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CIRCULAR NO. 03-2021
02 December 2021

TO : Heads of Departments, Bureaus, Offices, and Agencies of the National Government including State Universities and Colleges, Government-Owned and/or -Controlled Corporations, Government Financial Institutions and Local Government Units

SUBJECT : Guidelines on the Conduct of Procurement Activities in relation to the 09 May 2022 National and Local Elections

1.0 PURPOSE

- 1.1** This Circular is issued to clarify the Procurement Projects and activities that are prohibited starting **25 March 2022 to 08 May 2022**, pursuant to Commission on Elections (COMELEC) Resolution No. 10695 dated 10 February 2021.¹
- 1.2** More importantly, this Circular is issued to remind agencies that the election ban is not designed to paralyze the operations of the government, but to insulate government procurement from political partisan activities, usually in the form of new projects, which are designed to influence the public during the upcoming 09 May 2022 National and Local Elections.

2.0 SCOPE

All Departments, Bureaus, Offices, and Agencies of the National Government including State Universities and Colleges, Government-Owned and/or -Controlled Corporations, Government Financial Institutions and Local Government Units.

3.0 DEFINITION OF TERMS

- 3.1 Expenditure** - The term "expenditure" includes the payment or delivery of money of anything of value, or **a contract**, promise, or agreement to make an expenditure, for the purpose of influencing the results of the election. It shall also include the use of facilities personally owned by the candidate, the money value of the use of which can be assessed based on the rates prevailing in the area.²
- 3.2 Public Works** – The term refers to "**infrastructure projects**" as defined under Section 5(k) of Republic Act No. 9184 or the Government Procurement Reform

¹ In the Matter of Prescribing the Calendar of Activities and Periods of Certain Prohibited Acts in connection with the May 09, 2022 National and Local Elections.

² Section 94, Article XI of Batas Pambansa Bilang 881 or the Omnibus Election Code of the Philippines.

Act. It shall refer to the construction, improvement, rehabilitation, repair, restoration, or maintenance of roads and bridges, railways, airports, seaports, communication facilities, irrigation, flood control, and drainage, water supply, sanitation, sewerage, and solid waste management systems, shore protection, energy/power, and electrification facilities, national buildings, school buildings, hospitals buildings, and other related construction projects of the government.

- 3.3 Social Projects** – The term refers to activities or projects undertaken by the Department of Social Welfare and Development and any other office in any other department of the government performing functions similar to the said department.
- 3.4 Housing-Related Projects** – The term refers to activities or projects undertaken by the Housing and Urban Development Coordinating Council and any other office in any other departments of the government performing functions similar to the said department.
- 3.5 Routine, Normal or Administrative Expenses** – The term refers to expenses required for the day-to-day operations of the agency, such as salaries, light, heat, and power.

4.0 GENERAL CONSIDERATIONS

- 4.1** Procuring Entities (PEs) are allowed to proceed with the commencement and completion of procurement activities during the election period.

However, starting **25 March 2022 to 08 May 2022**, PEs are prohibited from issuing a Notice of Award for the following Procurement Projects.

- a. All kinds of Public Works, except those provided in Item 4.2.1 of this Circular;
 - b. Social Projects, except those provided in Item 4.2.2 of this Circular; and
 - c. Housing-related Projects, except those provided in Item 4.2.3 of this Circular.
- 4.2** The following Procurement Projects are exempted from the application of the prohibition provided in the second paragraph of Item 4.1 of this Circular, thus:

4.2.1 For Public Works

- a. Maintenance of existing and/or completed public works where no additional laborers are employed;
- b. Work undertaken by contract through public bidding or negotiated contract awarded before 25 March 2022;
- c. Preparatory works or the payment for the usual cost of preparation for working drawings, specifications, bills of materials, estimates, and other procedures preparatory to actual construction including the purchase of materials and equipment before 25 March 2022;
- d. Emergency work necessitated by the occurrence of a public calamity, due to force majeure or any fortuitous event, but limited to the restoration of the damaged facility, unless the COMELEC authorized such other emergency work;

- e. Ongoing projects commenced before the campaign period and are listed as authorized public works or projects by the COMELEC; and
- f. Projects under foreign agreements or ongoing foreign-assisted projects submitted to the COMELEC.

4.2.2 For Social Projects

- a. Routing and Normal Expenses; and
- b. Such other expenses authorized by the COMELEC after due notice and hearing.

4.2.3 For Housing Related Projects

- a. Administrative Expenses; and
- b. Such other expenses authorized by the COMELEC after due notice and hearing.

5.0 SUBMISSION OF DOCUMENTS AND REQUEST FOR EXEMPTION

The submission of the list of exemptions to the COMELEC is subject to the latter's rules and regulations. Request for exemption from the coverage of the prohibited activities enumerated above shall likewise be directed to the COMELEC for resolution.

6.0 For guidance and compliance.

7.0 This Circular shall take effect immediately.

Sgd.

TINA ROSE MARIE L. CANDA

Chairperson