



**APPROVAL OF THE ISSUANCE OF A CIRCULAR ON SANGGUNIANG  
KABATAAN (SK) PROCUREMENT**

**WHEREAS**, Republic Act (RA) No. 9184 otherwise known as the “Government Procurement Reform Act” took effect on 26 January 2003, while its 2016 revised Implementing Rules and Regulations (IRR) took effect on 28 October 2016;

**WHEREAS**, Section 63 of RA No. 9184 and its 2016 revised IRR authorize the Government Procurement Policy Board (GPPB) to formulate public procurement policies, rules and regulations, and amend its IRR, whenever necessary;

**WHEREAS**, RA No. 10742 entitled “An Act Establishing Reforms in the Sangguniang Kabataan Creating Enabling Mechanisms for Meaningful Youth Participation in Nation Building, and for Other Purposes” or the SK Reform Act was signed into law on 15 January 2016;

**WHEREAS**, Section 20(b) of RA No. 10742 states that the SK shall have financial independence in its operations, disbursements, and encashment of their fund, income and expenditures;

**WHEREAS**, Section 8(l) of the IRR of RA No. 10742 authorizes the SK Chairperson to enter into contracts on behalf of the SK, subject to RA No. 10742 and its IRR, RA No. 7160 or the Local Government Code of 1991, RA No. 9184, and other pertinent laws and regulations;

**WHEREAS**, Section 20(a) of the IRR of RA No. 10742 provides that the SK funds shall be disbursed in accordance with the provisions of RA No. 10742 and its IRR, RA No. 7160, RA No. 9184 and other pertinent rules and regulations;

**WHEREAS**, the Department of Budget and Management (DBM), Department of Interior and Local Government (DILG), and the National Youth Commission (NYC) issued Joint Memorandum Circular (JMC) No. 1, series of 2019, entitled “Guidelines on the Appropriation, Release, Planning, and Budgeting Process for the SK Funds” on 23 January 2019;

**WHEREAS**, Section 5 of JMC No. 1, s. 2019 states that the SK funds should be utilized strictly in accordance with applicable budgeting, accounting, and auditing rules and regulations, and the provisions of RA No. 9184 and other pertinent laws.

**WHEREAS**, on 4 March 2019 Government Procurement Policy Board-Technical Support Office (GPPB-TSO) led the focus group discussion on SK Procurement, attended by DBM Regional Offices;

**WHEREAS**, the GPPB-TSO thereafter met with the NYC officials on 20 June 2019 to consult with them on the rules for SK procurement;

**WHEREAS**, the GPPB-TSO also attended the meeting on 4 July 2019 regarding concerns on SK disbursement, including procurement. The said meeting was led by the Local Government and Regional Coordination Bureau of the DBM and attended by the Commission on Audit, the DILG, and the NYC;

**WHEREAS**, during the 5<sup>th</sup> Inter-Agency Technical Working Group (IATWG) meeting on 13 June 2019, the GPPB-TSO presented its proposals on the conduct of SK Procurement, namely: (a) creation of the SK BAC compliant with RA No. 9184; (b) adjustment of the SK BAC composition to three; and (c) outsourcing SK procurement to the barangays;

**WHEREAS**, the IATWG agreed to submit their comments on the matter until 28 June 2019, and for the said proposal to be presented to the Board. Likewise, the Group instructed the Secretariat to further study SK Procurement and to prepare the proposed guidelines for benchmarking, taking into consideration the funds given to the SK proportionate to the Barangay's Internal Revenue Allotment, and other possible issues;

**WHEREAS**, during the 5<sup>th</sup> GPPB meeting on 17 July 2019, the GPPB-TSO presented its proposal to issue a Circular stating that SKs should create a BAC in accordance with the requirements under RA No. 9184 and its IRR or in the case of those not able to comply with the said requirement to resort to outsourcing under Section 7.3.3 of the 2016 revised IRR of RA No. 9184 but limited to the barangays BACs as their procurement agent;

**WHEREAS**, the GPPB, after careful review and deliberation, resolved to adopt the recommendation of the GPPB-TSO with modifications;

**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 and other executive issuances, hereby **RESOLVE**, to confirm, adopt, and approve, as **WE** hereby confirm, adopt, and approve the issuance of a Circular providing that the SK, as a procuring entity, should create a BAC in accordance with the composition and qualification under RA No. 9184 and its IRR. In case the SK does not have the sufficient number of SK members to consist a BAC, it may request resort to outsourcing under Section 7.3.3 of the 2016 revised IRR of RA No. 9184 with the barangay BACs as their procurement agent, in case the same is unable to grant said request for the SK to ask the BAC of other procuring entities to act as such. A copy of the Circular is attached as Annex "A."

This Resolution shall take effect immediately.

