



Republic of the Philippines  
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS  
**CENTRAL OFFICE**  
Manila

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January 31, 2022

**DEPARTMENT MEMORANDUM** )

**CIRCULAR NO.** 10 )  
**Series of 2022** 18 02/03/2022 )

**FOR / TO** : Undersecretaries  
Assistant Secretaries  
Bureau Directors  
Service Directors  
Regional Directors  
Heads of UPMOs  
District Engineers  
This Department

For information and guidance, attached is a copy of **GPPB Non-Policy Matter Opinion (NPM) No. 001-0222** dated 17 January 2022, entitled: "**SUBMISSION OF ANNUAL PROCUREMENT PLAN AND CONDUCT OF EARLY PROCUREMENT ACTIVITIES AS REQUIREMENTS FOR THE GRANT OF PERFORMANCE-BASED BONUS.**"

A copy of the said Non-Policy Matter Opinion may also be downloaded from the DPWH website: <http://dpwhweb>. If an office cannot access the DPWH website, a hard copy may be obtained from the Records Management Division, HRAS, upon request.

For dissemination to all concerned.

**MARICHU A. PALAFOX, CESO III**  
Assistant Secretary for Support Services

Encl: NPM No. 001-2022 dated January 17, 2022

cc: Office of the Secretary

10.1.4 JVL/CDP/VGV/MSV

**NPM No. 001-2022**

17 January 2022

## **HEADS OF PROCURING ENTITIES**

**Re: Submission of Annual Procurement Plan and Conduct of Early Procurement Activities as requirements for the grant of Performance-Based Bonus**

**Dear Sir/Madam:**

In anticipation of requests for clarification on the requirements to submit the approved Annual Procurement Plan (APP) and to undertake Early Procurement Activities (EPA) **for the grant of Performance-Based Bonus (PBB)**, the Government Procurement Policy Board-Technical Support Office (GPPB-TSO) is issuing this opinion to guide Procuring Entities (PEs) in their APP submission and conduct of EPA for eligible Procurement Projects.

The APP is required to be submitted to the GPPB in accordance with Section 7 of the 2016 revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184.

On the other hand, the conduct of EPA is dependent on the PEs' sound discretion taking into consideration the complexity of the project, its delivery period, and other factors affecting the procurement of the said projects which is planned for implementation for the succeeding fiscal year. Thus, PEs are encouraged to undertake EPA to facilitate the procurement of Goods, Infrastructure Projects, or Consulting Services, even pending the approval of the General Appropriations Act, corporate budget, appropriations ordinance, or loan agreements in case of Foreign-Assisted Projects, as the case may be.<sup>1</sup> The specific guidelines in the conduct of EPA is found under GPPB Circular No. 06-2019.<sup>2</sup>

The foregoing rules should be contradistinguished with the Inter-Agency Task Force (IATF) on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems Memorandum Circular (MC) Nos. 2021-1<sup>3</sup> and 2021-2<sup>4</sup> which provide incentive to the covered PEs that will be able to submit their APP to the GPPB and conduct EPA, among other requirements, for the grant of the PBB.

To ensure clarity and to respond to various inquiries raised to the GPPB-TSO, please refer to the frequently asked questions and answers below:

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<sup>1</sup> See Section 7.6 of the 2016 revised IRR of RA No. 9184.

<sup>2</sup> Dated 17 July 2019 as approved under GPPB Resolution No. 14-2019 entitled, "Approving the Issuance of the Circular on the Implementation of Early Procurement Activities and Amending Sections 7.5, 7.6 and 20.1(c)(i) of the 2016 revised IRR of RA No. 9184, the affected clauses in the Generic Procurement Manuals, and the Annual Procurement Plan and Procurement Monitoring Report Formats"

<sup>3</sup> Guidelines on the Grant of the Performance-Based Bonus (PBB) for Fiscal Year (FY) 2021 under Executive Order No. 80, s. 2012 and Executive Order No. 201, s. 2016 dated 3 June 2021

