



PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS
National Headquarters Philippine Coast Guard
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NHPCG/CG4

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MEMORANDUM CIRCULAR
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**GUIDELINES ON INSTITUTIONALIZATION OF BIDS AND AWARDS
COMMITTEE (BAC) ORGANIZATION AND PROCUREMENT SYSTEM
OF THE PHILIPPINE COAST GUARD**

I. AUTHORITY:

- a) Republic Act 9993: the Philippine Coast Guard Law of 2009 and its Implementing Rules and Regulations
- b) Republic Act 9184: Government Procurement Reform Act and its 2016 Revised Implementing Rules and Regulations
- c) Generic Procurement Manual
- d) COA Circular
- e) DBM Circular

II. REFERENCES:

- a) 2016 RIRR of RA 9184
- b) PCG Table of Organization
- c) DOTr Procurement Manual
- d) CPCG Memorandum on Increasing Signing Authority
- e) Government Procurement Policy Board Policies

III. PURPOSE:

The purpose of this Memorandum Circular is to provide guidelines for the institutionalization of Bids and Awards Committee (BAC) Organization for each Major/Functional Commands, Operational and Administrative Support Commands, Coast Guard Districts and Technical Service Commands and provide policies for the procurement system and processes to all PCG procuring units.

To increase the authority of BAC in different CG Procuring Units in order to expedite the procurement of their respective supplies, equipment, other logistical requirements and infrastructure projects.

IV. SCOPE:

This circular applies to all Coast Guard procuring units who are engaged in procurement transactions whether competitive bidding or other alternative modalities for PCG Units such as Coast Guard Districts, Major/Functional Commands,

Operational and Administrative Support Commands, Technical Service Commands and support CG Bases.

V. DEFINITION OF TERMS:

Head of the Procuring Entity (HoPE) - (i) The head of the agency or body, or his duly authorized official. (ii) That in an agency, department, or office where the procurement is decentralized, the head of each decentralized unit shall be considered as the HoPE, subject to the limitations and authority delegated by the head of the agency, department, or office.

Bids and Awards Committee (BAC) - Refers to the Committee established in accordance with Rule V of the 2016 IRR of RA 9184

Technical Working Group (TWG) - from a pool of technical, financial, and/or legal experts to assist the BAC

Bidding – A procedure conducted for acquiring a certain project

Irregular expenditure – expenditure incurred without adhering to the established rules, regulations, procedural, guidelines, policies, or practices that have gained recognition in laws

Unnecessary expenditure – expenditures which could not pass the test of prudence of the diligence of the good father of a family, thereby denoting non responsiveness to the exigencies of the service. Unnecessary expenditures are those not supportive of the implementation of the objectives and mission of the agency relative to the nature of its operation. An expenditure that is not essential or that which can be dispensed with without loss or damage to property is considered unnecessary.

Excessive expenditure – signifies unreasonable expense or expenses incurred at an immoderate quantity and exorbitant price. It also includes expenses which exceed what is usual and proper, as well as expenses which are unreasonably high and beyond just measure or amount.

Extravagant expenditure – signifies those incurred without restraint, judiciousness and economy. Extravagant expenditures exceed the bounds of propriety. These are immoderate, prodigal, lavish, luxurious, grossly, grossly, excessive, and injudicious.

Unconscionable expenditure – pertains to expenditures which are unreasonable and immoderate and which no man in his right sense would make, nor a fair and honest man would accept as reasonable and those incurred in violation of ethical and moral standards.

VI. POLICIES:

This circular covers only those that needs to clarify or provide organizational interpretations, to take a bridge between the gap and provide guidelines as basis for all coast guard procuring units. All CG procuring units are reminded of irregular, unnecessary, excessive, extravagant, and unconscionable expenditure which are prohibited under the State Audit Code of the Philippines (PD 1445).

Policies and guidelines provided under the 2016 Revised Implementing Rules and Regulations of Government Procurement Reform Law (RA 9184) shall be observed.