**APPROVED** this 17<sup>th</sup> day of July 2019 at Pasig City, Philippines.

SGD

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**DEPARTMENT OF BUDGET AND  
MANAGEMENT**

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**NATIONAL ECONOMIC AND  
DEVELOPMENT AUTHORITY**

SGD

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**DEPARTMENT OF EDUCATION**

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**DEPARTMENT OF ENERGY**

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**DEPARTMENT OF FINANCE**

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**DEPARTMENT OF HEALTH**

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**DEPARTMENT OF INFORMATION AND  
COMMUNICATION TECHNOLOGY**

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**DEPARTMENT OF INTERIOR AND  
LOCAL GOVERNMENT**

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**DEPARTMENT OF NATIONAL  
DEFENSE**

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**DEPARTMENT OF PUBLIC WORKS  
AND HIGHWAYS**

SGD

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**DEPARTMENT OF SCIENCE AND  
TECHNOLOGY**

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**DEPARTMENT OF TRADE AND  
INDUSTRY**

SGD

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**DEPARTMENT OF TRANSPORTATION**

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**PRIVATE SECTOR REPRESENTATIVE**



Unit 2506 Raffles Corporate Center,  
F. Ortigas Jr. Road, Ortigas Center,  
Pasig City, Philippines 1605

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**CIRCULAR 07-2019**

17 July 2019

**TO : Heads of Local Government Units, including the Sangguniang Kabataan (SK)**

**SUBJECT : SK BAC Composition and Conduct of Procurement**

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**1.0 Purpose**

This Circular is issued to provide guidance on how the SK, like any procuring entity, shall conduct its procurement activities pursuant to Republic Act (RA) No. 9184 and its Implementing Rules and Regulations (IRR), as provided in Sections 8(l) and 20(a) of the IRR of RA No. 10742<sup>1</sup> or the SK Reform Act.

**2.0 Scope**

The rules to be followed in the conduct of the procurement activities of the SK, particularly with respect to the creation of the Bids and Awards Committee (BAC).

**3.0 The SK as a Procuring Entity**

By virtue of Section 20(b) of RA No. 10742, the SK shall have financial independence in its operations, disbursements, and encashment of their fund, income and expenditures. Accordingly, it has the capacity to act as a procuring entity as defined under Sections 5(o) 4 of RA No. 9184 and 5(bb) of its 2016 revised IRR.

**4.0 The HoPE**

4.1 The SK Chairperson shall be the Head of the Procuring Entity (HoPE). In no case shall the HoPE and/or the approving authority of procurement contracts be the Chairperson or a member of the BAC.

4.2 The HoPE shall undertake the following:

4.2.1 establish a BAC with at least five (5) but not more than seven (7) members;

4.2.2 designate the Chairperson, Vice Chairperson and the BAC members, who are SK members except the SK Treasurer;

4.2.3 create a BAC Secretariat;

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<sup>1</sup> Entitled "An Act Establishing Reforms in the Sangguniang Kabataan Creating Enabling Mechanisms for Meaningful Youth Participation in Nation Building, and for Other Purposes" and signed into law on 15 January 2016.

- 4.2.4 ensure that the BAC, its Secretariat and Technical Working Group (TWG), including other relevant procurement personnel are sent to attend Government Procurement Policy Board (GPPB) Recognized Training Activities and Capacity Development Programs pursuant to Section 16 of the 2016 revised IRR of RA No. 9184 and GPPB Resolution No. 12-2018.<sup>2</sup> The HoPE shall also attend similar procurement trainings and capacity development programs.
- 4.2.5 approve the Annual Procurement Plan (APP);
- 4.2.6 approve or disapprove the recommendations of the BAC;
- 4.2.7 resolve protests in accordance with Section 56 of RA No. 9184 and its 2016 revised IRR;
- 4.2.8 issue the Blacklisting Order in accordance with the Revised Guidelines for Blacklisting of Manufacturers, Suppliers, Distributors, Contractors and Consultants;<sup>3</sup>
- 4.2.9 approve and submit the Procurement Monitoring Report to the GPPB in printed and electronic format within fourteen (14) calendar days after the end of each semester;
- 4.2.10 approve the Agency Procurement Compliance and Performance Indicators results; and
- 4.2.11 and such other functions as may hereinafter be required to be undertaken by the HoPE.

#### 4.3 **The BAC**

The SK BAC shall perform the functions enumerated in Section 12 of the 2016 revised IRR of RA No. 9184.

#### 4.4 **The BAC Secretariat**

The Secretariat shall have the responsibilities listed in Section 14.1 of the 2016 revised IRR of RA No. 9184.

#### 4.5 **The TWG**

The BAC, when necessary, may create a TWG from a pool of technical, financial, and/or legal experts or from the remaining SK members, if any, or a member of the Katipunan ng mga Kabataan with technical, legal or financial expertise to assist in the procurement process.<sup>4</sup>

The SK may also engage the assistance of government personnel and officials, and consultants from the private sector and academe with proven expertise on the sourcing of the goods, works or consulting services to be procured<sup>5</sup> to

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<sup>2</sup> Entitled "Approving the Issuance of a Circular for the Recognition of Capacity Development Activities and Existing Pool of Procurement Trainers Pursuant to Section 16 of RA NO. 9184 and its 2016 revised IRR," issued on 4 September 2018.

