



APPROVING THE COURSES OF ACTION ON THE PROPOSED REVISION OF THE ANNUAL PROCUREMENT PLAN FORM TO BE USED IN THE ELECTRONIC BIDDING FACILITY OF THE MODERNIZED PHILIPPINE GOVERNMENT ELECTRONIC PROCUREMENT SYSTEM

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 3 (c) of RA No. 9184 and its 2016 revised IRR mandate that all procurement shall be governed by the principle, among others, of having a “[s]treamlined procurement process that will uniformly apply to all government procurement. The procurement process shall be simple and made adaptable to advances in modern technology in order to ensure an effective and efficient method;”

WHEREAS, Section 63 of RA No. 9184 directs the Government Procurement Policy Board (GPPB) to protect national interest in all matters affecting public procurement;

WHEREAS, Section 8.1.1 of the 2016 revised IRR of RA No. 9184 provides that the Philippine Government Electronic Procurement System (PhilGEPS) shall serve as the primary and definitive source of information on government procurement.

WHEREAS, during the 2nd Regular Meeting on 29 February 2008, the Government Procurement Policy Board (GPPB) approved the first prescribed Annual Procurement Plan (APP) format pursuant to Executive Order No. 662;¹

WHEREAS, on 16 July 2015, the GPPB, through Resolution No. 20-2015, approved and revised the format of the APP (2015 Revised APP Form), to be used by all Procuring Entities (PEs) where all of their procurement activities for the year, including the requirements in its APP-Common-use Supplies and Equipment (CSE), are to be reflected;

WHEREAS, under GPPB Circular No. 07-2015, the APP shall contain the following information, among others: (i) Name of the project/procurement; (ii) Project management office/end-user unit; (iii) General description of the project/procurement; (iv) Procurement methods to be adopted; (v) Time schedule for advertisement/posting, submission and receipt/opening of bids, award of contract, and contract signing; (vi) Source of funds; and (vii) Approved Budget for the Contract;

WHEREAS, on 17 July 2019, the GPPB approved Resolution No. 14-2019, which revised the 2015 Revised APP Form, to reflect the Early Procurement Activities (EPA);

WHEREAS, during the 3rd GPPB Meeting last 07 April 2022, the GPPB approved the conduct of pilot testing of the revised Procurement Reports, the list of PEs that will be included in the pilot testing, and the use of the proposed revised Procurement Reports for the conduct of pilot testing;

WHEREAS, the GPPB-Technical Support Office (TSO) informed the Board that the pilot testing of the revised Procurement Forms is the first phase of the Automation of Procurement Reports and was designed to validate the necessity of the additional information or entries

¹ Enhancing Transparency Measures under Republic Act No. 9184 and Creating the Procurement Transparency Board.

included in the proposed revised forms and ensure that there would be no duplication of the existing features of the modernized PhilGEPS (mPhilGEPS);

WHEREAS, during the same meeting, the Board also discussed the implementation of the mPhilGEPS, particularly on the recommendation of the PhilGEPS relative to the mandatory uploading of Fiscal Year (FY) 2023 APP under the Eletronic Bidding (E-Bidding) Facility in the mPhilGEPS for the conduct of the EPA. The PhilGEPS explained that there is no automated system for the preparation of the APP in the E-Bidding facility. What it will require from the PEs is the uploading of the electronic file of the APP in the mPhilGEPS or what is called the APP Uploader. Thus, there is nothing in the PhilGEPS' proposal on the revision of the existing APP form;

WHEREAS, on 7 April 2022, the GPPB, through Resolution No. 04-2022, approved the mandatory use of the APP Uploader in the mPhilGEPS covering the uploading of the FY 2023 Indicative APP, starting August 2022, and the FY 2023 APP, among others;

