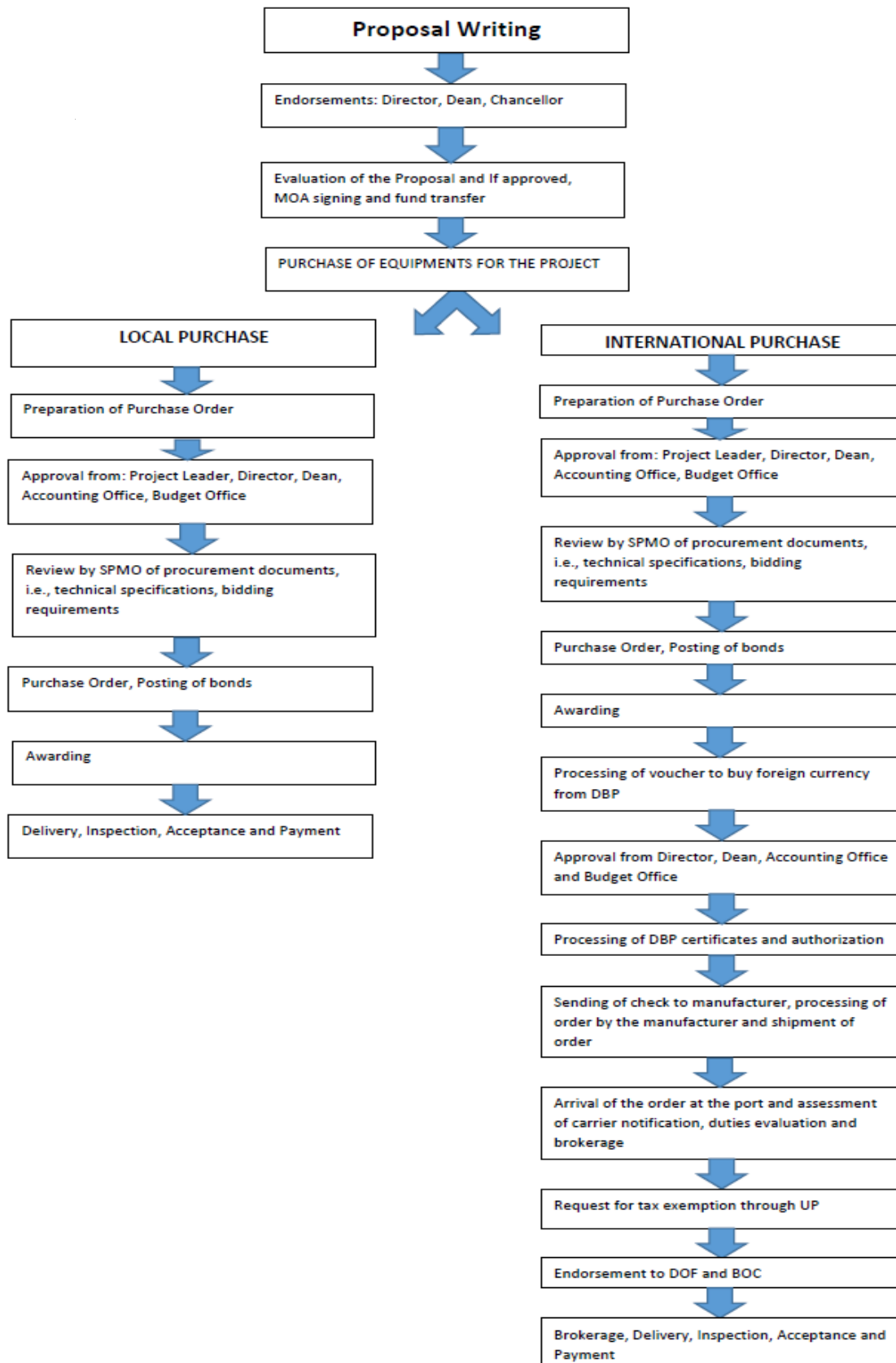
Reminder:

The Bidding Documents shall be prepared by the procuring entity following the standard forms and manuals prescribed by the Government Procurement Policy Board (GPPB).

The Bidding Documents shall include the following:

- a) Approved Budget for the Contract;
- b) Invitation to Bid/Request for Expression of Interest;
- c) Eligibility Requirements;
- d) Instructions to Bidders, including scope of bid, documents comprising the bid, criteria for eligibility, bid evaluation methodology/criteria in accordance with the Act, and post-qualification, as well as the date, time and place of the prebid conference (where applicable), submission of bids and opening of bids;
- e) Terms of Reference (TOR), for consulting services;
- f) Scope of work, where applicable;
- g) Plans/Drawings and Technical Specifications;
- h) Form of Bid, Price Form, and List of Goods or Bill of Quantities;
- i) Delivery Time or Completion Schedule;
- j) Form, Amount, and Validity Period of Bid Security;
- k) Form, Amount, and Validity of Performance Security and Warranty; and
- l) Form of Contract and General and Special Conditions of Contract.

