

**NPM No. 066-2017**

21 December 2017

**CIVIL SERVICE COMMISSION –  
NATIONAL CAPITAL REGION (CSC-NCR)**

*Bids and Awards Committee*

<cscncrbac@gmail.com>

**Re: Annual Procurement Plan -**

Dear CSC-NCR BAC:

This refers to your electronic mail seeking clarification on whether your procurement activities undertaken in 2017, in preparation for your event in January 2018, should be included in your Annual Procurement Plan (APP) for 2017 or 2018.

We wish to emphasize that as a general rule, all procurement shall be within the approved budget of the Procuring Entity (PE).<sup>1</sup> Accordingly, the Approved Budget for the Contract (ABC) reflected in the approved APP shall be at all times consistent with the appropriations for the project authorized in the General Appropriations Act (GAA), continuing, and automatic appropriations, the corporate budget, or the appropriations ordinance, as the case may be.<sup>2</sup> However, to facilitate the immediate implementation of projects even pending approval of the GAA, the ABC shall be based on the budget levels under the proposed national budget submitted by the President to Congress.<sup>3</sup>

Please also note that the indicative APP for the succeeding calendar year shall be prepared to support the proposed budget in the case of National Government Agencies (NGAs), State Universities and Colleges (SUCs), Constitutional Commissions or Offices, or similar document for Government-Owned and/or Controlled Corporations (GOCCs), Government Financing Institutions (GFIs), State Universities and Colleges (SUCs), and Local Government Units (LGUs)<sup>4</sup>, and then submitted simultaneously with the budget proposal to the Head of the Procuring Entity and/or other oversight bodies for approval.<sup>5</sup>

Likewise, we wish to reiterate our previous opinion<sup>6</sup> that government agencies covered by GPPB Circular No. 01-2009<sup>7</sup> and DBM Circular Letter No. 2010-9<sup>8</sup> entitled “*Guidelines Directing Agencies to Expedite the Implementation of their Procurement Activities*”, amended

<sup>1</sup> Section 7 of RA 9184.

<sup>2</sup> Section 7.2 of the 2016 Revised IRR of RA 9184.

<sup>3</sup> *Ibid.*

<sup>4</sup> Section 7.3.1 of the 2016 Revised IRR of RA 9184.

<sup>5</sup> Section 7.3.4 of the 2016 Revised IRR of RA 9184.

<sup>6</sup> NPM Opinion No. 166-2015 dated 22 December 2015.

<sup>7</sup> Dated 20 January 2009.

<sup>8</sup> Dated 30 December 2010.

by DBM National Budget Circular No. 551<sup>9</sup> entitled *Guidelines on the Release of Funds for FY 2014*, are allowed to commence procurement activities for Programs, Activities and Projects (PAPs) that are included in the National Expenditure Program (NEP), but the award of contract shall be made only after the approval and effectivity of the GAA.


As can be gleaned from the foregoing, the PE may start its procurement activities immediately after the NEP has been submitted, provided that the HoPE has approved the corresponding indicative APP for the succeeding year, in this case 2018. Subsequently, as soon as the GAA, corporate budget, or appropriation ordinance, as the case may be, is approved, the indicative APP shall then be revised and approved as the actual APP in accordance with Section 7.2 of the 2016 IRR<sup>10</sup> of RA 9184.

In view of the foregoing, the procurement activities undertaken in 2017 in preparation for the PE's event in January 2018 shall be included either in the APP for 2017 or indicative APP for 2018, as the case may be, depending on the applicable GAA under which the appropriations for the project had been authorized. And in case of early procurement activities, denominated as "procurement short-of-award", once the GAA for 2018 is finalized, the indicative APP for 2018 must be revised and finalized to become the actual 2018 APP before awards of contract are made.

We hope that this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Note that this opinion is being issued on the basis of facts and particular situations presented, and may not be applicable given a different set of facts and circumstances. Should there be other concerns, please do not hesitate to contact us.

Very truly yours  
(sgd.)

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**DENNIS S. SANTIAGO**  
*Executive Director V* 

  
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<sup>9</sup> Dated 2 January 2014.

<sup>10</sup> Section 7.3.5 of the 2016 Revised IRR of RA 9184.