



RESOLUTION NO. 09-2014

APPROVING AND ADOPTING THE COMMUNITY PARTICIPATION PROCUREMENT MANUAL (CPPM) AND THE IMPLEMENTING GUIDELINES FOR NEGOTIATED PROCUREMENT UNDER SECTION 53.12 (COMMUNITY PARTICIPATION) OF THE REVISED IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT (RA) NO. 9184

WHEREAS, RA 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 revised Implementing Rules and Regulations (IRR) took effect on 2 September 2009;

WHEREAS, Section 6 of RA 9184 provides that to systematize the procurement process, avoid confusion and ensure transparency, the Government Procurement Policy Board (GPPB) shall pursue the development of generic procurement manuals and standard bidding forms for mandatory use by all government agencies;

WHEREAS, Community Participation as a Negotiated Procurement modality under Section 53.12 of the IRR of R.A. 9184 may be utilized “[w]here, 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 guidelines to be issued by the GPPB”;

WHEREAS, the Government Procurement Policy Board-Technical Support Office (GPPB-TSO), in partnership with the Transparency and Accountability Network (TAN), drafted the Community Participation Procurement Manual (CPPM) as part of the output under the World Bank-managed Japan Social Development Fund (JSDF), which aims to improve the quality and responsiveness of public spending in poor communities through localized procurement reform;

WHEREAS, the GPPB-TSO and TAN conducted stakeholders’ meetings and workshops to gather comments and feedbacks on the draft CPPM;

WHEREAS, during the Special Meeting held on 10 March 2014, the GPPB Inter-Agency Technical Working Group (IATWG) discussed and commented on the salient features of the CPPM and agreed to submit additional comments on the final draft of the CPPM until 20 March 2014;

WHEREAS, during the 2nd Regular Meeting on 8 April 2014, the final draft of the CPPM was presented to the GPPB for consideration and approval. The Board approved the CPPM in principle, subject to the incorporation of the comments made by the members during the meeting;

WHEREAS, in the 3rd Regular Meeting on 23 May 2014, and after due consideration and deliberation, the Board approved the 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 approve and adopt, as **WE** hereby approve and adopt the Community Participation Procurement Manual pursuant to Section 53.12 of the revised IRR of RA 9184, attached hereto as **Annex “A”**.

This Resolution shall take effect immediately.

APPROVED this 23rd day of May 2014 at Pasig City, Philippines.

(Sgd.)

**DEPARTMENT OF BUDGET AND
MANAGEMENT**

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

(Sgd.)

DEPARTMENT OF EDUCATION

(Sgd.)

DEPARTMENT OF ENERGY

(Sgd.)

DEPARTMENT OF FINANCE

(Sgd.)

DEPARTMENT OF HEALTH

**DEPARTMENT OF THE INTERIOR
AND LOCAL GOVERNMENT**

(Sgd.)

**DEPARTMENT OF NATIONAL
DEFENSE**

(Sgd.)

**DEPARTMENT OF PUBLIC WORKS
AND HIGHWAYS**

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

(Sgd.)

**DEPARTMENT OF TRADE AND
INDUSTRY**

**DEPARTMENT OF TRANSPORTATION
AND COMMUNICATIONS**

(Sgd.)

PRIVATE SECTOR REPRESENTATIVE

Attested by:

(Sgd.)

DENNIS S. SANTIAGO
Board Secretary, GPPB
Executive Director, GPPB-TSO

**MANUAL ON COMMUNITY PARTICIPATION
IN GOVERNMENT PROCUREMENT**

TABLE OF CONTENTS

Acronyms	2
ABOUT THE MANUAL	3
CHAPTER I: INTRODUCTION.....	5
CHAPTER II: IMPLEMENTING GUIDELINES ON NEGOTIATED PROCUREMENT-COMMUNITY PARTICIPATION.....	7
2.1 Guiding Principles.....	8
2.2 Applicability Conditions	8
2.3 Procedural Guidelines.....	10
2.4 Eligible Community-Based Service Provider	13
CHAPTER III: COMMUNITY COMMITTEES AND GROUPS	15
3.1 Barangay Development Council and Barangay Assembly	15
3.2 Organizing Community Committees	15
3.3 Organizing Community Labor Groups	17
ANNEXES.....	19
ANNEX 1. Sample Monitoring Report.....	20
ANNEX 2. Sample Inspection and Acceptance Report.....	21
ANNEX 3. Guide to the Project Reporting and Feedback Committee.....	22

Acronyms

APP	Annual Procurement Plan
BA	Barangay Assembly
BAC	Bids and Awards Committee
BDC	Barangay Development Council
BDP	Barangay Development Plan
CBO	Community Based Organizations
CDD	Community Driven Development
CDA	Cooperative Development Authority
COA	Commission on Audit
CSO	Civil Society Organizations
DILG	Department of the Interior and Local Government
DTI	Department of Trade and Industry
GPPB	Government Procurement Policy Board
GPRA	Government Procurement Reform Act/Republic Act No. 9184
IRR	Implementing Rules and Regulations
JSDF	Japan Social Development Fund
KALAHI-CIDSS	Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services
LCB / LCQ	Lowest Calculated Bid or Bidder / Lowest Calculated Quotation
LDC	Local Development Council
LGC	Local Government Code
LGU	Local Government Unit
NGO	Non-Government Organization
NOA	Notice of Award
NTP	Notice to Proceed
OR	Official Receipt
PF	Project Facilitator
PMC	Project Management Committee
PMIC	Project Monitoring and Inspection Committee
PO	Purchase Order
PPC	Project Preparation Committee
PRFC	Project Reporting and Feedback Committee
RFQ	Request for Quotation
SB	Sangguniang Barangay
SEC	Securities and Exchange Commission
TWG	Technical Working Group

ABOUT THE MANUAL

This Manual sets guidelines for community participation in government procurement. It primarily takes off from the Local Government Code (LGC), and the Revised Implementing Rules and Regulations (IRR) of the Government Procurement Reform Act (GPRRA), specifically Section 53.12 on Community Participation.

