

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

September 8, 2011

REVENUE MEMORANDUM CIRCULAR NO. 44-2011

SUBJECT: Publishing the full text of CIRCULAR LETTER No. 2011-6 by the Secretary of the Department of Budget and Management dated August 25, 2011 entitled Directing the Use of the Procurement Service (PS) and the Philippine Government Electronic Procurement System (PhilGEPS) in Procurement Activities

TO : All Internal Revenue Officers, Employees and Others Concerned

For the information and guidance of all internal revenue officers, employees and others concerned, quoted hereunder is the full text of Circular Letter No. 2011-6 by the Secretary of the Department of Budget and Management dated August 25, 2011:



**“REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
MALACAÑANG, MANILA**



CIRCULAR LETTER

No. 2011-6
Date: August 25, 2011

TO : Heads of Departments, Bureaus, Offices, and Agencies of the National Government, including State Universities and Colleges (SUCs); Government-Owned or Controlled Corporations (GOCCs), Government Financial Institutions (GFIs), and Local Government Units (LGUs); and All Others Concerned

SUBJECT : Directing the Use of the Procurement Service (PS) and the Philippine Government Electronic Procurement System (PhilGEPS) in Procurement Activities

1.0 RATIONALE

Consistent with the national government policy that procurement of government supplies, materials and equipment shall be done in the most transparent and competitive manner, President Benigno Aquino III issued Administrative Order No. 17 directing all government agencies:

- 1.1. to procure their common-use supplies from the Procurement Service (PS) without need for public bidding; and
- 1.2. to use the Philippine Government Electronic Procurement System (PhilGEPS) in all their procurement activities pursuant to the Government Procurement Reform Act (R.A. 9184).

In line with the directives of AO No. 17, the PS and PhilGEPS shall strengthen its operations and undertake activities to improve and expand its service delivery. Alongside this effort, said AO mandates the Government Procurement Policy Board (GPPB) shall conduct periodic monitoring and evaluation of the performance of the centralized procurement system in terms of economy and efficiency and shall likewise monitor and evaluate the compliance of all government procuring entities in all matters relating to the procurement laws, rules and regulations.

All government agencies are thereby enjoined to implement AO No. 17 to strengthen the national government's effort in undertaking comprehensive reforms and innovations to modernize and standardize government procurement systems in support of transparency and accountability in government transactions and efficiency and effectiveness in the procurement process.

2.0 PURPOSE

This Circular Letter is being issued to prescribe the procedures and guidelines for the implementation of AO No. 17 in order to facilitate compliance therewith and achieve the objectives thereof.

3.0 COVERAGE

This Circular Letter covers all National Government Agencies (NGAs), including Military and Police Units; Government-Owned and Controlled Corporations (GOCC); Government Financial Institutions (GFIs); State Universities and Colleges (SUCs); and Local Government Units (LGUs).

4.0 GUIDELINES

- 4.1. All National Government Agencies, including Military and Police Units; GOCCs, GFIs, SUCs and LGUs are required to submit their Annual Procurement Plan for Common-Use Supplies and Equipment (APP-CSE), using the prescribed format shown as **Annex A**. The same may be downloaded thru the Procurement Service website at <http://www.procurementservice.org-> Downloads tab and the PhilGEPS website at <http://www.philgeps.net-> About PhilGEPS tab – Useful Downloads. The submission of the APP-CSE, nonetheless, shall not affect the

responsibility of the procuring entity to submit their respective Annual Procurement Plan pursuant to Section 7 of R.A. 9184 and its IRR.

- 4.2. The accomplished APP-CSEs are due for submission to the DBM on the following dates:
- FY 2011 APP-CSE on or before September 15, 2011;
 - FY 2012 APP-CSE on or before November 15, 2012; and,
 - Henceforth, the APP-CSE shall be submitted on or before November 15 of each year.
- 4.2.1 The Central Office (CO) of the NGA/Department concerned shall be responsible in preparing the consolidated APP-CSE of all its units and submit the same to the DBM CO on or before the aforementioned dates. In the case of Other Executive Offices, said APP-CSE shall be submitted by the Head of the Agency concerned directly to DBM-CO.
- 4.2.2 SUCs and LGUs are likewise required to submit their APP-CSE to the DBM Regional Offices.
- 4.2.3 GOCCs and GFIs shall submit their APP-CSEs to DBM CO.
- 4.3 The DBM CO Central and Regional Offices shall consolidate the APP-CSEs submitted and shall forward the same to the PS. These shall then be the basis of the PS in its projection of inventory requirements, scheduling of procurement activities, and overall management of the central procurement of common-use goods.
- 4.4 Consistent with the strengthening of the service delivery of the PS, its product list for Common-Use Supplies shall be expanded. Thus, all agencies and concerned units are enjoined to include in the APP-CSE not only those supplies, materials and equipment currently listed in the Electronic Catalogue (now the Virtual Store) of Common-Use Supplies of the PS, but also all supplies, commodities or materials and equipment which, depending on their mandate and nature of operations, are necessary and desirable in their official and regular transactions, consumed and needed in their day-to-day operations. This shall be one of the bases for the PS in expanding the Electronic Catalogue to include other products commonly purchased by government procuring entities.
- 4.5 In line with the mandate to use the PhilGEPS in procurement activities, all government procuring entities shall post in the PhilGEPS all bid opportunities, notices, awards and/or results of bids and contracts as required under R.A. 9184 and its IRR. Similarly, all concerned units shall subscribe to the additional features of PhilGEPS, such as the Virtual Store, Expanded Supplier Registry, e-Payment and e-Bid Submission once these features are made available and are implemented. Government procuring entities are likewise enjoined to require all their suppliers to register and utilize the Expanded Supplier Registry in preparation for the implementation of the E-Bid Submission module of PhilGEPS. Procuring entities are also discouraged to

implement a separate supplier registry to optimize the benefits of a centralized registry of suppliers for the government.

- 4.6 For the actual requisition of supplies from the Procurement Service, the same standard procedures set by the PS shall be followed. This, notwithstanding, shall be subject to change pending the issuance of guidelines for the use of the Virtual Store and e-Payment.
- 4.7 Consistent with the AO, the DBM shall evaluate and review the proposed budget of agencies for Supplies, Materials and Equipment based on the submitted APP-CSE and data available in the PhilGEPS. The DBM shall then disaggregate agencies' budget for Common-Use Supplies for purposes of transparency and accountability and to evaluate the National Government spending for, and realize savings from the purchase of, Common-Use Supplies.
- 5.0 The DBM shall subsequently issue periodic Circulars for information and guidance on the additional features and services of the PS and PhilGEPS.
- 6.0 For strict compliance.

(SGD) **FLORENCIO B. ABAD**
Secretary"

All concerned are hereby enjoined to be guided accordingly and give this Circular a wide publicity as possible.

(Original Signed)
KIM S. JACINTO - HENARES
Commissioner of Internal Revenue