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NHQ-PCG/CGLSC/CGPS

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**CIRCULAR
NUMBER 13-24**

**GUIDELINES FOR THE CREATION OF CONTRACT MANAGEMENT OFFICE
UNDER THE COAST GUARD PROCUREMENT SERVICE**

1. AUTHORITY

- A. Republic Act Nr 9184, otherwise known as "Government Procurement Reform Act" and its Implementing Rules and Regulations
- B. Government Procurement Manual Volumes 1-4
- C. Department of Budget and Management (DBM) National Budget Circular Nr 2015-558 dated 04 June 2015

2. PURPOSE

This Circular provides guidelines, procedures and policies for the creation of the Contract Management Office (CMO) under Coast Guard Procurement Service (CGPS) for the purpose of proper monitoring and timely response to requests that require action relative to the contract implementation of all PCG projects.

3. DEFINITION OF TERMS

- A. **Contract Management Office (CMO)** – refers to an Office under the administrative and operational control of Coast Guard Procurement Service.
- B. **End-User Unit (EU)** – refers to any PCG Unit that needs and will use the goods, infrastructure project or consulting services being or is procured.
- C. **Implementing Unit (IU)** – refers to any PCG Unit that was designated to oversee the implementation of the project or contract where goods, infrastructure project or consulting service was procured.
- D. **Contract** – the contract entered into by the PCG and the winning bidder which indicates the original agreed date of delivery.
- E. **PCG Project** – as used in this Circular, refers to the procurement of goods, services, infrastructure and consulting services.



- F. **PCG Special Body** – refers to a Board, Committee or Office given specific functions and not recognized as a PCG Unit; includes, but is not limited to, PCG Bids and Awards Committee (BAC), Technical Inspection and Acceptance Committee (TIAC) and Contract Termination Review Committee (CTRC).
- G. **PCG Unit** – refers to any Command, Office, Service, District or Unit of the PCG in the Table of Organization and Equipment.
- H. **Project Implementation Officer (PrIO)** – refers to the Commanding Officer of the Implementing Unit. The PrIO may submit ad hoc reports according to his discretion or purpose.
- I. **Procuring Entity** – refers to any PCG Unit purchasing the goods, infrastructure project or consulting services.

4. GENERAL POLICIES

- A. The Contract Management Office (CMO), under the Coast Guard Procurement Service, is hereby created. The Table of Organization (TO) position for the Head of Office is Coast Guard Commander (O-5).
- B. The CMO is primarily responsible for the monitoring of all PCG procurement projects, which status may either be, but is not limited to:
 - i. On-going implementation;
 - ii. On-going implementation but delayed;
 - iii. Suspended;
 - iv. For termination; or
 - v. Terminated.
- C. The main purpose of the CMO is to monitor progress and status of the implementation of PCG projects. For clarity, the IU shall be the unit responsible for the implementation of the PCG Project; the TIAC shall be the PCG Body responsible for the technical inspection and recommendation of acceptance of the project; and EU shall be the unit responsible for the intended use of the on-going or completed PCG project, and shall cause the issuance of Certificate of Final Acceptance thereof.
- D. In monitoring the project, the CMO shall be the Office responsible for the collation of the IU's monthly status report on the PCG project, issues and concern of the EU, recommendations of the TIAC, and monitor the validity of securities for the project, or its bid security, bid securing declaration, performance security and warranty security.
- E. The CMO shall maintain a list of all PCG Projects entered into a contract, signed by the Commandant, Philippine Coast Guard, with corresponding EUs and designated IU, and the status thereof.

- F. All records of PCG Projects shall be maintained by the CMO for safekeeping thereof for a period of not less than fifteen (15) years.

5. GUIDELINES AND PROCEDURES

- A. Photocopies of the Notice of Award, signed contract/s, and other pertinent records shall be forwarded to the EU and IU. All original copy of these documents shall be retained by the CMO, and shall be its repository.
- B. The CMO and IU shall coordinate with each other to ensure that a project commences on time according to the contract, laws and rules applicable for government procurement.
- C. The CMO shall be the Office responsible for the monitoring of all Bid Security, Bid Securing Declaration, Performance Security and Warranty Security for a particular project. The safekeeping of different securities shall be maintained by the appropriate PCG unit allowed to receive such securities (Coast Guard Finance Service's bonded Officer or Personnel).

Performance securities should be active, valid and effective for the whole period until the project is completed. Warranty securities must be active, valid and effective up to the period when the warranty for the project shall expire.

- D. During project implementation, the IU shall submit a monthly report to the Contract Management Office (CMO) containing updates on the project, detailing among others:
- i. status of the project; (i.e. percentage completion; delay or slippage, if any; suspension; or for termination)
 - ii. issues and concerns;
 - iii. actions undertaken; and
 - iv. recommendations that require actions from other concerned PCG Units or PCG Special Bodies.

The monthly status reports shall be submitted to the CMO every first Monday of the month.

- E. CMO shall be composed of five (5) Officers and nine (9) Non-Officers (***Annex A - CMO Organizational Structure***).

6. DUTIES AND RESPONSIBILITIES

- A. The Contract Management Office shall be responsible for the management and monitoring of the implementation of the contracts signed by the Commandant, Philippine Coast Guard as the Head of the Procuring Entity (HoPE). Specifically, the CMO is responsible for the following:
- i. Monitor compliance with the terms and conditions of the procurement contract and submit recommendations to CGPS;

- ii. Coordinate with the concerned EUs, IU, TIAC and Supply Accountable Officer for the acceptance of goods and services;
 - iii. Coordinate with the concerned NHQ-PCG Central Staff or Unit for payment of contracts;
 - iv. Monitor the status of the processing, release of payments, or the withholding of retention money;
 - v. Initiate review and assessment of issues with the HoPE of erring suppliers, contractors and consultants;
 - vi. Consolidate all monthly and ad hoc reports submitted by the IU; and
 - vii. Perform other tasks as may be directed by the higher authorities.
- B. CGFS' bonded Officer or personnel shall be responsible for the receipt and safekeeping of the securities mentioned in Section 5.C of this Circular.

7. SEVERABILITY CLAUSE

If any provision of this Circular shall be held or made invalid by a Court decision, statute or rule, or shall be otherwise rendered invalid, the remainder of this Circular shall not be affected thereby.

8. PENALTY CLAUSE

Failure of the CMO to perform its mandates and duties shall be dealt with according to the applicable provisions of the PCG Code of Conduct.

9. EFFECTIVITY

This Circular shall take effect fifteen days (15) after publication.

BY COMMAND OF COAST GUARD ADMIRAL GAVAN:

OFFICIAL:

HOSTILLO ARTURO E CORNELIO
CG RADM
Chief of Coast Guard Staff


JAYSIEBELL B FERRER
CG CDR
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Annex A : CMO Organizational Structure

ANNEX A

CMO ORGANIZATIONAL STRUCTURE