According to the LGC, agencies and offices should conduct consultations with appropriate local government units and community organizations before any project or program is implemented in their jurisdiction.¹ It also requires the formation of a Local Development Council (LDC) that shall have among its functions, the mobilization of people's participation in local development efforts, assist the Sanggunian in the development of a multi sectoral plan, and shall set the economic and social development direction of the Local Government Unit (LGU). At least 25% of the members of the LDC should be representatives of non-government organizations (NGOs).

On the other hand, the GPRRA or Republic Act No. 9184 includes as its governing principles transparency and public monitoring in the procurement process and implementation of contracts.² Further, Section 53.12 of the GPRRA IRR includes community participation as one of the instances by which negotiated procurement can be implemented.

This Manual sets guidelines for community participation in government procurement drawing lessons from experiences in community-based/community driven development (CDD) projects. It focuses on how the community can participate in managing procurement by being involved in planning, procurement, and implementation, and on how the community can participate as contractors or service providers under negotiated procurement through community participation. Suggested procedures put forward in this Manual takes inspiration from lessons garnered from the KALAHI-CIDSS³ project, good LGU practices, and from existing laws and guidelines.

The community may also be involved as observers⁴ of the procurement process. The requirements and responsibilities for such role may be found in a separate manual – the Procurement Observers' Guide.

Chapter One provides an introduction of the Manual. It lays down the scope and limitations, and puts forward important concepts, definitions, and legal tenets that shall be used.

Chapter Two discusses the general procedures for procurement under Negotiated Procurement-Community Participation provided in Section 53.12 of the GPRRA IRR. This chapter guides the procuring entity on the conditions that must be met to justify the use of Negotiated Procurement-Community Participation as a procurement method. It also describes how the community can be involved in project procurement at the local government level (*e.g.*, project identification, planning, and monitoring). It lays down the roles and responsibilities of different community agencies (committees) in ensuring transparency, public monitoring, equity, and value for money in procurement.

¹ Book 1, Title 1 Sec. 2 (c) and Title 6 of the Local Government Code

² Article 1 Section 3 of RA 9184 "Governing Principles on Government Procurement".

³ KALAHI-CIDSS stands for Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services. It is a project implemented by the Department of Social Welfare and Development with financial support from the World Bank through a loan agreement.

⁴ Section 13, of the GPRRA's provides that "To enhance the transparency of the process, the BAC shall, in all stages of the procurement process, invite...at least two (2) observers to sit in its proceedings, one (1) from a duly recognized private group in a sector or discipline relevant to the procurement at hand, and the other from a non-government organization...".

Chapter Three provides the guide in establishing committees necessary for the barangay's and community's implementation of projects procured through Negotiated Procurement-Community Participation. It proposes the formation of community committees under the Barangay Development Council (BDC) and Barangay Assembly (BA) in ensuring community participation. It discusses how the community can organize themselves and participate to ensure that the procurement achieves its intended social objectives and increase project sustainability.

Background

This Manual is part of the project entitled "Improving the Quality and Responsiveness of Public Spending in Poor Communities Through Localized Procurement Reform" supported by the Japan Social Development Fund (JSDF) through the World Bank (WB).

The project aims to further enhance the impacts of participatory approaches by promoting the participation of volunteers from poor communities in the regular activities of barangay Bids and Awards Committees (BAC), among others. Community members and local CSOs are expected to be involved in key elements of procurement planning, actual procurement, and contract implementation processes, *e.g.*, public biddings, canvassing, bid award, contract monitoring, reporting, and oversight. The development of an enabling partnership between the community members/NGOs and the LGUs for procurement reform is the key innovative feature of the project.

This Manual was developed in partnership with the following agencies and offices:

- Department of Budget and Management;
- Government Procurement Policy Board - Technical Support Office;
- Department of the Interior and Local Government (DILG), including the National Barangay, Operations Office, Local Government Academy, and the Bureau of Local Government Supervision;
- Department of Social Welfare and Development; and
- The World Bank.

CHAPTER I: INTRODUCTION

In the past, procurement transactions and basic service delivery belonged to the exclusive domain of the government with the community as passive recipients. Recent trends toward participatory governance and community empowerment have enabled ordinary members of the community to have a more active role in procurement planning, actual procurement and contract implementation processes. With community participation, transactions between the government and third parties such as suppliers and contractors or service providers have become more transparent. Where there is transparency, holding public officials to be accountable for their actions in the use of public resources can be ensured. There is also efficiency in the use of resources when beneficiaries of projects are engaged not just in determining their actual needs, but also in project procurement and implementation. This in effect guarantees that the government only procures what is needed. If the community can be involved in any or all of the stages of project planning, procurement, and implementation, there would be greater ownership of the project.

The principle of community participation is embodied in and supported by the 1987 Philippine Constitution, the LGC, and the GPRA. Sections 15 and 16 of the Constitution recognize the role of People's Organizations to "effective and reasonable participation" in decision-making processes. The LGC reinforced the roles and rights of these organizations and provided the mechanisms for their participation in local government units.⁵

Strong community participation is a key ingredient in the sustainability of projects. It aims to increase the inclusion of local expertise, generate local employment, and promote the use of local materials and indigenous technology, among others. It enhances community capacity and directly impacts on improving the lives of community members. It also contributes in increasing the trust and confidence of communities in the government.

