

**APPROVAL OF THE CUSTOMIZED PROCUREMENT MANUALS
OF THE DEPARTMENT OF NATIONAL DEFENSE**

WHEREAS, Section 6 of Republic Act No. 9184 (R.A. 9184) provides that to systematize the procurement process, avoid confusion and ensure transparency, the Government Procurement Policy Board (GPPB) shall pursue the development of generic procurement manuals and standard bidding forms for mandatory use by all government agencies;

WHEREAS, the GPPB, in its meeting held last 14 June 2006, approved and adopted the Generic Procurement Manual (GPM) for use by all agencies effective January 2007;

WHEREAS, the Department of National Defense (DND) was selected as one of the nine (9) pilot agencies that will undertake the Pilot-testing and Customization of the Generic Procurement Manuals;

WHEREAS, the DND, through its consultant Atty. Karen Ong, prepared and submitted its Customized Procurement Manuals to the GPPB Technical Support Office (GPPB-TSO) last 9 June 2006;

WHEREAS, the GPPB-Inter-Agency Technical Working Group (IATWG) during its 9th Regular Meeting held last 14 September 2007 reviewed the draft DND Customized Procurement Manuals, as presented by the GPPB-TSO;

WHEREAS, in the same meeting, the members of the IATWG unanimously resolved to recommend the approval of the Customized Procurement Manuals of the DND, subject to the following revisions:

- a) Amend the provisions on surety bond as one of the acceptable forms of bid and/or performance security to read as follows: *"Surety bond callable upon demand issued by a reputable or acceptable surety or insurance company subject to any criteria imposed by the procuring entity concerned and prescribed in its bidding documents"* (Vols. 2 & 4);
- b) Amend the provisions on the period for the release of performance security stating therein that pursuant to Section 39.4 of the IRR-A of R.A. 9184, the performance security may be released by the procuring entity concerned immediately after the issuance of the Certificate of Final Acceptance, in the case of procurement of goods or consulting services, provided that there are no claims filed against the contract awardee or the surety company (Vols. 2 & 4);

- c) Update basis for grant of honoraria [*Department of Budget and Management (DBM) Budget Circular No. 2004-5, dated 23 March 2004 as amended by DBM Budget Circular No. 2004-5A, dated 7 October 2005*] (Vol. 1)
- d) Transfer the following documents from Financial to Legal Documents under the Eligibility Envelope pursuant to GPPB Circular No. 2-2005, Bureau of Internal Revenue (BIR) Revenue Regulation 3-2005 and BIR Revenue Memorandum Circular No. 16-2005, to wit:
1. Latest Income Tax Return filed through the EFPS;
 2. Value-Added Tax or Percentage Tax Returns covering the previous six months filed through the EFPS; and
 3. Tax Clearance issued by the Collection Enforcement Division of the Bureau of Internal Revenue attesting that the taxpayer has no outstanding Final Assessment Notice and/or delinquent account.
- e) Incorporate the latest amendments on the provisions of the IRR-A of R.A. 9184 to the relevant provisions and volumes of the Customized Procurement Manuals of DND:
1. GPPB Resolution No. 04-2006, dated 20 January 2006
Amendment of Sections 53(h) and 54.2(i) on small-value procurement (Vols. 2 & 4);
 2. GPPB Resolution No. 07-2006, dated 20 January 2006
Amendment of Section 23.11.1.2 of the IRR-A on the eligibility criteria for the procurement of goods on the single largest similar contract (Vol. 2);
 3. GPPB Resolution No. 14-2006, dated 20 July 2006
Shortening of procurement timelines (Vols. 2 & 4);
 4. GPPB Resolution No. 21-2006, dated 16 December 2006
Amendment of Section 27.4 of the IRR-A stating the instances when the bid security may be returned to a post-disqualified bidder (Vol. 2);
 5. GPPB Resolution No. 22-2006, dated 16 December 2006
Amendment of Sections 23.6 and 24.7 of the IRR-A requiring the submission of the PhilGEPS Registration Certificate under

the Class “A” Legal Documents of the Eligibility Envelope (Vols. 2 & 4);