<sup>4</sup> Supplemental Guidelines on the Grant of the Performance-Based Bonus (PBB) for Fiscal Year (FY) 2021 under Executive Order No. 80, s. 2012 and Executive Order No. 201, s. 2016 dated 25 October 2021

## FREQUENTLY ASKED QUESTIONS (FAQs)

### I. Submission of Annual Procurement Plan for purposes of PBB

#### 1. What is an APP?

**Answer (A):** The APP is a document that contains all planned procurement of a PE in which they intend to undertake within the fiscal year. The APP is also referred as the APP-non CSE in the PBB Guidelines.

#### 2. Where can one find the prescribed format for APP?

**A:** The GPPB prescribed format is available for download through this link: [https://www.gppb.gov.ph/downloadables/forms/NEW%20APP%20Format%20\(RA-11469\).xlsx](https://www.gppb.gov.ph/downloadables/forms/NEW%20APP%20Format%20(RA-11469).xlsx).

#### 3. What are the types of APP?

**A:** The following are the types of APP:

- a. Indicative APP<sup>5</sup> - the consolidation of indicative Project Procurement Management Plans (PPMPs) in support of the budget proposal for the succeeding fiscal year.<sup>6</sup> The Indicative APP must be revised consistent with the National Expenditure Program (NEP), or similar document, once the same is approved. The Indicative APP in accordance with the NEP is the basis for the conduct of EPA of the PE.
- b. APP - the consolidation of the revised PPMPs upon the approval of and in accordance with the General Appropriations Act, corporate budget, or appropriations ordinance, as the case may be.
- c. Updated APP - reflects the changes made in the APP.

#### 4. For purposes of PBB, what type of APP should be submitted to the GPPB?

**A:** PEs<sup>7</sup> shall submit the APP, consistent with its approved budget and as approved by the Head of the Procuring Entity (HoPE) or his/her second ranking designated official, to the GPPB on or before January 31 of the budget year through electronic mail (e-mail) at [app@gppb.gov.ph](mailto:app@gppb.gov.ph).

#### 5. How does one know if the APP is successfully sent to the GPPB?

**A:** PEs should be able to receive an auto-generated acknowledgment<sup>8</sup> from the GPPB-TSO upon submission. The acknowledgment e-mail shall serve as the proof of submission. In case of non-receipt of the auto-acknowledgment within one (1) hour after submission, PEs shall re-submit the APP to the same e-mail address. If no acknowledgment is still received, the PE may opt to call the

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<sup>5</sup> Note that the Indicative APP should not be submitted to the GPPB, instead, it should be submitted to the Department of Budget and Management (DBM) as part of the budget proposal and posted in the Transparency Seal in the agency website.

<sup>6</sup> The issuance of the Budget Call by the DBM in the case of National Government Agencies, State Universities and Colleges, Constitutional Commissions, or similar document for Government-Owned and/or Controlled Corporations, Government Financing Institutions, and Local Government Units. Budget call usually happens during the 1st Quarter of the preceding budget year.

<sup>7</sup> PEs shall check with the Guidelines on the Grant of PBB issued by AO 25 annually the applicability of the requirements whether for the whole PE or responsible unit/individual.

<sup>8</sup> See Section 4.3 of GPPB Circular 02-2020 dated 20 May 2020

GPPB-TSO at (02) 7900-6741 to 44 to confirm and to request for the acknowledgment receipt of the submitted APP.

