



RESOLUTION NO. 28-2016

APPROVING THE GUIDELINES ON COMMUNITY-MANAGED PROCUREMENT AS A SUPPLEMENT TO THE COMMUNITY PARTICIPATION PROCUREMENT MANUAL (CPPM)

WHEREAS, Republic Act (RA) No. 9184 entitled “An Act Providing for the Modernization, Standardization and Regulation of the Procurement Activities of the Government and For Other Purposes,” took effect on 26 January 2003, while its 2016 Revised Implementing Rules and Regulations (IRR) took effect on 28 October 2016;

WHEREAS, Section 53.12 of the 2016 Revised IRR of RA 9184 allows resort to Negotiated Procurement under Community Participation modality where, in the interest of project sustainability or to achieve certain specific social objectives, it is desirable in selected project components to call for participation of local communities in the delivery of goods, including non-consulting services, and simple infrastructure projects, subject to the Community Participation Procurement Manual issued by the GPPB;

WHEREAS, on 23 May 2014, the GPPB issued Resolution No. 09-2014 approving and adopting the Community Participation Procurement Manual (CPPM), providing for the Guidelines for Negotiated Procurement under Section 53.12 (Community Participation) of the IRR of RA 9184;

WHEREAS, on 30 April 2015, the GPPB issued Resolution No. 15-2015 approving the Supplemental Guidelines for Community Participation in Procurement Method for Foreign Assisted Projects, and adopting the Community-Managed Procurement approach in the CPPM; subject to implementing guidelines to be issued by the GPPB;

WHEREAS, a series of meetings¹ with stakeholders, *i.e.*, Department of Social Welfare and Development (DSWD) and Office of the Presidential Adviser on the Peace Process (OPAPP) were held to discuss the systems and procedures used in Kapit-Bisig Laban sa Kahirapan - Comprehensive and Integrated Delivery of Social Services, National Community-Driven Development Program Community-Based Procurement Manual (KALAHI-CIDSS NCDDP CBPM) as basis in developing the Guidelines on Community-Managed Procurement and to identify key provisions to be included in the said Guidelines;

WHEREAS, the DSWD, through a letter dated 25 February 2016, requested the adoption of the KALAHI-CIDSS NCDDP CBPM for DSWD projects or the issuance of the guidelines on Community-Managed Procurement;

WHEREAS, on 22 April 2016, the first draft of the Guidelines on Community-Managed Procurement was shared to the DSWD and the Department of Budget and Management (DBM) for their comments;

WHEREAS, on 23 September 2016, the GPPB issued Resolution No. 18-2016 denying the request of the DSWD to adopt the KALAHI-CIDSS NCDDP CBPM for all DSWD Projects using Section 53.12 of the revised IRR of RA 9184; instead, the GPPB resolved to incorporate the best practices and general policies of the KALAHI-CIDSS NCDDP CBPM in

¹ 18 June and 3 July 2015.

the amendment of the existing CPPM issued by the GPPB, through the proposed Guidelines on Community-Managed Procurement;

WHEREAS, on 29 November 2016, during its 9th Regular Meeting, the Inter-Agency Technical Working Group (IATWG) discussed the salient features of the proposed Guidelines on Community-Managed Procurement and subsequently agreed to recommend to the GPPB the approval of the proposed Guidelines, subject to the comments of the IATWG members;

WHEREAS, during the 12th GPPB and 10th IATWG Joint Meeting on 20 December 2016, the GPPB discussed the proposed Guidelines on Community-Managed Procurement, provided comments thereto, and after due deliberation and careful review, approved the Guidelines on Community-Managed Procurement, which supplements the provisions of the existing CPPM;

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 the Guidelines on Community-Managed Procurement, attached hereto as **Annex “A”**, as supplement to the provisions of the existing CPPM.

The guidelines shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

This Resolution shall take effect immediately.

APPROVED this 20th day of December 2016 at Pasig City, Philippines.

(SGD)

**DEPARTMENT OF BUDGET AND
MANAGEMENT**

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

(SGD)

DEPARTMENT OF EDUCATION

(SGD)

DEPARTMENT OF ENERGY

DEPARTMENT OF FINANCE

DEPARTMENT OF HEALTH

(SGD)

**DEPARTMENT OF INFORMATION AND
COMMUNICATIONS TECHNOLOGY**

**DEPARTMENT OF THE INTERIOR
AND LOCAL GOVERNMENT**

(SGD)

**DEPARTMENT OF NATIONAL
DEFENSE**

**DEPARTMENT OF PUBLIC WORKS
AND HIGHWAYS**

(SGD)

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

(SGD)

**DEPARTMENT OF TRADE AND
INDUSTRY**

(SGD)

DEPARTMENT OF TRANSPORTATION

PRIVATE SECTOR REPRESENTATIVE

SUPPLEMENTAL GUIDELINES FOR COMMUNITY-MANAGED PROCUREMENT IN LOCALLY-FUNDED PROJECTS

1. PURPOSE

These guidelines are formulated to establish supplemental policies and procedures on the use of Negotiated Procurement under Section 53.12 (Community Participation) of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, where the community will be engaged by a procuring entity as a contract manager to implement locally-funded community-based projects.

