

Republic of the Philippines COMMISSION ON AUDIT Commonwealth Avenue, Quezon City

No. 2010 - 003
Date: JAN 1 4 2010

MEMORANDUM

TO:

Assistant Commissioners, Directors, Supervising Auditors, Audit Team

Leaders, Technical Personnel, and All Others Concerned

SUBJECT:

Guide in the Audit of Procurement (First Update - December 2009)

I. RATIONALE

The re-institution of selective pre-audit and the issuance of the Revised Implementing Rules and Regulations of R.A. No. 9184 (The Government Procurement Reform Act) and related issuances of the Government Procurement Policy Board (GPPB) led to the urgent need to develop an audit guide that will simplify the audit planning and make more dynamic the updating of audit criteria to make audit activities responsive to the requirements of laws, rules and regulations.

In addition, the Government of the Republic of the Philippines through the Commission on Audit, has committed the development of a Guide in the Audit of Procurement and the conduct of trainings for COA Auditors, as embodied in the Action Plan for Philippine Public Procurement System, a joint document of the Republic of the Philippines, The World Bank, and The Asian Development Bank, published in the 2008 Country Procurement Assessment Report (CPAR).

II. ADOPTION OF THE GUIDE AS A REFERENCE MATERIAL

This Guide in the Audit of Procurement (First Update - December 2009) shall be used as a reference material for audit, policy study, and for other purposes.

III. COVERAGE OF THE GUIDE

This Guide shall be used as a reference material in the "evaluation of compliance with the requirements of applicable laws, rules and regulations" which is a component of "auditorial review"; review of "bidding procedures, necessity and validity of other alternative modes of procurement and manner of award to the winning bidder/contractor and such other relevant requirements provided in R.A. No. 9184 and its implementing rules and regulations" provided in item 4.3.6 of COA Circular No. 2009-002 dated May 18, 2009 on the subject: Reinstituting Selective Pre-Audit on Government Transactions.

This Guide covers only the following:

- 1. Elements of Procurement:
 - a. Annual Procurement Plan (APP)
 - b. Bids and Awards Committee (BAC)
 - c. BAC Observers
 - d. BAC Secretariat
 - e. BAC Technical Working Group (TWG)
 - f. Bidding Documents

2. Procurement Processes:

a. Competitive Bidding (from Bidding Documents to Award of Contract) for Procurement of Goods

b. Alternative Methods of Procurement of Goods

c. Competitive Bidding (from Bidding Documents to Award of Contract) for Procurement of Infrastructure Projects

d. Alternative Methods of Procurement of Infrastructure Projects

e. Competitive Bidding (from Bidding Documents to Award of Contract) for Procurement of Consulting Services

f. Alternative Methods of Procurement of Consulting Services

3. Offenses and Penalties -

The extent of audit that can be conducted based on the *Guide* will be limited to the specific elements and/or procurement processes (audit areas/ foci), audit objectives/sub-objectives and audit activities mentioned in the various components of the *Guide*.

The audit criteria used in this Guide were the Revised Implementing Rules and Regulations of R.A. No. 9184 and related issuances of the GPPB prevailing at the time of its development. Amendments, revisions, repeal, and other changes in the abovementioned law, rules and regulations will have the effect of correspondingly changing the affected portions of this Guide. Users of this Guide should therefore update themselves on the laws/regulations prevailing as of the time of planning for, execution of, and reporting on the audit and correspondingly modify the portions of the Guide affected by such amendments, revisions, repeal and other changes in the above-mentioned law, rules and regulations. For the purpose, they may avail of the internet facilities of the GPPB: www.gppb.gov.ph and gppb@gppb.gov.ph.

IV. UPDATES OF THE GUIDE

Users of this *Guide* are encouraged to provide feedback for improvement, through the COA Directors who have supervision over them, including the risks, audit objectives, audit techniques, audit programs, and audit working papers they have developed. The feedback may be addressed to the Technical Services Office, Special Services Sector, Commission on Audit, for inclusion in this *Guide*.

From the feedback and the continuing policy study, the *Guide* is expected to evolve through updates which will be issued as they are developed.

V. REPEALING CLAUSE

All issuances of the Commission which are inconsistent herewith are hereby repealed, amended, or modified accordingly.

VI. EFFECTIVITY

This Memorandum adopting the Guide in the Audit of Procurement (First Update – December 2009) as a reference material shall become effective immediately.

Chairman

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GUIDE IN THE AUDIT OF PROCUREMENT (First Update – December 2009)

with focus on the

- ❖ Government Procurement Policy Board (GPPB) Circular No. 01-2009 dated January 22, 2009
- ❖ Revised Implementing Rules and Regulations (IRR) of R.A. No. 9184 approved per GPPB Resolution No. 03-2009 dated July 22, 2009
- ❖ Amendments to the Revised IRR of R.A. No. 9184 approved per GPPB Resolution No. 06-2009 dated September 30, 2009
- ❖ Public Bidding Documents 3rd Edition (October 2009) approved per GPPB Resolution No. 05-2009 dated September 30, 2009
- Guidelines for Shopping and Small-Value Procurement approved per GPPB Resolution No. 09-2009 dated 23 November 2009
- **❖** Amendments to the Revised IRR of RA 9184 approved per GPPB Resolution No. 11-2009 dated 30 November 2009
- **❖** Amendments to the Revised IRR of RA 9184 approved per GPPB Resolution No. 13-2009 dated 16 December 2009

Technical Services Office

Special Services Sector Commission on Audit Republic of the Philippines

ACKNOWLEDGMENTS

This Guide in the Audit of Procurement (First Update – December 2009) is a reference material which has been packaged in the simplest manner possible to enable easy understanding by all users in order to facilitate audit activities in relation to procurement.

The development of the *Guide* and the conduct of trainings for COA Auditors are the Commission on Audit's contributions in relation to the commitment of the Government of the Philippines embodied in the *Action Plan for Philippine Public Procurement System*, a joint document of the Republic of the Philippines, the World Bank and the Asian Development Bank, published in the 2008 *Country Procurement Assessment Report (CPAR)*.

The Commission on Audit (COA) acknowledges with sincere gratitude the valuable contributions of the following:

- Assistant Commissioner Arcadio B. Cuenco, Jr. of the Special Services Sector (SSS), COA, for initiating the Project and supervising its implementation to full completion;
- The Study Team of the Technical Services Office, SSS, COA that worked tirelessly on the Project to complete the exposure draft of the Guide, design and conduct the first pilot training, reflect suggestions/recommendations to enhance the Guide and produce this First Update December 2009, and worked with various Offices of the COA; with the Philippine Government Electronic Procurement System (PhilGEPS), Procurement Service, Department of Budget and Management and The World Bank in redesigning the training materials and conducting more trainings to disseminate the Audit Guide to more Auditors, composed of the following:
 - o Aida Maria Ayaso-Talavera, Director III (Officer-in-Charge)
 - Benilda E. Mendoza, State Auditor V (Technical Service Chief), Policy and Strategy Formulation Services
 - Prudencia E. Baldago, State Auditor V (Technical Service Chief),
 Engineering Cost and Valuation Research Services
 - Maria Rosario P. Sabellina, Chief Technical Audit Specialist
 - Ana Marie Gellecanao, Administrative Officer III
 - Ma. Corazon T. Siongco, Senior Technical Audit Specialist
- The following Offices of the Commission on Audit for working hand-in-hand in order to complete the Project on time:
 - The Planning, Financial and Management Sector headed by Assistant Commissioner Isabel D. Agito
 - The Corporate Government Audit Sector headed by Assistant Commissioner Jaime P. Naranjo
 - o The Professional Development Office headed by Director Leila S. Paras
 - The Procurement and Property and Supply Management Services of the General Services Office



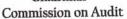
Republic of the Philippines

- ♣ The first pilot class composed of selected Auditors of Cluster D − Economic Services, National Government Sector, among whom was their Director Winnie Rose H. Encallado, for the spirited and intellectual classroom interactions and their substantive inputs that led to the evolution of the very raw first version of the *Guide* into this *First Update*;
- The Regional Directors and other officials of the COA Regional Offices that organized and actively participated in the conduct of the regional trainings;
- The Philippine Government Electronic Procurement System (PhilGEPS) led by its Director Rosa Maria Clemente and the Procurement Service led by its Executive Director Estanislao C. Granados, Jr. for making the trainings more comprehensive and effective with the topics on "The PhilGEPS" and for contributing their manpower and financial resources to make possible the conduct of the pilot class in Mindanao;
- Ms. Cecilia D. Vales, Lead Procurement Specialist, The World Bank in the Philippines, for bringing together the stakeholders and resources that facilitated project implementation and for ably discussing during the trainings the topics: "Country Procurement Assessment Reports" and "Foreign-Assisted Projects";
- The World Bank for providing the impetus not only in identifying the need for the development of the Guide but also in providing some of the financial resources to disseminate it to our Auditors; and

Most especially, to God Almighty, the Author of everything.

REYNALDO A. VILLAR

Chairman





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APPENDICES

- 1 List of Risks Associated with Procurement
- 2 Guidelines Clarifying the Procurement Activities which may be Undertaken Without an Issued Allotment as approved through Government Procurement Policy Board (GPPB) Circular 01-09 dated January 20, 2009
- Revised Implementing Rules and Regulations (IRR) of Republic Act No. 9184 which became effective in September 2, 2009 as approved through Government Procurement Policy Board (GPPB) Resolution No. 03-2009 dated 22 July 2009
- 4 Amendments to the Revised Implementing Rules and Regulations (IRR) of Republic Act No. 9184 as approved through Government Procurement Policy Board (GPPB) Resolution No. 06-2009 dated 30 September 2009
- *Philippine Bidding Documents for the Procurement of Goods, 3rd Edition* as approved through Government Procurement Policy Board (GPPB) Resolution No. 05-2009 dated 30 September 2009
- 6 Philippine Bidding Documents for the Procurement of Infrastructure Projects, 3rd Edition as approved through Government Procurement Policy Board (GPPB) Resolution No. 05-2009 dated 30 September 2009
- Philippine Bidding Documents for the Procurement of Consulting Services, 3rd Edition as approved through Government Procurement Policy Board (GPPB) Resolution No. 05-2009 dated 30 September 2009

- 8 Approving by Referendum, the Guidelines for Shopping and Small-Value Procurement through Government Procurement Policy Board (GPPB) Resolution No. 09-2009 dated 23 November 2009
- 9 Approving Amendments to the Revised Implementing Rules and Regulations of Republic Act No. 9184 through Government Procurement Policy Board (GPPB) Resolution No. 11-2009 dated 30 November 2009
- Approving Amendments to the Revised Implementing Rules and Regulations of Republic Act No. 9184 through Government Procurement Policy Board (GPPB)
 Resolution No. 13-2009 dated 16 December 2009

I. INTRODUCTION

A. THE DEVELOPMENT OF THE GUIDE

The magnitude of the operations of the Government makes it undoubtedly the biggest buyer of infrastructure projects, goods and services in the country. The billions of pesos annually spent to buy the goods and services needed in its day-to-day activities represent a significant percentage of government expenditures.

The volume of public expenditure passing through the public procurement system has increased rapidly in the last few years. Averaging around P121 billion per year from 2003 to 2005, procurement expenditure jumped to P168 billion when the Government's infrastructure program kicked off in 2006, and increased further to P229 billion by 2007.^a

The money spent to finance these procurements came from various sources including foreign borrowing and as such must have been used with prudence. However, news of procurement transactions allegedly tainted with fraud had been hugging the headlines incessantly.

In its continuing efforts to promote good governance the Government has enacted laws on procurement, the latest of which is Republic Act No. 9184 otherwise known as the Government Procurement Reform Act. This Act provides for the "Modernization, Standardization and Regulation of the Procurement Activities of the Government and For Other Purposes" and took effect on January 26, 2003, while its Implementing Rules and Regulations Part A (IRR-A) took effect on 8 October 2003.

After five (5) years of implementation, much progress has been made in procurement reforms in terms of rules and regulations but implementation and enforcement are still weak, and the objectives of the reform have not been fully achieved. This scenario is consistent with perceptions of a high level of corruption in procurement and with the SWS survey findings that only 13 percent of the public is aware of the new procurement law and its intended benefits.^b

As to the assessment on the Internal Control and Audit, the finding is that procurement audit is not yet given enough focus in most of the audit programs because most auditors have inadequate knowledge of the law, its implementing rules, the harmonized bidding documents and contract forms, and the procurement manuals; and there is no procurement audit quide to act as the basis for including procurement audit in the annual audit program. Most auditors are not trained to carry out risk-based audit tailored for risk management. Recommendation: A procurement audit guide should be developed and implemented by COA with particular focus on the audit of the implementation of the GPRA. A training program on procurement should be developed and implemented for auditors with the procurement audit guide as a training material, and both the guide and the training should include a risk-based approach to audit. c

The 1987 Constitution provides for an independent Commission on Audit (COA) that has the power to audit all accounts pertaining to government funds nationwide, including procurement-related transactions. The Government Auditing Code (PD 1445) empowers COA to determine policies, promulgate rules and regulations, and prescribe standards governing the performance of its powers and functions and realizing the need to address the Country Procurement Assessment Report (CPAR) findings and recommendation, development of this *Guide in the Audit of Procurement* is imperative.

B. OBJECTIVES OF THE GUIDE

This *Guide* is intended as a **reference and guidance material for COA auditors** in planning for, conducting and reporting on the results of the audit on the area of procurement.

COA Auditors are provided with e-copies of this *Guide* to enable them to immediately utilize the *audit matrices* as working papers in their audits. They may also modify some aspects of these *audit matrices* to fit their particular needs. In the process, each individual auditor's copy of the *Guide* becomes unique to him/her as it reflects enhancements which he/she built into the *Guide* with constant use.

Under a risk-based audit approach, audit foci, objectives and audit techniques are identified through a risk-assessment process which auditors perform following existing COA regulations. For the purpose of this *Guide*, audit foci, audit objectives/sub-objectives, audit techniques, and even suggested audit working papers have been developed with no particular risk in mind. Auditors may adopt portions of the *Guide* which they consider appropriate for their risk-based audit purposes. To aid auditors in their risk assessment activities, a list of risks associated with procurement have been developed and included in this *Guide* as **APPENDIX 1**.

It is hoped that as Auditors use this *Guide* they will identify other risks which are specific to their auditee entities and analyze them to identify the appropriate audit criteria, develop the appropriate audit objectives, identify the audit techniques, develop the audit programs and design the audit working papers.

Auditors are encouraged to provide feedback for improvement, through the COA Directors who have supervision over them, including the inclusion in this *Guide* of the risks, audit objectives, audit techniques, audit programs, and audit working papers they have developed.

The public is likewise encouraged to provide feedback to improve the *Guide*, either through any COA auditor they are acquainted with or through the COA Website: http://www.coa.gov.ph.

From the feedback and the continuing policy study, this *Guide* is expected to evolve through updates which will be issued as they are developed.

C. SCOPE AND LIMITATIONS OF THE GUIDE

Procurement refers to the acquisition of goods, consulting services, and the contracting for infrastructure projects by the procuring entity. In case of projects involving mixed procurements, the nature of the procurement, *i.e.*, goods, infrastructure projects, or consulting services, shall be determined based on the primary purpose of the contract. Procurement also includes the lease of goods and real estate. With respect to real property, its procurement shall be governed by the provisions of Republic Act No. 8974 and other applicable laws, rules and regulations.^d



This *Guide in the Audit of Procurement* will neither cover the entire gamut of procurement nor all possible related risks that could be subject to audit.

The scope of the *Guide* is limited to the following:

- 1. Elements of Procurement
 - a. Annual Procurement Plan (APP)
 - b. Bids and Awards Committee (BAC)
 - c. BAC Observers
 - d. BAC Secretariat
 - e. BAC Technical Working Group (TWG)
 - f. Bidding Documents

2. Procurement Processes:

- a. Competitive Bidding (from Bidding Documents to Award of Contract) for Procurement of Goods
- b. Alternative Methods of Procurement for Goods
- c. Competitive Bidding (from Bidding Documents to Award of Contract) for Procurement of Infrastructure Projects
- d. Alternative Methods of Procurement for Infrastructure Projects
- e. Competitive Bidding (from Bidding Documents to Award of Contract) for Procurement of Consulting Services
- f. Alternative Methods of Procurement for Consulting Services

3. Offenses and Penalties

The *Guide* may be used as a reference in the:

- "evaluation of compliance with the requirements of applicable laws, rules and regulations" which is a component of the "auditorial review" provided in COA Circular No. 2009-001 dated February 12, 2009 on the subject: Restatement with Amendments of COA Circular No. 87-278 and COA Memorandum 2005-027 re: submission of copy of government contracts, purchase orders and their supporting documents to the Commission on Audit.
- review of "bidding procedures, necessity and validity of other alternative modes of procurement and manner of award to the winning bidder/contractor and such other relevant requirements provided in RA No. 9184 and its implementing rules and regulations" provided in item 4.3.6 of COA Circular No. 2009-002 dated May 18, 2009 dated May 18, 2009 on the subject: *Reinstituting Selective Pre-Audit on Government Transactions*.

The extent of audit that can be conducted based on the *Guide* will be limited to the specific elements (areas/foci), procurements processes, audit objectives/sub-objectives and audit activities mentioned in the various components of the *Guide*.

The *audit criteria* used in the *Guide* are those prevailing at the time of the development of the *Guide* as follows:



- Guidelines Clarifying the Procurement Activities which may be Undertaken Without an Issued Allotment, approved per Government Procurement Policy Board (GPPB) Circular No. 01-2009 dated January 22, 2009 (attached to this Guide as APPENDIX 2);
- Revised Implementing Rules and Regulations (IRR) of R.A. No. 9184, approved per Government Procurement Policy Board (GPPB) Resolution No. 03-2009 dated July 22, 2009 (attached to this *Guide* as **APPENDIX 3**);
- 3. Amendments to the Revised IRR approved per Government Procurement Policy Board (GPPB) Resolution No. 06-2009 dated September 30, 2009 (attached to this *Guide* as **APPENDIX 4**);
- 4. Philippine Bidding Documents 3rd Edition (October 2009) approved per GPPB Resolution No. 05-2009 dated September 30, 2009 (attached to this *Guide* as **APPENDIX 5)**;
- 5. Approving by Referendum, the Guidelines for Shopping and Small-Value Procurement approved per Government Procurement Policy Board (GPPB) Resolution No. 09-2009 dated 23 November 2009 (attached to this *Guide* as **APPENDIX 6)**;
- 6. Amendments to the Revised IRR approved per GPPB Resolution No. 11-2009 dated 30 November 2009 (attached to this *Guide* as **APPENDIX 7**);
- 7. Amendments to the Revised IRR approved per Government Procurement Policy Board (GPPB) Resolution No. 13-2009 dated 16 December 2009 (attached to this *Guide* as **APPENDIX 8**).

Amendments, revisions, repeal, and other changes in the above-mentioned law, rules and regulations will have the effect of correspondingly changing the affected portions of this *Guide*. Users of this *Guide* should therefore apprise themselves of the laws/regulations prevailing as of the time of planning for, execution of, and reporting on the audit and correspondingly modify the portions of the *Guide* affected by such amendments, revisions, repeal, and other changes in the above-mentioned law, rules and regulations. For the purpose, they may avail of the internet facilities of the GPPB:

www.gppb.gov.ph gppb@gppb.gov.ph

END NOTES

- a. World Bank's Country Procurement Assessment Report (Philippines) 2008, p. 14
- b. World Bank's Country Procurement Assessment Report (Philippines) 2008, p. 17
- c. World Bank's Country Procurement Assessment Report (Philippines) 2008, p. 37
- d. Section 5(n), Republic Act No. 9184 otherwise known as the Government Procurement Reform Act (GPRA) which became effective in January 26, 2003

II. GENERAL INSTRUCTIONS ON THE USE OF THE GUIDE

Following are the steps to be considered by the user of this *Guide:*

Step 1 – Determine the *audit areas* and audit objectives based on *Risk Assessment* pursuant to existing regulations and/or on requirements of other regulations (e.g. COA Circular No. 2009-002 on selective pre-audit).

Procurement as defined in R.A. No. 9184 should be identified as an audit area. The audit sub-areas should likewise be identified. The *Table of Contents* of this *Audit Guide* will be useful for the purpose of identifying these audit sub-areas.

For each sub-area, the *audit objectives* shall be identified based on the risks determined during the *Risk Assessment* and/or based on the requirements of existing regulations (e.g. COA Circular No. 2009-002 on selective pre-audit).

- Step 2 Determine the *audit scope* (e.g. For *Financial/Compliance Audit* procurement activities and transactions subject to audit during a calendar year).
- Step 3 Determine the *audit criteria* that are relevant to the identified risks and audit scope.

The *audit criteria* identified in the *Audit Guide* were the IRR of RA No. 9184 and GPPB issuances prevailing during the time of the development of the *Guide*. For his/her specific *audit scope*, the auditor shall determine versions of RA 9184, its IRR and GPPB issuances and identify those that are applicable to the procurements subject of his/her audit.

If no changes/updates have occurred, the Audit Guide may be used as is.

Otherwise, the *audit criteria* as quoted in the first column of the audit matrices of this *Guide* shall be changed to reflect those that are applicable to the *audit scope*.

Step 4 – Determine the *audit sub-objectives*.

The *audit sub-objectives* in the first column of the audit matrices shall correspond to the identified *audit objective(s)* and the *audit criteria* identified in Step 3 above.

Step 5 – Determine the *audit activities* that will attain the *audit sub-objectives*.

The *Audit Activities* identified in the *Guide* are mere suggestions and may be substituted by the auditor with more effective, efficient, and economical activities which are more workable under his/her specific audit situation.

Step 6 – Determine the *audit questions* that will match the *audit sub-objectives*.

The *audit questions* in the 3rd column of the audit matrices of this *Guide* shall be changed to correspond to the identified *audit sub-objectives*.





It is suggested that the auditor be proactive in the sense that he/she should have already conducted *auditorial review* on the audit sub-areas that will impact on the succeeding sub-areas and/or audit sub-objectives where audit findings/conclusions of non-compliance will result in audit decisions leading to the recommendations of imposition of sanctions on liable/responsible persons and/or recommendations of recovery of pecuniary losses on the part of the Procuring Entity.

The *Guide* is to be used according to the following sequence:

- At any time during the Audit Period prior to Any Procurement
 - 1st: Basic Element Bids and Awards Committee (BAC)
 - 2nd: Basic Element BAC Secretariat
 - 3rd: Basic Element Annual Procurement Plan (APP)
 - 4th: Basic Element Customized Bidding Documents
- During Specific Procurements
 - 5th: Basic Element BAC Observers
 - 6th: Basic Element BAC Technical Working Group (TWG)
 - 7th: Procurement Process depending on the item to be procured, i.e., goods, infrastructure projects or consulting services & depending on the method of procurement, i.e., competitive bidding or alternative method of procurement
- Upon discovery of non-compliances either through the Procurement Monitoring Reports or during the audit conducted

Offenses and Penalties

III. GUIDE IN THE AUDIT OF PROCUREMENT

On the Basic Element:

BIDS AND AWARDS COMMITTEE (BAC)

BASIC ELEMENT – BIDS AND AWARDS COMMITTEE

A. AUDIT OBJECTIVES:

- 1. To verify the existence of the Bids and Awards Committee (BAC),
- 2. To verify if the **BAC composition** is in accordance with laws/regulations,
- 3. To verify if the **term** of members of the BAC is fixed at one (1) year reckoned from the date of appointment.
- 4. To verify if the BAC prepared a **procurement monitoring report** as required by regulations and had it approved by the Head of the Procuring Entity for submission to the GPPB within the required timeline.
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

List of documents needed (those applicable to the procurements subject of audit for the audit period):

- 1. Appointment of the Head of the Procuring Entity (HOPE), if an individual;
- 2. Office Order of or the GOCC/GFI Board Resolution designating/authorizing a specific official to act on his/her/their behalf;
- 3. Office Orders creating the previous BACs and the present BAC;
- 4. Office Orders designating the Chairman and Vice-Chairman of the BAC;
- 5. Office Orders designating the alternate members of the BAC;
- 6. Office Orders of replacements and evidences of absence of the BAC members they are replacing and the period of absence (e.g. approved applications for leave);
- 7. Plantilla/Organizational Chart of the procuring entity;
- 8. Work History and evidences of training on procurement of BAC members;
- 9. Minutes of meeting of LGU BAC electing the Chairman and Vice-Chairman;
- 10. Approved Procurement Monitoring Reports;
- 11. Others as appropriate based on the audit sub-objective and audit activity.

| Audit Sub-objective | | Suggested A | Audit V | /orkin | g Paper |
|---|---|-------------------|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if a Bids and Awards | 1. From the documents | Is there a BAC in | | | |
| Committee (BAC) exists in the | (e.g. Office Orders, | the procuring | | | |
| procuring entity | Resolutions) relative to procurements to be | entity? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 11.1.1 Each procuring entity shall establish in its head office a single BAC to undertake the functions specified in Section 12 of the Revised IRR of RA 9184 in order to facilitate professionalization and harmonization of procedures and standards. | audited evidencing the creation of the BAC, using the one (1) year term from the creation of the BAC as basis, determine if a BAC existed for the procurements at hand or for future procurements to be subject of audit. | | | | |

| Audit Sub-objective | | Suggested A | Audit V | Vorkin | g Paper |
|--|--|---|---------|--------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify if the Head of the Procuring Entity (HOPE) was the one that created the BAC | Compare the Office Order(s) creating the BAC(s) as follows: Name and position of | Was the BAC created by the Head of the Procuring Entity (HOPE)? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | the signatory vs. the name and position of the HOPE per his appointment/ | (HOPL): | | | |
| 11.2.1 The Head of the Procuring Entity shall designate at least five but not more than seven members of the BAC of unquestionable integrity and | designating Office or Assignment Order; b. In NGAs, constitutional | | | | |
| • 5 (t). Head of the Procuring Entity. Refers to: (i) the head of the agency or body, or his duly authorized official, for NGAs and the constitutional commissions or offices, and branches of | commissions or offices, and branches of government; and in GOCCs, GFIs, and SUCs, if the HOPE is not the signatory, | | | | |
| government; (ii) the governing board or its duly authorized official, for GOCCs, GFIs and SUCs; or (iii) the local chief executive for LGUs: Provided, however, That in an agency, department, or office where the procurement is decentralized the head of its decentralized unit shall be considered as the head of the Procuring Entity, subject to the limitations and authority delegated by the head of the agency, department, or office. | Name and position of the signatory vs. the name and position of the duly authorized official per Office Order or Board Resolution designating him/her. | | | | |
| 3. To verify if the number of BAC members conforms to the required number of at least 5 but not more than 7 Implementing Rules and Regulations (IRR) of RA 2124, as amended an | 3. Compare the number of BAC members per Office Order(s) with the required number. | Did the number of BAC members conform to the required number of at least 5 but not more than 7? | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: 11.2.1 The Head of the Procuring Entity shall designate at least five but not more than seven members of the BAC of unquestionable integrity and procurement proficiency. | | If the number of BAC members is equal to the minimum of 5, were there only three (3) regular members and two (2) provisional members? | | | |
| | | If the number of BAC members is equal to six (6), were there: | | | |
| | | a. three (3) regular members and three (3) provisional members? | | | |

| Audit Sub-objective | | Suggested A | Audit V | /orkin | g Paper |
|--|--|---|---------|--------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | | OR | | | |
| | | b. at most four (4) regular members and two (2) provisional members? | | | |
| | | If the number of BAC members is equal to the maximum of seven (7), were there: | | | |
| | | a. three (3) regular members and at most four (4) provisional members? | | | |
| | | OR | | | |
| | | b. four (4) regular members and three (3) provisional members? | | | |
| | | OR | | | |
| | | c. at most five (5) regular members and two (2) provisional members? | | | |
| 4. For <u>head offices of</u> National Government Agencies/ GOCCs/GFIs, to verify if the qualifications of the <u>regular members</u> of the BAC | 4. Verify from the Office Order constituting the BAC if the Chairman was designated as such. | Was the BAC Chairman designated as such? | | | |
| conform with the requirements: a. Chairman - at least a third ranking permanent official of the procuring entity; b. representative of the Legal or Administrative area, at least a 5th ranking permanent official of the procuring entity with knowledge, experience and/or | 5. Compare the rank and status of the BAC Chairman per Plantilla of the Procuring Entity with the required at least 3 rd rank and permanent status. | Was the BAC Chairman: a. at least a 3 rd ranking official of the Procuring Entity? b. of permanent status? | | | |
| expertise in procurement; c. representative of the Finance area, at least a third ranking permanent official of the procuring entity with knowledge, experience and/or expertise in procurement | 6. For Regular Members, compare their rank and status per <i>Plantilla</i> of the Procuring Entity with the required at least 5th rank and permanent status. | Were Regular Members of the BAC at least 5 th ranking officials of the Procuring Entity? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on | 7. For Regular Members, compare their status per <i>Plantilla</i> of the Procuring | Were Regular Members of the BAC of permanent | | | |

| Audit Sub-objective | | Suggested A | Audit W | /orkin | n Paner |
|--|---|--|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| September 2, 2009: 11.2.2. The BAC for NGAs, departments, bureaus, offices, or instrumentalities of the GOP, including | Entity and per his/her appointment, with the required permanent status. | status? | | | the Answer |
| the judicial and legislative branches, constitutional commissions, SUCs, GOCCs, and GFIs shall be composed of the following: Regular Members a. Chairman, who is at least a third ranking permanent official of the | 8. For Regular Members, verify from their Work History and training documents if they have knowledge, experience and/or expertise in procurement; | Were Regular Members with knowledge, experience and/or expertise in procurement? | | | |
| procuring entity; b. An officer, who is at least a fifth ranking permanent official, with knowledge, experience and/or expertise in procurement who, to the extent possible, represents the legal or administrative area of the procuring entity, provided that in the | 9. For Regular Members, verify from their work assignments if at the time of designation the legal area or administrative areas and the financial area were represented. | Was/Were there Regular members representing the legal or administrative area of the Procuring Entity? | | | |
| case of bureaus, regional offices and sub-regional/district offices, BAC members shall be at least a third ranking permanent personnel; c. An officer, who is at least a fifth ranking permanent official, with knowledge, experience and/or expertise in procurement who, to the extent possible, represents the finance area of the procuring entity, provided that in the case of bureaus, regional offices and sub-regional/district offices, BAC members shall be at least a third ranking permanent personnel. | | Was/Were there Regular members representing the financial area of the Procuring Entity? | | | |
| 5. For bureaus, regional offices and sub-regional/district offices of NGAs, departments, or instrumentalities of the | 10. Verify from the Office Order constituting the BAC if the Chairman was designated as such. | Was the BAC Chairman designated as such? | | | |
| Government of the Philippines (GOP), including the judicial and legislative branches, constitutional commissions, SUCs, GOCCs, and GFIs, to verify if the qualifications of the regular BAC members conform to the requirements: a. Chairman, at least a 3rd ranking permanent official of the procuring entity; b. Legal or Administrative area representative, at least a 3rd | 11. Compare the rank and status of the BAC Chairman per Plantilla of the Procuring Entity's bureau, regional office, sub-regional office, or district office with the required at least 3 rd rank in said Office and permanent status. | Was the BAC Chairman: a. at least a 3 rd ranking official of the Procuring Entity's bureau, regional office, sub-regional office, or district office? b. of permanent status? | | | |
| ranking permanent official of the procuring entity with | 12. For Regular Members, compare their rank and status per <i>Plantilla</i> of the | Were Regular Members of the BAC at least 3 rd ranking | | | |

