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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>1</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>2</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,

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<sup>1</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>2</sup> Section 94, Article XI of Batas Pambansa Bilang 881 or the Omnibus Election Code of the Philippines

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** - 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*