2. SCOPE AND APPLICATION

2.1. These guidelines shall apply to all Departments, Bureaus, Offices, and Agencies of the National Government, Government-Owned and/or – Controlled Corporations (GOCCs), Government Financial Institutions (GFIs), State Universities and Colleges (SUCs), and Local Government Units (LGUs) that intends to engage the services of the community, not as a service provider under the Community-Participation Procurement Manual (CPPM), but as a contract manager that will implement locally-funded community-based projects.

2.2. These guidelines shall cover the selection of community groups as contract managers and the procurement of goods (including non-consulting services) and simple infrastructure projects using government funds transferred to contract managers. For purposes of these Guidelines, a contract manager refers to a community group that has been selected in accordance with the provisions of these Guidelines to implement locally-funded community-based projects.

3. GENERAL POLICIES

3.1. A Community group, as defined in the CPPM, shall refer to a group of individuals living in close proximity to each other. It also includes social groups who share a common agenda, cause or interest. Examples of community group include parent-teacher association, association of barangay health workers, farmers, fisherfolk, women, elderly, indigenous peoples, among others.

3.2. Government funds transferred to the community group for implementation of community-based projects shall retain their character as public funds.²

² COA Circular No. 2007-001, dated 25 October 2007, entitled *Revised Guidelines in the Granting, Utilization, Accounting and Auditing of the Funds Released to Non-Governmental Organizations/People’s Organizations (NGOs/POs)*, Section 4.1.

- 3.3. Fund transfers to the community group shall be subject to the provisions of the applicable General Appropriations Act authorizing such transfer of funds.
- 3.4. Transfer of funds from the procuring entity to the community group shall be in accordance with the applicable budgeting, accounting and auditing rules and procedures.
- 3.5. The community-group shall keep and maintain separate savings account and accounting records in accordance with generally accepted accounting rules and principles, subject to visitorial audit and examination by the procuring entity and/or the Commission on Audit.
- 3.6. The rules and procedures established in the CPPM shall be applied suppletorily in the implementation of these guidelines, including the monitoring, inspection, audit and feedback mechanisms.

4. SELECTION OF COMMUNITY GROUPS

Procedural Guidelines

- 4.1. The provisions of the Community Participation Procurement Manual (CPPM), particularly Section 2.3(A-G) shall be applied in the selection of community groups that will act as contract managers to implement community-based projects, subject to the following modifications:
 - 4.1.1 The Request for Quotation/Request for Proposal for the selection process shall specify the requirements that will satisfy the technical component of the community-based project in terms of capacity to act as a contract manager. This shall include, among others, the capacity of the community group to conduct procurement in accordance with Section 5 hereof.
 - 4.1.2 Notwithstanding the award of contract, the community group selected to act as a contract manager shall be required to submit a Certification of Accreditation from the appropriate government agency, in accordance with the provision of the applicable General Appropriations Act, within thirty (30) days upon receipt of the Notice of Award, except when such Certification was already submitted in accordance with Section 4.3 hereof.
 - 4.1.3 The procuring entity shall enter into a Memorandum of Agreement (MOA) with the community group that was selected to act as contract manager. The MOA shall contain all the terms and conditions in the implementation of the project, including the provisions under Section 5 hereof, and other requirements such as the specific functions of the

contract manager, its financial management system, and the creation of various committees.

- 4.1.4 Release of funds to the community group shall follow the schedule prescribed in the contract, provided that no funds may be released prior to signing of the contract. Release of funds shall be treated as fund transfers, which are subject to the applicable guidelines issued by the Commission on Audit.

Eligibility Requirements

- 4.2. A community group intending to participate in the selection process shall submit to the procuring entity similar eligibility requirements prescribed in Section 2.4 of the CPPM to prove its legal, financial and technical capability to act as a contract manager.
- 4.3. In lieu of the prescribed legal requirements, a community group may submit a Certification of Accreditation issued by the appropriate government agency, in accordance with the applicable General Appropriations Act.

5. PROCUREMENT OF GOODS AND SIMPLE INFRASTRUCTURE PROJECTS

Procurement Organization

- 5.1 The members of a community group shall elect among themselves a Community Head and a Procurement Team who will be primarily responsible in the procurement functions of the community group. The election of Community Head and Procurement Team shall be evidenced by a document showing the manner of selection used by the community group and the result of such selection.
- 5.2 The Community Head shall act as the approving authority in all matters pertaining to the procurement of goods and simple infrastructure projects.
- 5.3 The Procurement Team shall be responsible in the procurement of goods and simple infrastructure projects from the preparation of Request for Quotation (RFQ) until the recommendation of award of contract.
- 5.4 The Procurement Team shall be composed of three members with known integrity, and who possess the required knowledge and competency to perform procurement functions and the expertise relevant to the project to be implemented. Presence of at least two (2) of the members shall constitute quorum.

- 5.5 The Procuring Entity shall ensure that the Community Head and the Procurement Team undergo the necessary orientation or training on procurement.
- 5.6 All procurement transactions shall be fully documented by the Procurement Team.