Community participation is most appropriate for community-based or community driven development (CDD) projects where community members are partners in the search for sustainable solutions to development challenges. This approach gives control over planning decisions and investment resources to community groups and local governments. It adheres to community involvement in all stages of the project, from start to finish.

Box 1. Sample of CDD projects

- First and Second Urban Development Program (Tondo, Metro Manila), 1976 and 1979.⁶
- Water works system (Barangay Tabok, Mandaue City, Cebu), 1981.⁷
- Under KALAHI-CIDSS
 1. Public utility passenger boat (Barangay Dungon, Concepcion, Iloilo), 2004;
 2. Improvement of the main barangay road (Barangay Dansalan, Sapad, Lanao del Norte);
 3. Flood control wall (Barangay Kinabuhayan, Dolores, Quezon);

⁵ Sections 2, 34, 35, 41, 98-116, and 397 of the LGC (Republic Act 7160).

⁶ Community Participation in Development Projects, The World Bank Experience, Samuel Paul, February 1987

⁷ Based on the documentation prepared by Dr. Mario R. Delos Reyes, Associate Professor and Director, Training and Extension Services Division, University of the Philippines – School of Urban and Regional Planning

4. Electrification of the whole barangay (Barangay Olave, Enrique Villanueva, Siquijor);
 5. Corn Mill (Barangay Magwawa, Santo Tomas, Davao Del Norte);
 6. Construction of a 6-classroom high school (Barangay Sta. Lucia, Dolores, Quezon);
 7. Water system rehabilitation (Barangay Don Juan Verceles, San Francisco, Quezon);
 8. Construction of communal faucets (Barangay Loboc, Tungawan, Zamboanga Sibugay);
 9. Drainage system improvement (Barangay Taruc, Surigao del Norte).
- ADB's Agrarian Reform Communities I Project (ARCP).

Consequently, projects that are not sustainable, do not require the continued active participation of communities, and do not have positive social impacts are not appropriate for Negotiated Procurement-Community Participation. Some of these include the purchase of lands, salaries and wages of government staff, repair of government facilities, meeting halls, places of religious worships, political and religious activities, micro-credit activities, road construction into protected areas, activities that exploit women and men at any age, employment of minors, travel, and consumption items or events like fiesta.

Community Participation under the LGC

The LGC opened venues for the participation of people's organizations and non-government organizations through the local special bodies and sectoral representation.⁸ Agencies and offices are also expected to consult with appropriate local government units and community organizations before any project or program is implemented in their jurisdiction. One of the ways to formally accomplish this is through a Barangay Assembly (BA), which acts as the community's highest decision-making body. Composed of "all persons who are actual residents of the barangay"⁹, its resolutions express the will of the people in the community. The BA meets **at least** twice a year to discuss barangay activities, finances, and problems. It is called upon by the Punong Barangay, or of at least four (4) members of the SB, or through a petition of at least five percent (5%) of assembly members.¹⁰

According to LGC Chapter 6 Section 398, the powers of the BA are the following:

- Initiate legislative processes by recommending to the SB the adoption of measures for the welfare of the barangay and the city or municipality concerned;
- Decide on the adoption of initiative as a legal process whereby the registered voters of the barangay may directly propose, enact, or amend any ordinance; and
- Hear and pass upon the semestral report of the SB concerning its activities and finances.

All LGUs are also mandated to convene a multi-sectoral local development council that will set the direction for economic and social development, and coordinate development efforts in the locality.¹¹ For barangays, the BDC, headed by the Punong Barangay, is composed of the sangguniang barangay, representatives from the NGOs, Congressman. Amongst its key functions are to formulate the barangay's development plan, mobilize

⁸ Sections 41 and 98 to 116, Republic Act 7160 or the Local Government Code (LGC) of 1991

⁹ Chapter 6, Section 397 of the LGC

¹⁰ *Ibid.*

¹¹ Section 106 of the LGC

people's participation, monitor and evaluate programs and projects, and it can form sectoral or functional committees to assist the council in performing its functions. The LDCs also have an Executive Committee that represents it. In barangays, the Executive Committee is composed of the Punong Barangay, a representative from the Sanggunian, and a representative from the NGOs.

Community Participation in the revised Implementing Rules and Regulations (IRR) of the GPRA

The concept of community participation in this Manual is anchored on Section 53.12 of the GPRA IRR, to wit:

Community Participation. *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 guidelines to be issued by the GPPB.*

As stated above, Community Participation as a form of Negotiated Procurement is allowed only in order to meet specific social objectives or for project sustainability.¹² This Manual guides the procuring entity and describes how the community can participate as a service provider or contractor as well as its participation in the whole procurement process of a project.

Defining "community"

For purposes of this Manual, **community** is defined as a group of individuals living in close proximity to each other¹³. It also includes social groups who share a common agenda, cause, or interest. Examples of community groups include parent-teacher association, association of barangay health workers, farmers, fisherfolk, women, elderly, indigenous peoples, among others. Community groups may or may not be organized.

This Manual focuses on ways by which organized community groups may participate in government procurement. Organized groups have a formal structure, democratically selected leaders, and adopt a principle of shared responsibility over its actions. This Manual considers two types of organized groups – registered¹⁴ and non-registered. Registered groups are listed with and possess a certificate from a registering body (e.g., SEC, DTI, CDA; including those given authority to do so by an implementing agency). This includes, but is not limited to, NGOs, CSOs, CBOs, People's Organizations, and community labor groups.