| Audit Sub-objective | | Suggested A | Audit V | Vorkin | g Paper |
|--|--|--|---------|--------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| knowledge, experience and/or expertise in procurement; c. Finance area representative, at least a 3 rd ranking permanent official of the procuring entity with knowledge, experience | Procuring Entity's bureau, regional office, sub-regional office, or district office with the required at least 3rd rank and permanent status. | officials of the Procuring Entity's bureau, regional office, sub-regional office, or district office? | | | |
| and/or expertise in procurement Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 11.2.2. The BAC for NGAs, departments, bureaus, offices, or instrumentalities of the GOP, including the judicial and legislative branches, | 13. For Regular Members, compare their status per <i>Plantilla</i> of the Procuring Entity's bureau, regional office, sub-regional office, or district office and per his/her appointment, with the required permanent status. | Were Regular Members of the BAC of permanent status? | | | |
| constitutional commissions, SUCs, GOCCs, and GFIs shall be composed of the following: Regular Members a. Chairman, who is at least a third ranking permanent official of the | 14. For Regular Members, verify from their Work History and training documents if they have knowledge, experience and/or expertise in procurement. | Were Regular Members with knowledge, experience and/or expertise in procurement? | | | |
| procuring entity; b. An officer, who is at least a fifth ranking permanent official, with knowledge, experience and/or expertise in procurement who, to the extent possible, represents the legal or administrative area of the procuring entity, provided that in the case of bureaus, regional offices and sub-regional/district offices, BAC members shall be at least a third | 15. For Regular Members, verify from their work assignments if at the time of designation the legal area or administrative areas and the financial area of the Procuring Entity's bureau, regional office, sub-regional office, or district office were represented. | Was/Were there Regular members representing the legal or administrative area of the Procuring Entity's bureau, regional office, sub- regional office, or district office? | | | |
| ranking permanent personnel; c. An officer, who is at least a fifth ranking permanent official, with knowledge, experience and/or expertise in procurement who, to the extent possible, represents the finance area of the procuring entity, provided that in the case of bureaus, regional offices and sub- regional/district offices, BAC members shall be at least a third ranking permanent personnel. | | Was/Were there Regular members representing the financial area of the Procuring Entity's bureau, regional office, sub-regional office, or district office? | | | |
| 11.2.2 The Chairman and the Vice-Chairman shall also be designated by the Head of the procuring entity. Moreover, the Vice-Chairman shall be a regular member of the BAC. | | | | | |

| Audit Sub-objective | | Suggested / | Suggested Audit Working Paper | | | |
|---|--|---|-------------------------------|----|---------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| 6. For National Government Agencies/GOCCs/GFIs, to verify if the Vice-Chairman was designated by the Head of the procuring entity from the regular members of the BAC | 16. Verify from the Office Order if from among the Regular Members of the BAC, the Vice-Chairman was designated as such. | Was the BAC Vice- Chairman designated as such from the regular members of the BAC? | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | | |
| • 11.2.2 The Chairman and the Vice-Chairman shall also be designated by the Head of the procuring entity. Moreover, the Vice-Chairman shall be a regular member of the BAC. For purposes of this IRR, the term "permanent" shall refer to a plantilla position within the procuring entity concerned. | | | | | | |
| 7. For local government units, to verify if the BAC is composed of one representative each from the regular offices under the Office of the Local Chief Executive | For Local Government Units (LGUs): 17. Compare the Office assignments as indicated in the Appaintment and | Are the members of the BAC from the | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 11.2.3. The BAC for Local Government | in the Appointment and Assignment Documents of the designated members of the BAC with the regular Offices under the Office of the Local Chief | regular offices under the Office of the Local Chief Executive? | | | | |
| Units shall be composed of the following: | Executive per LGU's Organizational/ Functional chart. | | | | | |
| a. One representative each from the regular offices under the Office of the Local Chief Executive such as, but not limited to, the following: Office of the Administrator, Budget Office, Legal Office, Engineering Office, General Services Offices; and b. A representative from the end user unit. | | | | | | |
| 8. For local government units, to verify if at least one of the members represents the end- | For <u>Local Government</u> <u>Units (LGUs)</u> : | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 18. Compare the Office assignment of the designated member-representative-of-the-end user unit to the BAC as indicated in the Office | Is there a representative in the BAC from the end user unit? | | | | |
| • 11.2.3.The BAC for Local Government Units shall be composed of the | Order creating the BAC with the Office assignment | | | | | |

| Audit Sub-objective | | Suggested A | Audit W | Vorkin | g Paper |
|--|--|--|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| a. One representative each from the regular offices under the Office of the Local Chief Executive such as, but not limited to, the following: Office of the Administrator, Budget Office, Legal Office, Engineering Office, General Services Offices; and b. A representative from the end user unit. | of the official as it appears in the Appointment documents/Assignment Order. | | | | the Answer |
| 9. For local government units, to verify if the members of the BAC are personnel occupying plantilla positions of the procuring entity concerned Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 11.2.3. The BAC for Local Government Units shall be composed of the following: a b The members shall elect among themselves who shall act as Chairman and Vice-Chairman. The Chairman of the BAC shall be at least a third ranking permanent official of the procuring entity. The members of the BAC shall be personnel occupying plantilla positions of the procuring entity concerned. | For Local Government Units (LGUs): 19. From the Appointment documents/Assignment Orders of the members of the BAC obtain information on their respective position titles and compare these with the <i>Plantilla</i> of the Procuring Entity. | Did the members of the BAC occupy plantilla positions of the procuring entity concerned? | | | |
| 10. For local government units, to verify if the designated members of the BAC elected among themselves who shall act as Chairman and Vice-Chairman. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 11.2.3. The BAC for Local Government Units shall be composed of the following: a b The members shall elect among | For Local Government Units (LGUs): 20. From the relevant Minutes of meetings of the BAC, compare the name and position of the Chairman with the name and position of the person elected by the members from among themselves to act as Chairman and Vice-Chairman. 21. Compare the rank and status of the BAC Chairman per Plantilla of the Propuring Entitle with | Did the members of the BAC elect among themselves: a. the Chairman? b. Vice Chairman? Was the Chairman of the BAC: a. at least a 3 rd | | | |
| themselves who shall act as Chairman and Vice-Chairman. The Chairman of the BAC | the Procuring Entity with the required at least 3 rd rank and permanent | ranking official of the procuring | | | |

| Audit Sub-objective | | Suggested A | udit V | Vorkin | |
|---|---|--|--------|--------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| shall be at least a third ranking permanent official of the procuring entity. The members of the BAC shall be personnel occupying plantilla positions of the procuring entity concerned. | status. | entity? b. a permanent official of the procuring entity? | | | |
| 11. To verify if designated alternate members of the BAC have the same qualifications as their principals Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 22. For alternate members, compare the qualifications of designated alternate members of the BAC with the qualifications of their principals. | Were the qualifications of designated alternate members of the BAC the same as the qualifications of their principals? | | | |
| • 11.2.4. The Head of the Procuring Entity may designate alternate members to the BAC, who shall have the same qualifications as their principals as set in the Act and this IRR. The alternate members shall attend meetings of the BAC and receive the corresponding honoraria, whenever their principals are absent. The alternate members shall have the same term as their principals. The accountability of the principal and the alternate member shall be limited to their respective acts and decisions. | | | | | |
| 12. To verify if the members of the BAC have a fixed term of 1 year reckoned from the date of appointment, renewable at the discretion of the HOPE Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 11.2.6. Unless sooner removed for a cause, the members of the BAC shall have a fixed term of one (1) year replayed from the date of appointment. | 23. From the Office Orders creating the previous BACs and the Office Order of the new BAC, compare the term of all members of the BAC with the fixed term of one (1) year reckoned from the date of appointment, renewable at the discretion of the Head of the Procuring Entity. | Was the term of all members of the BAC within the fixed term of one (1) year reckoned from the date of appointment? | | | |
| reckoned from the date of appointment, renewable at the discretion of the Head of the Procuring Entity. Upon expiration of the terms of the current members, they shall continue to exercise their functions until new BAC members are designated. In case of resignation, retirement, separation, transfer, reassignment, removal, or death, the replacement shall serve only for the unexpired term: Provided, however, | 24. For a BAC member designated to replace a resigned, retired, separated, transferred, reassigned, removed, or dead member, compare his/her term with the unexpired term. | Was the term of replacements for reason of resignation, retirement, separation, transfer, re-assignment, removal, or death within the unexpired term only? | | | |
| That in case of leave or suspension, the replacement shall serve only for the duration of the leave or suspension. For justifiable causes, a member shall be suspended or removed by the Head of the Procuring Entity. | 25. For a BAC member designated to replace a member who went on leave or was suspended, compare his/her term with | Was the term of replacements for reason of leave or suspension within the duration of the | | | |

| Audit Sub-objective | | Suggested A | g Paper | | |
|--|---|--|---------|----|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | the duration of the leave | said leave or | | | |
| 13. To verify if the HOPE and/or approving authority is not the | or suspension. 26. Compare the name and position of the Head | Is the HOPE: | | | |
| Chairman or a member of the BAC Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 11.2.5. In no case shall the Head of the Procuring Entity and/or the approving authority be the Chairman or a member of the BAC. | of the Procuring Entity and/or the approving authority (from Appointment documents/election | a. NOT the Chairman of the BAC? AND | | | |
| | documents/relevant Office Orders/ Assignment Orders) with the names and positions of the | b. NOT a member of the BAC? | | | |
| | Chairman and all members of the BAC. | Is the approving authority: | | | |
| | | a. NOT the Chairman of the BAC? | | | |
| | | AND | | | |
| | | b. NOT a member of the BAC? | | | |
| PROCUREMENT MONITORING REP | | | 1 | ı | Ī |
| 1. To verify if the BAC: a. prepared a procurement monitoring report in the form prescribed by the GPPB; | 1. Based on approved Procurement Monitoring Reports and communications on | Did the BAC prepare the procurement monitoring reports in the form | | | |
| b. covering all procurement activities specified in the Annual Procurement Plan (APP), whether on-going and | submissions (by the BAC to the HOPE and by the HOPE to the GPPB) obtained from the BAC or the Office of the HOPE | prescribed by the GPPB? | | | |
| completed, from the holding of the pre-procurement conference to the issuance of the notice of award and the | and on a copy of the form required by the GPPB, determine if the <i>Reports</i> are in the form prescribed. | | | | |
| approval of the contract, including the standard and actual time for each major procurement activity; c. submitted the monitoring | 2. Based on approved Procurement Monitoring Reports and communications on submissions (by the BAC | Did the procurement monitoring reports prepared by the BAC cover: | | | |
| report to the Head of the Procuring Entity (HOPE) for approval and submission to the GPPB in printed and electronic format within 14 | to the HOPE and by the HOPE to the GPPB) obtained from the BAC or the Office of the HOPE, determine if the <i>Reports</i> covered all the items | a. all procurement activities specified in the APP, whether on-going and completed? | | | |
| days after the end of each semester Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | required. | b. from the holding of the pre- procurement conference to the issuance of the notice of award and | | | |
| 12.2. The BAC shall be responsible for | | the approval of the | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|---|--|-----|----|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| ensuring that the procuring entity abides by the standards set forth by the Act and this IRR, and it shall prepare a procurement monitoring report in the form prescribed by the GPPB. The procurement monitoring report shall cover all procurement activities specified in the APP, whether ongoing and completed, from the holding of the pre-procurement conference to the issuance of notice of award and the approval of the contract, including the standard and actual time for each major procurement activity. The procurement monitoring report shall be approved and submitted by the Head of the Procuring Entity to the GPPB in printed and electronic format within fourteen (14) calendar days after the end of each semester. • Annex C Period of Action on Procurement Activities | 3. Based on approved Procurement Monitoring Reports and communications on submissions (by the BAC to the HOPE and by the HOPE to the GPPB) obtained from the BAC or the Office of the HOPE, verify if the Reports were submitted by the BAC to the HOPE for approval and submission to the GPPB in both printed and electronic format within 14 calendar days after the end of each semester. | contract? c. standard and actual time for each major procurement activity? Did the BAC submit the procurement monitoring reports to the HOPE: a. for approval? b. for submission to the GPPB in both printed and electronic format? c. for submission to the GPPB within 14 calendar days after the end of each semester? | | | the Answer |
| 2. To verify if the HOPE: a. approved the Procurement Monitoring Report and b. submitted it to the GPPB in printed and electronic format within 14 days after the end of each semester Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 12.2 The procurement monitoring report shall be approved and submitted by the Head of the Procuring Entity to the GPPB in printed and electronic format within fourteen (14) calendar days after the end of each semester. | 4. Based on approved Procurement Monitoring Reports and communications on submissions by the HOPE to the GPPB obtained from the BAC or the Office of the HOPE, verify if the Reports were approved by the HOPE and submitted to the GPPB in both printed and electronic format within 14 calendar days after the end of each semester. | Did the HOPE approve procurement monitoring reports? Did the HOPE submit the procurement monitoring reports to the GPPB in both printed and electronic format? Did the HOPE submit the approved procurement monitoring reports to the GPPB within 14 calendar days after the end of each semester? | | | |
| 3. To verify if appropriate actions have been taken by the HOPE in case of instances of noncompliance committed by the BAC, BAC TWG, BAC Secretariat and/or bidders | 5. Identify instances of noncompliance discovered by the BAC and/or by the HOPE in the Procurement Monitoring Report; and, instances of noncompliance noted | Were appropriate actions taken by the auditee in regard to instances of noncompliance? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|---|--|-----------|-------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | during the course of the audit. Look for information/documents on the actions taken by the auditee in regard to such non-compliances and compare these with the actions required by the Revised IRR of RA 9184 and other relevant regulations. | | | | |
| 4. To verify what actions have been taken by the GPPB in regard to instances of noncompliance Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 63.1. The Government Procurement Policy Board (GPPB), as established in Section 63 of the Act, shall have the following duties and responsibilities: a d. To ensure the proper implementation by procuring entities of the Act, this IRR and all other relevant rules and regulations pertaining to public procurement. | Request for information from the GPPB on the actions they have taken on instances of noncompliance involving the auditee, including nonsubmission of the Procurement Monitoring Report. | Did the GPPB take action on instances of noncompliance involving the auditee, including non-submission of the Procurement Monitoring Report? | | | |
| EVALUATING AUDIT EVIDENCES G | L ATHERED AND COMMUI | I NICATING THE RE | SULTS | OF A | UDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the designation of the "BAC members/Chairman/Vice-Chairman"; h validity of the estimate of the continue | Analyze the instances of non-compliances to establish the effects and develop appropriate audit recommendations. | Appropriate Audit Wo | orking Pa | apers | |
| b. validity of the actions of the "BAC" including the validity of the resulting contract; | | | | | |
| c. validity of any payment to be made on the basis of the contract; | | | | | |
| d. etc. | | | | | |
| and make appropriate audit recommendations | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|---|-----|----|----------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | |
| | | | | | the Answer | |
| 2. To verify the causes of instances of non-compliance and make appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Working Papers | | | | |
| 3. To communicate the results of the audit with management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to management | Audit Observation Memorandum (AOM), if applicable | | | | |

On the Basic Element:

BIDS AND AWARDS COMMITTEE'S SECRETARIAT

BASIC ELEMENT – BAC SECRETARIAT

A. AUDIT OBJECTIVES:

- 1. To verify the **existence** of the Bids and Awards Committee (BAC) Secretariat
- 2. To verify if the BAC Secretariat was constituted as required by law/regulations
- 3. To verify if the designated **Head** of the BAC Secretariat is **qualified**
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

List of documents needed (those applicable to the procurements subject of audit for the audit period):

- 1. Appointment of the Head of the Procuring Entity (HOPE), if an individual;
- 2. Office Order of or the GOCC/GFI Board Resolution designating/authorizing a specific official to act on his/her/their behalf;
- 3. Office Orders creating the BAC Secretariat;
- 4. Office Order designating the Head of the BAC Secretariat;
- 5. Office Orders designating the alternate members of the BAC;
- 6. Plantilla/Organizational Chart of the procuring entity;
- 7. Work History and evidences of training on procurement of the Head of the BAC Secretariat;
- 8. Others as appropriate based on the audit sub-objective and audit activity.

| Applit Code ability at the | Audit Activities | Suggested Audit Working Paper | | | |
|--|---|--|-----|----|---------------------------------|
| Audit Sub-objective • Audit Criteria | | Audit Question | Yes | No | Particulars of the Answer |
| 1.To verify if the procuring entity's Bids and Awards Committee (BAC) Secretariat was constituted by the Head of the Procuring Entity Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 14.1 The HOPE shall create a Secretariat which will serve as the main support unit of the BAC. An existing organic office within the procuring entity may also be designated to serve as Secretariat. However, to strengthen and promote the professionalization of the organizations' procuring unit, the HOPE may create procurement units that may serve concurrently as BAC Secretariat in accordance with the guidelines issued by the DBM | 1. Compare the Office Order creating the BAC Secretariat as follows: a. Name and position of the signatory vs. the name and position of the HOPE per his/her/their appointment(s); b. In NGAs, constitutional commissions or offices, and branches of government; and in GOCCs, GFIs, and SUCs, if the HOPE is not the signatory, Name and position of the signatory vs. the name and position of the duly authorized official per Office Order or Board Resolution designating him/her. | Was the BAC Secretariat constituted by the Head of the Procuring Entity? | | | |



| | | Suggested A | udit W | orking F | Paper |
|--|---|--|--------|----------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify if the BAC Secretariat was created: a. as a Secretariat to serve as the main support unit of the BAC, b. by designating an existing organic office within the procuring entity, c. or by creating a procurement unit to serve concurrently as BAC Secretariat in accordance with the guidelines issued by the DBM Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 14.1 The HOPE shall create a Secretariat which will serve as the main support unit of the BAC. An existing organic office within the procuring entity may also be designated to serve as Secretariat. However, to strengthen and promote the professionalization of the organizations' procuring unit, the HOPE may create procurement units that may serve concurrently as BAC Secretariat in accordance with the guidelines issued by the DBM • DBM National Budget Circular No. 517, dated December 22, 2008, on the Subject: GUIDELINES ON THE ESTABLISHMENT OF PROCUREMENT UNITS | 2. Identify the method of creation and the functions of the BAC Secretariat from the Office Order and compare with the requirements of regulations. | Was the BAC Secretariat created: a. as a Secretariat to serve as the main support unit of the BAC? b. by designating an existing organic office within the procuring entity? OR c. by creating a procurement unit to serve concurrently as BAC Secretariat in accordance with the guidelines issued by the DBM? | | | |
| 3. To verify if the Head of the BAC Secretariat met the following qualifications: a. at least a fifth ranking | In the head office of the Procuring Entity: Compare the rank and status of the Head of the Status of the S | Was the Head of the BAC Secretariat at least a fifth ranking official in the head office? | | | |
| permanent employee or, if not available, a | status of the Head of the BAC Secretariat per Plantilla of the Procuring | If a 5 th ranking | | | |

| | | Suggested A | udit W | orking F | Paper |
|---|---|--|--------|----------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| permanent official of the next lower rank; b. at least a third ranking permanent employee in bureaus, regional offices and sub-regional/ district offices, or if not available, a permanent employee of the next lower rank; | Entity with the required at least 5 th rank (or if not available, a next lower rank) and permanent status | official is not available, was the Head of the BAC Secretariat at least of the next lower rank official in the head office? Was the Head of the BAC Secretariat a permanent official in the head office? | | | |
| c. possesses integrity; d. possesses procurement proficiency Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 14.2 The head of the Secretariat in central offices shall be at least a fifth ranking permanent employee or, if not available, a permanent official of the next lower rank; or shall be at least a third ranking permanent employee in bureaus, regional offices and sub-regional/ district offices, or if not available, a permanent employee of the next lower rank. In addition to integrity, heads of Procuring Entities shall consider procurement proficiency as a factor in designating the head of the Secretariat and Procurement Unit | 4. In bureaus, regional offices and sub-regional/district offices of the Procuring Entity: Compare the rank and status of the Head of the BAC Secretariat per Plantilla of the organizational unit concerned of the Procuring Entity with the required at least 3rd rank (or if not available, a next lower rank) and permanent status | Was the Head of the BAC Secretariat at least a 3 rd ranking official in bureaus, regional offices and sub-regional/ district offices? If a 3rd ranking official is not available, was the Head of the BAC Secretariat at least of the next lower rank official in the bureaus, regional offices and sub-regional/ district offices? Was the Head of the BAC Secretariat a permanent official in the bureaus, regional offices and sub-regional/ district offices? | | | |
| | 5. Identify the criteria / method adopted by the procuring entity in considering "integrity" as a factor in designating the Head of the BAC Secretariat. | Did the procuring entity consider integrity as a factor in designating the Head of the BAC Secretariat? | | | |

| | | Suggested A | Audit W | orking l | Paper |
|---|--|--|----------|----------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | 6. From the Work History and training documents of the Head of the BAC Secretariat verify if he/she has procurement proficiency. | Did the Head of the BAC Secretariat possess procurement proficiency? | | | |
| EVALUATING AUDIT EVIDENCE | ES GATHERED AND COM | MUNICATING THE | RESU | LTS OF | AUDIT |
| To verify the effects of instances of non-compliance and make appropriate audit recommendations | Analyze the instances of non-compliances to establish the effects and develop appropriate audit recommendations. | Appropriate Audit Wo | rking Pa | apers | |
| 2. To verify the causes of instances of non-compliance and make appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Wo | rking Pa | apers | |
| 3.To communicate the results of the audit with management • COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to management | Audit Observation Me applicable | morand | lum (AON | Л), if |

ANNUAL PROCUREMENT PLAN (APP)

BASIC ELEMENT - ANNUAL PROCUREMENT PLAN (APP)

A. AUDIT OBJECTIVES:

- 1. To verify the **existence** of an approved *Annual Procurement Plan (APP)* and supporting *Project Procurement Management Plans (PPMPs)*
- 2. To verify the completeness of the required information in the APP
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

List of Documents needed:

- 1. Budget approved by the HOPE (could be the Budget Proposal approved by the HOPE if the GAA, corporate budget or budget ordinance has not yet become final);
- 2. Approved APP with supporting PPMPs based on the final budget per GAA, corporate budget, or budget ordinance (could be the initial approved APP based on the approved budget proposal when the budget has not yet become final);
- 3. Copy of the report on the review of the PPMPs conducted by the BAC Secretariat pertaining to the finalization of the modes of procurement under the APP;
- Relevant portions of the GAA (national government) or corporate budget (GOCCs & GFIs) or budget ordinance (LGUs);
- 5. Appointment document of the HOPE;
- 6. Office order designating the official to act on behalf of the HOPE, if applicable;
- 7. Organizational Chart/Plantilla or other document with information on the rank of the designated official;
- 8. Approved updated APP with supporting PPMPs;
- 9. Updated budget approved by the HOPE or the designated second-ranking official;
- 10. Authority for the supplemental/updated budget (appropriation document for the supplemental appropriation, supplemental or updated corporate budget, supplemental or updated budget resolution).

| Audit Sub-objective | | Suggested | Audit | Work | ing Paper |
|---|--|--|-------|------|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the procuring entity has an Annual Procurement Plan (APP) | 1. Upon approval of the budget proposal by the HOPE, obtain a copy of the proposed APP from the BAC Secretariat. | Does the entity have a proposed APP? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 7.3.2. The end-user units shall prepare their respective PPMPs 7.3.4budget office shall furnish a copy of the procuring entity's budget proposal as well as the corresponding PPMPs to the BAC Secretariat for its review and consolidation into the proposed APP | OR When the GAA, corporate budget, or appropriation ordinance, as the case may be, becomes final, obtain a copy of the approved APP from the BAC Secretariat. | Does the entity have an approved APP? | | | |



| Audit Sub-objective | | Suggested | Audit | Work | ing Paper |
|---|--|---|-------|------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 7.3.5 end-user units shall revise and adjust the PPMP to reflect the budgetary allocation for their respective PAPs. The revised PPMPs shall be submitted to the BAC through its Secretariat for the finalization of the modes of procurement under the proposed APP The APP shall then be approved in accordance with Sec 7.2 of this IRR. | | | | | |
| 2. To verify if the APP is approved by the HOPE or by a second-ranking official designated by the HOPE to act on his behalf Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 7.2. The APP shall bear the approval of the HOPE or second –ranking official designated by the HOPE to act on his behalf, and must be consistent with its duly approved yearly budget | 2. Compare the name, position, and designation of the person who approved the APP with the relevant data in the appointment document of the HOPE. 2.1. If the signatory is not the HOPE, compare the name, position, and designation of the person who approved the APP with the relevant data in the office order designating the official to act on behalf of the HOPE. 2.2. Compare the rank of the designated official with the second-in-rank per Organizational Structure / Plantilla of the procuring entity. | Is the APP approved by the HOPE or second-ranking official designated by the HOPE to act on his behalf? | | | |
| 3. To verify if the APP contains the following information: a. name of the procurement program/ project; b. project management office or end-user unit; c. general description of the procurement; d. procurement method to be adopted; e. time schedule for each procurement | 3. From the APP, look for the following information: a. name of the procurement program/ project; b. project management office or end-user unit; c. general description of the procurement; d. procurement method to be adopted; e. time schedule for each procurement activity; f. source of fund; g. approved budget for the contract. | Does the APP contain the following information: a. name of the procurement program/ project? b. project management office or end-user unit? c. general description of the procurement? | | | |

| Audit Sub-objective | | Suggested | Audit | Work | ing Paper |
|---|--|---|-------|------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| f course of fried. | | | | | the Answer |
| f. source of fund; g. approved budget for the contract. | | d. procurement method to be adopted? | | | |
| GPPB Circular 1-2009 dated 20 January 2009: 3.2. Annual Procurement Plan (APP) – the requisite document that the agency must prepare to reflect the entire procurement activity (i.e., goods, services, civil works to be procured) that it plans to undertake within the calendar year. This document contains the following information: 3.2.1. Name of the procurement program/project; 3.2.2. Project management office or end-user unit; 3.2.3. General description of the procurement; 3.2.4. Procurement method to be adopted; 3.2.5. Time schedule for each procurement activity; 3.2.6. Source of fund; and | | e. time schedule for each procurement activity? f. source of fund? g. approved budget for the contract? | | | |
| 3.2.7. Approved Budget for the Contract. | | | | | |
| 4. To verify if the APP is supported by PPMPs prepared by the respective end-user units Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 4. Upon approval of the budget proposal by the HOPE, obtain from the BAC Secretariat a copy each of the PPMPs which it reviewed and consolidated into the proposed APP. Also obtain a copy of | Is the proposed APP supported by PPMPs prepared by the respective end- user units? | | | |
| 7.3.2. The end-user units shall prepare their respective PPMPs 7.3.4budget office shall furnish a copy of the procuring entity's budget proposal as well as the corresponding PPMPs to the BAC Secretariat for its review and consolidation into the proposed APP 7.3.5 end-user units shall | the report on the review of the PPMPs conducted by the BAC Secretariat. OR When the GAA, corporate budget, or appropriation ordinance, as the case may be, becomes final, obtain from | Is the approved APP supported by adjusted PPMPs adjusted by end- user units to reflect | | | |

| Audit Sub-objective | | Suggested | Audit | Work | ng Paper | |
|--|---|---|-------|------|------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| revise and adjust the PPMP to reflect the budgetary allocation for their respective PAPs. The revised PPMPs shall be submitted to the BAC through its Secretariat for the finalization of the modes of procurement under the proposed APP | the BAC Secretariat a copy each of the PPMPs adjusted by the end-user units which it consolidated into the approved APP. Also obtain a copy of the report on the review of the PPMPs conducted by the BAC Secretariat. | the final budget? | | | trie Ariswei | |
| 5. To verify if the items in the approved APP were included in the PPMPs Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 5. Compare the items in the approved APP with the items in the PPMPs. Identify items which do not match. | Are the items in the approved APP included in the PPMPs? | | | | |
| 7.3.2. The end-user units shall prepare their respective PPMPs 7.3.4budget office shall furnish a copy of the procuring entity's budget proposal as well as the corresponding PPMPs to the BAC Secretariat for its review and consolidation into the proposed APP 7.3.5 end-user units shall revise and adjust the PPMP to reflect the budgetary allocation for their respective PAPs. The revised PPMPs shall be submitted to the BAC through its Secretariat for the finalization of the modes of procurement under the proposed APP | | | | | | |
| 6. To verify if the APP matches the budget per GAA, corporate budget, appropriation ordinance, as the case may be Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 7.1. All procurement shall be within the approved budget of the procuring entity and should be meticulously and judiciously planned by the | 6. Compare the items and budgets in the GAA, corporate budget, appropriation ordinance, as the case may be, with the items and amounts in the approved APP. | Does the APP match the budget per GAA, corporate budget, appropriation ordinance, as the case may be? | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|-------------------------------|----------|--------|------------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| procuring entity. • 7.2. No procurement shall be undertaken unless it is in accordance with the approved APP of the procuring entity. | | | | | | |
| EVALUATING AUDIT EVIDE | | | | | LTS OF AUDIT | |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities | Analyze the instances of non-compliances to establish the effects and develop appropriate audit recommendations. | Appropriate Audit W | orking f | Papers | | |
| and outputs including the validity of the resulting contract; | | | | | | |
| b. validity of any payment to be made on the basis of the contract; | | | | | | |
| c. etc. | | | | | | |
| and develop appropriate audit recommendations | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Me | emoran | dum (A | oOM), if applicable | |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | | | | | | |

BIDS AND AWARDS COMMITTEE'S OBSERVERS

BASIC ELEMENT- BAC OBSERVERS

A. AUDIT OBJECTIVES:

- 1. To verify if the BAC established a mechanism for identifying/selecting the group (professional organizations; non-governmental organizations) from which Observers were invited for specific procurements
- 2. To verify if the BAC implemented the mechanism and established the pool of professional organizations and non-governmental organizations from which they will select representatives as Observers in specific procurements
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

List of needed documents:

- 1. Copy of the Policy on the mechanism for identifying/selecting the group (professional organizations; non-governmental organizations) from which Observers were invited for specific procurements;
- 2. Relevant Minutes of the BAC's meetings;
- 3. Documentation on the creation of the pool of relevant professional organizations and non-governmental organizations;
- 4. Documentation on selection of representatives of each organization.

| Audit Sub-objective | | Suggested Au | dit Wo | rking | Paper |
|--|--|--|--------|-------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1.To verify if the BAC established and is implementing a mechanism for identifying/selecting the group (professional organizations; nongovernmental organizations) from which Observers were invited for | 1. From the BAC Secretariat, obtain a copy of the policy on the mechanism for identifying/selecting the group (professional organizations; non- governmental organizations) from which Observers were invited for specific procurements. | Did the BAC establish a mechanism for identifying/selecting the group (professional organizations; non-governmental organizations) from which Observers were invited for specific procurements? | | | |
| specific procurements | 2. Ca there each the malian | Did the realizer of the | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 13.1. To enhance the transparency of the process, the BAC shall, in all stages of the procurement process, invite, in addition to the representative of the COA, at least two (2) observers, who shall not have the right to vote, to sit in its proceedings where: | 2. Go through the policy and compare its provisions with the requirements of the IRR of RA No. 9184 pertaining to the selection of Observers for specific procurements. | Did the policy of the procuring entity on the selection of Observers conform with the requirements of the IRR of RA No. 9184 pertaining to the selection of Observers for specific procurements as follows: a. One Observer from the Commission on Audit? | | | |
| a) At least one (1) shall come from a duly recognized private group in a sector or | | b. One Observer from a duly recognized private group in a sector or | | | |