VI. SAMPLE ACTUAL PROCESS OF LOCAL/INTERNATIONAL PURCHASE



VII. PERIOD OF ACTION ON PROCUREMENT ACTIVITIES

(Annex C of the IRR of RA 9184)

A.

LATEST ALLOWABLE TIME						
Stage	Activities	Deadline	Goods	Infrastructure Projects		Consulting Services
				For ABC 50M and below	For ABC above 50M	
1	Advertisement/ Posting of Invitation to Bid/Request for Expression of Interest		7 cd	7 cd	7 cd	7 cd
2	Eligibility Check (and Short Listing, in case of Consulting Services)		Refer to Stage 5	Refer to Stage 5	Refer to Stage 5	20 cd
3	Issuance and availability of Bidding Documents	From 1 st day of Stage 1 until Stage 5				
4	Pre-bid Conference	12 cd before Stage 5	1 cd	1 cd	1 cd	1 cd
	Request for clarification	10 cd before Stage 5				
	Supplemental/Bid Bulletin	7 cd before Stage 5				
5	Submission and receipt of Bids	45 cd from last day of Stage 1 for Goods. 50/65 cd from last day of Stage 1 for Infrastructure Projects. 75 cd from last day of Stage 1 for Consulting Services.	1 cd (includes opening of bids and eligibility check)	1 cd (includes opening of bids and eligibility check)	1 cd (includes opening of bids and eligibility check)	1 cd (includes opening of bids)
	Submission of additional requirements	3 cd after Stage 5				
6	Bid Evaluation		7 cd	5 cd	7 cd	21 cd + 2 cd for approval of ranking

7	Notification for negotiation		n/a	n/a	n/a	3 cd
8	Negotiation		n/a	n/a	n/a	10 cd
9	Post-qualification		30 cd	30 cd	30 cd	30 cd
10	Approval of resolution/Issuance of Notice of Award		7 cd	4 cd	7 cd	7 cd
11	Contract preparation and signing		10 cd	10 cd	10 cd	10 cd
12	Approval of contract by higher authority		15 cd	5 cd	15 cd	15 cd
13	Issuance of Notice to Proceed		3 cd	2 cd	3 cd	3 cd
Total Time			124 cd	113 cd	144 cd	170 cd

B.

EARLIEST POSSIBLE TIME					
Stage	Activities	Deadline	Goods	Infrastructure Projects	Consulting Services
1	Advertisement/ Posting of Invitation to Bid/Request for Expression of Interest		7 cd	7 cd	7 cd
2	Eligibility Check (and Short Listing, in case of Consulting Services)		Refer to Stage 5	Refer to Stage 5	3 cd (1 cd for eligibility, 1 cd for short listing, and 1 cd for notice)
3	Issuance and availability of Bidding Documents	From 1 st day of Stage 1 until Stage 5			
4	Pre-bid Conference	12 cd before Stage 5	1 cd	1 cd	1 cd
	Request for clarification	10 cd before Stage 5			
	Supplemental/Bid Bulletin	7 cd before Stage 5			

5	Submission and receipt of Bids		1 cd (includes opening of bids and eligibility check)	1 cd (includes opening of bids and eligibility check)	1 cd (includes opening of bids)
	Submission of additional requirements	3 cd after Stage 5			
6	Bid Evaluation		1cd	1cd	1 cd + 1 cd for approval of ranking
7	Notification for negotiation		n/a	n/a	1 cd
8	Negotiation		n/a	n/a	1 cd
9	Post-qualification		1 cd	1 cd	1 cd
10	Approval of resolution/Issuance of Notice of Award		2 cd (1 cd for BAC resolution and 1 cd for NOA)	2 cd (1 cd for BAC resolution and 1 cd for NOA)	2 cd (1 cd for BAC resolution and 1 cd for NOA)
11	Contract preparation and signing		2 cd (1 cd for contract preparation and 1 cd for contract signing)	2 cd (1 cd for contract preparation and 1 cd for contract signing)	2 cd (1 cd for contract preparation and 1 cd for contract signing)
12	Approval of contract by higher authority		1 cd	1 cd	1 cd
13	Issuance of Notice to Proceed		1 cd	1 cd	1 cd
Total Time			28 cd	28 cd	34 cd

Reminder:

Observance and strict adherence to the Period of Action on Procurement Activities by the procuring entity (the researcher proponents) is a **must** in order to avoid delays in procurement that will eventually affect the implementation progress of the project.



Illustration from: http://upca.upd.edu.ph/uploads/1/8/5/4/18549486/2301904_ori.q.png

Who we are

The Office of the Vice President for Academic Affairs (OVPAA) is the center for academic and research programs of the University of the Philippines System and provides information on curriculum, research and other academic matters, announcements of grants, awards and other academic events. The OVPAA has an official website that makes the dissemination of academic information to each UP constituent more uniform and efficient. It provides downloadable forms and online submissions that will continue to evolve towards the vision for a One UP!

Contact Us

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