VII. BIDS AND AWARDS COMMITTEE Organization

To expedite procurement process for practical intent and purposes, the HoPE may create separate BACs where the number and complexity of the items shall so warrant. The BACs may be organized either according to: geographical location of Project Management Office, End-User or Implementing Units of the Procuring Entity; or nature of procurement. Similar for decentralized and lower level offices may also be formed when deemed necessary by the HoPE (11.1.2 of RIRR RA 9184).

VIII. BAC Composition

The HoPE shall designate at least five (5) but not more than seven (7) members of the BAC of unquestionable integrity and procurement proficiency (11.2.1 of RIRR RA 9184).

For National Headquarters, the PCG may create its own BAC Organization based on provisions provided under 11.1.1 and 11.2.2 of RIRR RA 9184.

For Functional/Major Commands, CG Districts, Operational and Administrative Support Commands, Technical Service Commands, the Command shall create its own BAC Organization and designate BAC members based on the following positions as provided in their organizational structure:

Chairman	Deputy Commander or Chief of Staff
Vice Chairman	Chief of Staff or next lower rank
Members	any of the following: Sub- Unit Commanders Staff/Special Staff/Technical Staff/ Legal Officer

Technical Working Group may be created by the BAC from a pool of technical, financial and/or legal experts to assist them in the procurement process.

The Head of Procuring Entity should create a permanent BAC Secretariat and for its purpose, it has the discretion to create a new office or to merely designate an existing organic office to be the BAC Secretariat. The procuring entity may consider the existing Procurement Office. It is advisable to create the same, not only to serve as the BAC Secretariat, but also to ensure continuity as well as professionalization of the procurement function

IX. Matrix on Procurement through Public Bidding in CG Functional/Major Commands and CG Districts, Operational and Administrative Support Commands and Technical Services Commands

The detailed procedures and requirements under the law is provided in the matrix on procurement through public bidding in all CG procuring units determined herein.

X. Flowchart/Time Table on Procurement Activities

The flowchart/time table and decision tree flowchart is also provided to easily comprehend the step by step procedure of procurement flow.

XI. Delegation of Signing Authority of PCG Units to Incur Obligations

The authority of the Commanders, of PCG Units to incur obligations for their administrative and operational requirements to sign Requisition Issue Vouchers, Letter Orders, Notice of Awards, Contracts/Purchase/Work Orders, Notice to Proceed, and other procurement documents based on their APB and Supplemental Funds.

Above-mentioned units shall be authorized to approve and sign documents relative to the procurement process of their respective goods, infrastructure projects and consulting services, provided that these units shall certify under oath that the contracts have been entered into, in faithful compliance with all applicable laws and regulations.

XII. PROCEDURES:

Procurement procedures provided under the 2016 RIRR of RA 9184 shall be strictly observed. Procedural steps in procurement of goods, infrastructure and consulting services are attached.

Procuring Units shall maintain a checklist/worksheet of bidder's eligibility/technical components/financial components. Contents of these checklists shall also be inspected to determine authenticity, legality and validity during the conduct of post qualification proceedings.

Bid Evaluation and Post Qualification shall be conducted to verify and validate whether the bidder with the lowest calculated bid in case of Goods and Infrastructure Projects of Highest Rated Bid in case of Consulting Services, has passed all the requirements and conditions as specified in the Bidding Documents.

XIII. APPLICATION:

In case of doubts in interpretation or application of this circular, RA 9184 and its 2016 Revised Implementing Rules and Regulations shall be controlling.

XIV. RESPONSIBILITIES:

The Procuring Entity and the Procurement Unit/Office

- a. **Responsibilities of the Head of the Procuring Entity.** The Head of the Procuring Entity, or his duly authorized representative, shall have the following responsibilities in the procurement process:

- i. He/she must ensure that the APP is regularly prepared, reviewed and updated by the PMOs and end-user units, in accordance with the guidelines set forth herein. He/she must also approve the same, or delegate the approval authority to a second-ranking official. He/she must ensure that all procurements are in line with the APP.
- ii. He/she must establish the BAC and the BAC Secretariat in accordance with the guidelines.
- iii. Upon submission by the BAC of the recommendation for award, the Head of the Procuring Entity or his/her representative must approve the same. He/she may, however, disapprove the recommendation but only on the basis of valid, reasonable and justifiable grounds to be expressed in writing, and furnished to the BAC.
- iv. He/she must ensure that the BAC and the BAC Secretariat gives utmost priority to BAC assignments over all other duties and responsibilities, until the requirements for the said assignments at hand are completed. (IRR-A Section 14.3)
- v. He/she must ensure that the staff of the Procurement Unit/Office and the members of the BAC, BAC Secretariat and TWG are given ample training on procurement and related matters, with the end in view of professionalizing the procurement organization of the Procuring Entity.
- vi. He/she must impose the necessary administrative sanctions on errant members of the BAC Secretariat/BAC/TWG, in accordance with Section 70 of the IRR-A.
- vii. He/she must ensure that the members of the BAC and the TWG shall receive their incentives.

b. **Responsibilities of the Procurement Unit/Office and the BAC Secretariat.** The BAC Secretariat shall ensure that all procurements undertaken by the Procuring Entity are properly documented, to provide an audit trail of the procurement process.

The Procurement Unit/Office of each Procuring Entity shall have the following responsibilities:

- i. It shall act as the BAC Secretariat. As such, it shall have the following responsibilities:
 - Act as the main support unit of the BAC;
 - Provide administrative support to the BAC and the TWG, if necessary;
 - Organize and make all necessary arrangements for the BAC meetings as well as TWG meetings, if necessary;
 - Attend BAC meetings as Secretary;
 - Prepare Minutes of the BAC meetings;
 - Take custody of procurement documents and be responsible for the sale and distribution of bidding documents to interested buyers;
 - Assist in managing the procurement process;
 - Monitor procurement activities and milestones for proper reporting to relevant agencies and/or end-users, when required;

- Be the central depository of all procurement related information and continually update itself with the most current GPPB resolutions issuances, circulars and events, and downstream the same to all relevant officer, employees, and parties requiring information. For this purpose, all information released by the GPPB can be secured electronically from www.gppb.gov.ph;
 - Prepare the APP from the consolidated PPMPs submitted by the various PMOs and end-user units of the Procuring Entity, to make them available for review as indicated in Section 7 of the IRR-A;
 - Make arrangements for the pre-procurement and pre-bid conferences and bid openings;
 - Act as the central channel of communications for the BAC with the end-users, PMOs, other units of the line agency, other government agencies, providers of goods, civil works and consulting services, and the general public;
 - Assist the BAC in preparing drafts of BAC resolutions; and
 - Provide utmost priority to BAC assignments over all other duties and responsibilities, until the requirements for the procurement at hand are completed (Jury Duty).
- ii. Based on inputs from the BAC and the TWG, it must prepare the procurement documents, i.e., purchase orders, job orders, contracts, and their attachments, for processing by the Budget, Accounting, Legal and Finance Offices, and routing to the signing and approving authorities. It must monitor the status of the procurements routed for approval, and cause the correction of any formal deficiencies in the said procurement documents to facilitate action on the part of the approving authorities.
- iii. It shall create, maintain and update the registry of suppliers, contractors, and consultants.
- iv. It shall create, maintain and update a price monitoring list, if one is maintained by the Procuring Entity.
- v. It shall manage and undertake procurements using the following alternative methods - Repeat order and shopping - upon prior resolution of the BAC and approval by the Head of the Procuring Entity.
- vi. It shall administer the PhilGEPS, as the counterpart of the service provider, if the Procuring Entity has outsourced the PhilGEPS for noncommon use items. Depending on the Service Level Agreement covering the contract, such administration may be limited to registration of suppliers and other users, assigning access levels, and updating of data.
- vii. It shall transact with the PhilGEPS and PS-DBM in behalf of the Procuring Entity.

c. The BAC

Responsibilities of the BAC. The following shall be the responsibilities of the BAC:

- i. Recommend to the Head of the Procuring Entity the method of procurement of the goods, services, infrastructure projects included in the APP, i.e. whether to use public bidding or any of the alternative methods of procurement.
- ii. Creation of the TWG, if necessary, from a pool of technical, financial and/or legal experts to assist in the procurement process.
- iii. Undertake the advertisement and/or posting of the invitation to bid.
- iv. Conduct pre-procurement and pre-bid conferences.
- v. Determine the eligibility of prospective bidders in accordance with the guidelines set forth in R.A. 9184 and its IRR-A.
- vi. Sole authority to receive and open bids.
- vii. Conduct the evaluation of bids with the assistance of the TWG.
- viii. Undertake post-qualification proceedings, with the assistance of the TWG.
- ix. Resolve motions for reconsideration filed by prospective bidders and other concerned parties with respect to the conduct of the bidding process.
- x. Recommend award of contracts to the Head of the Procuring Entity or a duly authorized second-ranking official.
- xi. Recommend the imposition of sanctions in accordance with Rule XXIII of the IRR-A.
- xii. Prepare a procurement monitoring report that shall be approved and submitted by the Head of the Procuring Entity to the GPPB on a semestral basis or whenever required.
- xiii. For each procurement transaction, accomplish a checklist showing its compliance with R.A. 9184, its IRR-A and this Manual. This will be submitted to the Head of the Procuring Entity and made a part of the transaction record.
- xiv. Invite the Observers required by law to be present during all stages of the procurement process, in accordance with the guidelines stipulated in R.A. 9184, its IRR-A and this Manual.
- xv. Furnish the Observers, upon the latter's request, with the following documents:
 - Minutes of the proceedings of BAC meetings;
 - Abstract of bids;
 - Post-qualification summary report;
 - APP and related PPMP; and
 - Copies of "opened" proposals.
- xvi. Conduct due diligence review or verification of the qualifications of Observers.
- xvii. Give utmost priority to BAC assignments over all other duties and responsibilities, until the requirements for the procurement at hand are completed (Jury Duty).

Quorum

The majority (one-half of membership plus one) of the BAC members shall constitute a quorum, provided that the Chairman or the Vice-Chairman should be present in all meetings and deliberations. The Chairman or, in his absence, the Vice-Chairman shall preside over the meetings. The Presiding Officer shall vote only in case of a tie.

All BAC decisions should be embodied in resolutions signed by at least a majority of the members and the Chairman or Vice-Chairman thereof, as the case may be.

d. The TWG

Responsibilities of the TWG. The TWG shall provide assistance to the BAC in terms of the technical, financial, legal and other aspects of the procurement at hand. It shall have the following responsibilities:

- a. Assist the BAC in the preparation of the bidding documents, ensuring that the same properly reflects the requirements of the Procuring Entity and that these conform to the standards set forth by R.A. 9184, its IRR-A and the PBDs prescribed by the GPPB.
- b. Assist the BAC in the conduct of eligibility screening of prospective bidders, and in the short listing of prospective bidders in case of biddings for consulting services.
- c. Assist the BAC in the evaluation of bids and prepare the accompanying reports for the BAC's consideration and approval.
- d. Assist the BAC in the conduct of post-qualification activities and prepare the post-qualification summary report for the BAC's approval.
- e. Assist the BAC and BAC Secretariat in preparing the resolution recommending award, with regard to the technical aspect, if necessary.

Provide utmost priority to BAC assignments over all other duties and responsibilities, until the requirements for the procurement at hand are completed (Jury Duty).

e. The Observers

Responsibilities of the Observers. The attendance of Observers ensures the transparency of the procurement process. They represent the public, the taxpayers who are interested in seeing to it that procurement laws are observed and irregularities are averted. The Observers shall have the Procurement Observation Report either jointly or separately, indicating their observations made on the bidding activity conducted by the BAC.

XV. RESCISSION CLAUSE:

All rules, regulations, and other issuances which are inconsistent with this Memorandum Circular are deemed repealed, superseded, or amended accordingly.


XVI. EFFECTIVITY:

This circular shall take effect upon publication.

BY COMMAND OF ADMIRAL HERMOGINO PCG:

OFFICIAL

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COMMO PCG
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23/09/14