Republic of the Philippines

| Audit Sub-objective | | | dit Wo | Working Paper | | |
|---|---|--|--------|---------------|------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| discipline relevant to the procurement at hand, for | | discipline relevant to the procurement at hand? | | | | |
| example: i) For infrastructure projects, national associations of constructors duly recognized by the | | c. One Observer from a non-governmental organization? | | | | |
| Construction Industry Authority of the Philippines (CIAP), such as, but not limited to the following: (1) Philippine Constructors Association, Inc.; (2) National Constructors | | d. The organization is registered with the SEC or with the Cooperative Development Authority (CDA)? | | | | |
| Association of the Philippines, Inc.; and (3) Philippine Institute of Civil Engineers (PICE). ii) For goods, a specific relevant chamber-member of the Philippine Chamber of Commerce and Industry. | | e. The organization's representative has knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid? | | | | |
| iii) For consulting services, a project-related professional organization accredited or duly recognized by the Professional Regulation Commission or the Supreme Court, such as, but not limited to: | | f. The organization and/or its representative has no actual or potential conflict of interest in the contract to be bid? | | | | |
| (1) PICE; (2) Philippine Institute of Certified Public Accountants (PICPA); and | | g. Adopted other relevant criteria determined by the BAC? | | | | |
| (3) Confederation of Filipino Consulting Organizations; and b) The other observer shall come from a non-government organization (NGO). | 3. Obtain and evaluate documents from the BAC Secretariat evidencing implementation of the policy (e.g. relevant Minutes of the BAC's meetings, documentation | Did the BAC implement the procuring entity's mechanism for identifying/selecting Observers for specific procurements? | | | | |
| • 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in | of the pool of relevant professional organizations and non-governmental organizations, invitation letters). | | | | | |
| the subject matter of the contract to be bid; b) Absence of actual or potential | | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | | |
|---|---|-------------------------------|----------|------------------|----------------|--|--|
| Audit Sub-objective Audit Criteria | Audit Activities | Audit Ouestion | Yes | No | Particulars of | | |
| - Addit Officia | Addit Activities | Addit Question | 103 | 140 | the Answer | | |
| conflict of interest in the | | | | | | | |
| contract to be bid; and | | | | | | | |
| c) Any other relevant criteria | | | | | | | |
| that may be determined by the BAC. | | | | | | | |
| THE BAC. | | | | | | | |
| EVALUATING AUDIT EVIDEN | CES GATHERED AND CO | MMUNICATING THE I | RESUL | TS O | F AUDIT | | |
| 1. To verify the effects of | Analyze the instances of | Appropriate Audit Working | g Paper | S | | | |
| instances of non- | non-compliances to | | | | | | |
| compliance on the: | establish the effects and develop appropriate audit | | | | | | |
| | recommendations. | | | | | | |
| a. validity of the | Todominonadions. | | | | | | |
| procurement activities | | | | | | | |
| and outputs including the validity of the | | | | | | | |
| resulting contract; | | | | | | | |
| | | | | | | | |
| b. validity of any payment | | | | | | | |
| to be made on the basis | | | | | | | |
| of the contract; | | | | | | | |
| c. etc. | | | | | | | |
| and develop appropriate | | | | | | | |
| audit recommendations | | | | | | | |
| 2. To verify the causes of | Analyze the instances of | Appropriate Audit Working | n Paper | S | | | |
| instances of non- | non-compliances to | The serious rount training | , apo. | | | | |
| compliance and develop | establish the cause(s) and | | | | | | |
| appropriate audit | develop appropriate audit | | | | | | |
| recommendations | recommendations. | | | | | | |
| | | | | | | | |
| 3. To communicate the | Prepare the appropriate audit/ validation document | Audit Observation Memor | andum | (A \cap \lambda) | if applicable | | |
| results of the audit with | reflecting the results of | Audit Observation Memora | ariuuiii | (AUNI) | , п аррпсавте | | |
| the auditee's Management | the audit/validation and | | | | | | |
| COA Circular No. 2009-006 | transmit to Management | | | | | | |
| dated September 15, 2009 re- | | | | | | | |
| Prescribing the Use of the Rules | | | | | | | |
| and Regulations on Settlement | | | | | | | |
| of Accounts | | | | | | | |

BIDS AND AWARDS COMMITTEE'S TECHNICAL WORKING GROUP (TWG)

BASIC ELEMENT – BAC Technical Working Group (TWG)

A. AUDIT OBJECTIVES:

- 1. To verify if the BAC **established a mechanism** for constituting the pool of technical, financial, and/or legal experts from which they will identify/select members of the Technical Working Group for specific procurements
- To verify if the BAC implemented the mechanism and established the pool of technical, financial, and/or legal experts from which they will identify/select members of the Technical Working Group for specific procurements

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

List of needed documents:

- 1. Copy of the policy on the mechanism for constituting the pool of technical, financial, and/or legal experts from which the BAC will identify/select members of the Technical Working Group for specific procurements;
- 2. Relevant Minutes of the BAC's meetings;
- 3. Documentation on the creation of the pool of technical, financial, and/or legal experts from which the BAC will identify/select members of the Technical Working Group for specific procurements.

| Audit Sub-objective | | Suggested | Audit \ | Vorkir | ng Paper |
|---|--|--|---------|--------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1.To verify if the BAC established and is implementing a mechanism for identifying/selecting members of the Technical Working Group for specific | 1. From the BAC Secretariat, obtain a copy of the policy on the mechanism for identifying/selecting members of the Technical Working Group for specific procurements. | Did the BAC establish a mechanism for identifying/selecting members of the Technical Working Group for specific procurements? | | | |
| procurements Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 12.1. The BAC shall have the following functions: (a) (k) perform such other related functions as may be necessary, including the creation of a Technical Working Group (TWG) from a pool of technical, financial, and/or legal experts to assist in the procurement process, particularly in the eligibility screening, evaluation of bids, and post-qualification. | 2. Obtain documents from the BAC Secretariat evidencing implementation of the policy (e.g. relevant Minutes of the BAC's meetings, documentation of the pool of technical, financial, and/or legal experts, Office Orders creating TWGs for specific procurements) and verify if as a result a pool of technical, financial, and/or legal experts has been created from which members of TWGs for specific procurements may be selected. | Did the BAC implement the procuring entity's mechanism for identifying/selecting members of the Technical Working Group for specific procurements? Was a pool of technical, financial, and/or legal experts created from which members of TWGs for specific procurements may be selected? | | | |



| Audit Sub-objective | | Suggeste | d Audit | Workii | ng Paper | |
|---|--|----------------------------------|-----------|--------|------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| EVALUATING AUDIT EVI | DENCES GATHERED AND | COMMUNICATIN | G THE I | RESU | LTS OF AUDIT | |
| To verify the effects of instances of noncompliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; | Analyze the instances of non-compliances to establish the effects and develop appropriate audit recommendations. | Appropriate Audit Working Papers | | | | |
| b. validity of any payment to be made on the basis of the contract; | | | | | | |
| c. etc. | | | | | | |
| and develop appropriate audit recommendations | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Wo | rking Pap | oers | | |
| 3. To communicate the results of the audit with the auditee's Management | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Me | morandu | ım (AO | M), if applicable | |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | | | | | | |

CUSTOMIZED BIDDING DOCUMENTS FOR GOODS

BASIC ELEMENT - CUSTOMIZED BIDDING DOCUMENTS FOR GOODS

A. AUDIT OBJECTIVES:

- 1. To verify if the procuring entity's customized bidding documents for goods are complete
- 2. To verify if the forms and contents of the procuring entity's customized bidding documents for goods are as prescribed by the GPPB
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed:

Customized Bidding Documents for Goods

| 1. To verify if the procuring entity adopted a set of customized bidding documents for goods from the BAC Secretariat. 1. Request for the customized bidding documents for goods from the BAC Secretariat. 1. Request for the customized bidding documents for goods from the BAC Secretariat. 1. Request for the customized bidding documents for goods from the BAC Secretariat. 1. Request for the customized bidding documents for goods from the BAC Secretariat. 1. Request for the customized bidding documents for goods? 1. Request for the customized bidding documents for goods? 1. Request for the customized bidding documents for goods? 2. To resident for Rey 9184, as amended on September 2, 2009: 2. To verify if the set of customized bidding documents for goods, the succeeding Audit Sub-Objectives and related Activities need not be performed and the related Audit Questions for the succeeding Audit Sub-Objectives and related Activities need not be performed and the related Audit Questions for the succeeding Bidding documents for goods are complete, i.e., include the following: 2. To verify if the set of customized bidding documents for goods are complete, i.e., include the following: 3. Approved Budget for the Contract, b. Invitation to Bid 2. Invitation to Bid 3. Request for the customized bidding documents for goods with the Philippine Bidding Documents (PBDs) for Corporate with the Contract, per GPPB Resolution No. 2. Request for the customized bidding documents for goods with the Philippine Bidding Documents (PBDs) for Corporate with the Contract, per GPPB Resolution No. | Audit Sub-objective | | Suggested Audit Working Paper | | | | |
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| 1. To verify if the procuring entity adopted a set of customized bidding documents for goods Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 1.71.1 The bidding documents shall be prepared by the procuring entity following the standard forms and manuals prescribed by the GPPB, the use of the Generic Procurement Manuals (GPMs), Philippine Bidding Documents (PBDs), and other standard forms shall be mandatory upon all Procuring Entities. However, whenever necessary, to suit the particular needs of the procuring entity, modifications may be made, particularly for major and specialized procurement, subject to the approval of the GPPB. NOTE: If the Procuring Entity did not adopt a set of customized bidding documents for goods, the succeeding Audit Sub-Objectives and related Activities need not be performed and the related Audit Questions for this element need not be answered. 2. To verify if the set of customized bidding documents for goods with the Philippine Bidding Documents for goods with the Philippine Bidding documents for goods with the Philippine Bidding Documents for goods are complete, i.e., include the following: a. Approved Budget for the Contract, 1. Request for the customized bidding documents for goods. Secretariat. Did the procuring entity adopt a set of customized bidding documents for goods? Use of the GPPB. Did the procuring entity adopt a set of customized bidding documents for goods with the Philippine Bidding documents for goods with the Philippine Bidding documents for goods with the Philippine Bidding documents for goods and entity the procuring approved by the GPPB. Contract, Did the procuring entity adopt a set of customized bidding documents for goods with the Philippine Bidding Documents (PBDs) for locuments (PBDs) f | Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | |
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| entity adopted a set of customized bidding documents for goods from the BAC Secretariat. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 17.1 The bidding documents shall be prepared by the procuring entity following the standard forms and manuals prescribed by the GPPB. • 6.2 Once issued by the GPPB, the use of the Generic Procurement Manuals (GPMs), Philippine Bidding Documents (PPBDs), and other standard forms shall be mandatory upon all Procuring Entities. However, whenever necessary, to suit the particular needs of the procuring entity, modifications may be made, particularly for major and specialized procurement, subject to the approval of the GPPB. NOTE: If the Procuring Entity did not adopt a set of customized bidding documents for goods, the succeeding Audit Sub-Objectives and related Activities need not be performed and the related Audit Questions for this element need not be answered. 2. To verify if the set of customized bidding documents for goods with the Philippine Bidding documents for goods are complete, i.e., include the following: a. Approved Budget for the Contract, Contract, Customized bidding documents for goods, the customized bidding documents for goods with the Philippine Bidding documents for goods with the Philippine Bidding documents for goods with the Philippine Bidding Documents (PBDs) for the Customized bidding documents for goods with the Bidding Documents (PBDs) for the Customized bidding documents for goods with the Bidding Documents (PBDs) for the Customized bidding documents for goods with the Philippine Bidding Documents (PBDs) for the Customized bidding documents for goods with the Philippine Bidding Documents (PBDs) for the Customized bidding documents for goods with the Philippine Bidding Documents (PBDs) for the Customized bidding documents for goods with the Philippine Bidding Docum | 1. To verify if the procuring | 1. Request for the | Did the procuring | | | | |
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| succeeding Audit Sub-Objectives and related Activities need not be performed and the related Audit Questions for this element need not be answered. 2.To verify if the set of customized bidding documents for goods are complete, i.e., include the following: a. Approved Budget for the Contract, succeeding Audit Sub-Objectives and related Activities need not be performed and the related Audit Questions element need not be performed and the related Audit Questions for this element need not be performed and the related Audit Questions for the Are the items in the customized bidding documents for goods with the Philippine Bidding Document with the items in the Philippine Bidding Documents in the Philippine Bidding Documents (PBDs) for Procurement of Goods, 3rd edition, October 2009 approved by the GPPB Are the items in the customized bidding documents for goods complete when compared with the items in the Philippine Bidding Documents (PBDs) for Bidding Documents | | | | | | | |
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| 2. Compare the set of customized bidding documents for goods are complete, i.e., include the following: a. Approved Budget for the Contract, 2. Compare the set of customized bidding documents for goods with the Philippine Bidding Documents (PBDs) for Procurement of Goods, 3 rd edition, October 2009 approved by the GPPB 2. Compare the set of customized bidding documents for goods complete when compared with the items in the Philippine Bidding Documents (PBDs) for Procurement of Goods, 3 rd edition, October 2009 approved by the GPPB 2. Compare the set of customized bidding documents for goods complete when compared with the items in the customized bidding documents for goods complete when compared with the items in the customized bidding documents for goods complete when compared with the items in the customized bidding documents for goods complete when compared with the items in the customized bidding documents for goods complete when compared with the items in the customized bidding documents for goods complete when compared with the items in the customized bidding documents for goods complete when compared with the items in the customized bidding documents for goods complete when compared with the items in the customized bidding documents for goods complete when compared with the items in the customized bidding documents for goods complete when compared with the items in the Philippine Bidding Documents for goods complete when compared with the items in the customized bidding documents for goods complete when compared with the items in the customized bidding documents for goods complete when compared with the items in the customized bidding documents for goods complete when compared with the items in the customized bidding documents for goods complete when compared with the items in the customized bidding documents for goods complete when compared with the items in the customized bidding documents for goods are complete when compared with the items in the customized bidding documents for goods are comple | | | | ormed | and t | he related | |
| customized bidding documents for goods are complete, i.e., include the following: a. Approved Budget for the Contract, customized bidding documents for goods with the Philippine Bidding Documents (PBDs) for Procurement of Goods, 3 rd edition, October 2009 approved by the GPPB customized bidding documents for goods complete when compared with the items in the Philippine Bidding Documents (PBDs) for | | | | ı | 1 | | |
| documents for goods are complete, i.e., include the following: a. Approved Budget for the Contract, documents for goods with the <i>Philippine Bidding Documents (PBDs) for Procurement of Goods, 3rd edition, October 2009 approved by the GPPB documents for goods complete when compared with the items in the <i>Philippine Bidding Documents (PBDs) for</i></i> | | | | | | | |
| complete, i.e., include the following: a. Approved Budget for the Contract, the Philippine Bidding Documents (PBDs) for Procurement of Goods, 3rd edition, October 2009 approved by the GPPB the Philippine Bidding complete when compared with the items in the Philippine Bidding Documents (PBDs) for Procurement of Goods, 3rd edition, October 2009 approved by the GPPB the Philippine Bidding Document with the items in the Philippine Bidding Documents (PBDs) for Procurement of Goods, 3rd edition, October 2009 approved by the GPPB | | | 3 | | | | |
| following: a. Approved Budget for the Contract, Documents (PBDs) for Procurement of Goods, 3 rd edition, October 2009 approved by the GPPB Documents (PBDs) for compared with the items in the Philippine Bidding Documents (PBDs) for | | <u> </u> | S . | | | | |
| a. Approved Budget for the Contract, Procurement of Goods, 3 rd edition, October 2009 approved by the GPPB Procurement of Goods, Bidding Documents (PBDs) for | complete, i.e., include the | | • | | | | |
| a. Approved Budget for the Contract, 3 rd edition, October 2009 Bidding Documents (PBDs) for | following: | | | | | | |
| Contract, approved by the GPPB (PBDs) for | • | | | | | | |
| approved by the of 1 b (1 bbs) for | • | | | | | | |
| per GFFB Resolution No. Frocurement of | | | | | | | |
| | a | אבו טררט הפאטוענוטוז ואט. | i i ocui cilicili Ui | <u>I</u> | | | |



| Audit Sub-objective | | Suggested A | udit W | orkin | |
|---|------------------|---------------------------------|--------|-------|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| c. Eligibility Requirements | 05-2009 dated 30 | Goods, 3 rd edition, | | | |
| d. Instructions to Bidders, | September 2009 | October 2009 | | | |
| including Scope of Bid, | | published by the | | | |
| documents comprising | | GPPB? | | | |
| the bid, criteria for | | | | | |
| eligibility, bid evaluation | | | | | |
| methodology/criteria in | | | | | |
| accordance with the Act, | | | | | |
| and post-qualification, as | | | | | |
| well as the date, time and | | | | | |
| place of the pre-bid | | | | | |
| conference (where | | | | | |
| applicable), submission of | | | | | |
| bids and opening of bids | | | | | |
| e. Technical Drawings and | | | | | |
| Specifications | | | | | |
| f. Form of Bid, Price Form, | | | | | |
| and list of goods | | | | | |
| g. Delivery Schedule | | | | | |
| h. Form, amount, and | | | | | |
| validity period of bid | | | | | |
| security | | | | | |
| i. Form, amount, and | | | | | |
| validity of performance | | | | | |
| security and warranty | | | | | |
| j. Form of Contract and | | | | | |
| General and Special | | | | | |
| Conditions of Contract | | | | | |
| Implementing Rules and | | | | | |
| Regulations (IRR) of RA 9184, as | | | | | |
| amended on September 2, 2009: | | | | | |
| • 17.1 The bidding documents shall be prepared by the procuring | | | | | |
| entity following the standard forms | | | | | |
| and manuals prescribed by the | | | | | |
| GPPB. The bidding documents shall | | | | | |
| include the following: | | | | | |
| a. Approved Budget for the | | | | | |
| Contract | | | | | |
| b. Invitation to Bid | | | | | |
| c. Eligibility Requirements d Instructions to Bidders, including | | | | | |
| Scope of Bid, documents | | | | | |
| comprising the bid, criteria for | | | | | |
| eligibility, bid evaluation | | | | | |
| methodology/criteria in | | | | | |
| accordance with the Act, and | | | | | |
| post-qualification, as well as the | | | | | |
| date, time and place of the pre- | | | | | |
| bid conference (where applicable), submission of bids | | | | | |
| and opening of bids | | | | | |
| e. Form of Bid, Price Form, and list | | | | | |

| Audit Sub-objective | | Suggested Audit Working Pape | | | ng Paper |
|---|--|---|-----|----|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| of goods and services f. Delivery Schedule g. Form, amount, and validity period of bid security h. Form, amount, and validity of performance security and warranty i. Form of Contract and General and Special Conditions of Contract. | | | | | |
| Philippine Bidding Documents (PBDs) for Procurement of Goods, 3rd edition, October 2009 approved by the GPPB per GPPB Resolution No. 05-2009 dated 30 September 2009 | | | | | |
| 3. To verify if the <u>form</u> and <u>contents</u> of the customized bidding documents for goods conform with those in the Philippine Bidding Documents (PBDs) for Procurement of Goods, 3 rd edition, October 2009 | 3. Compare the individual documents of the procuring entity's customized bidding documents for goods with the corresponding documents of the Philippine Bidding Documents (PBDs) for | Did the <u>form</u> of the <i>Invitation to Bid</i> in the customized bidding documents for goods conform with the standard form prescribed by the GPPB? | | | |
| approved by the GPPB per GPPB Resolution No. 05-2009 dated 30 September 2009 & with Section 21.1 of the Revised IRR of RA No. 9184 • Philippine Bidding Documents (PBDs) for Procurement of Goods, 3 rd edition, October 2009 approved by the GPPB per GPPB Resolution No. 05-2009 dated 30 | Procurement of Goods, 3 rd Edition, October 2009 approved by the GPPB per GPPB Resolution No. 05-2009 dated 30 September 2009 | Did the contents of the form of the Invitation to Bid in the customized bidding documents for goods conform with the contents of the Invitation to Bid prescribed by Section 21.1 of the IRR of RA 9184 and the PBDs? | | | |
| September 2009 Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 3, 2009: 21.1. The Invitation to Bid shall provide prospective bidders the following information, among others: a. For the procurement of goods, | | Did the <u>form</u> of the Instructions to Bidders in the customized bidding documents for goods conform with the standard form prescribed by the PBDs? | | | |

| Audit Sub-objective | | Suggested Au | Suggested Audit Work | | |
|--|------------------|---|----------------------|----|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| the name of the contract to be bid and a brief description of the goods to be procured; b. A general statement on the criteria to be used by the procuring entity for the eligibility check, the examination and evaluation of bids, post-qualification, and award; c. The date, time and place of the deadline for the submission and receipt of the eligibility requirements, the pre-bid conference, if any, the submission and receipt of bids, and the opening of bids; d. ABC to be bid; e. The source of funding; f. The period of availability of the Bidding Documents, the place where the Bidding Documents may be secure, the website where the Bidding Documents may be downloaded, and, where applicable, the price of | | Did the contents of the Instructions to Bidders in the customized bidding documents for goods conform with the contents of the Instructions to Bidders prescribed by the PBDs? Did the form for the Bid Data Sheet in the customized bidding documents for goods conform with the standard form prescribed by the PBDs? Did the contents of the Bid Data Sheet in the customized bidding documents for goods conform with the contents of the Bid Data Sheet in the customized bidding documents for goods conform with | | | the Answer |
| the Bidding Documents; g. The contract duration or delivery schedule; h. The name, address, telephone number, facsimile number, e- mail and website addresses of the concerned procuring entity, as well as its designated contact person; and i. Such other necessary information deemed relevant | | the contents of the <i>Bid Data Sheet</i> prescribed by the PBDs? Did the <u>form</u> of the <i>General Conditions of Contract</i> in the customized bidding documents for goods conform with the standard form prescribed by the PBDs? | | | |
| by the procuring entity. | | Did the contents of the form of General Conditions of Contract in the customized bidding documents for goods conform with the contents of the General Conditions of Contract form prescribed by the PBDs? | | | |

| Audit Sub-objective | | Suggested Au | | | |
|------------------------------------|------------------|---|-----|----|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | | Did the <u>form</u> for the Special Conditions of Contract in the customized bidding documents for goods conform with the standard form prescribed by the PBDs? | | | the 7ms wer |
| | | Did the contents of the form for the Special Conditions of Contract in the customized bidding documents for goods conform with the contents of the Special Conditions of Contract prescribed by the PBDs? | | | |
| | | Did the form of the Schedule of Requirements in the customized bidding documents for goods conform with the standard form prescribed by the PBDs? | | | |
| | | Did the contents of the form for the Schedule of Requirements in the customized bidding documents for goods conform with the contents of the Schedule of Requirements prescribed by the PBDs? | | | |
| | | Did the <u>form</u> for the Technical Specifications in the customized bidding documents for goods conform with the standard form prescribed by the PBDs? | | | |

| Audit Sub-objective | | Suggested Au | | | |
|------------------------------------|------------------|---|-----|----|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | | Did the contents of the form for Technical Specifications in the customized bidding documents for goods conform with the contents of the Technical Specifications prescribed by the PBDs? | | | THE ATISWEI |
| | | Did the <i>Bid Form</i> in the customized bidding documents for goods conform with the standard forms prescribed by the PBDs? | | | |
| | | Did the contents of the Bid Form in the customized bidding documents for goods conform with the contents of the Bid Form prescribed by the PBDs? | | | |
| | | Did the Contract Agreement Form in the customized bidding documents for goods conform with the standard form prescribed by the PBDs? | | | |
| | | Did the contents of the Contract Agreement Form in the customized bidding documents for goods conform with the contents of the Contract Agreement Form prescribed by the PBDs? | | | |
| | | Did the form for the Omnibus Sworn Statement in the customized bidding documents for goods conform with the standard forms prescribed by the PBDs? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|------------------------------------|---|--|---------|-----|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | Did the contents of | | | |
| | | the form for the Omnibus Sworn | | | |
| | | Statement in the | | | |
| | | customized bidding | | | |
| | | documents for goods | | | |
| | | conform with the | | | |
| | | contents of the | | | |
| | | Omnibus Sworn | | | |
| | | Statement prescribed | | | |
| | | by the PBDs? | | | |
| | | Did the Bank | | | |
| | | Guarantee Form for | | | |
| | | Advance Payment in | | | |
| | | the customized bidding documents for | | | |
| | | goods conform with | | | |
| | | the standard form | | | |
| | | prescribed by the | | | |
| | | PBDs? | | | |
| | | Dilli i i | | | |
| | | Did the <u>contents</u> of the <i>Bank Guarantee</i> | | | |
| | | Form for Advance | | | |
| | | Payment in the | | | |
| | | customized bidding | | | |
| | | documents for goods | | | |
| | | conform with the | | | |
| | | contents of the <i>Bank Guarantee Form for</i> | | | |
| | | Advance Payment | | | |
| | | prescribed by the | | | |
| | | PBDs? | | | |
| EVALUATING AUDIT EVIDENCE | CES GATHERED AND CO | | | | OF AUDIT |
| 1. To verify the effects of | Analyze the instances of | Appropriate Audit Worki | ng Pape | ers | |
| instances of non- | non-compliances to | | | | |
| compliance on the: | establish the effects and develop appropriate audit | | | | |
| | recommendations. | | | | |
| a. validity of the | | | | | |
| procurement activities | | | | | |
| and outputs including the | | | | | |
| validity of the resulting | | | | | |
| contract; | | | | | |
| b. validity of any payment | | | | | |
| to be made on the basis | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|--|-------------------------------|----------|--------|------------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| of the contract; | | | | | | |
| c. etc. | | | | | | |
| and develop appropriate audit recommendations | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Worki | ing Pape | ers | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memo | orandun | n (AOM | И), if applicable | |

CUSTOMIZED BIDDING DOCUMENTS FOR INFRASTRUCTURE PROJECTS

BASIC ELEMENT – CUSTOMIZED BIDDING DOCUMENTS FOR INFRASTRUCTURE PROJECTS

A. AUDIT OBJECTIVES:

- 1. To verify if the Procuring Entity's customized bidding documents for infrastructure projects are complete
- 2. To verify if the forms and contents of the Procuring Entity's customized bidding documents for infrastructure projects are as prescribed by the GPPB
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed:

Customized Bidding Documents for Infrastructure Projects

| Audit Sub-objective | | Suggested Au | ıdit W | orkin | g Paper |
|---|---------------------------------------|--|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | 4.5 | D. L. I | | | the Answer |
| 1. To verify if the procuring | Request for the | Did the procuring | | | |
| entity adopted a set of | customized bidding documents for | entity adopt a set of customized bidding | | | |
| customized bidding | infrastructure projects | documents for | | | |
| documents for | from the BAC Secretariat | infrastructure | | | |
| infrastructure projects | Trom the Brio Secretariat | projects? | | | |
| Implementing Dulce and | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as | | | | | |
| amended on September 2, 2009: | | | | | |
| 17.1 The bidding documents | | | | | |
| shall be prepared by the | | | | | |
| procuring entity following the | | | | | |
| standard forms and manuals | | | | | |
| prescribed by the GPPB. | | | | | |
| • 6.2 Once issued by the GPPB, | | | | | |
| the use of the Generic | | | | | |
| Procurement Manuals (GPMs), | | | | | |
| Philippine Bidding Documents | | | | | |
| (PBDs), and other standard | | | | | |
| forms shall be mandatory upon | | | | | |
| all Procuring Entities. However, | | | | | |
| whenever necessary, to suit the particular needs of the procuring | | | | | |
| entity, modifications may be | | | | | |
| made, particularly for major and | | | | | |
| specialized procurement, subject | | | | | |
| to the approval of the GPPB. | | | | | |
| ., | | | | | |
| NOTE: If the Procuring Entity di | | | | | |
| | Audit Sub-Objectives and | | d not i | oe pei | formed and |
| | ons for this element need | Were the items in the | I | | |
| 2.To verify if the set of | Compare the set of customized bidding | customized bidding | | | |
| customized bidding | documents with the | documents complete | | | |
| documents for | Philippine Bidding | compared with the | | | |
| infrastructure projects are | Documents (PBDs) for | items in the <i>Philippine</i> | | | |
| complete, i.e., include the | Procurement of | Bidding Documents | | | |
| following: | Infrastructure Projects, | (PBDs) for | | | |



| Audit Sub-objective | | Suggested A | udit W | orkir | ng Paper |
|--|---------------------------------------|--|--------|-------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | ard we are a second | | | | the Answer |
| a. Approved Budget for the | 3 rd edition, October 2009 | Procurement of | | | |
| Contract, | published by the GPPB | Infrastructure Projects, 3 rd edition, | | | |
| b. Invitation to Bid | | October 2009 | | | |
| c. Eligibility Requirements | | published by the | | | |
| d. Instructions to Bidders, | | GPPB? | | | |
| including Scope of Bid, | | | | | |
| documents comprising | | | | | |
| the bid, criteria for | | | | | |
| eligibility, bid evaluation | | | | | |
| methodology/criteria in | | | | | |
| accordance with the Act, | | | | | |
| and post-qualification, as | | | | | |
| well as the date, time and | | | | | |
| place of the pre-bid | | | | | |
| conference (where | | | | | |
| applicable), submission of | | | | | |
| bids and opening of bids | | | | | |
| e. Technical Drawings and | | | | | |
| Specifications | | | | | |
| f. Form of Bid, Price Form, | | | | | |
| and list of goods | | | | | |
| g. Delivery Schedule | | | | | |
| h. Form, amount, and | | | | | |
| validity period of bid | | | | | |
| security | | | | | |
| i. Form, amount, and | | | | | |
| validity of performance | | | | | |
| security and warranty | | | | | |
| j. Form of Contract and | | | | | |
| General and Special | | | | | |
| Conditions of Contract | | | | | |
| Implementing Rules and | | | | | |
| Regulations (IRR) of RA 9184, as | | | | | |
| amended on September 2, 2009: | | | | | |
| • 17.1 The bidding documents | | | | | |
| shall be prepared by the procuring | | | | | |
| entity following the standard forms | | | | | |
| and manuals prescribed by the | | | | | |
| GPPB. The bidding documents shall | | | | | |
| include the following: | | | | | |
| a. Approved Budget for the Contract | | | | | |
| b. Invitation to Bid | | | | | |
| c. Eligibility Requirements | | | | | |
| d Instructions to Bidders, including | | | | | |
| Scope of Bid, documents | | | | | |
| comprising the bid, criteria for | | | | | |
| eligibility, bid evaluation | | | | | |
| methodology/criteria in | | | | | |
| accordance with the Act, and | | | | | |
| post-qualification, as well as the | | | | | |
| date, time and place of the pre- | | | | | |
| bid conference (where | | | | | |