CHAPTER II: IMPLEMENTING GUIDELINES ON NEGOTIATED PROCUREMENT-COMMUNITY PARTICIPATION

This Chapter discusses the key principles that should guide the conduct of procurement using Negotiated Procurement-Community Participation. It also puts forward a general procedure for Negotiated Procurement through Community Participation that can guide a procuring entity and its BAC. It also presents a simple interpretation of a service provider/contractor's legal, technical, and financial capability under Section 53.12 of the GPRA and its IRR.

¹² The Asian Development Bank (ADB) and The World Bank (WB) allow community participation as a method of procurement.

¹³ <http://go.worldbank.org/AOGIL9SSI0>

¹⁴ Registration is different from accreditation. Though registration is required for the participation in public procurement as contractor/service provider or observer, there are other eligibility requirements for such.

2.1 Guiding Principles

Participation as a key good governance dimension improves the quality and responsiveness of public spending by aligning procurement with project sustainability and social objectives, thereby directly uplifting the economic, environmental, and social well-being of the communities. Thus, community participation in procurement shall be guided by the following principles:

1. **Equity** – community members and organizations have equal opportunities to participate in decision-making processes of the project: identification, procurement, implementation, monitoring and evaluation, and other related processes, including equal opportunity in the engagement of community organizations as contractors/service providers.
2. **Participation** – policy and mechanisms (e.g., barangay assemblies, project committees, etc.) are provided by the barangay to ensure maximum engagement of the community in decision-making processes. It highlights giving voice to members of the community especially those from the marginalized sector. It empowers intended beneficiaries to influence project outcomes.
3. **Responsiveness** – public spending is geared towards addressing problems and challenges identified by the community in a manner that is supported by the community.
4. **Accountability** – the answerability of public officials including members of the different project committees to the community. It means that those involved in community procurement have clearly defined roles and responsibilities and all decisions, actions, and project finances are made public.
5. **Transparency** – clarity and simplicity of the policies and procedures, as well as the openness in their implementation. The community is made aware of every aspect of project decision-making. Steps are taken to ensure that the rationale behind decisions made and actions taken are understood.
6. **Value for money** – ensures that communities obtain the optimal benefit from projects. The community's ownership of the project encourages its responsible use, extends the project life, and maximizes its beneficial value to the community.

The procurement documents, including the contract, should be aligned with these principles, and should contain disclosure/transparency provisions and expected social impacts/benefits (e.g., consultation, community monitoring, and social benefits like income and livelihood for the marginalized sector, exercise of fair labor practices, etc.).

2.2 Applicability Conditions

Projects may be procured through Negotiated Procurement-Community Participation where the *participation of local communities are desirable **for project sustainability or to achieve certain specific social objectives.***

Project sustainability anchors itself on ensuring that project recipients are able to sustain the project or its activity(ies) even after the initial phase of project implementation or even if project resources are no longer available. One of the ways to ensure project sustainability is to increase the community's ownership of the project and its outputs/results. Greater ownership is achieved by sharing with the community decision-making powers in all the stages of project life.

Social objectives are goals that seek to improve the well-being of the community. The desired outputs target core problems identified by the community through solutions they helped determine. These objectives aspire to empower the community by enhancing their knowledge and skills and creating an environment for development. Projects with social objectives may also include those that require the delivery of additional benefits over and above the direct benefit of the goods, non-consulting service, or infrastructure facility to be acquired.

These projects attempt to achieve positive outcomes like poverty reduction, hunger mitigation/elimination, access to education, equitable distribution and management of natural resources, climate change adaptation/mitigation, disaster risk reduction, gender equality, disease reduction, and job generation, among others.

Toward these ends, the following should be established by the procuring entity:

1. The project is aligned with the procuring entity’s mandate and strategic or development plan to **efficiently and economically deliver public service**. The objective is to optimize use of public funds in the discharge of government functions through projects that will achieve the most benefit to the community at the least cost to the government;
2. The project has identified **positive social outcomes with community(ies) as its main beneficiary(ies)**. It is appropriate for projects to be implemented at the barangay and/or community-level where beneficiaries are clearly identifiable group(s) of households/individuals in the same community;
3. The project **requires community involvement, in part or in whole, for its success and continued implementation**. It recognizes the need for community ownership as critical to sustain project outputs/results and achieve its intended outcomes; and
4. The project is **aligned with the locality’s development plan(s)**. Following local government planning processes, development plans (comprehensive, annual, or sectoral) are formulated using participatory mechanisms and tools to express the desired social outcomes and objectives of residents of the community. Comprehensive development plans are translated into annual plans from which APPs are formulated. These can be subjected to processes of revisions and prioritization depending on emerging needs and availability of resources.
5. The Approved Budget for the Contract (ABC) of the project or its component that will be procured through Negotiated Procurement-Community Participation **meets the following thresholds:**

Procuring Entity	Maximum Amount (in Philippine Pesos)	
	Goods	Infrastructure Projects
1. National Government Agencies 2. Government Owned/Controlled Corporations 3. Government Financial Institutions 4. State Universities and Colleges	2,000,000	5,000,000
5. Local Government Units		
<ul style="list-style-type: none"> • 1st-3rd Class Provinces • 1st-2nd Class Cities • Highly Urbanized Cities 	1,000,000	2,500,000

<ul style="list-style-type: none"> • 4th Class Province • 3rd Class City 	800,000	1,750,000
<ul style="list-style-type: none"> • 5th Class Province • 4th Class City 	600,000	1,000,000
<ul style="list-style-type: none"> • 6th Class Province • 5th-6th Class Cities • Municipalities • Barangays 	500,000	750,000

For foreign funded procurement, the thresholds shall be determined by agreement between the borrowing/implementing agency and the foreign funding institution.