**6. What are the requirements to be considered compliant with the APP requirement for purpose of PBB compliance?**

- A:** The GPPB-TSO shall consider PEs compliant with the APP requirement for the grant of PBB upon compliance with the following:
- a. Submission of the APP on or before 31 January of the budget year using the prescribed format, both in Portable Document Format (PDF) and Microsoft Excel files, through e-mail at [app@gppb.gov.ph](mailto:app@gppb.gov.ph);
  - b. The submitted APP is based on the GAA, corporate budget, or appropriations ordinance, as the case may be, and not on the proposed budget (i.e., NEP or similar document);
  - c. The APP submitted has been duly approved by the HoPE or his/her duly designated second ranking official; and
  - d. Submission of a Certification<sup>9</sup> stating that the PE has complied with the posting requirement (i.e., posting in the designated section of the agency website or in the absence thereof, at any conspicuous place reserved for this purpose within the premises of the PE).<sup>10</sup>

**II. Conduct of Early Procurement Activities for purposes of PBB<sup>11</sup>**

**1. What is EPA?**

- A:** EPA refers to the conduct of procurement activities from the posting of opportunity, if required, until recommendation of the Bids and Awards Committee (BAC) to the HoPE to award the contract,<sup>12</sup> pending approval of the funding source.<sup>13</sup> Its purpose is to facilitate the immediate implementation of the procurement of Goods, Infrastructure Projects, or Consulting Services. The rules for the conduct of EPA are governed by GPPB Circular No. 06-2019.<sup>14</sup>

**2. Which PEs are covered by the EPA requirement for purposes of the grant of PBB?**

- A:** PEs receiving budgetary support from the National Government, based on the NEP, are covered by the EPA requirement for the grant of PBB. However, for purpose of validation, all **PEs that would like to be eligible for the grant of PBB** must submit the corresponding certification to the GPPB-TSO.

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<sup>9</sup> Template in Appendix "1" of GPPB Resolution No. 11-2020 dated 20 May 2020

<sup>10</sup> See Section 3.1 of Government Procurement Policy Board (GPPB) Circular 02-2020 dated 20 May 2020

<sup>11</sup> See Annex "A" (Guidelines in the Conduct of Early Procurement Activities as a Requirement for the Grant of the Performance-Based Bonus) of the IATF MC No. 2021-2

<sup>12</sup> See Section 3.1 of GPPB Circular 06-2019 dated 17 July 2019

<sup>13</sup> See Section 3.1 of GPPB Circular 06-2019 dated 17 July 2019

<sup>14</sup> Guidelines on the Implementation of Early Procurement Activities (EPA) dated 17 July 2019

**3. If a PE is not receiving budgetary support from the National Government, can it still undertake EPA?**

**A:** Yes. All PEs are allowed and even encouraged to conduct EPA to ensure the timely delivery of goods, implementation of infrastructure projects, and rendition of consultancy services.<sup>15</sup>

**4. What are the eligible Procurement Projects for EPA?**

**A:** Eligible Procurement Projects (EPPs) shall refer to Goods, Infrastructure Projects, and Consulting Services reflected in the PE's indicative APP based on the NEP to be undertaken through Competitive Bidding and Alternative Methods of Procurement under RA No. 9184 and its revised IRR, **except** for the following:

- a. Repeat Order (Section 51);
- b. Shopping (Section 52);
- c. Negotiated Procurement – Emergency Cases (Section 53.2);
- d. Negotiated Procurement – Take-Over of Contracts (Section 53.3); and
- e. Negotiated Procurement – Small Value Procurement (Section 53.9).<sup>16</sup>

In addition to the above exceptions, procurement of Common-Use Supplies and Equipment (CSE) from the Department of Budget and Management-Procurement Service (DBM-PS)<sup>17</sup> is also excluded in the EPA requirement.

**5. What is the percentage of the value of EPP required to be undertaken for purposes of EPA in order to be eligible for the grant of PBB?**

**A:** PEs<sup>18</sup> are required to successfully undertake EPA for **at least fifty percent (50%)** of the total value of EPPs included in its Indicative APP<sup>19</sup> consistent with the NEP.