| Audit Sub-objective | Audit Sub-objective Suggested Audit \ | | | it Working Paper | | |
|---|--|---|-----|------------------|---------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| applicable), submission of bids and opening of bids e. Form of Bid, Price Form, and list of goods and services f. Delivery Schedule g. Form, amount, and validity period of bid security h. Form, amount, and validity of performance security and warranty i. Form of Contract and General and Special Conditions of Contract. | | | | | | |
| Philippine Bidding Documents (PBDs) for Procurement of Infrastructure Projects, 3 rd edition, October 2009 published by the GPPB | | | | | | |
| 3. To verify if the <u>form</u> and <u>contents</u> of the customized bidding documents for infrastructure projects conform with those in the Philippine Bidding Documents (PBDs) for Procurement of Goods, 3 rd edition, October 2009 | 3. Compare the individual documents of the procuring entity's customized bidding documents for infrastructure projects with the corresponding documents of the Philippine Bidding Documents (PBDs) for | Did the <u>form</u> of the Invitation to Bid in the customized bidding documents for infrastructure projects conform with the standard form prescribed by the PBDs? | | | | |
| approved by the GPPB per GPPB Resolution No. 05-2009 dated 30 September 2009 & with Section 21.1 of the Revised IRR of RA No. 9184 • Philippine Bidding Documents (PBDs) for Procurement of Infrastructure Projects, 3 rd edition, October 2009 approved | Procurement of Infrastructure Projects, 3rd edition, October 2009 published by the GPPB | Did the contents of the Invitation to Bid in the customized bidding documents for infrastructure projects conform with the contents of the Invitation to Bid prescribed by Section 21.1 of the IRR of RA 9184 and the PBDs? | | | | |
| by the GPPB per GPPB Resolution No. 05-2009 dated 30 September 2009 Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 21.1. The Invitation to Bid shall provide prospective bidders the following | | Did the form of the Instructions to Bidders in the customized bidding documents for infrastructure projects conform with the standard form prescribed by the GPPB? | | | | |

| information, among others: a. For the procurement of Infrastructure projects, the name and location of the contract to be bid, the project background and other relevant information regarding the proposed contract works, including a brief description of the type, size, major items, and other important or relevant features of the works; b. A general statement on the criteria to be used by the procuring entity for the eligibility check, the examination and evaluation of bids, post-qualification, and award; c. The date, time and place of the deadline for the submission and receipt of the eligibility requirements, the pre-bid conference, if any, the submission and receipt of bids, and the opening of bids; d. ABC to be bid; e. The source of funding; f. The period of availability of the Bidding Documents, the place where the Bidding Documents may be secure, the website where the Bidding Documents may be downloaded, and, Did the | lit Question e contents of the citions to Bidders customized g documents for ructure projects m with the citions to Bidders bed by the e form for the citian Sheet in the citized bidding tents for ructure projects | Yes | No | Particulars of the Answer |
|--|--|-----|----|---------------------------|
| a. For the procurement of Infrastructure projects, the name and location of the contract to be bid, the project background and other relevant information regarding the proposed contract works, including a brief description of the type, size, major items, and other important or relevant features of the works; b. A general statement on the criteria to be used by the procuring entity for the eligibility check, the examination and evaluation of bids, post-qualification, and award; c. The date, time and place of the deadline for the submission and receipt of the eligibility requirements, the pre-bid conference, if any, the submission and receipt of bids, and the opening of bids; d. ABC to be bid; e. The source of funding; f. The period of availability of the Bidding Documents may be secure, the website where the Bidding Documents may be downloaded, and, Did the | In for the ctions to Bidders customized g documents for ructure projects m with the ctions to Bidders bed by the ctions for the ctions to Bidders bed by the ctions to bidding tents for | | | THE ATISWE |
| a. For the procurement of Infrastructure projects, the name and location of the contract to be bid, the project background and other relevant information regarding the proposed contract works, including a brief description of the type, size, major items, and other important or relevant features of the works; b. A general statement on the criteria to be used by the procuring entity for the eligibility check, the examination and evaluation of bids, post-qualification, and award; c. The date, time and place of the deadline for the submission and receipt of the eligibility requirements, the pre-bid conference, if any, the submission and receipt of bids, and the opening of bids; d. ABC to be bid; e. The source of funding; f. The period of availability of the Bidding Documents may be secure, the website where the Bidding Documents may be downloaded, and, Did the | In for the ctions to Bidders customized g documents for ructure projects m with the ctions to Bidders bed by the ctions for the ctions to Bidders bed by the ctions to bidding tents for | | | |
| Infrastructure projects, the name and location of the contract to be bid, the project background and other relevant information regarding the proposed contract works, including a brief description of the type, size, major items, and other important or relevant features of the works; b. A general statement on the criteria to be used by the procuring entity for the eligibility check, the examination and evaluation of bids, post-qualification, and award; c. The date, time and place of the deadline for the submission and receipt of the eligibility requirements, the pre-bid conference, if any, the submission and receipt of bids, and the opening of bids; d. ABC to be bid; e. The source of funding; f. The period of availability of the Bidding Documents, the place where the Bidding Documents may be secure, the website where the Bidding Documents may be downloaded, and, Did the | ctions to Bidders customized g documents for ructure projects m with the ats of the actions to Bidders bed by the e form for the ata Sheet in the aized bidding aents for | | | |
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| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|------------------------------------|------------------|--|-----|----|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | | Did the form for the Special Conditions of Contract in the customized bidding documents for infrastructure projects conform with the standard form prescribed by the PBDs? | | | the Answer |
| | | Did the contents of the form for the Special Conditions of Contract in the customized bidding documents for infrastructure projects conform with the contents of the form for the Special Conditions of Contract prescribed by the PBDs? | | | |
| | | Did the <u>form</u> for the Bill of Quantities in the customized bidding documents for infrastructure projects conform with the standard form prescribed by the PBDs? | | | |
| | | Did the contents of the form for the Bill of Quantities in the customized bidding documents for infrastructure projects conform with the contents of the Bill of Quantities prescribed by the PBDs? | | | |
| | | Did the <i>Bid Form</i> in the customized bidding documents for infrastructure projects conform with the standard form prescribed by the PBDs? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|------------------------------------|------------------|---|-----|----|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | | Did the contents of the Bid Form in the customized bidding documents for infrastructure projects conform with the contents of the Bid Form prescribed by the PBDs? | | | the Aliswer |
| | | Did the Form of Contract Agreement in the customized bidding documents for infrastructure projects conform with the standard forms prescribed by the PBDs? | | | |
| | | Did the contents of the Form of Contract Agreement in the customized bidding documents for infrastructure projects conform with the contents of the Form of Contract Agreement prescribed by the PBDs? | | | |
| | | Did the <u>form</u> of the Omnibus Sworn Statement in the customized bidding documents for infrastructure projects conform with the standard form prescribed by the PBDs? | | | |
| | | Did the contents of the form for the Omnibus Sworn Statement in the customized bidding documents for infrastructure projects conform with the contents of the Omnibus Sworn Statement prescribed by the PBDs? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|---|--|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Notes on Specifications in Section VI. Specifications of the Philippine Bidding Documents (PBDs) for Procurement of Infrastructure Projects, 3rd edition, October 2009 published by the GPPB, which are meant to guide the procuring entity in developing specifications for individual procurements. The statements: "Insert here a list of Drawings. The actual Drawings, including site plans, should be attached to this section or annexed in a separate folder." Are in Section VII. Drawings of the Philippine Bidding Documents (PBDs) for Procurement of Infrastructure Projects, 3rd edition, October 2009 published by the GPPB | CES GATHERED AND CO | Did the customized bidding documents for infrastructure projects of the procuring entity contain a Section on Specifications with Notes similar to those in the PBDs? Did the customized bidding documents for infrastructure projects of the procuring entity contain a Section on Drawings with Notes similar to those in the PBDs? | RESU | ILTS (| the Answer |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the effects and develop appropriate audit recommendations. | Appropriate Audit Worki | ng Papo | ers | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Working Papers | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|--|-------------------------------|---------|--------|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memo | orandun | n (AOM | |

CUSTOMIZED BIDDING DOCUMENTS FOR CONSULTING SERVICES

BASIC ELEMENT – CUSTOMIZED BIDDING DOCUMENTS FOR CONSULTING SERVICES

A. AUDIT OBJECTIVES:

- 1. To verify if the Procuring Entity's customized bidding documents for consulting services are complete
- 2. To verify if the forms and contents of the Procuring Entity's customized bidding documents for consulting services are as prescribed by the GPPB
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed:

Customized Bidding Documents for Consulting Services

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|---|---|-----|----|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the | Request for the | Did the procuring entity | | | |
| procuring entity adopted | customized bidding documents for consulting | adopt a set of customized bidding documents for | | | |
| a set of customized | services from the BAC | consulting services? | | | |
| bidding documents for | Secretariat. | consulting services: | | | |
| consulting services | Scoretariat. | | | | |
| Implementing Rules and | | | | | |
| Regulations (IRR) of RA 9184, | | | | | |
| as amended on September 2, | | | | | |
| 2009: | | | | | |
| • 17.1 The bidding documents | | | | | |
| shall be prepared by the | | | | | |
| procuring entity following the standard forms and manuals | | | | | |
| prescribed by the GPPB. | | | | | |
| • 6.2 Once issued by the GPPB, | | | | | |
| the use of the Generic | | | | | |
| Procurement Manuals (GPMs), | | | | | |
| Philippine Bidding Documents | | | | | |
| (PBDs), and other standard | | | | | |
| forms shall be mandatory | | | | | |
| upon all Procuring Entities. | | | | | |
| However, whenever | | | | | |
| necessary, to suit the | | | | | |
| particular needs of the procuring entity, modifications | | | | | |
| may be made, particularly for | | | | | |
| major and specialized | | | | | |
| procurement, subject to the | | | | | |
| approval of the GPPB. | | | | | |
| | | | | | |

NOTE: If the Procuring Entity did not adopt a set of customized bidding documents for infrastructure projects, the succeeding Audit Sub-Objectives and related Activities need not be performed and the related Audit Questions for this element need not be answered.



| Audit Sub-objective | | Suggested Aud | it Wor | rkina | Paper |
|------------------------------------|--|---|--------|-------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | 7.00.0 0000.0.0 | | | the Answer |
| 2.To verify if the set of | 2. Compare the set of | Were the items in the | | | |
| customized bidding | customized bidding | customized bidding | | | |
| documents for consulting | documents with the | documents for consulting | | | |
| services are complete, | Philippine Bidding | services complete when | | | |
| i.e., include the | Documents (PBDs) for | compared with the items | | | |
| following: | Procurement of Consulting Services, 3 rd | in the <i>Philippine Bidding Documents (PBDs) for</i> | | | |
| a. Approved Budget for | edition, October 2009 | Procurement of Consulting | | | |
| the Contract, | published by the GPPB | Services, 3 rd edition, | | | |
| b. Request for Expression | , , , , , , | October 2009 published by | | | |
| of Interest, | | the GPPB | | | |
| c. Eligibility | | | | | |
| Requirements | | | | | |
| d. Instructions to | | | | | |
| Bidders, including | | | | | |
| Scope of Bid, | | | | | |
| documents comprising | | | | | |
| the bid, criteria for | | | | | |
| eligibility, bid | | | | | |
| evaluation | | | | | |
| methodology/criteria in | | | | | |
| accordance with the | | | | | |
| Act, and post- | | | | | |
| qualification, as well as | | | | | |
| the date, time and | | | | | |
| place of the pre-bid | | | | | |
| conference (where | | | | | |
| applicable), submission | | | | | |
| of bids and opening of | | | | | |
| bids | | | | | |
| e. Technical Drawings | | | | | |
| and Specifications | | | | | |
| f. Form of Bid, Price | | | | | |
| Form, and list of goods | | | | | |
| g. Delivery Schedule | | | | | |
| h. Form, amount, and | | | | | |
| validity period of bid | | | | | |
| security | | | | | |
| i. Form, amount, and | | | | | |
| validity of performance | | | | | |
| security and warranty | | | | | |
| j. Form of Contract and | | | | | |
| General and Special | | | | | |
| Conditions of Contract | | | | | |
| Implementing Rules and | | | | | |
| Regulations (IRR) of RA 9184, | | | | | |
| as amended on September 3, | | | | | |
| 2009: | | | | | |
| • 17.1 The bidding documents | | | | | |
| shall be prepared by the | | | | | |
| procuring entity following the | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|---|--|-----|----|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| standard forms and manuals prescribed by the GPPB. The bidding documents shall include the following: a. Approved Budget for the Contract, b. Request for Expression of Interest, c. Eligibility Requirements d Instructions to Bidders, including Scope of Bid, documents comprising the bid, criteria for eligibility, bid evaluation methodology/criteria in accordance with the Act, and post-qualification, as well as the date, time and place of the pre-bid conference (where applicable), submission of bids and opening of bids e. Form of Bid, Price Form, and list of goods and services f. Delivery Schedule g. Form, amount, and validity period of bid security h. Form, amount, and validity of performance security and warranty i. Form of Contract and General and Special Conditions of Contract. Philippine Bidding Documents (PBDs) for Procurement of Consulting Services, 3 rd edition, October 2009 published by the GPPB | | | | | |
| 3. To verify if the <u>form</u> and <u>contents</u> of the customized bidding documents for consulting services conform with those in the <i>Philippine Bidding Documents</i> (PBDs) for Procurement | 3. Compare the individual documents of the procuring entity's customized bidding documents for consulting services with the corresponding documents of the <i>Philippine Bidding Documents (PBDs) for</i> | Did the form for the Request for Expression of Interest in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|---|--|-----|----|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| published by the GPPB edition, October 2009 | Procurement of Consulting Services, 3 rd edition, October 2009 published by the GPPB | Did the contents of the form for the Request for Expression of Interest in the customized bidding documents for consulting services conform with the contents of the form for the Request for Expression of Interest prescribed by the PBDs? | | | |
| | | Did the form of the Eligibility Documents in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |
| | | Did the contents of the form for Eligibility Documents in the customized bidding documents for consulting services conform with the contents of the form for Eligibility Documents prescribed by the PBDs? | | | |
| | | Did the <u>form</u> for the Eligibility Data Sheet in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |
| | | Did the contents of the form for the Eligibility Data Sheet in the customized bidding documents for consulting services conform with the contents of the form for the Eligibility Data Sheet prescribed by the PBDs? | | | |
| | | Did the form for the <i>Notice</i> of <i>Eligibility and Short Listing</i> in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |

| Audit Sub-objective | | Suggested Aud | it Wor | king | Paper |
|------------------------------------|------------------|---|--------|------|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | | Did the contents of the form for Notice of Eligibility and Short Listing in the customized bidding documents for consulting services conform with the contents of the Notice of Eligibility and Short Listing prescribed by the PBDs? | | | the Answer |
| | | Did the <u>form</u> for the Instructions to Bidders in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |
| | | Did the <u>contents</u> of the form for the <u>Instructions to Bidders</u> in the customized bidding documents for consulting services conform with the contents of the <u>Instructions to Bidders</u> prescribed by the PBDs? | | | |
| | | Did the <u>form</u> of the <i>Bid</i> Data Sheet in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |
| | | Did the <u>contents</u> of the form for the <i>Bid Data Sheet</i> in the customized bidding documents for consulting services conform with the contents of the <i>Bid Data Sheet prescribed</i> by the PBDs? | | | |
| | | Did the <u>form</u> for the General Conditions of Contract in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |

| Audit Sub-objective | | Suggested Aud | it Wor | king | Paper |
|------------------------------------|------------------|--|--------|------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | Did the contents of the form for the General Conditions of Contract in the customized bidding documents for consulting services conform with the contents of the form for the General Conditions of Contract prescribed by the PBDs? | | | the Answer |
| | | Did the form for the Special Conditions of Contract in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |
| | | Did the contents of the form for the Special Conditions of Contract in the customized bidding documents for consulting services conform with the contents of the form for the Special Conditions of Contract prescribed by the PBDs? | | | |
| | | Did the <u>form</u> for the Eligibility Documents Submission Form in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |
| | | Did the contents of the Eligibility Documents Submission Form in the customized bidding documents for consulting services conform with the contents of the Eligibility Documents Submission Form prescribed by the PBDs? | | | |

| Audit Sub-objective | Suggested Audit Working Paper | | | | |
|------------------------------------|-------------------------------|--|-----|----|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | | Did the <i>Technical Proposal Submission Form</i> in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | the Answer |
| | | Did the contents of the Technical Proposal Submission Form in the customized bidding documents for consulting services conform with the contents of the Technical Proposal Submission Form prescribed by the PBDs? | | | |
| | | Did the <u>form</u> for the Consultant's Reference in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |
| | | Did the contents of the form for the Consultant's Reference in the customized bidding documents for consulting services conform with the contents of the form for the Consultant's Reference prescribed by the PBDs? | | | |
| | | Did the form for the Comments and Suggestions of Consultant on the Terms of Reference and on Data, Services, and Facilities to be Provided by the Procuring in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |

| Audit Sub-objective | | Suggested Audi | it Wor | king | Paper |
|------------------------------------|-------------------------|---|--------|------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | Dilli i i i | | | the Answer |
| | | Did the <u>contents</u> of form for the <i>Comments and</i> | | | |
| | | Suggestions of Consultant | | | |
| | | on the Terms of Reference | | | |
| | | and on Data, Services, and | | | |
| | | Facilities to be Provided by | | | |
| | | the Procuring in the | | | |
| | | customized bidding | | | |
| | | documents for consulting | | | |
| | | services conform with the | | | |
| | | contents of the Comments | | | |
| | | and Suggestions of | | | |
| | | Consultant on the Terms | | | |
| | | of Reference and on Data, | | | |
| | | Services, and Facilities to | | | |
| | | be Provided by the | | | |
| | | Procuring form prescribed by the PBDs? | | | |
| | | prescribed by the FBDs? | | | |
| | | Did the customized bidding | | | _ |
| | | documents for consulting | | | |
| | | services have a form for | | | |
| | | the Description of the | | | |
| | | Methodology and Work | | | |
| | | Plan for Performing the | | | |
| | | <pre>Project as required by the PBDs?</pre> | | | |
| | | Did the form for Team | | | |
| | | Composition and Task | | | |
| | | <i>Projects</i> in the | | | |
| | | customized bidding | | | |
| | | documents for consulting | | | |
| | | services conform with the | | | |
| | | standard form prescribed by the PBDs? | | | |
| | | by the Fbbs: | | | |
| | | Did the contents of the | | | |
| | | form for the <i>Team</i> | | | |
| | | Composition and Task | | | |
| | | <i>Projects</i> in the customized | | | |
| | | bidding documents for | | | |
| | | consulting services | | | |
| | | conform with the contents | | | |
| | | of the form for the <i>Team</i> | | | |
| | | Composition and Task | | | |
| | | <i>Projects</i> prescribed by | | | |
| | | the PBDs? | | | |
| | | Did the Format of | | | |
| | | Did the Format of | | | |
| | | Curriculum Vitae (CV) for Proposed Professional Staff | | | |
| | | in the customized bidding | | | |
| | | documents for consulting | | | |
| | | services conform with the | | | |
| | | standard form prescribed | | | |
| | | by the PBDs? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|------------------------------------|------------------|---|-----|----|---------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars o |
| | | Did the contents of the | | | the Answer |
| | | Format of Curriculum Vitae | | | |
| | | (CV) for Proposed | | | |
| | | Professional Staff in the customized bidding | | | |
| | | documents for consulting | | | |
| | | services conform with the | | | |
| | | contents of the Format of | | | |
| | | Curriculum Vitae (CV) for | | | |
| | | Proposed Professional Staff prescribed by the PBDs? | | | |
| | | prescribed by the r bbs: | | | |
| | | Did the <u>form</u> for the <i>Time</i> | | | |
| | | Schedule for Professional | | | |
| | | Personnel in the customized bidding | | | |
| | | documents for consulting | | | |
| | | services conform with the | | | |
| | | standard form prescribed | | | |
| | | by the PBDs? | | | |
| | | Did the contents of the | | | |
| | | form for the Time Schedule | | | |
| | | for Professional Personnel | | | |
| | | in the customized bidding documents for consulting | | | |
| | | services conform with the | | | |
| | | contents of the form for | | | |
| | | the Time Schedule for | | | |
| | | Professional Personnel | | | |
| | | prescribed by the PBDs? | | | |
| | | Did the <u>form</u> for the | | | |
| | | Activity (Work) Schedule in the customized bidding | | | |
| | | documents for consulting | | | |
| | | services conform with the | | | |
| | | standard form prescribed | | | |
| | | by the PBDs? | | | |
| | | Did the contents of the | | | |
| | | form for the <i>Activity</i> | | | |
| | | (Work) Schedule in the | | | |
| | | customized bidding documents for consulting | | | |
| | | services conform with the | | | |
| | | contents of the form for | | | |
| | | the Activity (Work) | | | |
| | | Schedule prescribed by the PBDs? | | | |
| | | | | | |
| | | Did the form for the Financial Proposal | | | |
| | | Submission in the | | | |
| | | customized bidding | | | |
| | | documents for consulting | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|------------------------------------|------------------|---|-----|----|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | | services conform with the standard form prescribed by the PBDs? | | | the Answer |
| | | Did the contents of the form for the Financial Proposal Submission in the customized bidding documents for consulting services conform with the contents of the form for the Financial Proposal Submission prescribed by the PBDs? | | | |
| | | Did the <u>form</u> of the Summary of Costs in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |
| | | Did the contents of the form for the Summary of Costs in the customized bidding documents for consulting services conform with the contents of the form for the Summary of Costs prescribed by the PBDs? | | | |
| | | Did the <u>form</u> for the Breakdown of Price per Activity in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |
| | | Did the contents of the form for the Breakdown of Price per Activity form in the customized bidding documents for consulting services conform with the contents of the form for the Breakdown of Price per Activity prescribed by the PBDs? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|------------------------------------|------------------|--|-----|----|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | | Did the form for the Breakdown of Remuneration per Activity in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |
| | | Did the contents of the form for the Breakdown of Remuneration per Activity in the customized bidding documents for consulting services conform with the contents of the form for the Breakdown of Remuneration per Activity prescribed by the PBDs? | | | |
| | | Did the form for the <i>Reimbursables per Activity</i> in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |
| | | Did the contents of the form for Reimbursables per Activity in the customized bidding documents for consulting services conform with the contents of the form for Reimbursables per Activity prescribed by the PBDs? | | | |
| | | Did the <u>form</u> for the Miscellaneous Expenses in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |

| Audit Sub-objective | | Suggested Aud | it Wor | king | Paper |
|------------------------------------|------------------|---|--------|------|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | | Did the contents of the form for the Miscellaneous Expenses in the customized bidding documents for consulting services conform with the contents of the form for the Miscellaneous Expenses form prescribed by the PBDs? | | | the Answer |
| | | Did the Form of Contract Agreement in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |
| | | Did the contents of the Form of Contract Agreement in the customized bidding documents for consulting services conform with the contents of the Form of Contract Agreement prescribed by the PBDs? | | | |
| | | Did the <i>Omnibus Sworn</i> Statement form in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |
| | | Did the contents of the Omnibus Sworn Statement form in the customized bidding documents for consulting services conform with the contents of the Omnibus Sworn Statement form prescribed by the PBDs? | | | |
| | | Did the <i>Appendices</i> form in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | |

| Audit Sub-objective | | Suggested Aud | d Audit Working Paper | | | |
|---|------------------|--|-----------------------|----|----------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | |
| | | Did the <u>contents</u> of the form for the <u>Appendices</u> in the customized bidding documents for consulting services conform with the contents of the form for the <u>Appendices</u> prescribed by the PBDs? | | | the Answer | |
| | | Did the form for the Breakdown of Agreed Fixed Rate in the customized bidding documents for consulting services conform with the standard form prescribed by the PBDs? | | | | |
| | | Did the contents of the form for the Breakdown of Agreed Fixed Rate in the customized bidding documents for consulting services conform with the contents of the form for the Breakdown of Agreed Fixed Rate prescribed by the PBDs? | | | | |
| The contents of the Terms of Reference are as follows: a. Background, b. Objectives, c. Scope of the Services, d. Training (when appropriate), e. Reports and Time Schedule, f. Data. Local Services, Personnel, and Facilities to be provided by the Procuring Entity per Section VI. Terms of Reference of the Philippine Bidding Documents (PBDs) for Procurement of Consulting Services, 3 rd edition, October 2009 published by the GPPB, which are meant to guide the procuring entity in developing Terms of Reference for individual procurements. | | Did the customized bidding documents for consulting services of the procuring entity contain a Section on Terms of Reference with contents similar to those in the PBDs? | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|---|-------------------------------|----------|----------|----------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | |
| EVALUATING AUDIT EVID | INCEC CATHEDED AND | | DECLU | TCO | the Answer | |
| EVALUATING AUDIT EVIDE | | Appropriate Audit Working P | | .150 | F AUDI I | |
| 1. To verify the effects of instances of non- | Analyze the instances of non-compliances to | Appropriate Addit Working P | apers | | | |
| compliance on the: | establish the effects and | | | | | |
| compliance on the. | develop appropriate audit | | | | | |
| a. validity of the | recommendations. | | | | | |
| procurement activities | | | | | | |
| and outputs including | | | | | | |
| the validity of the | | | | | | |
| resulting contract; | | | | | | |
| b. validity of any | | | | | | |
| payment to be made | | | | | | |
| on the basis of the | | | | | | |
| contract; | | | | | | |
| c. etc. | | | | | | |
| and develop appropriate | | | | | | |
| audit recommendations | | | | | | |
| 2. To verify the causes of | Analyze the instances of | Appropriate Audit Working P | aners | | | |
| instances of non- | non-compliances to | Appropriate Addit Working I | арсіз | | | |
| compliance and develop | establish the cause(s) and | | | | | |
| appropriate audit | develop appropriate audit | | | | | |
| recommendations | recommendations. | | | | | |
| | | | | | | |
| 3. To communicate the | Prepare the appropriate audit/ validation | Audit Observation Memorans | lum (A | J/V) :t | applicable | |
| results of the audit with | document reflecting the | Audit Observation Memorano | uiii (Al | וואל, נו | applicable | |
| the auditee's | results of the | | | | | |
| Management | audit/validation and | | | | | |
| • COA Circular No. 2009-006 | transmit to Management | | | | | |
| dated September 15, 2009 re- | | | | | | |
| Prescribing the Use of the | | | | | | |
| Rules and Regulations on | | | | | | |
| Settlement of Accounts | | | | | | |

On the Procurement Procedures:

COMPETITIVE / PUBLIC BIDDING FOR THE PROCUREMENT OF **GOODS**

Procurement Procedures: COMPETITIVE / PUBLIC BIDDING FOR THE PROCUREMENT OF GOODS

I. PREPARATORY ACTIVITY: BIDDING DOCUMENTS

Bidding documents are documents issued by the Procuring Entity to provide prospective bidders all the necessary information that they need to prepare their bids.

A. AUDIT OBJECTIVE:

To verify if the Bidding Documents **followed the standard forms and manuals** prescribed by the Government Procurement Policy Board (GPPB)

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. The procuring entity's Customized Bidding Documents for Goods;
- 2. Bidding Documents for the specific procurement.

| Audit Sub-objective | | Suggested Aud | it Worl | king P | aper |
|---------------------------------------|-----------------------------------|--------------------------------------|---------|--------|-----------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the |
| | | | | | Answer |
| 1. To verify if the Bidding | 1. If the procuring entity | Are the Bidding | | | 7 11 10 11 10 1 |
| Documents for the specific | adopted customized Bidding | Documents/ | | | |
| procurement include the | Documents and the results | Information complete: | | | |
| information and are | of the earlier validation of | a Approved Dudget | | | |
| according to the forms | this element showed that | a. Approved Budget for the Contract? | | | |
| included in the Customized | these are compliant with | Tor the contract: | | | |
| Bidding Documents | the <i>Philippine Bidding</i> | b. Invitation to Bid? | | | |
| approved by the GPPB or | Documents for the | | | | |
| the <i>Philippine Bidding</i> | Procurement of Goods and | c. Eligibility | | | |
| Documents for the | Section 17.1 of the | Requirements? | | | |
| Procurement of Goods, 3 rd | Implementing Rules and | d. Lasta alta a | | | |
| Edition (October 2009) | Regulations of RA 9184, | d. Instruction to | | | |
| issued by the GPPB and | secure from the BAC | Bidders, including - scope of bid? | | | |
| Section 17 of the | Secretariat duly certified | - Scope of bid: | | | |
| Implementing Rules and | copies of the <u>Bidding</u> | - documents | | | |
| Regulations of RA 9184 as | <u>Documents for the specific</u> | comprising the bid? | | | |
| amended on September 2, | procurement and compare | | | | |
| 2009: | these with the <u>customized</u> | - criteria for | | | |
| a. Approved Budget for | Bidding Documents of | eligibility? | | | |
| the Contract; | the procuring entity. | - bid evaluation | | | |
| b. Invitation to Bid; | | methodology/ | | | |
| c. Eligibility | If the customized | criteria in | | | |
| Requirements; | Bidding Documents are <u>not</u> | accordance with | | | |
| d. Instruction to Bidders, | compliant, compare the | the Act? | | | |
| including scope of bid, | procurement-specific | | | | |
| documents comprising | Bidding Documents with | - post-qualification | | | |
| the bid, criteria for | the <i>Philippine Bidding</i> | methodology? | | | |
| eligibility, bid | Documents for the | - date of the pre- | | | |
| | | - date of the pie- | 1 | 1 | |

| Audit Sub-objective | | Suggested Audi | t Worl | king F | aper · |
|---|---|--|--------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| evaluation methodology/criteria in | Procurement of Goods issued by the GPPB. | bid conference? | | | |
| accordance with the | , | - time of the pre- | | | |
| Act, and post- | | bid conference? | | | |
| qualification, as well as | | - Place of the pre- | | | |
| the date, time and place of the pre-bid | | bid conference? | | | |
| conference (where | | - Deadline for | | | |
| applicable), submission | | submission of | | | |
| of bids and opening of | | bids? | | | |
| bids; | | - Place of | | | |
| e. Scope of work, where applicable; | | submission of | | | |
| f. Plans/Drawings and | | bids? | | | |
| Technical | | - Date of opening of | | | |
| Specifications; | | bids? | | | |
| g. Form of Bid, Price Form, | | | | | |
| and List of Goods; | | Time of opening of bids? | | | |
| Delivery Time or Completion Schedule; | | Of blus! | | | |
| i. Form, Amount, and | | - Place of opening | | | |
| Validity Period of Bid | | of bids? | | | |
| Security; | | e. Scope of work, | | | |
| j. Form, Amount, and | | where applicable? | | | |
| Validity of Performance Security and Warranty; | | f Dlane/Drawings and | | | |
| and | | f. Plans/Drawings and Technical | | | |
| k. Form of Contract and | | Specifications? | | | |
| General and Special | | f 1 Was there no | | | |
| Conditions of Contract. | | f.1. Was there no reference to brand | | | |
| Implementing Rules and | | names? | | | |
| Regulations (IRR) of RA 9184, as | | a Form of Rid Price | | | |
| amended on September 2, 2009: | | g. Form of Bid, Price Form, and List of | | | |
| • 17.1. The Bidding Documents | | Goods? | | | |
| shall be prepared by the | | h Delivery Time or | | | |
| procuring entity following the | | h. Delivery Time or Completion | | | |
| standard forms and manuals prescribed by the GPPB. | | Schedule? | | | |
| a. Approved Budget for the | | i. Form, Amount, and | | | |
| Contract; | | Validity Period of | | | |
| <pre>b. Invitation to Bid; c. Eligibility Requirements;</pre> | | Bid Security? | | | |
| d. Instruction to Bidders, | | j. Form, Amount, and | | | |
| including scope of bid, | | Validity of | | | |
| documents comprising the bid, criteria for eligibility, bid | | Performance | | | |
| evaluation | | Security and Warranty? | | | |
| methodology/criteria in | | vvarranty: | | | |
| accordance with the Act, and post-qualification, as well as | | k. Form of Contract | | | |
| the date, time and place of | | and General and Special Conditions | | | |
| | | Special Conditions | | | |

| Audit Sub-objective | | Suggested Audi | t Worl | kina P | Paper |
|--|---|-----------------------------------|--------|--------|-------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars |
| | Audit Activities | | | | of the |
| | | | | | Answer |
| the pre-bid conference | | of Contract? | | | |
| (where applicable), submission of bids and | | Mara the Didding | | | |
| opening of bids; | | Were the Bidding Documents in the | | | |
| e. Scope of work, where | | required form: | | | |
| applicable; | | roquirou <u>rorrii</u> . | | | |
| f. Plans/Drawings and | | a. Invitation to Bid? | | | |
| Technical Specifications; | | | | | |
| g. Form of Bid, Price Form, and | | b. Instructions to | | | |
| List of Goods; h. Delivery Time or Completion | | Bidders? | | | |
| Schedule; | | c. Bid Data Sheet? | | | |
| i. Form, Amount, and Validity | | | | | |
| Period of Bid Security; | | d. General Condition | | | |
| j. Form, Amount, and Validity of | | of the Contract? | | | |
| Performance Security and | | 0 110 1111 6 | | | |
| Warranty; and k. Form of Contract and General | | e. Special Condition of | | | |
| and Special Conditions of | | Contract? | | | |
| Contract. | | f. Schedule of | | | |
| | | Requirements? | | | |
| Section 18. Reference to | | , | | | |
| Brand Names | | g. Technical | | | |
| Specifications for the procurement | | Specifications? | | | |
| of goods shall be based on relevant characteristics and/or | | h District Farman | | | |
| performance requirements. | | h. Bidding Forms? | | | |
| Reference to brand names shall | | | | | |
| not be allowed. | | | | | |
| EVALUATING AUDIT EVIDEN | OFC CATHEDED AND COMM | ALINIA ATINA THE DEC | LUTC | OF 4 | NIDIT. |
| EVALUATING AUDIT EVIDEN | | | | | וועטוו |
| 1. To verify the effects of instances of non- | Analyze the instances of non- compliances to establish the | Appropriate Audit Workin | у гаре | 13 | |
| | effects and develop | | | | |
| compliance on the: | appropriate audit | | | | |
| a. validity of the | recommendations. | | | | |
| procurement activities | | | | | |
| and outputs including | | | | | |
| the validity of the | | | | | |
| resulting contract; | | | | | |
| b. validity of any payment | | | | | |
| to be made on the basis | | | | | |
| of the contract; | | | | | |
| c. etc. | | | | | |
| | | | | | |
| and develop appropriate | | | | | |
| audit recommendations | Analysis the instruction of | Ammanulata A. III M. III | D: : | | |
| 2. To verify the causes of | Analyze the instances of non- | Appropriate Audit Workin | g Pape | rs | |
| instances of non- | compliances to establish the cause(s) and develop | | | | |
| compliance and develop | appropriate audit | | | | |
| appropriate audit recommendations | recommendations. | | | | |
| recommendations | | | | | |
| İ | İ | 1 | | | |

| Audit Sub-objective | | Suggested Aud | it Worl | king P | Paper |
|--|--|-----------------------------------|---------|--------|-------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars |
| | | | | | of the |
| | | | | | Answer |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memorapplicable | andum | (AOM | 1), if |

II. PREPARATORY ACTIVITY: PRE-PROCUREMENT CONFERENCE (For procurement of goods costing more than P2 million)

The pre-procurement conference is the forum where all officials involved in the procurement meet and discuss all aspects of a specific procurement activity, which includes the technical specifications, the Approved Budget for the Contract (ABC), the applicability and appropriateness of the recommended method of procurement and the related milestones, the bidding documents, and availability of the pertinent budget release for the project.