6. The project’s contract packaging and terms **do not result to splitting of government contracts** for the purpose of evading or circumventing the requirements of the GPRA and its IRR.
7. Local Government Units serving as procuring entities are encouraged to utilize Negotiated Procurement-Community Participation as long as they are **recipients of the Seal of Good Housekeeping or Seal of Good Governance** from the Department of the Interior and Local Government (DILG) or have shown a proven capacity to procure and manage community based projects.

2.3 Procedural Guidelines

The following are the procedural requirements for the use of Negotiated Procurement-Community Participation:

A. Planning and Identification¹⁵

1. The end user unit shall identify project proposals in line with the procuring entity’s strategic plan, key results areas, and major final outputs that will be sustainable if implemented with the participation of a target community or where the engagement of community participants will lead to the achievement of specific social objectives.
2. The end user unit shall prepare the objectives, requirements, estimated budget, outputs and target community beneficiary(ies) of the selected project and present the same to the local community concerned for review, revision, and acceptance.
3. The proposed projects that were accepted by the target community(ies) shall be included in the end user unit’s PPMP and the procuring entity’s approved APP, indicating that it shall be procured using Negotiated Procurement-Community Participation. The acceptance by the target community(ies) shall be evidenced by the project’s inclusion in their respective local development plan or in a resolution by the local sanggunian in case of projects for the LGUs.

¹⁵ Procuring entities may also follow the participatory processes for project planning, identification, and selection being implemented by government agencies through established community driven development programs, such as the Grassroots Participatory Budgeting Program (GPBP) and KALAHI-CIDSS National Community Driven Development Project (KC-NCDDP).

B. Pre-procurement¹⁶

4. The project or project components, technical specifications or scope of work, and contract packaging shall be finalized by the procuring entity, taking into consideration the requisites under Section 2.2 of this Manual and the inputs of the local community(ies) concerned.
 - 4.1. For goods, the procuring entity shall ensure that there are clear standards for quality, function and performance in the technical specifications that need to be met. Where applicable, these shall approximate those of Philippine National Standards (PNS), as specified by the Bureau of Product Standards (BPS).
 - 4.2. For works, the technical designs and specifications to be used must be in accordance with relevant national, municipal and local design codes and standards for rural infrastructure applicable to local conditions. Construction supervision, quality control, contract management, completion inspection, acceptance, operation and maintenance procedures shall be in accordance with the requirements of the projects.
5. The end user unit shall prepare the request for quotation/proposal (RFQ/RFP), which shall indicate a brief description of the goods, non-consulting services, or simple infrastructure projects to be procured, the technical specifications or scope of work, the ABC, the manner and deadline for submission of quotations, the terms and conditions of the project, and other necessary information.

C. Posting

6. The BAC shall post the RFQ/RFP in the website of the procuring entity (if any), the premises of the procuring entity, and 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.

D. Opening and evaluation

7. On the date specified in the RFQ, the BAC shall open the quotations/proposals submitted, using a non-discretionary pass or fail criterion, to determine compliance with the requirements and evaluate which bidder submitted the Lowest Calculated Bid or Quotation (LCB/LCQ).
 - 7.1. The BAC should have obtained quotations/proposals from at least three (3) community-based service provider from the barangay(s) where the project is located or to be executed. If there are less than three (3) community-based service provider, the BAC shall continue the procurement process and determine the eligibility of the community-based service provider(s) that submitted its quotation/proposal. If none are qualified, the invitation may be extended to other barangays

¹⁶ For national government projects, it is important for the procuring entity and its BAC to coordinate with the local government units to ensure that consultation(s) is/are conducted before the procurement begins. This is also an opportunity to gather more recent information needed to prepare the procurement documents (*e.g.*, poverty incidence, public places, unemployment data, list of civil society organizations, market conditions, etc.).

within the same municipality only. (See Section 2.4 of this Manual for determining an eligible community-based service provider)

7.2 For the hiring of community labor, proposals are evaluated based on the labor requirements of the project. (See Section 3.3 of this Manual for the establishment of community labor groups)

8. If the LCB/LCQ is determined to be responsive, using a non-discretionary pass or fail criterion, it shall be declared as the LCRB/LCRQ. If not, the second LCB shall be evaluated with its responsiveness determined pursuant to the aforementioned provision. Such procedure shall be repeated for the next LCB/LCQ until the LCRB/LCRQ is determined.

E. Awarding of contract

9. The BAC shall submit its findings and recommendations to the Head of the Procuring Entity (HOPE) for her approval/disapproval. The submission shall contain the documents submitted, its evaluation, and the contract documents.
10. In case of approval, the HOPE shall immediately issue the notice of award. In case of failure to enter into a contract, the HOPE shall disqualify the provider and direct the BAC to determine the responsiveness of the quotation of the community-based service provider with the second lowest calculated quotation.
11. The procuring entity shall ensure that the contract provides the most advantageous terms and conditions to the Government.
12. The BAC, through the Secretariat, shall post, for information purposes, the notice of award, the contract, and the notice to proceed in the following:
 - a. PhilGEPS website;
 - b. Procuring entity's website, if any; and
 - c. Conspicuous place reserved for this purpose in the premises of the procuring entity and in the community where the project will be implemented.