**6. How is the required fifty percent (50%) computed?**

**A:** The fifty percent (50%) compliance requirement for the conduct of EPA shall be computed using this formula:

$$\left[ \frac{\text{Amount}^{20} \text{ of Successful EPA projects}^{21}}{\text{Total Amount of EPPs}^{22}} \right] \times 100 = \% \text{ of Successful EPA projects}$$

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<sup>15</sup> Section 3.3 of the GPPB Circular No. 06-2019

<sup>16</sup> See Section 1.4 of GPPB Circular 06-2019

<sup>17</sup> DBM-PS is tasked for the centralized procurement of Common-Use Supplies for the Government of the Philippines in accordance with Letters of Instruction No. 755, s. 1978 and Executive Order No. 359, s. 1989.

<sup>18</sup> PEs shall check with the Guidelines on the Grant of PBB issued annually by AO 25 the applicability of the requirements whether for the whole PE or responsible unit/individual.

<sup>19</sup> The Indicative APP shall be posted on the agency Transparency Seal pursuant to Department of Budget and Management Circular Letter 2018-8 dated 30 July 2018. The Indicative APP is **not** submitted to the GPPB.

<sup>20</sup> Value in Philippine Peso

<sup>21</sup> Recommended for award of contract

<sup>22</sup> Total Amount in the Indicative APP based on NEP less exceptions

**7. What document should be submitted by the PEs in order for the GPPB-TSO to validate if the EPA requirement is successfully undertaken or not?<sup>23</sup>**

**A:** All PEs shall submit an EPA Certification under Oath to the GPPB-TSO, as the case may be, thus:

Status	Description	EPA Certification Template
Successfully undertaken	The PE has undertaken EPA and recommended for award of contract at least fifty percent (50%) of the total amount of the EPPs.	Certification of undertaking or non-undertaking  <i>(Template in Annex "A-1" of the IATF Memorandum Circular 2021-2 dated 25 October 2021)</i>
Not successfully undertaken	The PE has undertaken EPA, however, only less than fifty percent (50%) of the value of EPPs were recommended for award of contract.	
Not undertaken	The PE did not undertake EPA despite the existence of EPPs.	
Not covered by the EPA requirement	The PE has no EPPs for the conduct of EPA as required for the grant of PBB.	Certification of Exception from EPA  <i>(Template in Annex "A-2" of the IATF Memorandum Circular 2021-2 dated 25 October 2021)</i>

**8. When and where to submit the required EPA Certification for purposes of the grant of PBB?**

**A:** The EPA Certification under Oath shall be submitted to the GPPB-TSO **on or before 31<sup>st</sup> of January** of the fiscal year through e-mail at [earlyprocurement@gppb.gov.ph](mailto:earlyprocurement@gppb.gov.ph). Given the limited mobility and in consideration of health and safety protocols being implemented to avoid the transmission of Corona Virus Disease 2019, submissions in printed copy shall not be accepted. In case the deadline falls on a weekend or a regular or special holiday, the deadline shall be on the next business day.

**9. What are the requirements to be considered compliant with the EPA requirement for purpose of the grant of PBB?**

**A:** The GPPB-TSO shall consider PEs compliant with the EPA requirement for the grant of PBB upon:

- Submission of the applicable EPA Certification under Oath using the applicable prescribed template<sup>24</sup> on or before 31<sup>st</sup> of January of the fiscal year;

<sup>23</sup> Per Section 5 of IATF MC 2021-1, agencies should submit the requirement to the concerned oversight agency.

<sup>24</sup> See Annex "A-1" and "A-2" of the IATF MC No. 2021-2

- b. The Certification submitted shows that the PE has either successfully undertaken EPA for at least fifty percent (50%) of the total amount of EPPs for the conduct of EPA or the PE is not covered by the EPA requirement (i.e., procurement projects do not receive budgetary support from the National Government or are to be undertaken through the exempted modalities); and
- c. The Certification is signed by the HoPE or his/her duly authorized official.

For the information and guidance of all.

**ROWENA CANDICE M. RUIZ**

*Executive Director V*

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