A. AUDIT OBJECTIVES:

- 1. To verify if the Pre-Procurement Conference was conducted within the required time
- 2. To verify if the **participants** to the Conference are as required
- 3. To verify if during the Conference the participants, led by the Bids and Awards Committee (BAC), performed the required tasks and attained the objectives of the Conference
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- a. copy of the *Minutes of Pre-Procurement Conference* duly certified by the BAC Secretariat:
- b. Invitation to Bid:
- c. Duly certified copies of the documents (Office Orders, contracts, Organizational/Functional Charts, etc) which the BAC Secretariat used as bases for identifying and notifying the participants to the Pre-Procurement Conference, including duly certified copies of the notices issued with evidence of receipt by the participants.

| Audit Sub-objective | | Suggested | Audit | Worki | ing Paper |
|--|---|---|-------|-------|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC conducted the Pre-Procurement Conference prior to the advertisement or the issuance of the Invitation to Bid Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 20.1. Prior to the Advertisement or the issuance of the Invitation to Bid for each procurement undertaken through public bidding, the BAC, through its Secretariat shall call for a Pre-Procurement Conference. | 1. Secure from the BAC Secretariat a duly certified copy of the <i>Minutes of Pre- Procurement Conference</i> and compare the date the conference was held with the date indicated in the Invitation to Bid (included in the Bidding Documents) | Did the BAC conduct the Pre-Procurement Conference prior to the advertisement or issuance of the Invitation to Bid? | | | |
| 2. To verify if the participants | Secure from the BAC Secretariat duly certified | Did the attendees to the | | | |
| to the Pre-Procurement Conference included the BAC, | copies of the documents | Conference | | | |



| Audit Sub-objective | Suggested Au | | | Worki | ng Paper |
|--|---|---|-----|-------|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| the Secretariat, the unit or officials, including consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Invitation to Bid Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 20.1 The pre-procurement conference shall be attended by the BAC, the Secretariat, the unit or officials, including consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Invitation to Bid, for each procurement. | (Office Orders, contracts, Organizational/Functional Charts, etc) which it used as bases for identifying and notifying the participants to the Pre-Procurement Conference, including duly certified copies of the notices issued with evidence of receipt by the participants. 3. From the <i>Minutes of Pre-Procurement Conference</i> look for the names of the members of the BAC, the members of the Secretariat, the officials and/or consultants who prepared the Bidding Documents and the draft Invitation to Bid. | include the: a. BAC? b. Secretariat? c. unit or officials who prepared the Bidding Documents and the draft Invitation to Bid? d. consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Invitation to Bid? | | | |
| 3. To verify if the BAC observed quorum Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 12.3 Quorum A majority of the total BAC composition as designated by the Head of the Procuring Entity shall constitute a quorum for the transaction of business, provided that the presence of the Chairman or Vice-Chairman shall be required. | 4. From the Office Order creating the BAC, determine the number of BAC members and identify the Chairman or Vice-Chairman. 5. From the <i>Minutes of Pre-Procurement Conference</i>, check for the presence of the Chairman or Vice-Chairman and if majority of the BAC members or representatives/alternates attended the conference. | Was there a quorum of the BAC? | | | |
| 4. To verify if during the Pre- Procurement Conference the participants, led by the BAC, performed the following tasks and attained the related objectives: a. Discussed relevant information and confirmed the description of the scope of the contract, the ABC, and contract duration; b. Discussed relevant information and confirmed | 6. From the <i>Minutes of Pre-Procurement Conference</i> look for information on the presentation of the scope of the contract, the ABC, and contract duration, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the description of the scope of the contract, the ABC, and the contract duration. | Did the participants led by the BAC discuss and confirm the: a. Description of the scope of the contract? b. ABC? c. Contract duration? | | | |

Audit Sub-objective • Audit Criteria

that the procurement is in accordance with the project procurement management plan (PPMP) and annual procurement plan (APP);

- c. Discussed relevant information and confirmed the availability of appropriations and programmed budget for contract;
- d. Discussed relevant information and confirmed the completeness of the Bidding Documents and their adherence to relevant general procurement guidelines;
- e. Reviewed, modified and agreed on the criteria for eligibility screening, evaluation, and post-qualification;
- f. Reviewed and adopted the procurement schedule, including deadlines and timeframes, for the different activities; and
- g. Reiterated and emphasized the importance of confidentiality and the applicable sanctions and penalties, as well as agreed on measures to ensure compliance with the foregoing.

Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009:

- 20.1. ... During the conference, the participants, led by the BAC, shall:
 - a) Confirm the description and scope of the contract, the ABC, and contract duration;
 - Ensure that the procurement is in accordance with the project and annual procurement plans;
 - c) Determine the readiness of the procurement at hand, including, among other aspects, the following:
 - availability of appropriations and programmed budget for contract;
 - o completeness of the

Audit Activities

- 7. From the Minutes of Pre-Procurement Conference look for information on the presentation of the review of the PPMP and APP, availability of appropriations and programmed budget for the contract, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the procurement is in accordance with the PPMP and APP, and availability of appropriations and programmed budget for the contract.
- 8. From the *Minutes of Pre-Procurement Conference* look for information on the presentation of the Bidding Documents, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the <u>confirmation</u> of the completeness of the Bidding Documents and their adherence to the Philippine Bidding Documents (PBDs)/customized Bidding Documents.
- 9. From the *Minutes of Pre-Procurement Conference* look for information on the presentation of the criteria for eligibility screening, bid evaluation, and post-qualification, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the <u>confirmation of the criteria for eligibility screening, bid evaluation, and post-qualification.</u>
- 10. From the *Minutes of Pre-Procurement Conference*

| Suggested | Audit | W∩rki | ing Paper |
|--|-------|-------|----------------|
| Audit Question | Yes | No | Particulars of |
| Did the participants led by the BAC discuss and confirm that the: a. procurement is in | | | the Answer |
| accordance with the PPMP and APP? | | | |
| b. appropriations and programmed budget for the contract are available? | | | |
| Did the participants led by the BAC discuss and confirm the following: | | | |
| a. completeness of the Bidding Documents? | | | |
| b. adherence to the PBDs/ customized Bidding Documents? | | | |
| Did the participants led by the BAC discuss and confirm the criteria for: | | | |
| a. Eligibility screening? | | | |
| b. Bid evaluation? | | | |
| c. Post- qualification? | | | |
| | 1 | | |

Did the

participants led

by the BAC

| Audit Sub-objective | | Suggested | Audit | Worki | ng Paper |
|--|--|--|-------|-------|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Bidding Documents and their adherence to relevant general procurement guidelines; d) Review, modify and agree on the criteria for eligibility screening, evaluation, and post-qualification; e) Review and adopt the procurement schedule, including deadlines and timeframes, for the different activities; and f) Reiterate and emphasize the importance of confidentiality and the applicable sanctions and penalties, as well as agree on measures to ensure compliance with the foregoing. 7.2. No procurement shall be undertaken unless it is in accordance with the approved APP of the procuring entity. The APP shall bear the approval of the Head of the Procuring Entity or second-ranking official designated by the Head of the Procuring Entity to act on his behalf, and must be consistent with its duly | look for information on the presentation of the procurement schedule, including deadlines and timeframes for the different activities, the no-contact rule, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the adoption of the procurement schedule including deadlines and timeframes for the different activities and agreement on the no-contact rule. | discuss and confirm the: a. adoption of the procurement schedule including deadlines and timeframes for the different activities? b. agreement on the no-contact rule? | | | the Answer |
| Entity to act on his behalf, and | | | | | |



| Audit Sub-objective | A | Suggested Audit Working Pape | | | |
|---|------------------|------------------------------|-----|----|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| procuring entities, can proceed | | | | | the Answer |
| with the procurement activities | | | | | |
| prior to issuance of the notice of | | | | | |
| award. | | | | | |
| 4.5. For Multi-Year Projects (MYPs), for which the initial funding – | | | | | |
| sourced from either the | | | | | |
| existing/current year's budget or | | | | | |
| the NEP – is not sufficient to | | | | | |
| cover the total cost of the | | | | | |
| project, it is required that a Multi- | | | | | |
| Year Obligational Authority (MYOA) must already have been | | | | | |
| issued in accord with DBM | | | | | |
| Circular Letter 2004-012 prior to | | | | | |
| commencement of any | | | | | |
| procurement activity. | | | | | |
| Thus, the MYOA shall be a pre-requisite for procurement of | | | | | |
| a multi-year contract. All | | | | | |
| procurement activities should be | | | | | |
| within the total project cost and | | | | | |
| categories reflected in the MYOA | | | | | |
| issued by DBM for the said MYP. 4.6. As prescribed under Section 47, | | | | | |
| Chapter 8, Subtitle B, Title I, | | | | | |
| Book V of the Administrative | | | | | |
| Code of 1987, no contract | | | | | |
| involving the expenditure of | | | | | |
| public funds shall be entered into unless the proper accounting | | | | | |
| official of the procuring entity | | | | | |
| shall have certified as to the | | | | | |
| availability of funds and the | | | | | |
| allotment to which the | | | | | |
| expenditure or obligation may be | | | | | |
| properly charged. | | | | | |
| Definition: | | | | | |
| 3.1. Allotment - document issued | | | | | |
| by the Department of Budget | | | | | |
| and Management (DBM) which | | | | | |
| authorizes an agency to incur | | | | | |
| obligations for a specified amount as contained in a | | | | | |
| legislated appropriation. The | | | | | |
| allotment issued may either be | | | | | |
| trough the Agency Budget | | | | | |
| Matrix (ABM) which covers the | | | | | |
| comprehensive release of specifically appropriated items | | | | | |
| in the agency's budget or | | | | | |
| through the Special Allotment | | | | | |
| Release Order (SARO). | | | | | |
| 3.2. Annual Procurement Plan | | | | | |
| (APP) – the requisite document | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|------------------|-------------------------------|-----|----|------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| | Audit Activities | | | | | |
| program/project/activity. | | | | | | |
| 3.8. Multi-Year Obligational Authority (MYOA) – a document issued by the DBM either for locally funded projects or foreign assisted projects implemented by agencies in order to authorize the latter to enter into multi-year | | | | | | |

| | | 1 | | | |
|--|--|------------------------------|-----------|---------|------------------------------|
| Audit Sub-objective | Accelit Activities | Suggested | Audit | Worki | ng Paper |
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| contracts for the full project cost. A MYOA, which contains an annual breakdown of the full project cost, obligates agencies to include in their budget proposal for the ensuring years the amount programmed for the said year(s). | | | | | |
| 3.9. National Expenditure Program (NEP) – the proposed national budget submitted by the President to Congress in accord with Section 22, Article VII of the Constitution. The NEP shall be the basis of the general appropriations bill, which upon its enactment, becomes the General Appropriations Act (GAA). | CATHEDED AND COMM | INICATING TUE | | TC 0 | E AUDIT |
| EVALUATING AUDIT EVIDENCES | Analyze the instances of | Appropriate Audit | | | |
| 1. To verify the effects of instances of non-compliance on the: | non-compliances to establish the effects and develop appropriate audit | Appropriate Audit | VVOLKILIÇ | ј Рареі | 15 |
| a. validity of the procurement activities and outputs including the validity of the resulting contract; | recommendations. | | | | |
| b. validity of any payment to be made on the basis of the contract; | | | | | |
| c. etc. | | | | | |
| and develop appropriate audit recommendations | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit | Workinç | j Papei | rs |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation applicable | Memora | andum | (AOM), if |

III. ADVERTISING AND POSTING OF THE INVITATION TO BID (For procurement of goods costing more than P2 million)

Advertising and posting are conducted to ensure transparency of the procurement process, widest possible dissemination to increase the number of prospective bidders, and intensify competition for the procurement activity or project

A. AUDIT OBJECTIVE:

To verify if the Invitation to Bid was advertised and posted in the media as required and within the specified time

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Entire page of the newspaper where the *Invitation to Bid* was advertised;
- 2. Document used by the BAC Secretariat to verify from the publisher the extent of circulation of the newspaper and the first day of its publication;
- 3. Printout of the web page where the Invitation to Bid was posted in the PhilGEPS website, the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable for the first day and at least the last day of posting;
- 4. Certification by the head of the BAC Secretariat of the procuring entity that the invitation was posted at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days.

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|---|--|-----|----|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the BAC advertised the <i>Invitation to Bid</i> in a newspaper of general nationwide circulation which has been regularly published for the last 2 years before the date of issue of the advertisement Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 21.2.1. Except as otherwise provided in Sections 21.2.2 and 54.2 of this IRR and for the procurement of common-use goods and supplies, the Invitation to Bid shall be: a. Advertised at least once in a newspaper of general nationwide circulation which has been regularly published for at least 2 years before the date of issue of the advertisement. | 1. Request the BAC Secretariat to provide a copy of the entire page of the newspaper where the <i>Invitation to Bid</i> was advertised, to be submitted to the Auditor on the day of advertisement. 2. From the verification document obtained by the BAC Secretariat from the publisher, check the extent of circulation of the newspaper and the first day of publication. | Did the BAC advertise the <i>Invitation to Bid</i> in a newspaper of general nationwide circulation which has been regularly published for the last 2 years before the date of issue of the advertisement? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|---|--|-----|----|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify if the BAC posted the <i>Invitation to Bid</i> continuously in the PhilGEPS website, the website of the procuring entity concerned, if available, and the website prescribed by the foreign | 3. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting.4. On the first day of posting access the PhilGEPS website, | Did the BAC advertise the <i>Invitation to Bid</i> continuously in the: 1. PhilGEPS website for 7 calendar | | | |
| government/foreign or international financing institution, if applicable, for 7 calendar days starting on the date of advertisement | the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable. Print the page where the notice was | days starting on the date of advertisement? 2. website of the procuring entity concerned, if | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 21.2.1. Except as otherwise provided in Sections 21.2.2 and 54.2 of this IRR and for the | the page where the notice was posted (to form part of the audit evidences). 5. Access the websites at random during the 7-day period to verify the postings. | available, for 7 calendar days starting on the date of advertisement? | | | |
| procurement of common-use goods and supplies, the Invitation to Bid shall be: a b. Posted continuously in the PhilGEPS website, the website of the procuring entity concerned, if available, and the website prescribed by the foreign government/foreign or international financing institution, if applicable, for 7 calendar days starting on the | | 3. website prescribed by the foreign government/ foreign or international financing institution, if applicable, for 7 calendar days starting on the date of advertisement? | | | |
| 3. To verify if the BAC posted the <i>Invitation to Bid</i> continuously at any conspicuous place reserved | 6. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. | Did the BAC post the <i>Invitation to Bid</i> : | | | |
| for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the BAC Secretariat of the | 7. Conduct ocular inspection on the first day of posting.8. Repeat the ocular inspections (may be at | continuously for seven (7) calendar days, at the conspicuous place reserved for the | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | random) during the 7-day period to verify the postings. 9. Request for the certification of the head of the BAC Secretariat. | purpose in the premises of the procuring entity, 3. as certified by the head of the | | | |
| 21.2.1. Except as otherwise provided in Sections 21.2.2 and 54.2 of this IRR and for the procurement of common-use goods and supplies, the Invitation to Bid shall be: | | BAC Secretariat of the procuring entity? | | | |

| | | T | | | |
|--|--|------------------------------------|----------|----------------|------------------------------|
| Audit Sub-objective | | Suggested A | | | _ |
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| b c. Posted at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the BAC Secretariat of the procuring entity. | | | | | |
| EVALUATING AUDIT EVIDENCE | | | | | AUDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; | Analyze the instances of non- compliances to establish the effects and develop appropriate audit recommendations. | Appropriate Audit Wo | orking F | Papers | |
| b. validity of any payment to be made on the basis of the contract; | | | | | |
| c. etc. | | | | | |
| and develop appropriate audit recommendations | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non- compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Wo | orking F | Papers | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Ma applicable | emoran | dum (<i>F</i> | AOM), if |

IV. POSTING OF THE INVITATION TO BID (For procurement of goods costing P2 million and below)

A. AUDIT OBJECTIVE:

To verify if the Invitation to Bid was posted in the media as required and within the specified time

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Printout of the web pages where the Invitation to Bid was posted in the PhilGEPS website, the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable for the first day and at least the last day of posting;
- 2. Certification by the head of the BAC Secretariat of the procuring entity that the invitation was posted at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days.

| Audit Sub-objective | | Suggested Au | dit Wo | rking | Paper |
|---|--|--------------------------------------|--------|-------|-------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars |
| | riddir ridirriida | | | | of the |
| 1 To varify if the BAC posted | 1. Ahead of any | Did the BAC post the | | | Answer |
| 1. To verify if the BAC posted the <i>Invitation to Bid</i> | procurement, request the | Invitation to Bid | | | |
| | BAC Secretariat for advance | continuously in the: | | | |
| continuously in the PhilGEPS | information on the first day | communication in the | | | |
| website, the website of the | of any posting. | 1. PhilGEPS website | | | |
| procuring entity concerned, | J | for 7 calendar | | | |
| if available, and the website | 2. On the first day of posting | days starting on | | | |
| prescribed by the foreign | access the PhilGEPS website, | the date of | | | |
| government/foreign or | the website of the procuring | advertisement? | | | |
| international financing | entity concerned, if | 0 10.11 5.11 | | | |
| institution, if applicable, for | available, and website | 2. website of the | | | |
| 7 calendar days starting on | prescribed by the foreign government/ foreign or | procuring entity concerned, if | | | |
| the date of advertisement | international financing | available, for 7 | | | |
| | institution, if applicable. | calendar days | | | |
| Implementing Rules and Regulations | Print the page where the | starting on the | | | |
| (IRR) of RA 9184, as amended on | notice was posted (to form | date of | | | |
| September 2, 2009: • 21.2.2. Advertisement of the | part of the audit evidences). | advertisement? | | | |
| Invitation to Bid n a newspaper of | | | | | |
| general nationwide circulation | 3. Access the websites at | website prescribed | | | |
| provided in Section 21.2.1 (a) | random during the 7-day | by the foreign | | | |
| shall not be required for contracts | period to verify the postings. | government/ | | | |
| to be bid with an approved budget | | foreign or | | | |
| of Two Million Pesos | | international | | | |
| (P2,000,000.00) and below 21.2.1. | | financing institution, if | | | |
| Except as otherwise provided in | | applicable, for 7 | | | |
| Sections 21.2.2 and 54.2 of this | | calendar days | | | |
| IRR and for the procurement of | | starting on the | | | |
| common-use goods and supplies, | | date of | | | |
| the Invitation to Bid shall be: | | advertisement? | | | |
| b. Posted continuously in the | | | | | |
| PhilGEPS website, the website | | | | | |
| of the procuring entity | | | | | |
| concerned, if available, and the | | | | | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | rking | Paper |
|---|--|---|---------|-------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| website prescribed by the foreign government/foreign or international financing institution, if applicable, for 7 calendar days starting on the date of advertisement | | | | | |
| 2. To verify if the BAC posted the Invitation to Bid continuously at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the BAC Secretariat of the procuring entity Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 21.2.1 a b c. Posted continuously at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the BAC Secretariat of the procuring entity concerned. | Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. Conduct ocular inspection on the first day of posting. Repeat the ocular inspections (may be at random) during the 7-day period to verify the postings. Request for the certification of the head of the BAC Secretariat | Did the BAC post the Invitation to Bid continuously at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the BAC Secretariat of the procuring entity? | | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COMM Analyze the instances of | UNICATING THE RE | SULT | S OF | AUDIT |
| 1. To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. and develop appropriate audit recommendations | non-compliances to establish the effects and develop appropriate audit recommendations. | Appropriate Audit Work | ing Pap | pers | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | rking | Paper |
|--|--|---|---------|-------|-----------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Working Papers | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memorandum (AOM), if applicable | | | |

V. ISSUANCE OF BIDDING DOCUMENTS FOR THE PROCUREMENT OF GOODS

The bidding documents must be made available to the prospective bidders from the time the Invitation to Bid is advertised until immediately before the deadline for submission of bids.

A. AUDIT OBJECTIVES:

- 1. To determine whether the prescribed procedures in the issuance of bidding documents were followed
- 2. To determine whether the prescribed timelines in the issuance of bidding documents were followed

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Invitation to Bid:
- 2. Printout of the web pages where the Invitation to Bid was posted in the PhilGEPS website, the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable for the first day of posting;
- 3. Records of the BAC on issued bidding documents (with information on Official Receipt numbers) for the procurement at hand.

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|--|--|-----|----|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| 1. To verify if the BAC observed the time required in making the Bidding Documents available, that is, from the time the Invitation to Bid was first advertised up to the deadline for the submission and receipt of bids | 1. Compare the "period of availability of the Bidding Documents" indicated in the <i>Invitation to Bid</i> with the first day of advertising/posting of the <i>Invitation to Bid</i> (day 1 of period) and the deadline for the submission of bids (last day of period). | Did the BAC make the bidding documents available from the time the Invitation to Bid was first advertised/ posted up to the deadline for the submission and receipt of bids? | | | the Answer |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 17.3. To provide prospective bidders ample time to examine the Bidding Documents and to prepare their respective bids, the concerned BAC shall make the Bidding Documents for the contract to be bid available for the following period: a) For the procurement of goods, from the time the Invitation to Bid is first advertised/posted until the deadline for the submission of bids. | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|---|-------------------------------|----------|-------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | riddir Quostion | 100 | | the Answer |
| 2. To verify if the BAC posted | 2. Ahead of any | Did the BAC post | | | |
| the Bidding Documents at | procurement, request the | the Bidding | | | |
| the website of the procuring | BAC Secretariat for advance | Documents in the: | | | |
| entity and at the PhilGEPS | information on the first day | | | | |
| website from the time that | of any posting of Bidding | a. PhilGEPS | | | |
| the Invitation to Bid was | Documents. | website starting | | | |
| advertised up to the deadline | | on the first day | | | |
| for the submission and | 3. On the first day of posting | of | | | |
| receipt of bids | access the PhilGEPS website, | advertisement? | | | |
| leceipt of blus | the website of the procuring entity concerned, if | b. website of the | | | |
| Implementing Rules and Regulations | available. | procuring entity | | | |
| (IRR) of RA 9184, as amended on | | concerned, if | | | |
| September 2, 2009: | Print the page where | available, | | | |
| • 17.5 – The procuring entity shall | the notice was posted (to | starting on the | | | |
| also post the Bidding Documents | form part of the audit | first day of | | | |
| at its website and at the PhilGEPS | evidences). | advertisement? | | | |
| website from the time that the | 4. Access the websites at | | | | |
| Invitation to Bid is advertised. | random from the first day of | | | | |
| Prospective Bidders may download | posting up to the deadline | | | | |
| the Bidding Documents from any | for the submission and | | | | |
| of the said websites; Provided | receipt of bids to verify the | | | | |
| that, bidders shall pay the fee for | postings. | | | | |
| the Bidding Documents upon submission of their Bids. | , , | | | | |
| Submission of their blus. | | | | | |
| 3. To verify if all bidders | 5. Compare the records of | Did all the bidders | | | |
| that secured Bidding | the BAC on issued bidding | who submitted bids | | | |
| Documents paid to the | documents (with information | pay the correct | | | |
| authorized collecting officer | on Official Receipt numbers) | amount for the | | | |
| of the procuring entity | for the procurement at hand | bidding documents | | | |
| or the procuring entity | with copies of Official | to the authorized | | | |
| Implementing Rules and Regulations | Receipts (ORs) issued by | collecting officer of | | | |
| (IRR) of RA 9184, as amended on | authorized collecting officers | the procuring | | | |
| September 2, 2009: | for the sale of bidding | entity? | | | |
| • 17.4. Bidders may be asked to | documents. | | | | |
| pay for the Bidding Documents to | | | | | |
| recover the cost of its preparation | 6. After submission of bids, | | | | |
| and development. The BAC shall issue the Bidding Documents upon | for bidders that downloaded | | | | |
| payment of the corresponding cost | bidding documents, compare | | | | |
| thereof to the collecting/ disbursing | the OR numbers indicated in | | | | |
| officer of the procuring entity | the records of the BAC | | | | |
| concerned. | Secretariat with copies of | | | | |
| • 17.5 Prospective bidders may | the ORs or Report of | | | | |
| download the Bidding Documents | Collection of authorized | | | | |
| from any of the said websites; | collecting officers. | | | | |
| Provided that, bidders shall pay the | | | | | |
| fee for the Bidding Documents upon | | | | | |
| submission of their bids. | | | | | |
| EVALUATING AUDIT EVIDENC | ES GATHERED AND COMM | UNICATING THE | RESUI | _TS ດ | F AUDIT |
| To verify the effects of | Analyze the instances of | | | | |
| instances of non-compliance | non-compliances to establish | Appropriate Audit Wo | orking P | apers | |
| on the: | the effects and develop | | - | | |
| | appropriate audit | | | | |
| a. validity of the | recommendations. | | | | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|--|------------------------------------|--------|--------|---------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| procurement activities and outputs including the validity of the resulting contract; | | | | | | |
| b. validity of any payment to be made on the basis of the contract; | | | | | | |
| c. etc. | | | | | | |
| and develop appropriate audit recommendations | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Working Papers | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Me applicable | emoran | dum (A | .OM), if | |

VI. PRE-BID CONFERENCE For procurement of goods with Approved Budget for the Contract of at least One Million Pesos (P 1 Million)

The pre-bid conference is the initial forum where the Procuring Entity's representatives and the prospective bidders discuss the different aspects of the procurement at hand.

A pre-bid conference must be held for contracts with ABCs of at least One Million Pesos (P 1 Million). For contracts with ABCs of less than P 1 million, pre-bid conferences may or may not be held at the discretion of the BAC. The BAC may also decide to hold a pre-bid conference upon the written request of a prospective bidder.

A. AUDIT OBJECTIVES:

- 1. To verify if the BAC conducted a Pre-Bid Conference for a contract with ABC of at least P1 million
- 2. To verify if the Pre-Bid Conference was conducted within the required time
- 3. To verify if during the Pre-Bid Conference the participants, led by the BAC, performed the required tasks
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Invitation to Bid:
- 2. Minutes of the pre-bid conference approved by the BAC;
- 3. Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 4. Invitations to the Observers with evidence of receipt.