F. Contract implementation

13. Advance payment may be released in an amount not exceeding fifteen percent (15%) of the total contract price provided it is included in the contract¹⁷.
14. The community-based service provider shall submit progress billing or statement of work accomplished that contains the amount due the contractor *vis-a-vis* the work performed pursuant to the work and financial plan.
15. The procuring entity shall release payments based on the payment scheme provided in the contract and only upon validation by the end user unit that the community-based service provider has delivered or performed the outputs specified in the work and financial plan and the same has been inspected and accepted by the community and confirmed by the procuring

¹⁷ Annexes "D" and "E" of the revised IRR of RA 9184.

entity as satisfactory in accordance with the technical specifications or scope of work.

16. The procuring entity and the Commission on Audit shall conduct visit-audit and examination for the project.
17. Payments and release of funds shall be subject to government auditing and accounting rules and regulations.

G. Contract reporting and feedback mechanism

18. The community(ies) shall implement a reporting and feedback mechanism to validate that the project achieved the desired social objectives or project sustainability outputs, identify the effects in the community, and determine future development needs.
19. The findings shall be presented to the community(ies) through a Barangay Assembly. The community shall furnish the procuring entity and the DILG a copy of the report, and post the same in a conspicuous place in the community(ies).

2.4 Eligible Community-Based Service Provider

A “community-based service provider” participating in a Negotiated Procurement-Community Participation procurement is composed of organized community members intending to act as a service provider or contractor for a project or its component(s). This includes, but is not limited to, CSOs, CBOs, People’s Organizations, and community labor groups.

A community-based service provider shall possess the following requirements to be declared eligible to participate in a Negotiated Procurement-Community Participation procurement activity:

1. In the case of organized community-based service providers (*e.g.*, CSOs, CBOs, People’s Organizations) the following documents shall be required by the BAC:

a. Legal Requirements

- i) Certificate of registration from the Department of Trade and Industry (DTI), Securities and Exchange Commission (SEC), Cooperatives Development Authority (CDA), Department of Labor and Employment (DOLE), National Commission on Indigenous People (NCIP), national government agency, or local government unit, whichever is applicable.
- ii) Certification from the leader of the community-based service provider that none of its incorporators, organizers, directors or officials is an agent or related by consanguinity or affinity up to the fourth civil degree to the Head of Procuring Entity, a member of the BAC, or other official authorized to process and/or approve the proposal, contract, and release of funds.
- iii) Disclosure of related business, if any, and extent of ownership therein.

b. Technical Requirements

- i) List of completed contracts similar to procurement or list indicating the experiences of members of the community-based service provider that satisfies the technical requirements of the procurement at hand in terms of its capacity to deliver the goods, perform the non-consulting service, or construct the simple infrastructure project, at an equal or higher established standards.
 - c. Financial Requirements
 - i) Certificate that the community-based service provider has an existing bank account.
 - ii) Updated audited financial statement.
 - iii) Proof that it has financial management system that maintains the following sets of book of accounts: cash receipts book, cash disbursement book, ledger/logbook, subsidiary ledger (particularly for inputs, assets, properties belonging to community based service provider, bank book/bank statements, disbursement vouchers, and official receipt.
2. In the case of unorganized community-based service provider, such as community labor groups, the following shall be required:
- a. Legal Requirements
 - i) Certificate from the Punong Barangay concerned that the individual members of the group are residents of the target community(ies).
 - ii) Resolution or minutes of the Barangay Assembly approving the creation of the community labor group as a community-based service provider.
 - b. Technical Requirements
 - i) List indicating the experiences of members of the community-based service provider that satisfies the workmanship and skill set requirements for the procurement at hand in terms of its capacity to perform the required labor service for the delivery of goods, performance of non-consulting service, or construction of simple infrastructure project, at an equal or higher established standards.
 - c. Financial Requirements
 - i) Guidelines for the establishment of a financial management system necessary for the performance of the project and the implementation of a payroll system.

CHAPTER III: COMMUNITY COMMITTEES AND GROUPS

This Chapter guides the community and barangay in establishing community groups and committees necessary for the successful implementation of a project procured using Negotiated Procurement-Community Participation.

This Chapter takes off from LGC provisions on community participation through the barangay development council (BDC) and barangay assembly (BA). It details the steps to be undertaken in ensuring that the project achieves the positive social outcomes and project sustainability, including the roles and responsibilities of the community.¹⁸

Projects implemented in barangays can come from the barangay's own planning process, other LGUs (cities, municipalities, and provinces), NGAs, GOCCs, GFIs, and SUCs. These projects require barangay approval in the form of ordinances (*i.e.*, inclusion in development plans, priority projects, budget ordinance or its supplement, etc.) and inclusion in barangay approved documents, such as the annual investment plan and the approved APP.

3.1 Barangay Development Council and Barangay Assembly

According to the LGC, agencies and offices are expected to consult with appropriate local government units and community organizations before any project or program is implemented in their jurisdiction. This may be formally accomplished through a Barangay Assembly (BA), which is composed of "all persons who are actual residents of the barangay"¹⁹, and its resolutions express the will of the people in the community. The BA meets **at least** twice a year²⁰ to discuss barangay activities, finances, and problems in compliance with the LGC. It is called upon by the punong barangay, or of at least four (4) members of the SB, or through a petition of at least five percent (5%) of assembly members.²¹ Amongst its key functions are to recommend to the Sangguniang Barangay the adoption of measures and initiatives, and to serve as a venue for the Barangay to report its activities and finances.

The BDC on the other hand serves as a multi-sectoral body that formulates the barangays development plan, mobilizes people's participation, and monitors and evaluate projects. The BDC is headed by the Punong Barangay and represented by an Executive Committee when not in session.²² It has the authority to form sectoral and functional committees to assist it in performing its functions.²³

In accordance with the requirements for membership in the BA²⁴, only residents of the barangay for at least six (6) months, fifteen (15) years of age or over, and citizens of the Philippines can be elected as a community member to the committees.