6. GPPB Resolution No. 03-2007, dated 4 May 2007
Amendment of Section 53 (e) of the IRR-A to reconcile it with Section 53 and include in the coverage of agency-to-agency agreements acquisitions of infrastructure projects and consulting services (Vols. 2 & 4);
7. GPPB Resolution No. 04-2007, dated 4 May 2007
Amendment of Section 53 of the IRR-A to include lease of privately owned real estate for official use as one of the instances when the procuring entity may enter into Negotiated Procurement (Vol. 2);
8. GPPB Resolution No. 05-2007, dated 4 May 2007
Amendment of Sections 23.3 and 24.13 of the IRR-A clarifying the period within which an ineligible bidder can file a request for reconsideration in case of procurement of consulting services (Vol. 4); and,
9. GPPB Resolution No. 12-2007, dated 29 June 2007
Amendment of Section 53 of the IRR-A of R.A. 9184 to include as one of the instances under Negotiated Procurement procedures entering into an agreement with a Non-government Organization (NGO) when an appropriation law or ordinance earmarks a specific amount or project for NGOs and approving the Guidelines on NGO Participation in Public Procurement.

f) Include as an “Annex” in the appropriate volumes of the Customized Procurement Manuals of DND the following:

1. GPPB Resolution No. 06-2003, dated 1 December 2003
Confirming that R.A. 9184 amended Sections 4 (b), 10 (b) and 14 of Republic Act No. 7898, entitled “An Act Providing for the Modernization of the Armed Forces of the Philippines and for Other Purposes” (Vol. 1);
2. GPPB Resolution No. 017-2005, dated 12 September 2005
Guidelines for Payment on Foreign Currency under Section 61.1 of IRR-A (Vols. 2 & 4);
3. GPPB Resolution No. 18-2005, dated 12 September 2005

Guidelines in the Determination of Eligibility of Foreign Suppliers, Contractors and Consultants to Participate in Government Procurement Projects (Vols. 2 & 4);

4. GPPB Resolution No. 19-2006, dated 16 December 2006
Guidelines on the Procurement of Water, Electricity, Telecommunications and Internet Service Providers (Vol. 2);
5. GPPB Resolution No. 20-2006, dated 6 December 2006
Amending GPPB Resolution No. 06-2003 which enumerates the Relevant Provisions of R.A. No. 7898 that were amended by R.A. 9184 (Vol. 1); and,
6. GPPB Resolution No. 11-2007, dated 31 May 2007
Revised Guidelines on Index-Based Pricing for Procurement of Petroleum, Oil and Lubricant Products (Vol. 2)

WHEREAS, the GPPB-TSO incorporated the foregoing revisions and forwarded the same to the DND for their review and comments last 25 September 2007;

WHEREAS, no comments were received from DND on or before the deadline set last 27 September 2007;

NOW, THEREFORE, for and in consideration of the foregoing, **WE**, the Members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, by virtue of the powers vested on **US** by law, hereby **RESOLVE** to approve, as **WE** hereby approve the **Customized Procurement Manuals of the Department of National Defense** for its adoption and official use.

This resolution shall take effect immediately.

APPROVED this 28th day of September 2007 at Pasig City, Philippines

(Sgd.)

ROLANDO G. ANDAYA, JR.
Secretary
Department of Budget and Management

AUGUSTO B. SANTOS
OIC-Director General
National Economic & Development Authority

<hr/> NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY	(Sgd.) <hr/> DEPARTMENT OF NATIONAL DEFENSE
<hr/> DEPARTMENT OF EDUCATION	(Sgd.) <hr/> DEPARTMENT OF HEALTH
<hr/> DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT	<hr/> DEPARTMENT OF ENERGY
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(Sgd.) <hr/> DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS	(Sgd.) <hr/> PRIVATE SECTOR REPRESENTATIVE

Attested by:

(Sgd.)

RUBY. U. ALVAREZ
Board Secretary, GPPB
Executive Director, GPPB-TSO