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|------------------------------|-------------------------------|-----|----|--------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the |
| | | | | | Answer |
| 1. To verify if the BAC | 1. If the ABC is at least P1 | Did the BAC hold a | | | |
| conducted a Pre-Bid | million, obtain certified | Pre-Bid Conference | | | |
| Conference for a contract | copies of the Invitation to | for a contract with | | | |
| with ABC of at least P1 | Bid and Minutes of the Pre- | ABC of at least P1 | | | |
| million | Bid Conference. | million? | | | |
| | | | | | |
| Implementing Rules and | | | | | |
| Regulations (IRR) of RA 9184, as | | | | | |
| amended on September 2, 2009: | | | | | |
| • 22.1. For contracts to be bid | | | | | |
| with an approved budget of One | | | | | |
| Million Pesos (P1,000,000.00) or | | | | | |
| more, the BAC shall convene at | | | | | |
| least one (1) pre-bid conference | | | | | |
| to <u>clarify and/or explain</u> any of | | | | | |
| the requirements, terms, | | | | | |
| conditions, and specifications | | | | | |
| stipulated in the Bidding | | | | | |
| Documents. For contracts to be | | | | | |
| bid with an approved budget of | | | | | |
| less than One Million Pesos | | | | | |
| (P1,000,000), pre-bid | | | | | |
| conferences may be conducted | | | | | |

| Audit Sub-objective | | Suggested | Audit | Worki | |
|---|--|---|-------|-------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| at the discretion of the BAC. Subject to the approval of the BAC, a pre-bid conference may also be conducted upon written request of any prospective bidder. | | | | | |
| 2. To verify if the Pre-Bid Conference was held at least twelve (12) calendar days before the deadline for the submission and receipt of bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.2 The pre-bid conference shall be held at least twelve (12) calendar days before the deadline for the submission and receipt of bids. If the procuring entity determines that, by reason of the method, nature, or complexity of the contract to be bid or when international participation will be more advantageous to the GOP, a longer period for the preparation of bids is necessary, the pre-bid conference shall be held at least thirty (30) calendar days before the deadline for the submission and receipt of bids. | Based on the deadline for the submission and receipt of bids indicated in the <i>Invitation to Bid</i>, determine the 12th day before such deadline. Compare the date established in 2. above with the date of holding the Pre-Bid Conference indicated in the certified copy of the <i>Minutes of Pre-Bid Conference</i>. | Was the Pre-Bid Conference held at least twelve calendar days before the deadline for the submission and receipt of bids? | | | |
| 3. To verify if the BAC observed quorum. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 12.3 Quorum A majority of the total BAC composition as designated by the Head of the Procuring Entity shall constitute a quorum for the transaction of business, provided that the presence of the Chairman or Vice-Chairman shall be required. | 4. From the Office Order creating the BAC, determine the number of BAC members and identify the Chairman or Vice-Chairman. 5. From the <i>Minutes of Pre-Bid Conference</i> , check for the presence of the Chairman or Vice-Chairman and if majority of the BAC members or representatives/alternates attended the conference. | Was there a quorum of the BAC? | | | |

| Audit Sub-objective | | Suggested | Audit | Worki | ng Paper |
|--|------------------------------------|------------------------------|-------|-------|--------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the |
| | | | | | Answer |
| 4. To verify if during the | 6. From the <i>Minutes of Pre-</i> | Did the BAC | | | |
| Conference the BAC | Bid Conference look for | present, discuss, | | | |
| performed the following | information on the | and answer queries | | | |
| tasks and attained the | presentation/discussion, | on the following: | | | |
| related objectives: | issues/questions raised by | | | | |
| related objectives. | prospective bidders, and | a. eligibility | | | |
| a. Presented the eligibility | clarifications made thereon | requirements? | | | |
| requirements as well as | relative to the following: | | | | |
| the technical and | a. eligibility requirements, | b. technical | | | |
| financial components of | b. technical component of | component of | | | |
| the contract to be bid, | the contract to be bid, | the contract to | | | |
| the evaluation | c. financial component of | be bid? | | | |
| | the contract to be bid, | | | | |
| procedures, evaluation | d. bid evaluation criteria, | c. financial | | | |
| criteria, and possible | e. bid evaluation | component of | | | |
| causes of failure of the | procedures, | the contract to | | | |
| bidding. | f. post-qualification criteria, | be bid? | | | |
| b. Discussed the | g. post-qualification procedures, | d. bid evaluation | | | |
| requirements in the | h. possible causes of failure | criteria? | | | |
| ITB, replied to the | of the bidding, | criteria: | | | |
| bidders' queries about | i. requirements in the | e. bid evaluation | | | |
| the requirements, | Instructions to Bidders, | procedures? | | | |
| | j. specifications, | | | | |
| specifications and other | k. other conditions of the | f. post- | | | |
| conditions of the | project, | qualification | | | |
| project, the procedures | I. warranty requirement of | criteria? | | | |
| on the bid evaluation of | the project, | | | | |
| all bidders and post- | m. different offenses and | g. post- | | | |
| qualification evaluation | penalties provided for in | qualification | | | |
| of the lowest calculated | IRR of RA 9184 | procedures? | | | |
| bidder. Emphasized the | | | | | |
| warranty requirement | | h. possible causes | | | |
| of the project and the | | of failure of the | | | |
| different offenses and | | bidding? | | | |
| penalties provided for | | i. requirements in | | | |
| in IRR of RA 9184. | | the Instructions | | | |
| | | to Bidders? | | | |
| Implementing Rules and | | to biddels. | | | |
| Regulations (IRR) of RA 9184, as | | j. specifications? | | | |
| amended on September 2, 2009: | | | | | |
| 22.2 7/2 | | k. other conditions | | | |
| • 22.3. The pre-bid conference | | of the project? | | | |
| shall discuss, among other | | | | | |
| things, the eligibility requirements and the technical | | I. warranty | | | |
| and financial components of the | | requirement of | | | |
| contract to be bid. Attendance | | the project? | | | |
| of the bidders shall not be | | l'cc | | | |
| mandatory. However, AT THE | | m. different | | | |
| OPTION OF THE PROCURING | | offenses and | | | |
| ENTITY [amendment per | | penalties | | | |
| Annex "A" of GPPB Resolution | | provided for in IRR of RA | | | |
| No. 06-2009 dated 30 | | 9184? | | | |
| September 2009] only those | | 71041 | | | |
| who have purchased the | | | | | |
| Bidding Documents shall be | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | | | |
|--|---|---|-----|----|------------------------------|--|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | | |
| allowed to participate in the pre-bid conference and raise or submit written queries or clarifications. | | | | | | | | |
| Generic Procurement Manual, Volume 2, Manual of Procedures for the Procurement of Goods and Services issued by the GPPB: • The manner by which the pre- bid conference is conducted depends on the discretion of the BAC. However, several events need to take place in the conference, namely: a. The presentation by the BAC of the eligibility requirements as well as the technical and financial components of the contract to be bid, the evaluation criteria, and possible causes of failure of the bidding. b. The BAC chairperson shall also discuss the requirements in the ITB, the replies to the bidders' queries about the requirements, specifications and other conditions of the project, the bid evaluation of all bidders and post- qualification evaluation of the lowest calculated bidder. Emphasis should also be given to the warranty requirement of the project and the different offenses and penalties provided for in IRR- A of R.A. 9184. | | | | | | | | |
| 5. To verify if the BAC Secretariat recorded the proceedings of the Pre-Bid Conference and made the Minutes available to all participants not later than three (3) calendar days after the pre-bid conference | 7. Compare the date of the approval of the Minutes of the pre-bid conference with the date of the pre-bid conference. | Were the Minutes of the Pre-Bid Conference made available not later than three (3) calendar days after the pre-bid conference? | | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.4 The minutes of the pre-bid conference shall be recorded and made available to all | 8. Confirm with the participants (telephone calls or letters) if they were given copies of the Minutes and when. | Were the minutes of pre-bid conference made available by the BAC Secretariat to all the participants? | | | | | | |

| Audit Sub-objective | | Suggested | l Audit | Worki | ng Paper |
|---|---|---------------------------|---------|-------|--------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the |
| | | | | | Answer |
| participants not later than three | | | | | |
| (3) calendar days after the pre- | | | | | |
| bid conference | | | | | |
| | | | | | |
| (T :: :: : DAG | O Francisco Minister of the | Did the DAC | | | |
| 6. To verify if the BAC | 9. From the Minutes of the | Did the BAC choose the | | | |
| invited Observers: | BAC meeting on the selection of the Observer | Observers | | | |
| a. representing the COA, | from the "pool", check for | considering: | | | |
| the specific relevant | information on the BAC's | considering. | | | |
| chamber-member of the | evaluation in regard to: | a. one | | | |
| Philippine Chamber of | the selection of the | representing | | | |
| Commerce and Industry, and a non-government | organization from which | the COA? | | | |
| organization (NGO) from | the Observer will be | | | | |
| the procuring entity's Pool | invited; | b. One | | | |
| of Observers; | knowledge, experience or | representing | | | |
| b. that have: | expertise in procurement | the specific | | | |
| b.1. knowledge, | or in the subject matter | relevant | | | |
| experience or expertise | of the contract to be bid; | chamber- member of the | | | |
| in procurement or in the | no actual or potential conflict of interest in the | Philippine | | | |
| subject matter of the | contract to be bid; and | Chamber of | | | |
| contract to be bid; | conformed with other | Commerce and | | | |
| b.2. no actual or potential | relevant criteria | Industry? | | | |
| conflict of interest in the | determined by the BAC. | | | | |
| contract to be bid; and | , | c. One | | | |
| b.3. conformed with other | | representing a | | | |
| relevant criteria | | non- | | | |
| determined by the BAC; | | government | | | |
| c. at least 3 calendar days | | organization? | | | |
| prior to the pre-bid | | al Mith | | | |
| conference | | d. With knowledge, | | | |
| | | experience or | | | |
| Implementing Rules and | | expertise in | | | |
| Regulations (IRR) of RA 9184, | | procurement or | | | |
| as amended on September 2, | | in the subject | | | |
| 2009: | | matter of the | | | |
| Section 13. Observers | | contract to be | | | |
| 13.1. To enhance the | | bid? | | | |
| transparency of the process, the | | - \A/!#! ! | | | |
| BAC shall, in all stages of the | | e. With no actual | | | |
| procurement process, invite, in | | or potential conflict of | | | |
| addition to the representative of | | interest in the | | | |
| the COA, at least two (2) | | contract to be | | | |
| observers, who shall not have the | | bid? | | | |
| right to vote, to sit in its | | | | | |
| proceedings where: a) At least one (1) shall come | | | | | |
| from a duly recognized private | | f. Conformed with | | | |
| group in a sector or discipline | | other relevant | | | |
| relevant to the procurement at | | criteria | | | |
| hand, for example: | | determined by | | | |
| <i>i)</i> | | the BAC? | | | |
| ii) For goods, a specific relevant | | | | | |
| chamber-member of the | 10. From certified copies of | Did the BAC invite | | | |
| Philippine Chamber of | the invitations to the | the Observers at | | | |
| Commerce and Industry. | o mivitations to the | and observers at | | | |

| Audit Sub-objective | | Suggested | l Audit | Worki | ng Paper |
|---|---|-------------------------------------|----------|--------|--------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the |
| | | | | | Answer |
| iii) and b) The other observer shall come | Observers with evidence of | least 3 days before the date of the | | | |
| from a non-government | receipt, compare the date of receipt with the 3-day | pre-bid | | | |
| organization (NGO). | minimum requirement. | conference? | | | |
| ergamzation (Nee). | Triminiani requii ement. | | | | |
| 13.2. The observers shall come | | | | | |
| from an organization duly | | | | | |
| registered with the Securities | | | | | |
| and Exchange Commission (SEC) | | | | | |
| or the Cooperative Development | | | | | |
| Authority (CDA), and should meet | | | | | |
| the following criteria: | | | | | |
| a) Knowledge, experience or expertise in procurement or in | | | | | |
| the subject matter of the | | | | | |
| contract to be bid; | | | | | |
| b) Absence of actual or potential | | | | | |
| conflict of interest in the | | | | | |
| contract to be bid; and | | | | | |
| c) Any other relevant criteria that | | | | | |
| may be determined by the BAC. | | | | | |
| 13.3. Observers shall be invited at | | | | | |
| least three (3) calendar days | | | | | |
| before the date of the | | | | | |
| procurement stage/activity. The | | | | | |
| absence of observers will not | | | | | |
| nullify the BAC proceedings, | | | | | |
| provided that they have been duly | | | | | |
| invited in writing. | | | | | |
| EVALUATING AUDIT EVIDEN | CES GATHERED AND CON | <u> </u> MUNICATING TH | E RES | ULTS | OF AUDIT |
| 1. To verify the effects of | Analyze the instances of | | | | |
| instances of non- | non-compliances to establish | Appropriate Audit We | orking F | Papers | |
| compliance on the: | the effects and develop | | | | |
| • | appropriate audit | | | | |
| a. validity of the | recommendations. | | | | |
| procurement activities | | | | | |
| and outputs including | | | | | |
| the validity of the | | | | | |
| resulting contract; | | | | | |
| b. validity of any payment | | | | | |
| to be made on the basis | | | | | |
| of the contract; | | | | | |
| c. etc. | | | | | |
| and develop appropriate | | | | | |
| audit recommendations. | | | | | |
| addit i commicilations. | | | | | |
| 2. To verify the causes of | Analyze the instances of | | | | |
| instances of non- | non-compliances to establish | Appropriate Audit We | orking F | Papers | |
| compliance and develop | the cause(s) and develop | | | | |
| appropriate audit | appropriate audit | | | | |
| recommendations | recommendations. | | | | |
| | | | | | |

| Audit Sub-objective | | Suggested | Audit Working Paper | | | | | |
|---|--|----------------------|---------------------|----------------|------------------------------|--|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Me | emoran | dum (<i>F</i> | AOM), if applicable | | | |

VII. SUPPLEMENTAL / BID BULLETINS FOR THE PROCUREMENT OF GOODS

Supplemental/Bid Bulletins may be issued upon the procuring entity's initiative for purposes of clarifying or modifying any provision of the Bidding Documents at least seven (7) calendar days before the deadline for the submission and receipt of bids. Any modification to the Bidding Documents shall be identified as an amendment.

A. AUDIT OBJECTIVE:

To verify if Supplemental / Bid Bulletins were issued as required

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for evaluation:

- 1. Minutes of the Pre-Bid Conference approved by the BAC;
- 2. Copy of the Supplemental/Bid Bulletin;
- 3. Copies of Requests for Clarification submitted by bidder with evidence of receipt by the BAC Secretariat;
- 4. Printouts of PhilGEPS web page evidencing posting of the Supplemental/Bid Bulletin;
- 5. Printout of the procuring entity's web page evidencing posting of the Supplemental/Bid Bulletin.

| Audit Sub-objective | | Suggested Auc | dit Wor | king F | Paper |
|--|--|---|---------|--------|--------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the |
| | | | | | Answer |
| 1. To verify if the BAC issued Supplemental / Bid Bulletins in regard to statements made at the pre-bid conference that could modify the terms of the Bidding Documents Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 22.4 Any statement made at the pre-bid conference shall not modify the terms of the Bidding Documents, unless such statement is specifically identified in writing as an amendment thereto and issued as a Supplemental/ Bid Bulletin. | 1. Go over the Minutes of the Pre-Bid Conference and check for statements that could modify the terms of the Bidding Documents. 2. Obtain a copy of the related Supplemental / Bid Bulletin. | Did the BAC issue Supplemental/Bid Bulletins in regard to statements made at the pre-bid conference that could modify the terms of the Bidding Documents? | | | 7 W I SWOT |
| 2. To verify if: a. requests for clarification(s) on any part of the Bidding Documents or for an interpretation were in writing and submitted to the BAC of the procuring entity at least ten (10) calendar days before the | 3. Obtain copy/ies of Requests for Clarification and check (date of receipt stamped on the letters) whether these were submitted at least ten (10) calendar days before the deadline set for the submission and receipt of bids. | Were Requests for Clarification submitted at least ten (10) calendar days before the deadline set for the submission and receipt of bids? | | | |

| Audit Sub-objective | | Suggested Audit W | | | |
|---|--|---|-----|----|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| deadline set for the submission and receipt of bids; | 4. Obtain duly certified copies of Supplemental/Bid Bulletins and check for the signature of the BAC | Were Supplemental/ Bid Bulletins signed by the BAC Chairman? | | | |
| the Supplemental/ Bid Bulletin was duly signed by the BAC Chairman; | Chairman. 5. From the records of the | Were Supplemental/ | | | |
| c. the Supplemental/ Bid Bulletin was issued at least seven (7) calendar days before the deadline for the submission and receipt of bid. | BAC (copies of Supplemental/Bid Bulletins with evidence of the date of issuance) check if Supplemental/Bid Bulletins were issued at least seven (7) calendar days before the deadline for the submission | Bid Bulletins issued at least seven (7) calendar days before the deadline for the submission and receipt of bid? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | and receipt of bid. | | | | |
| • 22.5.1 Requests for clarification(s) on any part of the Bidding Documents or for an interpretation must be in writing and submitted to the BAC of the procuring entity at least ten (10) calendar days before the deadline set for the submission and receipt of bids. The BAC shall respond to the said request by issuing a Supplemental/Bid Bulletin, duly signed by the BAC Chairman, to be made available to all those who have properly secured the Bidding Documents, at least seven (7) calendar days before the deadline for the submission and receipt of bids. | | | | | |
| 3. To verify if: a. Supplemental/Bid Bulletins initiated by the procuring entity for purposes of clarifying or modifying any provision of the Bidding Documents were issued at least seven (7) calendar days before the deadline for the submission and receipt of bids; b. Modifications to the Bidding Documents were | 6. Obtain duly certified copies of Supplemental/Bid Bulletins with evidence of the date of issuance and check if these were issued at least seven (7) calendar days before the deadline for the submission and receipt of bid. | Were Supplemental/Bid Bulletins initiated by the procuring entity for purposes of clarifying or modifying any provision of the Bidding Documents were issued at least seven (7) calendar days before the deadline for the submission and receipt of bids? | | | |
| Bidding Documents were identified as amendments. | | | | | |

| Audit Sub-objective | | Suggested Auc | dit Wor | kina F | Paper |
|--|---|--|---------|--------|---------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.5.1 issuing a Supplemental/Bid Bulletin, duly signed by the BAC Chairman | 7. Go through the contents of Supplemental/Bid Bulletins and check if amendments were identified as such. | Were modifications to the Bidding Documents were identified as amendments? | | | Allswei |
| 22.5.2 Supplemental/Bid Bulletins may be issued upon the procuring entity's initiative for purposes of clarifying or modifying any provision of the Bidding Documents at least seven (7) calendar days before the deadline for the submission and receipt of bids. Any modification to the Bidding Documents shall be identified as an amendment. | 8. Go through the Supplemental/Bid Bulletins and check for the signature of the BAC Chairman. | Were Supplemental/Bid Bulletins duly signed by the BAC Chairman? | | | |
| 4. To verify if the BAC posted Supplemental/ Bid Bulletins issued by the BAC on the PhilGEPS and at the website of the procuring entity concerned, if available Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.5.3 Any Supplemental/ Bid Bulletin issued by the BAC shall also be posted on the PhilGEPS or ["OR" was changed to "AND" per Annex "A" of GPPB Resolution No. 06-2009 dated September 30, 2009] the website of the procuring entity concerned, if available. It shall be the responsibility of all those who have properly secured the Bidding Documents to inquire and secure Supplemental/Bid Bulletins that may be issued by the BAC. However, bidders who have submitted bids before the issuance of the Supplemental/Bid Bulletin must be informed and allowed to modify or withdraw their bids in accordance with Section 26.1 of the IRR. | 9. In advance of the posting, request the BAC Secretariat for print-outs (printed on the day of the posting) of Supplemental/Bid Bulletins as posted on the PhilGEPS and at their website. 10. Obtain from the BAC Secretariat the print-outs requested in 9. above. | Did the BAC post Supplemental/Bid Bulletins issued: a. on the PhilGEPS website? AND b. the website of the procuring entity concerned? | | | |
| 5. To verify if the BAC informed the bidders who have submitted bids before | 11. From the BAC records on submission of bids, identify the bidders who have | Did the BAC inform the Bidders who have submitted bids before | | | |
| the issuance of the Supplemental/Bid Bulletin | submitted bids before the issuance of Supplemental/Bid Bulletins. | the issuance of the Supplemental/Bid Bulletin of such | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|---|--|--------|-------|---------------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| and allowed to modify or withdraw their bids. | | issuance? | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.5.3 However, bidders who have submitted bids before the issuance of the Supplemental/Bid Bulletin must be informed and allowed to modify or withdraw their bids in accordance with Section 26.1 of the IRR. | 12. Go through copies of letters sent by the BAC to these bidders and check if they were informed and allowed to modify or withdraw their bids in accordance with Section 26.1 of the IRR | Were the bidders who have submitted bids before the issuance of Supplemental/Bid Bulletins informed and allowed to modify or withdraw their bids in accordance with Section 26.1 of the IRR? | | | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COMM | UNICATING THE RE | SULTS | OF A | AUDIT | |
| 1. To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the effects and develop appropriate audit recommendations. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Working Papers | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mem applicable | orandu | m (AO | M), if | |

VIII. SUBMISSION, RECEIPT, OPENING OF BIDS & PRELIMINARY EXAMINATION OF BIDS FOR THE PROCUREMENT OF GOODS

Bids shall be submitted simultaneously in two (2) separate sealed envelopes and received by the procuring entity on or before the deadline specified in the Invitation to Bid. Opening of Bids shall be at the time, date and place specified in the Invitation to Bid.

A. AUDIT OBJECTIVES:

- To verify if the prescribed conditions and procedures in the submission and receipt of bids were followed
- 2. To verify if the bids were submitted in the **prescribed manner**, **specified forms** and contained all the **required information**
- 3. To verify if the **prescribed conditions and procedures** in the **opening and preliminary examination** of bids were followed.
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for evaluation:

- 1. Minutes of the Bid Opening approved by the BAC:
- 2. Letters from bidders submitting their bids;
- 3. Bid documents submitted by the bidders;
- 4. Copy of portions of the BAC Secretariat's Receiving logbook containing information on receipt of bids;
- 5. Invitation to Bid:
- 6. Accomplished Checklist for the First Envelopes;
- 7. Accomplished *Checklist* for the Second Envelopes;
- 8. Abstract of Bids as Read;
- 9. BAC Resolution on the results of the opening and the preliminary evaluation of bids;
- 10. Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 11. Invitations to the Observers with evidence of receipt.

| Audit Sub-objective | | Suggested Audi | t Work | ing Pa | aper |
|---------------------------------|--|--------------------------|--------|--------|-------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars |
| | | | | | of the |
| CURNICCION OF DIDC FOR THE | DDOOLIDEMENT OF COORS | | | | Answer |
| SUBMISSION OF BIDS FOR THE | | I | | | |
| 1. To verify if the BAC | 1. Go through the <i>Minutes of the</i> | Did the BAC validate if | | | |
| validated if the bidders | Bid Opening and look for | the bidders submit their | | | |
| submitted their bids: | information on the BAC's | bids through their duly | | | |
| a. through their duly | validation if the signatory to the | authorized | | | |
| authorized representative, | document submitting the bid is the bidder's authorized | representative? | | | |
| b. using the forms specified in | representative as indicated in the | | | | |
| the Bidding Documents, | Sworn statement. | | | | |
| c. in two (2) separate sealed | Sworn statement. | | | | |
| bid envelopes submitted | | | | | |
| simultaneously | | | | | |
| | | | | | |

| Audit Sub-objective | | Suggested Audi | dit Working Paper | | | | |
|--|--|--|-------------------|----|---------------------------------|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 25.1. Bidders shall submit their bids through their duly authorized representative using the forms specified in the Bidding | 2. Go through the <i>Minutes of the Bid Opening</i> and look for information on the BAC's validation if each bidder adopted the forms specified in the Bidding Documents. | Did the BAC validate if the bidders submitted their bids using the forms specified in the Bidding Documents? | | | | | |
| specified in the Bidding Documents in two (2) separate sealed bid envelopes, and which shall be submitted simultaneously. The first shall contain the technical component of the bid, including the eligibility requirements under Section 23.1 of this IRR, and the second shall contain the financial component of the bid. | 3. Go through the records of the BAC pertaining to the submission of bids of each bidder and check if the two (2) envelopes were submitted simultaneously. 4. Go through the <i>Minutes of the Bid Opening</i> and look for information pertaining to opening of two (2) sealed envelopes of each bidder. | Did the bidders submit their bids in two (2) separate sealed bid envelopes submitted simultaneously? | | | | | |
| 2. To verify if the BAC validated that in modifying a bid: | 5. Go through the records of the BAC pertaining to the submission of bids of each bidder and check if the submission of modifications | Did the BAC validate that the bidders concerned submit their bid modifications before | | | | | |
| a. it was done before the deadline for the submission and receipt of bids, | were done before the deadline for the submission and receipt. 6. Go through the <i>Minutes of the</i> | the deadline for the submission and receipt? Did the BAC validate if | | | | | |
| b. the original bid was not retrieved but another bid equally sealed, properly identified, was submitted and linked to the original bid and marked as a "modification," thereof, and stamped "received" by the BAC | Bid Opening and look for information on the BAC's activities validating if: a. modifications were marked as "modification" and stamped "received" by the BAC; and b. linked to the original bid (not withdrawn). | the bidders concerned did not retrieve the original bid but merely submitted another bid equally sealed, properly identified, and linked to the original bid and marked as a "modification," thereof, and stamped "received" by the BAC? | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 26.1. A bidder may modify its bid, provided that this is done before the deadline for the submission and receipt of bids. Where a bidder modifies its bid, it shall not be allowed to retrieve its original bid, but shall only be allowed to send another bid equally sealed, properly identified, linked to its original bid and marked as a "modification," thereof, and stamped "received" by the BAC. Bid modifications received after the applicable deadline shall not | | | | | | | |

| Audit Sub-objective | | Suggested Audi | it Working Paper | | | |
|---|---|--|------------------|----|---------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| be considered and shall be returned to the bidder unopened. • 26.2. A bidder may, through a letter, withdraw its bid before the deadline for the receipt of bids. Withdrawal of bids after the applicable deadline shall be subject to appropriate sanctions as prescribed in this IRR. A bidder may also express its intention not to participate in the bidding through a letter which should reach and be stamped received by the BAC before the deadline for the receipt of bids. A bidder that withdraws its bid shall not be permitted to submit another bid, directly or indirectly, for the same contract. | | | | | | |
| RECEIPT OF BIDS FOR THE PRO | OCUREMENT OF GOODS | | | | | |
| 1. To verify if the BAC received bids on the: a. date, b. time, and c. place specified in the Invitation to Bid Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 25.4. Bids shall be received by the BAC on the date, time, and place specified in the Invitation to Bid. • 25.5. Bids, including the eligibility requirements under Section 23.1 of this IRR, submitted after the deadline shall not be accepted by the BAC. | 1. Check the receiving logbook of the BAC on the date, time, and place of receipt of bids and compare these with those in the Invitation to Bid | Did the BAC receive bids on the date and time specified in the Invitation to Bid? Were the bids received by the BAC at the place specified in the Invitation to Bid? Were bids submitted after the deadline for submission of bids not accepted? | | | | |
| 2. To verify if the BAC observed the maximum of 45 calendar days from the last day of posting of the Invitation to Bid up to the deadline for submission and receipt of bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 2. Count the number of days from the last day of posting of the Invitation to Bid up to the deadline for submission and receipt of bids and compare with the 45-day maximum period. | Did the BAC observe the maximum of 45 calendar days from the last day of posting of the Invitation to Bid up to the deadline for submission and receipt of bids? | | | | |

| Audit Sub-objective | | Suggested Audi | t Work | ing Pa | aper |
|--|--|---|--------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| BAC on the date, time, and place specified in the Invitation to Bid/Request for Expression of Interest. The following periods from the last day of posting of the Invitation to Bid/Request for Expression of Interest up to the submission and receipt of bids shall be observed: a) For Goods, a maximum period of forty-five (45) calendar days. b) c) | | | | | , and a second |
| OPENING & PRELIMINARY EXA | MINATION OF BIDS FOR TH 1. From the Office Order | Was there a quorum of | GOOD | 5 | <u> </u> |
| 1. To verify if the BAC observed quorum. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 12.3 Quorum A majority of the total BAC composition as designated by the Head of the Procuring Entity shall constitute a quorum for the transaction of business, provided that the presence of the Chairman or Vice-Chairman shall be required. | creating the BAC, determine the number of BAC members and identify the Chairman or Vice-Chairman. 2. From the <i>Minutes of Opening of Bids</i> , check for the presence of the Chairman or Vice-Chairman and if majority of the BAC members or representatives/alternates attended the proceedings. | the BAC? | | | |
| 2. To verify if the BAC opened the bids immediately after the deadline for the submission and receipt of bids and at the: a. date, b. time, and c. place specified in the Invitation to Bid Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 29. Bid Opening The BAC shall open the bids immediately after the deadline for the submission and receipt of bids. [GPPB Resolution No. 13-2009, dated 16 December 2009] The time, date, and place of the opening of bids shall be specified in the Bidding Documents. The bidders or their duly authorized | 3. Compare the date and time of the opening of bids indicated in the Minutes of the Opening of Bids with the deadline for submission and receipt of bids stated in the Bidding Documents. 4. Compare the date, time and place of the opening of bids indicated in the Minutes of the Opening of Bids with those specified in the Invitation to Bid. | Did the BAC open the bids immediately after the deadline for the submission and receipt of bids? Did the BAC open the bids on the date specified in the Invitation to Bid? Did the BAC open the bids on the time specified in the Invitation to Bid? Did the BAC open the bids on the time specified in the Invitation to Bid? Did the BAC open the bids at the place specified in the Invitation to Bid? | | | |

| Audit Sub-objective | | Suggested Audi | t Work | ing Pa | aper |
|--|---|---|--------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| opening of bids. The BAC shall adopt a procedure for ensuring the integrity, security, and confidentiality of all submitted bids. The minutes of the bid opening shall be made available to the public upon written request and payment of a specified fee to recover cost of materials. | | | | | |
| 3. To verify if the BAC/BAC | 5. From the Minutes of Bid | Did the BAC: | | | |
| Secretariat read out and recorded during bid opening letters of withdrawal and returned to the bidder the envelope containing the corresponding withdrawn bid unopened, either to the | Opening, check for information on the BAC's reading out and recording of withdrawn bids during the bid opening; checking of the date of submission of the withdrawal letter; and returning the withdrawn bid unopened. | a. read out and record during bid opening letters of withdrawal of bids? b. if the withdrawal of bid was made before | | | |
| bidder's representative if he | 6. Also check for evidence of the | bid was made before the deadline for | | | |
| is present or by registered mail | return of the withdrawn bids from acknowledged registered mails. | submission and receipt of bids, return the bids unopened to representatives of the | | | |
| Philippine Bidding Documents for the Procurement of Goods, 3 rd edition (October 2009) approved per GPPB Resolution No. 05-2009 dated 30 | | bidders concerned present during the bid opening? | | | |
| September 2009: 23. Modification and Withdrawal of Bids 23.1. The Bidder may modify its bid after it has been submitted; provided that the modification is received by the Procuring Entity prior to the deadline prescribed for the submission and receipt of bids. The Bidder shall not be | | c. if the withdrawal of bid was made before the deadline for submission and receipt of bids, return withdrawn bids unopened by registered mail? | | | |
| allowed to retrieve its original bid, but shall be allowed to submit another bid, equally sealed, properly identified, linked to its original bid, marked as "TECHNICAL MODIFICATION" or "FINANCIAL MODIFICATION" and stamped "received" by the BAC. Bid modifications received after the applicable deadline shall not be considered and shall be returned to the bidder unopened. 23.2. A Bidder may, through a letter of withdrawal, withdraw its bid after it has been submitted, for valid and justifiable reason; provided that | 7. From the Minutes of the Bid Opening, check for information on withdrawals of bids made after the deadline for submission and receipt of bids up to the expiration of the period of bid validity specified by the bidder in the financial bid form; and for information on forfeiture of bid security and imposition of sanctions on these bidders. | Did the BAC forfeit the bid security and recommend the imposition of sanctions on bidders who withdrew their bids during the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Bidder on the Financial Bid Form? | | | |