WHEREAS, on 08 August 2022,² the PhilGEPS requested for a meeting with the GPPB-TSO to discuss the APP Uploader in the mPhilGEPS, among others. On 12 August 2022, the PhilGEPS inquired if it can use a different APP form for the APP Uploader. Subsequently, on 22 August 2022, the GPPB-TSO requested the PhilGEPS to submit a proposal to use a different APP form so that the same may be considered by the GPPB-TSO in its final recommendation to the GPPB relative to the ongoing pilot testing on the revision of forms as any changes in the APP form would require prior GPPB approval;

WHEREAS, in a letter dated 05 October 2022, the Officer-in-Charge – Executive Director of the Procurement Service of the Department of Budget and Management (DBM) suggested that its proposed revised APP form be used as the standard APP form as this is already provided in the system. In a subsequent clarificatory meeting with the PhilGEPS,³ the GPPB-TSO reiterated that any changes in the APP form would require approval of the GPPB considering that the current APP template being used by PEs was approved by the Board through Resolution No. 20-2015 and Resolution No. 14-2019 dated 16 July 2015 and 17 July 2019, respectively;

WHEREAS, on 16 November 2022, the GPPB-TSO received the Request for Approval of the APP form for the mPhilGEPS, along with the matrix or comparison with the existing APP form. In sum, the PhilGEPS' proposed APP form does not have the EPA column and includes a new entry for Object Code;

WHEREAS, during the 10th Inter-Agency Technical Working Group (IATWG) Meeting on 17 November 2022, the PhilGEPS presented its proposal to revise APP form to be used by all PEs. In the said meeting, the Department of Transportation (DoTr) and Philippine Space Agency (PhilSA) raised the non-inclusion of the portion for EPA in the proposed mPhilGEPS APP Template as this will confuse PEs since they have submitted their indicative APPs pursuant to GPPB Circular No. 06-2019, and removing the same is likely to be construed that EPA is no longer allowed under the rules. The PhilGEPS explained that the addition of the EPA portion in the APP template is already in the pipeline for the improvement of the mPhilGEPS which is targeted to be completed in the 1st quarter of 2023;

WHEREAS, during the same meeting, the DoTr also inquired on the importance or purpose in the inclusion of Object Codes in the proposed revised APP form considering that the allocation of funds is already specified through the programs, activities, and projects (PAPs) reflected in the current APP form. The DoTr likewise inquired with the PhilGEPS if the

² In an electronic mail.

³ Via Zoom platform on 15 November 2022.

Object Code to be used in the proposed revised APP form is aligned with the one used by the Development Budget Coordination Committee to ensure proper linkage of budgeting and procurement. Further, the DoTr inquired as to which Object Code to use since one (1) Procurement Project may have several components with Object Codes;

WHEREAS, the PhilGEPS explained that the Object Code is essential for the APP to be connected to the Budget Treasury and Management System (BTMS) of the DBM and can help PEs easily generate consolidated reports of similar items being procured. Moreover, the Unified Accounts Code Structure (UACS) is used for the Object Code portion in compliance with the DBM and Commission on Audit (COA) issuances. The Board, however, noted that the BTMS is currently under review and development;

WHEREAS, in the said meeting, the IATWG conditionally approved the endorsement of the PhilGEPS' proposed revised APP form to the GPPB, subject to additional comments from the members and upon compliance with the following: (i) the EPA column should be maintained in the APP form to be used in the mPhilGEPS and this should be done by the 1st quarter of 2023 including a guide on how to accomplish the additional entry in the proposed revised APP form; and (ii) enable the entry of all covered Object Codes considering that one (1) Procurement Project may have several Object Codes;

WHEREAS, on 24 November 2022, the GPPB-TSO consulted with the Budget Preparation and Execution Group of the DBM whereby it was pointed out that the Object Code is necessary for the preparation of Budget Execution Documents pursuant to DBM Circular Letter No. 2022-14. The same could serve as benchmark for the specific expenditures of agencies/offices for non-CSEs thus, PEs could readily detect and monitor the projected budget requirements of PAPs reflected in the National Expenditure Program or General Appropriations Act (GAA). This is the rationale behind Item 4.3 of the said Circular Letter which requires the PE's strict compliance of the APP submission for non-CSEs to the GPPB;