3.2 Organizing Community Committees

In order for the barangay to be a suitable partner in a community participation project and to further strengthen community participation in government procurement activities, the following committees shall be formed by the BDC with the members elected during a BA:

¹⁸ Suggestions put forward in this chapter take inspiration from existing laws and guidelines, and lessons garnered from the KALAHYON-CIDSS project and good LGU practices.

¹⁹ Section 397 of the LGC.

²⁰ Last Saturday of March and second Sunday of October pursuant to Proclamation No. 260, Series of 2011.

²¹ *Ibid.*

²² Section 111 of the LGC.

²³ Section 112 of the LGC.

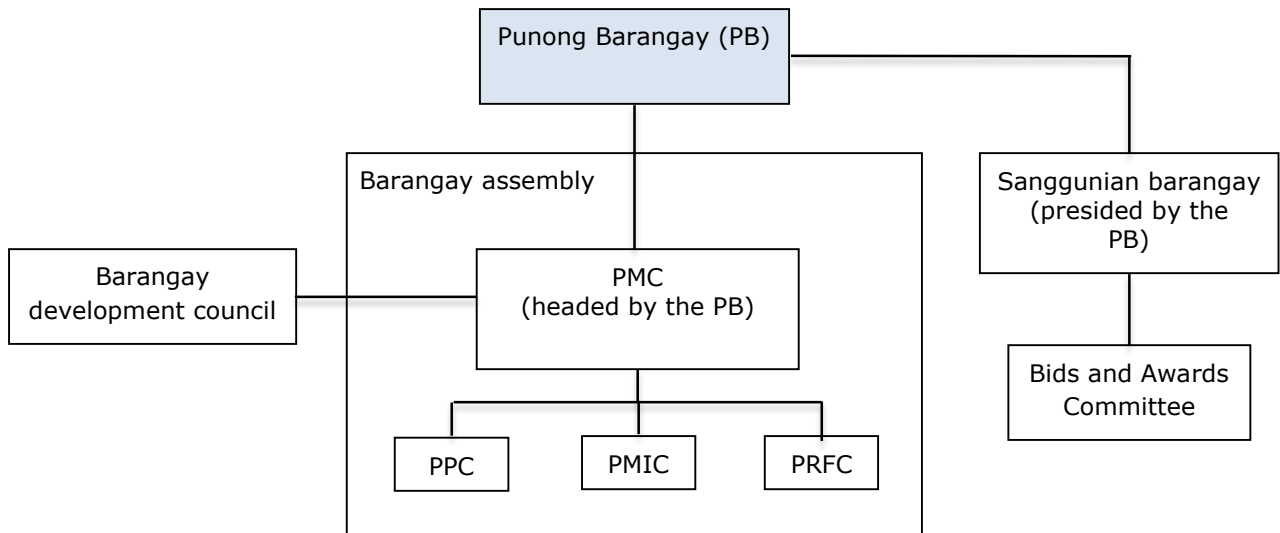
²⁴ Section 397 of the LGC.

1. Project Management Committee (PMC);
2. Project Preparation Committee (PPC);
3. Project Monitoring and Inspection Committee (PMIC); and
4. Project Reporting and Feedback Committee (PRFC).

A representative from one (1) registered community group and two (2) community members will be elected at large during the BA to these committees. Insofar as practicable, no individual shall be elected in more than one committee. Moreover, except for the PMC, which will automatically be headed by the Punong Barangay, there shall be no other committee where the Punong Barangay may be a member. Each committee will elect its chairperson and, if there are more than five members, a vice chairperson. The committees will ultimately be accountable to the BA, with the PMC overseeing the activities of the other committees.

Diagram 1 below illustrates the relationship between the committees and the regular barangay structures for procurement.

Diagram 1. Organizational structure for community participation in procurement



A. Project Management Committee (PMC)

The PMC shall be composed of community volunteers who shall be responsible for managing prioritized and approved community based projects and for ensuring that these are done in accordance with prescribed government procedures. It shall be responsible for supervising the performance of the other committees and for coordinating with the procuring entity on matters relating to the project.

The PMC shall be headed by the Punong Barangay, and composed of the BDC's Executive Committee (made up of a representative from the Sanggunian and a representative from the NGOs/POs), at least two (2) community members elected during the BA. The Barangay Secretary and Treasurer shall be non-voting members.

B. Project Preparation Committee (PPC)

The PPC shall be composed of community volunteers who shall be responsible for

the evaluation of proposed projects for community participation and preparation of community proposals for projects to be recommended to the BA for possible inclusion in the barangay development plan or for submission to possible funding entities. The BDC may form several PPCs to prepare proposals for different projects.

The members of the PPC shall have some capacity to conduct simple studies (e.g., an inventory or listing, consultation) on the barangay market conditions relevant to the project, the development needs of the barangay, and the preparation of plans or proposals. The chairperson of the PPC shall come from the elected registered community group or community members. The head of the Barangay Committee relevant to the project shall be a member of the PPC.

C. Project Monitoring and Inspection Committee (PMIC)

The PMIC shall be composed of community volunteers who shall be responsible for monitoring and inspecting whether the delivery of goods, performance of non-consulting services, and construction of works are in accordance with the technical specifications or project requirements and terms and conditions of the contract. The PMIC shall develop and accomplish a Monitoring Report (*See Annex 1 for a sample report*) and an Inspection and Acceptance Report (*See Annex 2 for sample form*) for the project that will be submitted to the PMC for transmittal to the procuring entity.