| Audit Sub-objective | | Suggested Au | dit Work | ing Pa | | | |
|--|------------------|----------------|----------|--------|---------------------------------|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| received by the Procuring Entity | | | | | | | |
| prior to the deadline prescribed | | | | | | | |
| for submission and receipt of | | | | | | | |
| bids. | | | | | | | |
| 23.3. Bids requested to be | | | | | | | |
| withdrawn in accordance with | | | | | | | |
| ITB Clause 23.1, shall be returned unopened to the | | | | | | | |
| Bidders. A Bidder may also | | | | | | | |
| express its intention not to | | | | | | | |
| participate in the bidding | | | | | | | |
| through a letter which should | | | | | | | |
| reach and be stamped by the | | | | | | | |
| BAC before the deadline for | | | | | | | |
| submission and receipt of bids. | | | | | | | |
| A Bidder that withdraws its bid | | | | | | | |
| shall not be permitted to submit | | | | | | | |
| another bid, directly or | | | | | | | |
| indirectly, for the same contract. | | | | | | | |
| 23.4. No bid may be modified | | | | | | | |
| after the deadline for | | | | | | | |
| submission of bids. No bid may be withdrawn in the interval | | | | | | | |
| between the deadline for | | | | | | | |
| submission of bids and the | | | | | | | |
| expiration of the period of bid | | | | | | | |
| validity specified by the Bidder | | | | | | | |
| on the Financial Bid Form. | | | | | | | |
| Withdrawal of a bid during this | | | | | | | |
| interval shall result in the | | | | | | | |
| forfeiture of the Bidder's bid | | | | | | | |
| security, pursuant to ITB Clause | | | | | | | |
| 18.5, and the imposition of | | | | | | | |
| administrative, civil, and | | | | | | | |
| criminal sanctions as prescribed by RA 9184 and its IRR. | | | | | | | |
| by KA 9104 and its IKK. | | | | | | | |
| 24. Opening and Preliminary | | | | | | | |
| Examination of Bids | | | | | | | |
| 24.3 Letters of withdrawal | | | | | | | |
| shall be read out and recorded | | | | | | | |
| during bid opening, and the | | | | | | | |
| envelope containing the | | | | | | | |
| corresponding withdrawn bid | | | | | | | |
| shall be returned to the Bidder | | | | | | | |
| unopened. If the withdrawing | | | | | | | |
| Bidder's representative is in | | | | | | | |
| attendance, the original bid and all copies thereof shall be | | | | | | | |
| returned to the representative | | | | | | | |
| during the bid opening. If the | | | | | | | |
| representative is not in | | | | | | | |
| attendance, the bid shall be | | | | | | | |
| returned unopened by | | | | | | | |
| registered mail. The Bidder may | | | | | | | |
| withdraw its bid prior to the | | | | | | | |
| deadline for the submission and | | | | | | | |

| Audit Sub-objective | | Suggested Audi | it Work | ing Pa | aper |
|---|--|--|---------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| receipt of bids, provided that the corresponding Letter of Withdrawal contains a valid authorization requesting for such withdrawal, subject to appropriate sanctions. | | | | | |
| 4. To verify if the BAC opened the <u>first bid envelopes</u> of the bidders in <u>public</u> | 8. From the Attendance Record/Minutes of the Opening of Bids check if the participants include bidders and observers. | Did the BAC open the first bid envelopes of the bidders in public? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 30.1. The BAC shall open the first bid envelopes of prospective bidders in public to determine each bidder's compliance with the documents required to be submitted for eligibility and for the technical requirements, as prescribed in this IRR. For this purpose, the BAC shall check the submitted documents of each bidder against a checklist of required documents to ascertain if they are all present, using a nondiscretionary "pass/fail" criterion, as stated in the Instructions to Bidders. If a bidder submits the required document, it shall be rated "passed" for that particular requirement. In this regard, bids that fail to include any requirement or are incomplete or patently insufficient shall be considered as "failed". Otherwise, the BAC shall rate the said first bid envelope as "passed" | | | | | |
| 5. To verify if the BAC determined compliance of each bidder with the documents required to be submitted in the first envelope by checking the submitted documents of each | 9. Compare the Checklist with the list of documents in the first envelope per Bidding Documents. | Did the BAC adopt a Checklist for the first envelope in accordance with the list of documents in the first envelope per Bidding Documents? | | | |
| bidder against a checklist of required documents to ascertain if they are all present, using a nondiscretionary "pass/fail" criterion, as stated in the Instructions to Bidders | 10. Validate the entries ("pass/fail") in the Checklist with the documents submitted by the bidders in the first envelope (for presence or absence). | Did the BAC determine each prospective bidder's compliance with the documents required to be submitted in the first envelope: | | | |

| Audit Sub-objective | | Suggested Audi | t Work | king Pa | aper |
|--|------------------|--|--------|---------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 30.1. The BAC shall open the first bid envelopes of prospective bidders in public to determine each bidder's compliance with the documents required to be submitted for eligibility and for the technical requirements, as prescribed in this IRR. For this purpose, the BAC shall check the submitted documents of each bidder against a checklist of required documents to ascertain if they are all present, using a nondiscretionary "pass/fail" criterion, as stated in the Instructions to Bidders. If a bidder submits the required document, it shall be rated "passed" for that particular requirement. In this regard, bids that fail to include any requirement or are incomplete or patently insufficient shall be considered as "failed". Otherwise, the BAC shall rate the said first bid envelope as "passed". | | a. Registration certificate from SEC, Department of Trade and Industry (DTI) for sole proprietorship, or CDA for cooperatives, or any proof of such registration as stated in the Bidding Documents? b. In a Joint Venture, each partner's Registration certificate from SEC, Department of Trade and Industry (DTI) for sole proprietorship, or CDA for cooperatives, or any proof of such registration as stated in the Bidding | | | Answei |
| 25.2. The first envelope shall contain the following technical information/ documents, at the least: a) For the procurement of goods: i) Eligibility requirements under Section 23.1 of this IRR; ii) The bid security in the prescribed form, amount and validity period; iii) Technical specifications, which may include production/delivery schedule, manpower requirements, and/or after-sales service/parts, if applicable; and iv) Sworn statement by the prospective bidder or its duly authorized representative in the form prescribed by the GPPB as to the following: (1) It is not "blacklisted" or barred from bidding by the GOP or any of its agencies, offices, corporations, or LGUs, including foreign government/foreign or international financing institution whose blacklisting | | C. Mayor's permit issued by the city or municipality where the principal place of business of the prospective bidder is located? d. In a Joint Venture, each partner's Mayor's permit issued by the city or municipality where the principal place of business of the prospective bidder is located? e. Statement of the prospective bidder of all its ongoing and completed government and private contracts, including contracts awarded but not yet | | | |

| Audit Sub-objective | | Suggested Audi | t Work | ing Pa | aper |
|--|------------------|--|--------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| (2) Each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct; (3) It is authorizing the Head of | | and complexity to the contract to be bid, within the relevant period as provided in the Bidding Documents? | | | |
| the Procuring Entity or his duly authorized representative/s to verify all the documents submitted; | | e.1. In a Joint Venture, <u>any</u> <u>partner's?</u> | | | |
| (4) The signatory is the duly authorized representative of the prospective bidder, and granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the prospective bidder in the bidding, with the duly notarized Secretary's Certificate attesting to such fact, if the prospective bidder is a corporation, partnership, cooperative, or joint venture; (5) It complies with the disclosure provision under Section 47 of the Act in relation to other provisions of R.A. 3019; (6) It complies with the responsibilities of a prospective or eligible bidder provided in the PBDs; and (7) It complies with existing labor laws and standards, in the case of procurement of services. • 23.1. For purposes of determining the eligibility of bidders using the criteria stated in Section 23.5 of this IRR, only the following documents shall be required by the BAC, using | | f. The bidder's audited financial statements, showing, among others, the prospective bidder's total and current assets and liabilities, stamped "received" by the BIR or its duly accredited and authorized institutions, for the preceding calendar year which should not be earlier than two (2) years from the date of bid submission? f.1. In a Joint Venture, any partner's? g. The bidder's computation for its Net Financial Contracting Capacity | | | |
| the forms prescribed in the Bidding Documents,: a) Class "A" Documents | | (NFCC) or a commitment from a Universal or Commercial Bank to extend a credit line | | | |
| Legal Documents i) Registration certificate from SEC, Department of Trade and Industry (DTI) for sole proprietorship, or CDA for cooperatives, or any proof of such registration as stated in | | in favor of the prospective bidder if awarded the contract to be bid (CLC)? | | | |
| the Bidding Documents. ii) Mayor's permit issued by the city or municipality where the principal place of business of | | Venture, <u>any</u> partner's? | | | |

| Audit Sub-objective | | Suggested Audi | t Work | ing Pa | aper |
|-------------------------------------|------------------|------------------------|----------|--------|-------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars |
| | Audit Activities | 7.00.00 2000.00 | | | of the |
| | | | | | Answer |
| the prospective bidder is | | h.Valid joint venture | | | |
| located. | | Agreement (JVA), in | | | |
| T / / / S | | case the joint | | | |
| <u>Technical Documents</u> | | venture is already in | | | |
| iii) Statement of the prospective | | existence. | | | |
| bidder of all its ongoing and | | | | | |
| completed government and | | In the absence of | | | |
| private contracts, including | | a JVA, duly notarized | | | |
| contracts awarded but not yet | | statements from all | | | |
| started, if any, whether similar | | the potential joint | | | |
| or not similar in nature and | | venture partners | | | |
| complexity to the contract to be | | stating that they will | | | |
| bid, within the relevant period | | enter into and abide | | | |
| as provided in the Bidding | | by the provisions of | | | |
| Documents. The statement shall | | the JVA in the | | | |
| include all information required | | instance that the bid | | | |
| in the PBDs prescribed by the GPPB. | | is successful? | | | |
| | | | | | |
| iv) | | | | | |
| <u>Financial Documents</u> | | i. The bid security in | | | |
| v) The prospective bidder's | | the prescribed: | | | |
| audited financial statements, | | (1) form? | | | |
| showing, among others, the | | (2) amount? | | | |
| prospective bidder's total and | | (3) validity period? | | | |
| current assets and liabilities, | | | | | |
| stamped "received" by the BIR | | | | | |
| or its duly accredited and | | j. Technical | | | |
| authorized institutions, for the | | specifications, which | | | |
| preceding calendar year which | | may include: | | | |
| should not be earlier than two | | (1) production/ | | | |
| (2) years from the date of bid | | delivery | | | |
| submission. | | schedule? | | | |
| vi) The prospective bidder's | | (2) manpower | | | |
| computation for its Net Financial | | requirements? | | | |
| Contracting Capacity (NFCC) or | | (3) after-sales | | | |
| a commitment from a Universal | | service/parts, if | | | |
| or Commercial Bank to extend a | | applicable? | | | |
| credit line in favor of the | | | | | |
| prospective bidder if awarded | | | | | |
| the contract to be bid (CLC). | | k. Sworn statement by | | | |
| b) Class "B" Document | | the prospective | | | |
| , | | bidder or its duly | | | |
| Valid joint venture Agreement | | authorized | | | |
| (JVA), in case the joint venture is | | representative in the | | | |
| already in existence. In the | | form prescribed by | | | |
| absence of a JVA, duly notarized | | the GPPB as to the | | | |
| statements from all the potential | | following: | | | |
| joint venture partners stating that | | (1) It is not | | | |
| they will enter into and abide by | | "blacklisted" or | | | |
| the provisions of the JVA in the | | barred from | | | |
| instance that the bid is successful | | bidding by the | | | |
| shall be | | GOP or any of its | | | |
| included in the bid. Failure to | | agencies, offices, | | | |
| enter into a joint venture in the | | corporations, or | | | |
| event of a | | LGUs, including | | | |
| contract award shall be ground for | | foreign | | | |
| the forfeiture of the bid security. | | government/ | <u> </u> | | |

| Audit Sub-o | bjective | | Suggested Audi | t Work | king Pa | aper |
|--|--|------------------|---|--------|---------|-----------------------|
| • Audit C | Priteria Priteria | Audit Activities | Audit Question | Yes | No | Particulars of the |
| Each partner of the shall submit the lead ocuments. The statechnical and final documents by any venture partners of compliance. • 27.1. All bids shall accompanied by a bid payable to the proceed concerned as a guar successful bidder shall (10) calendar days of indicated in the Instated egal eligibility submission of incial eligibility by of the joint constitutes If be oid security, uring entity rantee that the hall, within ten or less, as tructions to ot of the notice of ontract with the fi furnish the fiy required in RR, except when IRR allows a re to enclose the by in the form and herein shall | | foreign or international financing institution whose blacklisting rules have been recognized by the GPPB? (2) Each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct? (3) It is authorizing the Head of the Procuring Entity or | | | Answer |
| • 27.2 The bid secu an amount equal to the ABC in accordant following schedule [. Annex A of GPPB Re 2009 dated Septemb | a percentage of ace with the as amended by esolution No. 06-per 30, 2009]: Amount of Bid Security (Equal | | his duly authorized representative/s to verify all the documents submitted? (4) The signatory is the duly authorized representative of the prospective | | | |
| a) Cash or cashier's/ manager's check issued by a Universal or Commercial Bank. b) Bank draft/ guarantee or irrevocable letter of credit issued by a | to Percentage of the ABC) Two percent (2%) | | bidder, and granted full power and authority to do, execute and perform any and all acts necessary and/or to | | | |
| Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank. c) Surety bond callable upon demand issued | | | represent the prospective bidder in the bidding, with the duly notarized Secretary's Certificate attesting to such fact, if the | | | |
| by a surety or insurance company duly certified by Insurance Commission as authorized to issue such security. | Five percent (5%) | | prospective bidder is a corporation, partnership, cooperative, or joint venture? (5) It complies with | | | |

| Audit Sub-o | bjective | | Suggested Audi | t Work | ing Pa | aper |
|---|--|------------------|--|--------|--------|---------------------------------|
| • Audit C | Priteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| d) Any combination of the foregoing. | Proportionate to share of form with respect to total amount of security | | the disclosure provision under Section 47 of the Act in relation to | | | Allswei |
| For biddings conduct prospective bidder m bid securities in the id cashier's/manager's idraft/guarantee, or irrevocable letter of idbanks certified by the authorized to issue sinstrument. • 27.3. The bid security denominated in Philipposted in favor of the bid security and the conductive security. | ay also submit form of check, bank credit from other e BSP as uch financial urity shall be lippine Pesos and | | other provisions of R.A. 3019? (6) It complies with the responsibilities of a prospective or eligible bidder provided in the PBDs? (7) It complies with existing labor laws and standards, in the case of procurement of services? | | | |
| • 28.1. Bids and bid be valid for a reason determined by the P Procuring Entity con shall be indicated in Documents, but in r period exceed one P (120) calendar days the opening of bids. | nable period as Head of the Incerned, which In the Bidding In case shall the Incurred twenty Information from the date of | | | | | |
| • Section 47. Disclo All bids shall be acco sworn affidavit of the not related to the He Procuring Entity, mer BAC, the TWG, and t Secretariat, the head the end-user unit, an consultants, by consu | esure of Relations of the superson of the supe | | | | | |
| Failure to comply with aforementioned proving ground for the automatisqualification of the consonance with Security IRR. For this reason, aforementioned persistency third civil degree of affinity shall automatishe bidder from parti | rision shall be a natic e bid in tion 30 of this relation to the cons within the consanguinity or tically disqualify icipating in the | | | | | |
| procurement of conting procuring entity. On bidder, this provision the following persons: a) If the bidder is an sole proprietorshiphimself; b) If the bidder is a page of the pidder is a page of the pidder is a page of the procure of the pidder is a page of the pidder | the part of the shall apply to s: n individual or a p, to the bidder | | | | | |

| Audit Sub-objective | | Suggested Audit Wo | | | | | | |
|---|---|---|-----|----|---------------------------------|--|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | | |
| its officers and members; c) If the bidder is a corporation, to all its officers, directors, and controlling stockholders; and d) If the bidder is a joint venture, the provisions of items (a), (b), or (c) of this Section shall correspondingly apply to each of the members of the said joint venture, as may be appropriate. | | | | | | | | |
| 6. To verify if the BAC opened the second envelopes of the bidders whose first envelopes were rated passed on the same day and determined compliance with the requirements using a nondiscretionary "pass/fail" criterion, as stated in the Instructions to Bidders | 11. From the Checklists and Minutes of the Bid Opening and of the first envelope identify the bidders who were rated passed | Did the BAC open only the second envelopes of the bidders whose first envelopes were rated passed? | | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 30.2 Immediately after determining compliance with the requirements in the first envelope, the BAC shall forthwith open the second bid envelope of each remaining eligible bidder whose first bid envelope was rated "passed." The second envelope of each complying bidder shall be | 12. From the Minutes of the Bid Opening, check if the second envelopes of the bidders who were rated passed was opened by the BAC on the same day when the first envelopes were opened. | Did the BAC open the second envelopes on the same day when the first envelopes were opened? | | | | | | |
| opened within the same day In case one or more of the requirements in the second envelope of a particular bid is missing, incomplete or patently insufficient, and/or if the submitted total bid price exceeds the ABC, the BAC shall rate the bid concerned as "failed". Only bids that are determined to contain all the bid requirements for both | 13. Compare the Checklist with the list of documents in the second envelope per Bidding Documents. | Was the BAC's Checklist in accordance with the list of documents in the second envelope per Bidding Document? | | | | | | |
| components shall be rated "passed" and shall immediately be considered for evaluation and comparison. 25.3. The second envelope shall contain the financial | 14. Validate the entries ("pass/fail") in the Checklist with the documents submitted by the bidders in the second envelope (for presence or absence). | Did the BAC determine each bidder's compliance with the documents required to be submitted in the second envelope: | | | | | | |
| information/documents as specified in the PBDs. | | (a) Financial Bid Form, which includes | | | | | | |

| Audit Sub-objective | | Suggested Audi | t Work | king Pa | aper |
|--|--|--|--------|---------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Philippine Bidding Documents for the Procurement of Goods, 3 rd Edition (October 2009) issued by the GPPB: | | a.2 bill of quantities? | | | |
| • Instruction to Bidders (ITB) 13. Documents Comprising the Bid: Financial Component | | a.3 Price Schedules? a.4 total bid price? | | | |
| 13.1 Unless otherwise stated in the BDS, the financial component of the bid shall contain the following: (a) Financial Bid Form, which includes bid prices and the bill of quantities and the applicable Price Schedules, in accordance with ITB Clauses 15.1 and 15.4; (b) If the bidder claims preference as a Domestic Bidder or Domestic Entity, a certification from the DTI, SEC, or CDA issued in accordance with ITB Clause 27 | | (b) If the bidder claims preference as a Domestic Bidder or Domestic Entity, a certification from the: DTI? or SEC? or CDA? | | | |
| 15.1 The Bidder shall complete the appropriate Price Schedules included herein, stating the unit prices, total price per item, the total amount and the expected countries of origin of the Goods to be supplied under this Project. | 15. From the <i>Minutes of Bid Opening, Abstract of Bids as Read,</i> and relevant <i>BAC Resolutions</i> check if bids higher than the ABC were automatically disqualified. | Did the BAC automatically disqualify bids higher than the ABC? | | | |
| | | | | | |
| 15.4 Prices indicated on the Price Schedule shall be entered separately in the following manner: | | | | | |
| (a) For Goods offered from within the Procuring Entity's country: | | | | | |
| (i) The price of the Goods quoted EXW (ex works, ex factory, ex warehouse, ex showroom, or off-the-shelf, as applicable), including all customs duties and sales and other taxes already paid or payable: (i.1) on the components and raw | | | | | |

| Audit Sub-objective | | Suggested Aud | it Work | ing Pa | aper |
|--|------------------|----------------|---------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| material used in the manufacture or assembly of Goods quoted ex works or ex factory; or | | | | | |
| (i.2) on the previously imported Goods of foreign origin quoted ex warehouse, ex showroom, or off-the-shelf and any Procuring Entity country sales and other taxes which will be payable on the Goods if the contract is awarded. | | | | | |
| (ii) The price for inland transportation, insurance, and other local costs incidental to delivery of the Goods to their final destination. | | | | | |
| (iii) The price of other (incidental) services, if any, listed in the BDS. | | | | | |
| (b) For Goods offered from abroad: | | | | | |
| (i) Unless otherwise stated in the BDS, the price of the Goods shall be quoted Delivered Duty Paid (DDP) with the place of destination in the Philippines as specified in the BDS. In quoting the price, the Bidder shall be free to use transportation through carriers registered in any eligible country. Similarly, the Bidder may obtain insurance services from any eligible source country. | | | | | |
| (ii) The price of other (incidental) services, if any, are listed in the BDS. | | | | | |
| | | | | | |
| 27. Domestic Preference | | | | | |
| 27.1 Unless otherwise stated in the BDS, the Procuring Entity will | | | | | |

| Audit Sub-objective | | Suggested Audit Worki | | | ng Paper | | |
|---|------------------|-----------------------|-----|----|--------------------------------|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particular of the Answer | | |
| grant a margin of preference for | | | | | | | |
| the purpose of comparison of bids | | | | | | | |
| in accordance with the following: | | | | | | | |
| (a) The preference shall be | | | | | | | |
| applied when (i) the lowest | | | | | | | |
| Foreign Bid is lower than the | | | | | | | |
| lowest bid offered by a | | | | | | | |
| Domestic Bidder, or (ii) the | | | | | | | |
| lowest bid offered by a non- | | | | | | | |
| Philippine national is lower | | | | | | | |
| than the lowest bid offered by | | | | | | | |
| a Domestic Entity. | | | | | | | |
| (b) For evaluation purposes, the | | | | | | | |
| lowest Foreign Bid or the bid offered by a non-Philippine | | | | | | | |
| national shall be increased by | | | | | | | |
| fifteen percent (15%). | | | | | | | |
| (c) In the event that (i) the | | | | | | | |
| lowest bid offered by a | | | | | | | |
| Domestic Entity does not | | | | | | | |
| exceed the lowest Foreign Bid | | | | | | | |
| as increased, or (ii) the lowest | | | | | | | |
| bid offered by a non- | | | | | | | |
| Philippine national as | | | | | | | |
| increased, then the Procuring | | | | | | | |
| Entity shall award the | | | | | | | |
| contract to the Domestic Bidder/Entity at the amount | | | | | | | |
| of the lowest Foreign Bid or | | | | | | | |
| the bid offered by a non- | | | | | | | |
| Philippine national, as the | | | | | | | |
| case may be. | | | | | | | |
| (d) If the Domestic | | | | | | | |
| Entity/Bidder refuses to | | | | | | | |
| accept the award of contract | | | | | | | |
| at the amount of the Foreign | | | | | | | |
| Bid or bid offered by a non- | | | | | | | |
| Philippine national within two (2) calendar days from receipt | | | | | | | |
| of written advice from the | | | | | | | |
| BAC, the Procuring Entity | | | | | | | |
| shall award to the bidder | | | | | | | |
| offering the Foreign Bid or the | | | | | | | |
| non-Philippine national, as the | | | | | | | |
| case may be, subject to post- | | | | | | | |
| qualification and submission | | | | | | | |
| of all the documentary | | | | | | | |
| requirements under these Bidding Documents. | | | | | | | |
| - | | | | | | | |
| 27.2. A Bidder may be granted | | | | | | | |
| preference as a Domestic Entity | | | | | | | |
| subject to the certification from the DTI (in case of sole | | | | | | | |
| proprietorships), SEC (in case of | | | | | | | |
| partnerships and corporations), or | | | | | | | |

| Audit Sub-objective | | Suggested Au | dit Work | orking Paper | | |
|--|------------------|----------------|----------|--------------|--------------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particular of the Answer | |
| CDA (in case of cooperatives)that | | | | | 1211.01 | |
| the (a) sole proprietorship is a | | | | | | |
| citizen of the Philippines or the partnership, corporation, | | | | | | |
| cooperative, or association is duly | | | | | | |
| organized under the laws of the | | | | | | |
| Philippines with at least seventy | | | | | | |
| five percent (75%) of its interest | | | | | | |
| or outstanding capital stock belonging to citizens of the | | | | | | |
| Philippines, (b) habitually | | | | | | |
| established in business and | | | | | | |
| habitually engaged in the | | | | | | |
| manufacture or sale of the | | | | | | |
| merchandise covered by is bid, | | | | | | |
| and (c) the business has been in existence for at least five (5) | | | | | | |
| consecutive years prior to the | | | | | | |
| advertisement and/or posting of | | | | | | |
| the Invitation to Bid for this | | | | | | |
| Project. | | | | | | |
| 27.3. A Bidder may be granted | | | | | | |
| preference as a Domestic Bidder | | | | | | |
| subject to the certification from | | | | | | |
| the DTI that the Bidder is offering unmanufactured articles, materials | | | | | | |
| or supplies of the growth of | | | | | | |
| production of the Philippines, or | | | | | | |
| manufactured articles, materials, | | | | | | |
| or supplies manufactured or to be | | | | | | |
| manufactured in the Philippines substantially from articles, | | | | | | |
| materials, or supplies of the | | | | | | |
| growth, production, or | | | | | | |
| manufacture, as the case may be, | | | | | | |
| of the Philippines. | | | | | | |
| | | | | | | |
| 31.1.The ABC shall be the | | | | | | |
| upper limit or ceiling for | | | | | | |
| acceptable bid prices. If a bid | | | | | | |
| orice, as evaluated and | | | | | | |
| calculated in accordance with | | | | | | |
| this IRR, is higher than the | | | | | | |
| ABC, the bidder submitting the | | | | | | |
| same shall be automatically disqualified. There shall be no | | | | | | |
| lower limit or floor on the | | | | | | |
| amount of the award. | | | | | | |
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| | | | | | | |

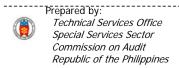
| Audit Sub-objective | | Suggested Audit | t Work | ing Pa | |
|---|--|--|--------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| IN CASE A BIDDER DETERMINE | | | RATI | ON | |
| 1. To verify if the Bidder determined as "failed" submitted his request for reconsideration within 3 days upon written notice or, if present at the time of bid opening, upon verbal notification Philippine Bidding Documents (PBDs) for the Procurement of Goods, 3 rd | 1. Count the number of days FROM the date of bid opening or date of receipt of the notice by the concerned Bidder TO the date of receipt by the BAC Secretariat of the letter-request for reconsideration (duly stamped "received" by the BAC Secretariat) and compare with the 3-day maximum. | Did the BAC ensure that the Bidder determined as "failed" submitted their requests for reconsideration within 3 days upon written notice or, if present at the time of bid opening, upon verbal notification? | | | |
| Edition, (October 2009) approved by the GPPB per GPPB Resolution No. 06-2009 dated September 30, 2009: • 24.7. A Bidder determined as "failed" has three (3) calendar days upon written notice or, if present at the time of bid opening, upon verbal notification within which to file a request or metion for | 2. From the Minutes of the deliberation of the request for reconsideration, look for information and finding if the failure was due to the fault of the Bidder, and the if the BAC decided not to grant the request. | Did the BAC evaluate if the failure was due to the fault of the bidder? If in the affirmative, did the BAC decide not to grant the request? | | | |
| request or motion for reconsideration with the BAC: Provided, however, that the motion for reconsideration shall not be granted if it is established that the finding of failure is due to the fault of the Bidder concerned: Provided, further, that the BAC shall decide on the request for reconsideration within seven (7) calendar days from receipt thereof. If a failed bidder signifies his intent to file a request for reconsideration, the BAC shall keep the bid envelopes of the said failed Bidder unopened and/or duly sealed until such time that the request for reconsideration or protest has been resolved. | 3. From the Minutes of the deliberation of the request for reconsideration, look for information on the period within which the BAC decided on the request for reconsideration – from the date of receipt of the request for reconsideration up to the date of decision (BAC Resolution) on the decision reached; and compare with the 7-day maximum period. | Did the BAC decide on the request for reconsideration within 7 days from receipt thereof? | | | |
| INVOLVEMENT OF BAC OBSERVED BIDS, INCLUDING EVALUATION | | | | | N OF |
| To verify if the BAC invited Observers: representing the COA, the specific relevant chambermember of the Philippine Chamber of Commerce and Industry, and a non- | From the Minutes of the BAC meeting on the selection of the Observer from the "pool", check for information on the BAC's evaluation in regard to: the selection of the organization from which the Observer will be invited; | Did the BAC choose the Observers considering: a. one representing the COA? b. One representing the specific relevant | | | |
| government organization (NGO) from the procuring entity's Pool of Observers; b. that have: b.1. knowledge, experience or expertise in procurement or | knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; no actual or potential conflict of interest in the contract to | chamber-member of the Philippine Chamber of Commerce and Industry? | | | |



| Audit Sub-objective | | Suggested Audi | t Work | king Pa | aper |
|---|--|---|--------|---------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| in the subject matter of the contract to be bid; b.2. no actual or potential conflict of interest in the contract to be bid; and b.3. conformed with other relevant criteria determined by the BAC; c. at least 3 calendar days prior to the start of the activity Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | be bid; and • conformed with other relevant criteria determined by the BAC. | c. One representing a non-government organization? d. With knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid? e. With no actual or potential conflict of interest in the contract to be bid? | | | |
| • Section 13. Observers 13.1. To enhance the transparency of the process, the BAC shall, in all stages of the | | f. Conformed with other relevant criteria determined by the BAC? | | | |
| procurement process, invite, in addition to the representative of the COA, at least two (2) observers, who shall not have the right to vote, to sit in its proceedings where: a) At least one (1) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hand, for example: i) ii) For goods, a specific relevant chamber-member of the Philippine Chamber of Commerce and Industry. iii) and b) The other observer shall come from a non-government organization (NGO). | 2. From certified copies of the invitations to the Observers with evidence of receipt, compare the date of receipt with the 3-day minimum requirement. | Did the BAC invite the Observers at least 3 days before the date of the start of activities? | | | |
| 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. | | | | | |

| Audit Sub-objective | | Suggested Audi | t Work | Working Paper | | | |
|---|---|--|--------|---------------|---------------------------------|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | Autowel | | |
| 2. To verify if the Procuring Entity considered the comments/observations of the Observers Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 13.4. The observers shall have the following responsibilities: a) To prepare the report either jointly or separately indicating their observations made on the procurement activities conducted by the BAC for submission to the Head of the Procuring Entity, copy furnished the BAC Chairman. The report shall assess the extent of the BAC's compliance with the provisions of this IRR and areas of improvement in the BAC's proceedings; b) To submit their report to the procuring entity and furnish a copy to the GPPB and Office of the Ombudsman/Resident Ombudsman/Resident Ombudsman/Resident Ombudsman/Resident of the BAC followed the correct procedure; and c) To immediately inhibit and notify in writing the procuring entity conducted by the BAC followed the correct procedure; and c) To immediately inhibit and notify in writing the procuring entity concerned of any actual or potential interest in the contract to be bid. • 13.5. Observers shall be allowed access to the following documents upon their request, subject to signing of a confidentiality agreement: (a) minutes of BAC meetings; (b) abstract of Bids; (c) post-qualification | 3. Based on the BAC's Minutes on the bid opening, preliminary evaluation of bids, evaluation and decision on motions for reconsideration, and the report of the Observers check whether a deliberation was made on the comments /observations of the observers. | Did the Procuring Entity consider the comments/ observations of the Observers? | | | | | |
| procedure; and c) To immediately inhibit and notify in writing the procuring entity concerned of any actual or potential interest in the contract to be bid. 13.5. Observers shall be allowed access to the following documents upon their request, subject to signing of a confidentiality agreement: (a) minutes of BAC | | | | | | | |

| Audit Sub-objective | | Suggested Audi | t Work | ing Pa | aper |
|---|--|-----------------------------------|---------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| EVALUATING AUDIT EVIDENCE | 1 | CATING THE RESULTS | S OF F | AUDI | Γ |
| 1. To verify the effects of instances of non-compliance on the: | Analyze the instances of non- compliance to establish the effects and develop appropriate audit recommendations. | Appropriate Audit Working | | | |
| a. validity of the procurement activities and outputs including the validity of the resulting contract; | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| b. validity of any payment to be made on the basis of the contract; | NOTE: | | | | |
| c. etc. | Also refer to the OFFENSES AND PENALTIES portion of this | | | | |
| and develop appropriate audit recommendations | Audit Guide. | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Working | g Papei | r'S | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memorapplicable | andum | (AOM) |), if |



IX. BID EVALUATION FOR THE PROCUREMENT OF GOODS

The purpose of bid evaluation is to determine the <u>Lowest Calculated Bid</u>. This is done by establishing the correct calculated prices of the bids and ranking in ascending order the total bid prices as so calculated. The bid with the lowest price is the LCB.

