

GOVERNMENT PROCUREMENT POLICY BOARD

CIRCULAR NO. 03-2003

December 1, 2003

TO: Heads of Departments, Bureaus, Offices and Agencies of the National Government; Government-Owned or Controlled Corporations (GOCCs), Including State Universities and Colleges (SUCs); Local Government Units (LGUs); and All Others Concerned

SUBJECT: Informing the Heads of Departments, Bureaus, Offices and Agencies of the National Government; Government-Owned or Controlled Corporations (GOCCs), Including State Universities and Colleges (SUCs); Local Government Units (LGUs); and All Others Concerned on the Applicability and Implementation of the COA Circular No. 2003-004 in relation to the relevant provisions of the Implementing Rules and Regulations Part A (IRR-A) of Republic Act No. 9184 (R.A. 9184)

1.0 Purpose and Coverage

This circular is issued to inform the Heads of Departments, Bureaus, Offices and Agencies of the National Government; Government-Owned or Controlled Corporations (GOCCs), including State Universities and Colleges (SUCs); Local Government Units (LGUs); and all others concerned on the applicability and implementation of the Commission on Audit (COA) Circular No. 2003-004 issued last July 30, 2003, prohibiting the Chief Accountant and the personnel of Accounting Unit of any agency of the Government to be regular members of the Bids and Awards Committee (BAC), in relation to the relevant provisions of the Implementing Rules and Regulations Part A (IRR-A) of Republic Act No. 9184 (R.A. 9184).

2.0 Prohibition on the Membership of the Chief Accountant and Personnel of Accounting Unit in the BAC

2.1 Section 11 of R.A. 9184 provides for the BAC and its composition and, in furtherance to this, Section 11.2.1 (3) of IRR-A of R.A. 9184 provides a regular member of the BAC shall be:

[A]n officer, who is at least a fifth ranking permanent official, with knowledge, experience and/or expertise in procurement who, to the extent possible, **represents the finance area of the procuring entity**, provided that in the case of bureaus, regional offices and sub-regional/district offices, BAC members shall be at least a third ranking permanent personnel; (Emphasis supplied)

With respect to LGUs, Section 11.2.2 of IRR-A of R.A. 9184 provides that:

[T]he BAC shall be composed of one (1) representative each from the regular offices under the Office of the Local Chief Executive such as, but not limited to the following: Office of the Administrator, **Budget Office**, Legal Office, Engineering Office, General Services Offices. The end user office shall always be represented in the BAC. The Chairman of the BAC shall be at least a third ranking permanent official of the procuring entity. The members of the BAC shall be personnel occupying *plantilla* positions of the procuring entity concerned. (Emphasis supplied)

- 2.2 With respect to BAC membership, COA Circular No. 2003-004 prohibits the Chief Accountant and the personnel of the Accounting Unit of any agency of the Government to be regular members of the agency's Bids and Awards Committee. In particular, the said circular provides as follows:

Pursuant to the authority vested in this Commission to promulgate accounting and auditing rules and regulations including those for the strengthening of internal control in the operations of the government, it is hereby directed that **the Chief Accountant and the personnel of the Accounting Unit of any agency of government are prohibited from being regular members of the agency's Bids and Awards Committee** as contemplated under the Implementing Rules and Regulations of RA 9184. However, they may serve as provisional members when the Unit is the end-user of the items, subject of the bidding. (Emphasis supplied)

- 2.3 In view of the foregoing, in line with the provisions of Sections 11.2.1 (3) and 11.2.2 of IRR-A of R.A. 9184 and COA Circular No. 2003-004, the head of the procuring entity may designate any personnel from the finance area thereof, in the case of NGAs, departments, bureaus, offices, or instrumentalities of the Government, including judiciary and legislative branches, constitutional commissions, SUCs, GOCCs, and GFIs, or from the Budget Office, in the case of LGUs, provided that such official is neither the Chief Accountant nor a personnel of the Accounting Unit of the procuring entity concerned. However, the Chief Accountant and any personnel of the Accounting Unit of a procuring entity may serve as provisional members when the said Unit is the end-user of the items, subject of the bidding.

Please be guided accordingly.

(Sgd)

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