Procurement Methods

- 5.6. In the implementation of community-based projects, the following procurement methods may be utilized:
- 5.6.1 *Simplified Bidding* - default method of procurement where goods are available locally and there are several suppliers or in case of infrastructure projects, there are several community labor groups.
- 5.6.2 *Shopping* - goods are available locally and there are several suppliers but the value of the contract does not exceed Php 250,000.00.
- 5.6.3 *Pakyaw System* - there are several community labor groups or laborers and the value of the contract does not exceed Php 250,000.00.
- 5.6.4 *Direct Contracting* - there is only one locally available supplier or community labor group.
- 5.6.5 *Emergency Procurement* - procurement goods and infrastructure projects in case of fortuitous event or unforeseen contingency.

For Simplified Bidding, Direct Contracting and Emergency Procurement, the threshold prescribed in the CPPM shall be observed.

In all instances, community groups shall ensure that the contract provides the most advantageous terms and conditions to the community.

Procurement Procedures

- 5.7 *Simplified Bidding*
- 5.7.1 Pre-procurement - The Community Group, though the Procurement Team shall prepare the technical specifications or scope of work, and contract packaging and other requirements for the project taking into consideration the original requirements prescribed by the Procuring Entity. For this purpose, the Procurement Team may invite a representative from the Procuring Entity to ensure consistency of the project requirements.

The Procurement Team shall prepare the RFQ which shall indicate a brief description of the goods or simple infrastructure projects to be procured, the technical specifications or scope of work, the Approved Budget for the Contract (ABC), the manner and deadline for submission of sealed quotations, the terms and conditions of the project, and other necessary information.

- 5.7.2 Posting of RFQ - The Procurement Team shall post the RFQ in at least three (3) conspicuous places where the project will be implemented (e.g., bulletin board, public transport terminals, public markets, etc.) for a period of seven (7) calendar days.
- 5.7.3 Opening of Sealed Quotations - On the date specified in the RFQ, the Procurement Team shall open the sealed quotations submitted, using a non-discretionary pass or fail criterion, to determine compliance with the requirements and evaluate which bidder submitted the Lowest Calculated Quotation (LCQ).

The Procurement Team should obtain quotations from at least three (3) suppliers or contractors from the barangays where the project is located or to be executed. Should only one (1) quotation is obtained, the bidding shall not be declared a failure and the Procurement Team shall continue the procurement process.

- 5.7.4 Evaluation of Quotations - If the LCQ is determined to be responsive to the project requirements, using a non-discretionary pass or fail criterion, it shall be declared as the Lowest Calculated and Responsive Quotation (LCRQ). If not, the bidder with the second LCQ shall be evaluated with its responsiveness determined pursuant to the aforementioned provision. Such procedure shall be repeated for the next LCQ until the LCRQ is determined.
- 5.7.5 Award of Contract - The Procurement Team shall submit its findings and recommendations to the Community Head for approval. The submission shall contain the documents submitted, its evaluation, and the contract documents.

In case of approval, the Community Head shall immediately issue the Notice of Award. In case of failure to enter into a contract, the Community Head shall disqualify the supplier or contractor and direct the Procurement Team to determine the responsiveness of the next LCQ.

The Procurement Team shall post, for information purposes, the Notice of Award and the Contract in at least three (3) conspicuous places where the project will be implemented.

5.8 Other Methods of Procurement

- 5.8.1 For Shopping, the procedures under Annex “H” of the 2016 Revised IRR of RA 9184 or the Consolidated Guidelines for the Alternative Methods of Procurement shall be applied subject to the following modifications,
- 5.8.1.1 RFQ shall be sent to all available local suppliers of known qualifications. Should only one (1) price quotation is obtained, the procurement process shall continue.
- 5.8.1.2 RFQ shall be posted in at least three (3) conspicuous places where the project will be implemented for a period of at least three (3) calendar days before the deadline for the submission of quotations.
- 5.8.2 For Pakyaw System, the procedures under Section 4 of the Revised Guidelines for the Implementation of Infrastructure Projects by Administration shall be applied, provided that the function of the Project Facilitator shall be undertaken by the Procurement Team.
- 5.8.3 For Direct Contracting, the supplier or contractor is simply asked to submit a price quotation together with the conditions of the contract, which offer may be accepted immediately or after some negotiations.
- 5.8.4 For Emergency Procurement, the Procurement Team shall directly negotiate with locally available supplier or contractor that has the legal, technical and financial capacity to deliver the goods or undertake the simple infrastructure projects.
- 5.8.5 In all instances, the Procurement Team shall recommend to the Community Head the award of contract to supplier or contractor. All awards of contract shall be posted in at least three (3) conspicuous places where the project will be implemented.
- 5.8.6 In case of deficiencies, the provisions of the 2016 Revised IRR of RA 9184 shall apply suppletorily.

Fund Utilization

- 5.9 All payments made by the Community Group shall be subject to existing government accounting, auditing, laws, rules and regulations.

The procuring entity shall remain responsible and accountable relative to the amounts paid to the Community Group with respect to their disbursements, without prejudice to the liability of the Community Group.



6. EFFECTIVITY

These guidelines shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.