

**RESTRICTED**

Department of Transportation and Communications  
PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS  
(Headquarters Philippine Coast Guard)  
139 25<sup>th</sup> Street, Port Area  
Manila

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O/CG4/CGAO

CIRCULAR )

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**MANAGEMENT OF SUPPLIES PROCURED IN BULK  
UNDER CENTRALLY MANAGED FUNDS**

1. **REFERENCE:** PN Supply Management Manual
2. **PURPOSE:** This Circular prescribes the policies and responsibilities in the management of supplies and materials procured in bulk under CMF for equitable distributions to PCG units.
3. **DEFINITION:**
  - a. Supplies – are all kinds of properties, except real estate, needed in the transaction of official business and for public use whether in the nature of furniture, stationeries, construction materials, livestock and such other properties of similar nature or equipment for issue to troops, units and installations.
  - b. Supply Management – is the supply action encompassing requirement determination, planning, programming, procurement, receipt, maintenance while in storage, control, distribution, disposal and accounting of supplies acquired out of CMF fund.
  - c. Commodity Manager - are PCG units or offices which are responsible for supplies and materials peculiar to their organization and/or functional areas. They shall be responsible in the determination of their respective commodity requirements, establishment of consumption rates and stocking level and accounting of expenditures.
  - d. Operating Target - refers to fund ceiling allocated to each unit per quarter consistent with the quarterly releases of funds.
  - e. Inventory Control – is an information in connection with material as to the amounts on hand, amounts on order, rate of consumption and prospective future rate of consumption.
  - f. Frequency of Demand – is the number of request that the item experiences within a given time frame, regardless of the quantity of an item that is requested or issued.

- g. Demand – the quantity of an item that is requested and issued regardless of the number of request involved.
- h. CMF – funds centrally managed at HPCG to support central procurement of supplies and materials.

#### 4. POLICIES:

- a. Bulk procurement will be based on a sound supply management invoking the principle on economy of scale.
- b. Bulk procurement of supplies will be made on a quarterly basis.
- c. Only fast moving and locally procurable common items shall be supported under the bulk procurement.
- d. The bulk procurement shall be based on PCG approved Annual Procurement Program and allowed stocking level.
- e. Supplies under bulk procurement will be distributed equitably to PCG units based on approved operating target or operating allowance authorized by the Command.

#### 5. RESPONSIBILITIES:

- a. AC of S for Logistics, CG-4
  1. Designated program director on bulk procurement of supplies.
  2. Review, integrate all PCG requirements into an Annual Bulk Procurement Program from the over-all PCG Logistics Program as approved by the Command.
  3. Establish and allocate Operating Targets for Bulk Procurement Supplies for distribution to all PCG units.
- b. AC of S for Comptroller, CG-6

Allocate funds to support Bulk Procurement Program.
- c. Coast Guard Internal Audit (CGIA)

Perform fiscal and auditorial activities in accordance with the accounting and auditorial requirements.
- d. CGSF
  1. Assist O/CG4 on requirement determination of supplies of PCG units.
  2. Responsible for the storage, control and distribution of supplies as approved by CG4.
  3. Institute security measures to prevent pilferage and undue damage of supplies at CGSF Bodega.



4. Render appropriate reports to cognizant staff offices in accordance with Accounting/Auditorial requirements.

e. CGPO

1. Initiate procurement of supplies and materials in accordance with the Approved Annual Procurement Program.
2. Prepare necessary documents for the intended procurement.
3. Perform other tasks as directed by CG-4.

f. SAO

1. Ensure that all procured items are properly recorded in SAO ledger.
2. Prepare necessary reports and render to cognizant staff offices.

g. Maj/Special Unit Commanders

Responsible for the determination of their respective commodity requirements, establishment of consumption rate and stockage level.

h. PCG Units

1. Prepare and submit their respective supply requirements.
2. Withdraw respective supplies based on authorized OPTAR.
3. Render material expenditure report.

**6. RESCISSION:**

All publications in conflict with this Circular is hereby modified or amended accordingly.

**7. EFFECTIVITY:**

This Circular takes effect upon approval.

**BY COMMAND OF REAR ADMIRAL FAJARDO:**

OFFICIAL: -

  
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R E S T R I C T E D