<sup>3</sup> GPPB Resolution No. 40-2017, dated 21 December 2017.

<sup>4</sup> Section 12.1(m) of the 2016 revised IRR of RA No. 9184.

<sup>5</sup> Section 3.2 of GPPB Circular No. 2-2012, dated 3 August 2012.

handle the different aspects of the procurement at hand, namely, the technical, financial, legal and, in certain cases, the project management aspects. Such engagement of consultants must be compliant with RA No. 9184 and its IRR.

#### **4.6 The End-User**

4.6.1 The SK is itself the end-user unit.

4.6.2 The HoPE may designate a member of the SK, except the SK Treasurer, who shall be responsible for the preparation of the Project Procurement Management Plan and undertake preparatory activities such as, but not limited to, cost-benefit analysis, feasibility studies and market research.

4.6.3 Based on the specific needs, the designated end-user representative shall be responsible for the preparation of all documents necessary for the procurement activity, including but shall not be limited to, the technical specifications, scope of work, or terms of reference.

**5.0** The SK, in its conduct of procurement activities, shall strictly adhere to the provisions of RA No. 9184, its IRR, and associated guidelines.

**6.0** The APP shall be formulated and revised in accordance with Section 7.3 of the 2016 revised IRR of RA No. 9184, subject to the pertinent provisions of RA No. 10742 and its IRR, with respect to the approval of the annual budget of the SK.

#### **7.0 SK with Sufficient Number of SK Members to Constitute a BAC**

7.1 In the preparation of the indicative APP, the SK BAC Secretariat shall formulate the APP in compliance with Section 7.3.2 of the 2016 revised IRR of RA No. 9184. The SK Treasurer shall evaluate the indicative APP to ensure consistency with the proposed annual budget of the SK and existing budgeting rules. The SK Chairperson shall approve the indicative APP, upon recommendation by the SK BAC members in accordance with Section 7.3.4 of the 2016 revised IRR of RA No. 9184.

7.2 As soon as the SK budget becomes final and effective, the indicative APP shall be revised and adjusted accordingly. The SK Chairperson shall approve the finalized APP, upon recommendation by the SK BAC members in accordance with Sections 7.2 and 7.3.5 of the 2016 revised IRR of RA No. 9184. The APP shall be submitted to the GPPB on or before the end of January of the budget year, and shall be posted in accordance with E.O. 662, series of 2007, as amended.

7.3 The SK shall conduct its procurement activities through Competitive Bidding or any of the Alternative Methods of Procurement in accordance with RA No. 9184 and its 2016 revised IRR.

7.4 Should the SK resort to Shopping or Negotiated Procurement (Small Value) under Sections 52 and 53.9 of the 2016 revised IRR of RA No. 9184, the amount shall not exceed the thresholds prescribed for the barangays, which is Fifty Thousand Pesos (PhP50,000.00).

7.5 The SK shall procure Common-Use Supplies and Equipment from the Procurement Service, pursuant to Letters of Instruction No. 755, s. 1978 and Executive Order No. 359, s. 1989.

#### **8.0 SK without Sufficient Number of SK Members to Constitute a BAC**

8.1 In the preparation of the indicative APP, the SK Secretary shall formulate the APP in compliance with Section 7.3.2 of the 2016 revised IRR of RA No. 9184. The SK Treasurer shall evaluate the indicative APP to ensure consistency with the proposed annual budget of the SK and existing budgeting rules. The SK Chairperson shall approve the indicative APP, upon recommendation by other SK members, if any, in accordance with Section 7.3.4 of the 2016 revised IRR of RA No. 9184.

8.2 As soon as the SK budget becomes final and effective, the indicative APP shall be revised and adjusted accordingly. The SK Chairperson shall approve the finalized APP, upon recommendation by other SK members, if any, in accordance with Sections 7.2 and 7.3.5 of the 2016 revised IRR of RA No. 9184. The APP shall be submitted to the GPPB on or before the end of January of the budget year, and shall be posted in accordance with E.O. 662, series of 2007, as amended.

8.3 If the SK does not have the sufficient number of members to constitute a BAC, it may outsource its procurement tasks in accordance with Section 7.3.3 of the 2016 revised IRR of RA No. 9184.

8.4 The SK Chairperson may request the barangay BAC where it belongs to undertake the procurement tasks of the SK, through the execution of a Memorandum of Agreement containing specific arrangements, stipulations and covenants, in accordance with existing government budgeting, accounting and auditing rules and regulations. If the barangay is unable to grant said request, the SK may ask the BAC of other procuring entities to undertake its procurement tasks.

8.5 When the SK, outsources its procurement functions to another procuring entity as a procurement agent, a representative from the SK shall be designated as a provisional member of the BAC of the procurement agent.

**9.0** For guidance and compliance.

**10.0** This Circular shall take effect immediately.

SGD  
**LAURA B. PASCUA**  
*GPPB Chairperson Alternate*