The chairperson of the PMIC shall come from the elected registered community group or community members. A member of the barangay inspection team shall be a member of the PMIC. The size of the PMIC should consider the size of the project (e.g., number of components, geographic reach, volume and frequency of deliveries, etc.).

D. Project Reporting and Feedback Committee (PRFC)

The PRFC shall be composed of community volunteers who shall be responsible for validating whether the project achieved the desired social objectives or project sustainability outputs, identifying the effects of the project in the community, determining future development needs, and reporting such findings to the procuring entity, the DILG, and the community.

The PRFC shall be composed of five (5) to seven (7) members who do not have any conflict of interest with the project and relationship within the fourth civil degree of consanguinity or affinity with the members of other committees. Elected barangay officials are disqualified from being members of the PRFC. (*See Annex 3 for a guide to the PRFC*)

3.3 Organizing Community Labor Groups

For projects requiring labor components, the procuring entity shall draw such labor from the community(ies). In line with this, the community shall establish community labor groups, as follows:

1. Unskilled, semi-skilled, and skilled labor shall be recruited, insofar as practicable, within the target barangay(s). If the required labor is insufficient or lacking in the target barangay(s), labor may be obtained from the adjacent barangay(s).
2. The formation of community labor groups should actively involve the barangay leaders and the community. A Project Facilitator (PF) shall be appointed by the procuring entity to assist in the organization of the community labor groups. The

PF shall, for purposes of informing the community of the project and of organizing labor groups, attend community meetings convened by the barangay(s) officials.

3. The Punong Barangay shall cause the registration of all unemployed or underemployed members of the community who are interested to join the labor groups being formed for the project.
4. The community labor group leader and officers shall be elected from among the members of the group. They may be replaced at any time by the group through an election for that purpose, after due notice to the PF and the Punong Barangay. Any such replacement shall not invalidate any contract entered into by the community labor group.
5. In no case may community labor groups be regular or licensed contractors or organized by and/or under the management of a regular or licensed contractor. Laborers supplied by job-contractors/labor-only contractors are likewise disqualified to become members of the community labor groups when the job-contracting/labor-only contracting is specifically carried out for the purpose.

Box 2. More tips for community members on how to enhance involvement and empower themselves:

- Know what you want to get involved in.
- Know the requirements of involvement and accomplish them. (e.g. Does it require you to be a member of a registered group? Does it require training? Does it require frequent meetings and consultations? How much time do you need to devote to it? Can you commit?)

OR

- Knowing your qualifications, find out where you can get involved.
- Once you know your options, identify where you want to be involved and how.

OR

- Don't know where to start? Ask! Remember: Knowledge is power!

OR

- Don't have avenue by which you can get involved? Create one!

OR

- If you have any other suggestions on how to enhance existing avenues of community participation or new ideas on how to widen the same, then let your barangay officials know!

ANNEXES

ANNEX 1. Sample Monitoring Report

Monitoring Report Format						
Project				Approved Budget for the Contract		Monitoring Date
Location				Estimated Government Expenses		Time Started
Region				Construction Start Date	:	Time Ended
Division				Completion Period	:	
Budget Allocation				Contractor	:	
Team Composition				Team Composition	:	
Scope of Work	As Per Program of Work		Actual	Findings/Observations	Recommendations	
	Unit	Quantity				
General Requirements						
Mobilization/ Temporary Structures, Utilities and Services/Demobilization/Standard Billboard	lot	1.00				
School Drainage						
Widening of Open Canal- Clear Opening Dimensions 0.30 W x 0.50 D with Steel Grating Cover	l.m.	149.10				
VPE - PHASE 1						
Doors and Windows						
Replacement of Flush Door 0.90m x 2.10m including accessories	pcs	10.00				
Replacement of Broken Steel Casement Window Glass 0.36 x 0.57m	pcs	45.00				
Repair and Replacement of Window Glass Jalousie	set	16.00				
Carpentry Works						
Blackboards	sq. m	40.32				
Rough Lumber, Sun Dried, Tanguile	bd. Ft	257.00				
Lawanit, 1/4 thk	pcs	14.00				
Finishing Nails	kg	1.00				
Common Wire Nails	kg	5.00				
Concrete Nails	kg	1.00				
Prepared By:						Noted By:
Printed Name and Signature of Volunteer			Printed Name and Signature of Volunteer			Name/Organization of Organization Head

ANNEX 3. Guide to the Project Reporting and Feedback Committee

The PRFC shall implement a reporting and feedback mechanism to ensure that the contract implementation achieves the desired social objectives and/or project sustainability requirements. For this purpose, the PRFC shall evaluate the quality of participation by the community and the over-all management of the project. It shall also monitor the efficiency and effectiveness of the steps taken and the time utilized by the committees to reach project milestones.

Methodology

The PRFC may undertake interviews of community representatives to the committees, target beneficiaries, barangay officials, organizations, and other community members. Some of the key questions to be answered are the following:

- a. Is/Are the social objective(s) of the project and its procurement(s) being met? If yes, how? If not, why?
- b. Are there project related gaps or shortcomings that can be addressed to achieve the social objectives effectively? If yes, what are these?
- c. Does the committee recommend other projects or procurement(s) to achieve the community's desired outcomes?

Other questions can be asked by the PRFC especially if the desired social objectives are not being met.

Reporting

The team's main output will be a report to be presented to the BA and submitted to the DILG and the procuring entity. It can also be asked by the BA whenever needed to report during the BAs its major findings on the implementation of the project. Its report shall be different from that of the PMIC and shall be made available to the public and posted in a conspicuous place in the barangay.