WHEREAS, during the 7th GPPB Meeting on 29 November 2022, the PhilGEPS presented its proposed revised APP form to the GPPB. The National Economic and Development Authority (NEDA) raised its issue on the mandatory use of the said APP form for all PEs starting January 2023 considering that the PEs may be held accountable by the COA if it would not be able to implement the same by then due to difficulty in using the system. Instead, the NEDA representative proposed the mandatory use of said template be postponed to the second semester of CY 2023;

WHEREAS, during the same meeting, the DoTr, the Department of Public Works and Highways, and the PhilSA expressed their concern in the deletion of the EPA column in the PhilGEPS proposed APP form. The PhilGEPS explained that the information regarding the EPA can be included in the APP and PEs will simply indicate under the remarks portion that the same is an EPA. The members of the GPPB, nonetheless, emphasized that the EPA should not be deleted in the proposed revised APP form to be used in the mPhilGEPS since this is an existing entry in the current APP form approved by the GPPB;

WHEREAS, in the same meeting, the DoTr reiterated its comments during the IATWG meeting that the PhilGEPS should provide the purpose of the inclusion of the Object Code in the APP especially since a Procurement Project may cover several Object Codes. Although the entries in the Object Code can be modified by the PEs, the PhilGEPS confirmed that the existing system can only provide one (1) Object Code for a Procurement Project and not really for each component thereof. Thus, the data that may be generated will be incomplete and inaccurate as PEs may only encode one Object Code per Procurement Project and not all of the covered components. This may lead to confusion and provide conflicting data between the GAA and in the mPhilGEPS;

WHEREAS, in the same meeting, the Alternate GPPB Chairperson stated that considering that the DBM is currently reviewing the BTMS which will establish a single code system that will be implemented for all agencies, the DBM is still looking into the UACS framework if the same would be considered for the BTMS;

WHEREAS, following the foregoing, the GPPB-TSO recommended the following for consideration of the Board:

1. Request the PhilGEPS to provide a justification on the purpose of the Object Code and its specific use or linkage with any of the existing budget system of the DBM within three (3) working days;
2. Request the PhilGEPS to retain the EPA column in the APP form to be used in the mPhilGEPS before the same is implemented; and
3. Reiterate the recommendation of the IATWG to condition the mandatory use of the PhilGEPS proposed APP form only upon re-inclusion of the EPA column.

WHEREAS, the GPPB, after careful review and deliberation, resolved to approve the GPPB-TSO's recommendation on the courses of action to be undertaken relative to the PhilGEPS' proposed revision of the APP form;

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 following:

1. **DIRECT** the PhilGEPS to provide a justification on the purpose of the Object Code and its specific use or linkage with any of the existing budget system of the DBM within three (3) working days;
2. **DIRECT** the PhilGEPS to retain the EPA column in the APP form to be used in the mPhilGEPS before the same is implemented; and
3. **CONDITION** the mandatory use of the PhilGEPS proposed APP form only upon re-inclusion of the EPA column.

This Resolution shall take effect immediately.

APPROVED this 29th day of November 2022 at Manila, Philippines.

Sgd.

GPPB, Chairperson
**DEPARTMENT OF BUDGET AND
MANAGEMENT**

Sgd.

Alternate to the Chairperson
**DEPARTMENT OF BUDGET AND
MANAGEMENT**

Sgd.

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

DEPARTMENT OF EDUCATION

Sgd.

DEPARTMENT OF ENERGY

DEPARTMENT OF FINANCE

Sgd.

DEPARTMENT OF HEALTH

Sgd.

**DEPARTMENT OF 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

Sgd.

**DEPARTMENT OF INFORMATION AND
COMMUNICATIONS TECHNOLOGY**

Sgd.

PHILIPPINE SPACE AGENCY

Sgd.

PRIVATE SECTOR REPRESENTATIVE