



## RESOLUTION NO. 03-2019

### **GUIDELINES ON THE CONDUCT OF PROCUREMENT ACTIVITIES DURING THE ELECTION PERIOD FOR THE 13 MAY 2019 NATIONAL AND LOCAL ELECTIONS**

**WHEREAS**, the synchronized national and local elections are scheduled to take place on 13 May 2019 in accordance with Section 2 of Republic Act (RA) No. 7166;<sup>1</sup>

**WHEREAS**, Paragraph (v) of Section 261 of Batas Pambansa No. 881<sup>2</sup> or the Omnibus Election Code of the Philippines (OEC), proscribes the release, disbursement or expenditure of public funds by any public official or employee including barangay officials and those of government-owned or controlled corporations and their subsidiaries, subject to certain exceptions;

**WHEREAS**, Paragraph (b) of Section 94 of the Omnibus Election Code defines *expenditure* to include: “[t]he 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;”

**WHEREAS**, Paragraph (w) of Section 261 of the OEC prohibits the construction of public works, delivery of materials for public works and issuance of treasury warrants and similar devices forty-five (45) days before the date of election, except for projects or works exempted under Section 261 (v);

**WHEREAS**, the Commission on Election (COMELEC) issued Resolution No. 10429 dated 01 October 2018, providing for the calendar of activities and periods of prohibited acts in connection with the May 13, 2019 national and local elections;

**WHEREAS**, in previous elections, the Government Procurement Policy Board (GPPB) issued the following resolutions and circular to guide procuring entities in complying with the election ban guidelines:

- a. GPPB Resolution No. 12-2009, dated 27 November 2009 (May 2010 National and Local Elections);
- b. GPPB Circular No. 04-2012, dated 23 November 2012 (May 2013 National and Local Elections); and
- c. GPPB Resolution No. 21-2015 dated 18 August 2018 (May 2019 National and Local Elections).

**WHEREAS**, the GPPB-Technical Support Office recommends the issuance of a Circular to remind procuring entities of procurement activities that are prohibited starting 29 March 2019 until 12 May 2019 in accordance with COMELEC Resolution No. 10429;

<sup>1</sup> An Act Providing for Synchronized National and Local Elections and for Electoral Reforms, Authorizing Appropriations Therefor, and for Other Purposes. Dated 26 November 1991.

<sup>2</sup> Dated 03 December 1985

**WHEREAS**, during the 1<sup>st</sup> Joint Meeting of the GPPB and Inter-Agency Technical Working Group on 07 February 2019, the GPPB resolved to adopt the recommendation of the GPPB-TSO;

**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 confirm, adopt, and approve, as **WE** hereby confirm, adopt, and approve to **ISSUE a CIRCULAR** reiterating the Guidelines on the Conduct of Procurement Activities of Government Agencies during the Election Period, pursuant to the Resolution on the Calendar of Prohibited Activities to be issued by COMELEC.

This resolution shall take effect immediately.

**APPROVED** this 7<sup>th</sup> day of February 2019 at Quezon City, Philippines.

(SGD)

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**DEPARTMENT OF BUDGET AND  
MANAGEMENT**

(SGD)

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**NATIONAL ECONOMIC AND  
DEVELOPMENT AUTHORITY**

(SGD)

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**DEPARTMENT OF EDUCATION**

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**DEPARTMENT OF ENERGY**

(SGD)

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**DEPARTMENT OF FINANCE**

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**DEPARTMENT OF HEALTH**

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**DEPARTMENT OF THE INTERIOR AND  
LOCAL GOVERNMENT**

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**DEPARTMENT OF NATIONAL  
DEFENSE**

(SGD)

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**DEPARTMENT OF PUBLIC WORKS AND  
HIGHWAYS**

(SGD)

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**DEPARTMENT OF SCIENCE AND  
TECHNOLOGY**

**(SGD)**

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**DEPARTMENT OF TRADE AND INDUSTRY**

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**DEPARTMENT OF TRANSPORTATION  
AND COMMUNICATIONS**

**(SGD)**

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**PRIVATE SECTOR REPRESENTATIVE**



Unit 2506 Raffles Corporate Center,  
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Pasig City, Philippines 1605

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**CIRCULAR 01-2019**  
07 February 2019

**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 : Clarification on the Conduct of Procurement Activities in relation to the 13 May 2019 National and Local Elections**

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**1.0 PURPOSE**

- 1.1** This Circular is issued to clarify the procurement projects and activities that are prohibited starting **29 March 2019 to 12 May 2019**, pursuant to Commission on Election (COMELEC) Resolution No. 10429, dated 01 October 2018.<sup>3</sup>
- 1.2** More importantly, 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 13 May 2019 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.<sup>4</sup>
- 3.2 Public Works** - refers to "**infrastructure projects**" as defined under Section 5(k) of Republic Act No. 9184 or the Government Procurement Reform 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,

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<sup>3</sup> In the matter of prescribing the calendar of activities and periods of certain prohibited acts in connection with the May 13, 2019 National and Local Elections.

<sup>4</sup> Section 94, Article XI of Batas Pambansa Bilang 881 or the Omnibus Election Code of the Philippines

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** - This refers to activities or projects undertaken by the Department of Social Welfare and Development and other agencies performing similar functions.
- 3.4 Housing-Related Projects** - This refers to activities or projects undertaken by the National Housing Authority, Social Housing Finance Corporation and other government agencies implementing Housing-Related Projects.
- 3.5 Routine, Normal or Administrative Expenses** – This 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 are allowed to proceed with the commencement and completion of procurement activities during the election period.

However, starting **March 29, 2019 until May 12, 2019**, procuring entities are prohibited from issuing a notice of award for the following procurement projects:

- a. All kinds of Public Works, except those provided in Section 4.2.1 of this Circular;
  - b. Social Projects, except those provided in Section 4.2.2 of this Circular; and
  - c. Housing-related Projects, except those provided in Section 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 Section 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 29 March 2019;
- 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 29 March 2019;
- d. Emergency work necessitated by the occurrence of a public calamity but limited to the restoration of damaged facility;

- e. Ongoing projects commenced before the campaign period and are listed as authorized public works or project 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 COMELEC after due notice and hearing.

#### 4.2.3 For Housing-related Projects

- a. Administrative Expenses; and
- b. Such other expenses authorized by 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 are 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)**  
**BENJAMIN E. DIOKNO**  
*Chairman*