A. AUDIT OBJECTIVES:

- To verify if the BAC adopted the required conditions and procedures in bid evaluation
- 2. To verify if the BAC followed the required **timeline** in the conduct of bid evaluation.
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for the evaluation:

- 1. Minutes of Bid Opening;
- 2. Checklists for technical and financial envelopes;
- 3. Abstract of Bids as Read;
- 4. BAC Resolution(s) on the preliminary examination of bids;
- 5. TWG report on the bid evaluation for determination of the bidder with the LCB, as reviewed by the BAC;
- 6. Abstract of Bids as Calculated;
- 7. Minutes of the BAC meeting on bid evaluation;
- 8. Resolution of the BAC declaring the LCB;
- 9. Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 10. Invitation letters to the Observers with evidence of receipt.

| Audit Sub-objective | | Suggested Au | dit Wo | rking | Paper |
|---|---|------------------------|--------|-------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the BAC | 1. From the <i>Minutes of Bid</i> | Did the BAC conduct | | | |
| conducted detailed | Opening, Checklists for | detailed evaluation of | | | |
| evaluation of all bidders | technical and financial | all bidders who | | | |
| whose first envelope | envelopes, Abstract of Bids | passed in the | | | |
| (technical component) | as Read, and BAC | preliminary | | | |
| and second envelope | Resolutions identify the bidders who were rated | examination of bids? | | | |
| (financial component) | "passed" in all aspects and | | | | |
| were rated passed | compare with the names of | | | | |
| li di | the bidders included in the | | | | |
| Implementing Rules and | bid evaluation (from the | | | | |
| Regulations (IRR) of RA 9184, as | TWG report, as reviewed by | | | | |
| amended on September 2, 2009: | the BAC, <i>Minutes</i> of the BAC | | | | |
| , | meeting on bid evaluation, | | | | |
| • 30.2Only bids that are | and Resolution of the BAC | | | | |
| determined to contain all the bid | declaring the LCB). | | | | |
| requirements for both | | | | | |
| components shall be rated | | | | | |
| "passed" and shall immediately | | | | | |
| be considered for <u>evaluation</u> | | | | | |
| and comparison. | | | | | |
| | | | | | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | orkina | Paper |
|---|---|---|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify if the BAC considered completeness and arithmetical corrections of the financial component of the bids in the detailed evaluation Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 2. From the TWG report, as reviewed by the BAC, <i>Minutes</i> of the BAC meeting on bid evaluation, and <i>Resolution of the BAC</i> declaring the LCB, look for the information on the evaluation of completeness of financial component of the bids. | Did the BAC evaluate the completeness of the financial component of the bids: For Goods offered from within the Philippines: a. Item? | | | |
| 32.2.1 – The BAC shall immediately conduct a detailed evaluation of all bids using non- discretionary criteria in | | b. Description? c. Country of Origin? | | | |
| considering the following: (a) <u>Completeness of the bid</u> – Unless the Instruction to Bidders specifically allow | | d. Quantity? e. Unit Price EXW per item? | | | |
| partial bids, bids not addressing or providing all of the required items in the Bidding Documents including, where applicable, bill of | | f. Cost of local labor, raw material, and component? g. Total price EXW | | | |
| quantities, shall be considered non-responsive and, thus, automatically disqualified. In this regard, where a required | | per item? h. Unit prices per item final | | | |
| item is provided, but no price is indicated, the same shall be considered as non-responsive, but specifying a "0" (zero) for the said item would mean | | destination and unit price of other incidental services? | | | |
| that it is being offered for free to the Government; and (b) <u>Arithmetical corrections</u> – Consider computational errors and omissions to enable | | i. Sales and other taxes payable per item if Contract is awarded? | | | |
| proper comparison of all eligible bids. It may also consider bid modifications it expressly allowed in the | | j. Total price delivered Final Destination? | | | |
| Bidding Documents [AS AMENDED BY GPPB RESOLUTION NO. 06-2009 DATED SEPT 30, 2009] Any | | For Goods Offered from Abroad: a. Item? | | | |
| adjustment shall be calculated in monetary terms to determine the calculated prices. | | b. Description? c. Country of | | | |
| 32.2.2. The BAC shall evaluate all bids on an equal footing to ensure fair and competitive bid comparison. For this purpose, | | Origin? d. Quantity? | | | |
| all bidders shall be required to include the cost of all taxes, | | e. Unit price CIF port of entry | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|---|-----|----|------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| such as, but not limited to, value added tax (VAT), income tax, local taxes, and other fiscal levies and duties which shall be itemized in the bid form and reflected in the detailed estimates. Such bids, including said taxes, shall be the basis for bid evaluation and comparison. | | (specified port) or CIF named place (specified border point or place of destination)? f. Total CIF or CIF price per item? g. Unit price Delivered Duty | | | the Answer | |
| | | Unpaid (DDU)? h. Unit price Delivered Duty Paid (DDP)? i. Total Price Delivered DDP? | | | | |
| | | Did the BAC consider non-responsive and, thus, automatically disqualified bids not addressing or providing all of the required items in the Bidding Documents? | | | | |
| | | Did the BAC consider non-responsive and, thus, <u>automatically</u> <u>disqualified</u> bids that did not indicate the price for a required item? | | | | |
| | 3. From the TWG report with supporting documents and duly reviewed by the BAC, <i>Minutes</i> of the BAC meeting on bid evaluation, and <i>Resolution of the BAC</i> declaring the LCB, look for the information on the evaluation of <u>arithmetical accuracy</u> of financial component of the bids. | Did the BAC evaluate the arithmetical accuracy of financial components of bids in terms of: a. computational errors? b. omissions? | | | | |
| | | c. other bid modification, if allowed in the Bidding Documents? | | | | |

| Audit Sub-objective | | | Suggested Audit Working Paper | | | | |
|--|---|--|-------------------------------|----|------------------------------|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| 3. To verify if the BAC disqualified bidders whose bids as calculated were higher than the ABC Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 31.1 – The ABC shall be the upper limit or ceiling for acceptable bid prices. If a bid price, as evaluated and calculated in accordance with this IRR, is higher than the ABC, the bidder submitting the same shall be automatically disqualified. There shall be no lower limit or floor on the amount of the award. | 4. Analyze the TWG report, as reviewed by the BAC, <i>Minutes</i> of the BAC meeting on bid evaluation, <i>Abstract of Bids as Calculated</i> , and <i>Resolution of the BAC</i> declaring the LCB, in regard to disqualified bidders whose bids are higher than the ABC. | Did the BAC disqualify bidders whose bids as calculated were higher than the ABC? | | | | | |
| 4. To verify if the BAC prepared the Abstract of Bids as Calculated with the required information Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • Section 32.3 – After all bids have been received, opened, examined, evaluated, and ranked, the BAC shall prepare the corresponding Abstract of Bids The Abstract of Bids shall contain the following: (a) Name of the contract and its location, if applicable; (b) Time, date and place of bid opening; and (c) Names of bidders and their corresponding calculated bid prices arranged from lowest to highest, the amount of bid security and the name of the issuing entity. | 5. Check for completeness of the information contained in the Abstract of Bids as Calculated and if this was signed by the members of the BAC. | Did the BAC prepare the Abstract of Bids as calculated with the following information: a. Name of the contract? b. Location? c. Time of bid opening? d. Date of bid opening? e. Place of bid opening? f. Names of bidders and their corresponding calculated bid prices g. Calculated bid prices arranged from lowest to highest? h. Amount of bid security? i. Name of the issuing entity? | | | | | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | rking | Paper |
|--|---|--|---------|-------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | j. Names and signatures of the Chairman and members of the BAC? | | | the Answer |
| 5. To verify if the BAC declared rank 1 in the Abstract of Bids as Calculated as the Lowest Calculated Bid (LCB) Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 32.2.4. Bids shall then be ranked in the ascending order of their total calculated bid prices, as evaluated and corrected for computational errors, and other bid modifications, to identify the Lowest Calculated Bid. Total calculated bid prices, as evaluated and corrected for computational errors, and other bid modifications, which exceed the ABC shall be disqualified. 32.3. After all bids have been received, opened, examined, evaluated, and ranked, the BAC shall prepare the corresponding Abstract of Bids. | 6. Analyze the TWG report, as reviewed by the BAC, Minutes of the BAC meeting on bid evaluation, Abstract of Bids as Calculated, and Resolution of the BAC declaring the LCB, in regard to disqualified bidders whose bids are higher than the ABC. | Did the BAC declare rank 1 in the Abstract of Bids as Calculated as the Lowest Calculated Bid (LCB)? | | | |
| 6. To verify if the BAC notified the bidder with the LCB Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 34.2. Within three (3) calendar days from receipt by the bidder of the notice from the BAC that the bidder has the Lowest Calculated Bid or Highest Rated Bid, the bidder shall submit the following documentary requirements to the BAC: | 7. Obtain a copy of the notice issued by the BAC to the bidder with the LCB and check for receipt by the bidder. | Did the BAC notify the bidder with the LCB? | | | |
| 7. To verify if the BAC observed quorum Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 12.3 Quorum | 8. From the Office Order creating the BAC, determine the number of BAC members and identify the Chairman or Vice-Chairman.9. From the <i>Minutes of Bid</i> | Was there a quorum of the BAC? | | | |

| Audit Sub-objective | Suggested Audit Working | | | | | | | |
|--|---|---|------|------|------------------------------|--|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | | |
| A majority of the total BAC composition as designated by the Head of the Procuring Entity shall constitute a quorum for the transaction of business, provided that the presence of the Chairman or Vice-Chairman shall be required. | Evaluation, check for the presence of the Chairman or Vice-Chairman and if majority of the BAC members or representatives/alternates attended the proceedings. | | | | | | | |
| 8. To verify if the BAC completed the evaluation process within seven (7) calendar days from the deadline for receipt of proposals | 10. From the <i>Invitation to Bid</i> and BAC Resolution determine the number of days from the deadline for receipt of proposals and the completion of the bid evaluation. | Did the BAC complete the evaluation process within seven (7) calendar days from the Bid Submission Deadline? | | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 32.4 The entire evaluation process shall be completed within seven (7) calendar days from the deadline for receipt of proposals. | | | | | | | | |
| INVOLVEMENT OF BAC OBSEIDECISION ON MOTIONS FOR | | ATION INCLUDING | EVAL | UATI | ON AND | | | |
| 9. To verify if the BAC invited Observers: a. representing the COA, the specific relevant chamber-member of the Philippine Chamber of Commerce and Industry, and a non-government organization (NGO) from the procuring entity's Pool of Observers; b. that have: b.1. knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b.2. no actual or potential conflict of interest in the contract to be bid; and b.3. conformed with other relevant criteria determined by the BAC; c. at least 3 calendar days prior to the start of the activity | 11. From the Minutes of the BAC meeting on the selection of the Observer from the "pool", check for information on the BAC's evaluation in regard to: • the selection of the organization from which the Observer will be invited; • knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; • no actual or potential conflict of interest in the contract to be bid; and • conformed with other relevant criteria determined by the BAC. | Did the BAC choose the Observers considering: a. one representing the COA? b. One representing the specific relevant chambermember of the Philippine Chamber of Commerce and Industry? c. One representing a non-government organization? d. With knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid? | | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | e. With no actual or potential conflict of interest in the | | | | | | |

| Audit Sub-objective | Suggested Audit Wo | | | rking | Paper |
|---|--|---|-----|-------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 13. Observers 13.1. To enhance the transparency of the process, the BAC shall, in all stages of the procurement process, invite, in addition to the representative of the COA, at least two (2) observers, who shall not have the right to vote, to sit in its proceedings where: a) At least one (1) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hand, for example: i) ii) For goods, a specific relevant chamber-member of the Philippine Chamber of Commerce and Industry. iii) and b) The other observer shall come from a non-government organization (NGO). 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they | 12. From certified copies of the invitations to the Observers with evidence of receipt and the date of the start of bid evaluation, compare the period with the 3-day minimum requirement. | f. Conformed with other relevant criteria determined by the BAC? Did the BAC invite the observers at least 3 days before the date of the bid evaluation? | | | tile Aliswei |
| 10. To verify if the Procuring Entity considered the comments/observations of the Observers Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 13.4. The observers shall have | 13. Based on the BAC's Minutes on the bid evaluation and the report of the Observers check whether a deliberation was made on the comments /observations of the observers. | Did the Procuring Entity consider the comments/ observations of the Observers? | | | |

| Audit Sub-objective | | Suggested A | Audit Wa | rkina | Paper |
|---------------------------------------|------------------------------|----------------------|--------------|-------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| - Main omena | 710011711100 | Addit Question | 103 | INO | the Answer |
| the following responsibilities: | | | | | |
| a) To prepare the report either | | | | | |
| jointly or separately indicating | | | | | |
| their observations made on the | | | | | |
| procurement activities | | | | | |
| conducted by the BAC for | | | | | |
| submission to the Head of the | | | | | |
| Procuring Entity, copy furnished | | | | | |
| 0 3 .3 | | | | | |
| the BAC Chairman. The report | | | | | |
| shall <u>assess</u> the extent of the | | | | | |
| BAC's compliance with the | | | | | |
| provisions of this IRR and areas | | | | | |
| of improvement in the BAC's | | | | | |
| proceedings; | | | | | |
| b) To submit their report to the | | | | | |
| procuring entity and furnish a | | | | | |
| copy to the GPPB and Office of | | | | | |
| the Ombudsman/Resident | | | | | |
| Ombudsman. If no report is | | | | | |
| submitted by the observer, | | | | | |
| then it is understood that | | | | | |
| the bidding activity | | | | | |
| conducted by the BAC | | | | | |
| followed the correct | | | | | |
| procedure; and | | | | | |
| c) To immediately inhibit and | | | | | |
| notify in writing the procuring | | | | | |
| entity concerned of any actual | | | | | |
| or potential interest in the | | | | | |
| contract to be bid. | | | | | |
| Sometic to be sid. | | | | | |
| 13.5. Observers shall be allowed | | | | | |
| access to the following | | | | | |
| documents upon their request, | | | | | |
| subject to signing of a | | | | | |
| confidentiality agreement: (a) | | | | | |
| minutes of BAC meetings; | | | | | |
| (b) abstract of Bids; (c) | | | | | |
| post-qualification summary | | | | | |
| report; (d) APP and related | | | | | |
| PPMP; and (e) opened | | | | | |
| proposals. | | | | | |
| | | | | | |
| EVALUATING AUDIT EVIDENCE | CES GATHERED AND COM | MUNICATING THE | RESUL | TS O | F AUDIT |
| 1. To verify the effects of | Analyze the instances of | | | | |
| instances of non- | non-compliances to establish | Appropriate Audit Wo | rking Par | oers | |
| compliance on the: | the effects and develop | | , · | | |
| · | appropriate audit | | | | |
| a. validity of the | recommendations. | | | | |
| procurement activities | | | | | |
| and outputs including the | Also determine if | | | | |
| validity of the resulting | appropriate actions were | | | | |
| contract; | taken by the auditee in | | | | |
| · | regard to instances of non- | | | | |
| b. validity of any payment | compliance. | | | | |
| to be made on the basis | | | | | |
| of the contract; | | | | | |
| or the continuot, | | l | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|---|----------------------------------|----------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | NOTE. | | | | the Answer |
| c. etc. and develop appropriate audit recommendations | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit Work | ting Pap | oers | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mem applicable | orandu | ım (AO | M), if |

X. POST-QUALIFICATION FOR THE PROCUREMENT OF GOODS

The Lowest Calculated Bid (LCB) shall undergo post-qualification in order to determine whether the bidder concerned complies with and is responsive to all the requirements and conditions as specified in the Bidding Documents.

A. AUDIT OBJECTIVES:

- To verify if the BAC adopted the required conditions and procedures in the conduct of post-qualification
- 2. To verify if the BAC followed the required **timeline** in the conduct of post-qualification
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for evaluation:

- 1. Minutes of the BAC meetings on post-qualification;
- Copy of the BAC Secretariat's Receiving logbook indicating information on receipt of the: a) Tax clearance, b) Latest income and business tax returns, c) Certificate of PhilGEPS Registration; and d) Other appropriate licenses and permits required by law and stated in the Bidding Documents, submitted by the bidder with the LCB;
- 3. Copy each of the documents submitted by the bidder with the LCB;
- 4. BAC Resolution disqualifying the bidder and forfeiting its bid security, if the bidder with the LCB did not comply with the required submissions;
- 5. Documents evidencing the BAC's validation of the veracity of the documents submitted and the information thereon;
- 6. Copy of the BAC Resolution disqualifying the bidder and forfeiting its bid security, if the BAC had a finding against the veracity of the documents/ information thereon;
- 7. TWG report on the post-qualification conducted, including supporting documents (e.g. inspection reports), as reviewed by the BAC; evidencing:
 - 7.1. validation of the authenticity of the documents submitted and information thereon;
 - 7.2. validation of compliance of the goods offered with the requirements specified in the Bidding Documents, duly supported with: inspection reports on the goods offered and test results;
 - 7.3. validation of the sufficiency of the bid security as to type, amount, form and wording, validity period;
 - 7.4. validation of compliance with the financial requirements of the LCB;
 - 7.5. conduct of analysis and concluding on the post-qualification or disqualification of the bidder, as the case may be;
- 8. TWG report(s) on the evaluation of the post-disqualified bidder(s)' request for reconsideration, as reviewed by the BAC;
- 9. Minutes of the post-qualification activities;
- 10. BAC Resolution declaring the LCRB;
- 11. Copy of the document approved by the HOPE extending the period for the post-qualification process, if applicable;
- 12. Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 13. Reports of the BAC Observers.



| Audit Sub-objective | | Suggested | Audit W | /orkin | n Paper |
|--|---|--|---------|--|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| - Haan omena | Addit Activities | Addit Question | 103 | NO | the Answer |
| 1. To verify whether the | From the records of | Did the bidder with | | | THE ATTOMET |
| bidder whose bid was | the BAC, check the date | the LCB submit | | | |
| | when the bidder with the | within 3 calendar | | | |
| declared by the BAC as LCB | LCB submitted the: a) Tax | days from receipt | | | |
| submitted the following | clearance, b) Latest | of the notice as | | | |
| documents within 3 calendar | income and business tax | LCB: | | | |
| days from its receipt of the | returns, c) Certificate of | | | | |
| notice: | PhilGEPS Registration; | a. Tax Clearance? | | | |
| a) Tax clearance; | and d) Other appropriate | | | | |
| b) Latest income and | licenses and permits | | | | |
| business tax returns; | required by law and | b. Latest income | | | |
| c) Certificate of PhilGEPS | stated in the Bidding | and business tax | | | |
| Registration; and | Documents and compare this with the date of | returns? | | | |
| d) Other appropriate licenses | receipt of the notice that | | | | |
| and permits required by | the bidder has the LCB. | c. Certificate of | | | |
| law and stated in the | o piagoi rius tric Lob. | PhilGEPS | | | |
| Bidding Documents. | 2. Ask for copies of the | Registration? | | | |
| | documents submitted | 3 , | | | |
| Implementing Rules and Regulations | from the BAC Secretariat | | | | |
| (IRR) of RA 9184, as amended on | and compare them with | d. Other | | | |
| September 2, 2009: | the requirements. | appropriate | | | |
| • 34.2. Within three (3) calendar | | licenses and | | | |
| days from receipt by the bidder of | | permits required by | | | |
| the notice from the BAC that the | | law and stated in | | | |
| bidder has the Lowest Calculated | | the Bidding | | | |
| Bid or Highest Rated Bid, the bidder shall submit the following | | Documents? | | | |
| documentary requirements to the | | | | | |
| BAC: | | | | | |
| a) Tax clearance; | | | | | |
| b) Latest income and business tax | | | | | |
| returns; | | | | | |
| c) Certificate of PhilGEPS | | | | | |
| Registration; and | | | | | |
| d) Other appropriate licenses and | | | | | |
| permits required by law and | | | | | |
| stated in the Bidding | | | | | |
| Documents. | | | | | |
| 2. To world, if the DAC | 3. If based on the | Did the BAC forfait | | 1 | |
| 2. To verify if the BAC: | 3. If based on the validation conducted in 1. | Did the BAC forfeit the bid security and | | | |
| 2.1. determined the veracity | and 2. above, the | disqualify the | | | |
| of the documents | submissions were found | bidder for award | | | |
| submitted and | to be incomplete and/or | because of failure | | | |
| 2.2. forfeited the bid security | not on time, obtain a copy | to submit the | | | |
| and disqualified the | of the BAC Resolution | required | | | |
| bidder for award for | disqualifying the bidder | documents on | | | |
| reason that; | and forfeiting its bid | time? | | | |
| a. the bidder failed to | security. | | | | |
| submit the required | | | | | |
| documents on time, | | | | | |
| and/or | 4. Obtain from the BAC | Did the BAC forfeit | | | |
| b. there was a finding | Secretariat documents | the bid security and | | | |
| against the veracity of | evidencing the BAC's | disqualify the | | | |
| the documents/ | validation of the veracity | bidder for award | | | |
| information | of the documents | because of a | | | |
| | submitted and the | finding against the | | L | 1 |

| Audit Sub-objective | | Suggested | Audit W | Vorkino | n Paper |
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| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.2. Within three (3) calendar days from receipt by the bidder of the notice from the BAC that the bidder has the Lowest Calculated Bid or Highest Rated Bid, the bidder shall submit the following documentary requirements to the BAC: a) Tax clearance; b) Latest income and business tax returns; c) Certificate of PhilGEPS Registration; and d) Other appropriate licenses and permits required by law and stated in the Bidding Documents. Failure to submit the above requirements on time or a finding against the veracity of such shall be ground for the forfeiture of the bid security and disqualify the bidder for award. | information thereon and check the results of such validation. If the BAC had a finding against the veracity of the documents/ information thereon, obtain a copy of the BAC Resolution disqualifying the bidder and forfeiting its bid security. | veracity of the documents/ information? | | | THE ALISWEI |
| 3. To verify if the BAC conducted post-qualification on the bidder with the Lowest Calculated Bid (LCB) Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.1 The Lowest Calculated Bid shall undergo post-qualification in order to determine whether the bidder concerned complies with and is responsive to all the requirements and conditions as specified in the Bidding Documents. | 5. Match the name of the bidder with the LCB as indicated in the BAC Resolution declaring the LCB with the name of the bidder indicated in the Post-Qualification Report. | Did the BAC conduct post-qualification on the bidder with the Lowest Calculated Bid (LCB)? | | | |
| 4. To verify if the BAC verified, validated, and ascertained that the bidder with the LCB is: a. a duly licensed Filipino citizen/sole proprietor, or b. a Partnerships duly organized under the laws of the Philippines and of which at least sixty percent (60%) of the interest belongs to citizens of the Philippines, or | 6. Secure from the BAC Secretariat the TWG report, as reviewed by the BAC, evidencing validation of the authenticity of the: a) DTI Registration Certificate, duly supported with: • the DTI-certified copy of the Registration Certificate and • DTI certificate that the sole proprietor is | Did the BAC validate the authenticity of the Registration documents submitted by the bidder? | | | |

| Audit Sub-objective | | Suaaested | l Audit W | /orkina | n Paper |
|---|---|--------------------------|-----------|---------|------------------------------|
| _ | Audit Activities | | | | |
| - Fladit Official | Addit Addivides | Addit Question | 103 | 140 | |
| c. a Corporation duly organized under the laws of the Philippines, and of which at least sixty percent (60%) of the outstanding capital stock belongs to citizens of the Philippines, or d. Cooperatives duly organized under the laws of the Philippines, and of which at least sixty percent (60%) belongs to citizens of the Philippines, and of which at least sixty percent (60%) belongs to citizens of the Philippines, or e. Joint Venture - that Filipino ownership or interest of the joint venture concerned shall be at least sixty percent (60%). Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid/Highest Rated Bid, using non-discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited | Audit Activities (based on the application for registration filed by the bidder with the DTI), if the bidder is a sole proprietorship; b. SEC registration and of the 60% Filipino ownership, duly supported with: • the SEC-certified copy of the Registration Certificate, if the bidder is a partnership; c. SEC registration and of the 60% Filipino ownership, duly supported with: • SEC-certified copy of the Registration Certificate and • SEC-certified copy of the Registration Certificate and • SEC-certified copy of the Articles of Incorporation if the bidder is a corporation. | Suggested Audit Question | Yes Yes | /orking | Particulars of the Answer |
| Rated Bid, using non-discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: a) Legal Requirements. To verify, validate, and ascertain licenses, certificates, permits, and agreements submitted by the bidder, and the fact that it is not included in any "blacklist" as provided in Section 25.2 of this IRR. For this purpose, the GPPB shall maintain a consolidated file of all "blacklisted" suppliers, contractors, and consultants. 23.5.1. For the procurement of goods: 23.5.1.1. The following shall be eligible to participate in the bidding for the supply of goods: a) Duly licensed Filipino citizens/ sole proprietorships; | Incorporation if the bidder is a corporation. d. CDA registration and of the 60% Filipino ownership, duly supported with: CDA-certified copy of the Registration Certificate and CDA certificate that at least sixty percent (60%) belongs to citizens of the Philippines if the bidder is a cooperative e. Joint Venture individual partner's: DTI, SEC, or CDA registrations and of the 60% Filipino ownership duly supported with the DTI-, SEC-, or | | | | |
| b) <u>Partnerships</u> duly organized under the laws of the Philippines and of which at least sixty percent | CDA-certified Certificate, as the case may be and DTI-, SEC- | | | | |

| Audit Sub-objective | | Suggested | Audit W | /orking | g Paper |
|---|--|---|---------|---------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| (60%) of the interest belongs to citizens of the Philippines; c) Corporations duly organized under the laws of the Philippines, and of which at least sixty percent (60%) of the outstanding capital stock belongs to citizens of the Philippines; d) Cooperatives duly organized under the laws of the Philippines, and of which at least sixty percent (60%) belongs to citizens of the Philippines; or e) Persons/ entities forming themselves into a joint venture, i.e., a group of two (2) or more persons/entities that intend to be jointly and severally responsible or liable for a particular contract: Provided, however, That Filipino ownership or interest of the joint venture concerned shall be at least sixty percent (60%). For this purpose, Filipino ownership or interest shall be based on the contributions of each of the members of the joint venture as specified in their JVA. | , or CDA-certified documents evidencing ownership. 7. Compare the data/documents in 6. above with the documents submitted by the bidder to validate authenticity and extent of Filipino ownership. | Did the BAC validate if the bidder is a Filipino, for a sole proprietorship? Did the BAC validate if the Partnership or Corporation or Cooperative or Joint Venture is at least 60% Filipino owned? | | | THE 7 HISWEI |
| 5. To verify if the BAC verified, validated, and ascertained that the Mayor's Permit submitted by the bidder with the LCB was issued by the city or municipality where the principal place of business of the prospective bidder is located Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid/Highest Rated Bid, using non-discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: a) Legal Requirements. To verify, validate, and ascertain licenses, certificates, permits, and | 8. Secure from the BAC Secretariat the TWG report, as reviewed by the BAC, evidencing validation of the authenticity of the Mayor's Permit and whether it was issued by the city or municipality where the principal place of the business of the bidder is located, duly supported with: The LGU-certified copy of the Mayor's permit, and DTI-, SEC-, or CDA-certified Registration Certificate showing the bidder's principal place of business 9. Compare the data/documents in 8. above with the documents submitted by the bidder to validate authenticity and issuing entity is the city/municipality where the bidder's principal | Did the BAC validate the authenticity of the Mayor's Permit submitted by the bidder? Did the BAC verify, validate, and ascertain that the Mayor's Permit submitted by the bidder with the LCB was issued by the city or municipality where the principal place of business of the prospective bidder is located? | | | |

| Audit Sub-objective | | Suggested | Audit V | Vorkino | n Paper |
|---|---|---|---------|---------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| 1.0.0.0 | 1.00.00.00.00.00 | riddit Quostion | 103 | 110 | |
| agreements submitted by the bidder, and the fact that it is not included in any "blacklist" as provided in Section 25.2 of this IRR. For this purpose, the GPPB shall maintain a consolidated file of all "blacklisted" suppliers, contractors, and consultants. • 23.1. For purposes of determining the eligibility of bidders using the criteria stated in Section 23.5 of this IRR, only the following documents shall be required by the BAC, using the forms prescribed in the Bidding Documents,: a) Class "A" Documents Legal Documents I be a city or municipality where the principal place of business of the prospective bidder is located. 6. To verify if the BAC verified, validated, and ascertained compliance of the goods offered with the requirements specified in the Bidding Documents, including, where applicable: a. Verification and/or inspection and testing of the goods/product, b. after sales and/or maintenance capabilities, in applicable cases Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid/Highest Rated Bid, using non-discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: a) Legal Requirements | place of business is located. 10. Secure from the BAC Secretariat the TWG report, as reviewed by the BAC, evidencing validation of the goods offered with the requirements specified in the Bidding Documents, duly supported with: a. inspection reports on the goods offered; b. test results 11. Compare the results of validation in 10 above with the requirements in the Bidding Documents | Did the BAC verify, validate, and ascertain that the goods offered by the bidder with the LCB complied with the requirements specified in the Bidding Documents in terms of: a. specifications of the item? b. maintenance and/or after-sales capabilities? | | | the Answer |

| Audit Sub-objective | | Suggested | Audit V | /orkind | g Paper |
|---|--|--|---------|---------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| projects, or consulting services offered with the requirements specified in the Bidding Documents, including, where applicable: i) ii) Verification and/or inspection and testing of the goods/product, after sales and/or maintenance capabilities, in applicable cases, for the procurement of goods; 7. To verify if the BAC validated if the bidder with the LCB is not "blacklisted" Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid/Highest Rated Bid, using non-discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: a) Legal Requirements. To verify, validate, and ascertain licenses, certificates, permits, and agreements submitted by the bidder, and the fact that it is not included in any "blacklist" as provided in Section 25.2 of this IRR. For this purpose, the GPPB shall maintain a consolidated file of all "blacklisted" suppliers, contractors, and consultants. | 11. From the TWG report with supporting documents (e.g. consolidated file of all "blacklisted" suppliers maintained by the GPPB) duly reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, check for information showing the BAC's validation if the bidder with the LCB is not "blacklisted". | Did the BAC validate if the bidder with the LCB was not blacklisted? | | | the Answer |
| 8. To verify if the BAC validated the bidder's compliance with the "no relationship" provision embodied in Section 47 of the Revised IRR of RA No. 9184, i.e., that the bidder is not related by consanguinity or affinity up to the 3 rd civil degree to the: | 12. From the TWG report, as reviewed by the BAC, the Minutes of BAC meetings/ deliberations and BAC Resolution, check for information showing the BAC's validation that: a. the individual bidder in an individual or a sole proprietorship, is not related to the persons | Did the BAC validate the relationship of the bidder with the: a. HOPE? b. members of the BAC? c. members of the TWG? | | | |

| Audit Sub-objective | | Suggested | Audit \ | Morkin | n Danor |
|--|--|---------------------------------|---------|--------|----------------|
| Audit Sub-objective Audit Criteria | Audit Activities | | | | _ |
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| a. HOPE, | mentioned in Sec. 47, | | | | |
| b. members of the BAC, | Amended IRR of RA | d. members of the | | | |
| c. members of the TWG, | 9184; | BAC Secretariat? | | | |
| d. members of the BAC | b. all the officers and | . h l . C.th | | | |
| Secretariat, | members of the bidder | e. head of the | | | |
| e. head of the Project | partnership are not | Project | | | |
| Management Office (PMO), | related to the persons | Management | | | |
| f. head of the end-user unit, | mentioned in Sec. 47, Amended IRR of RA | Office (PMO)? | | | |
| g. project consultants | 9184; | f. head of the end- | | | |
| g. project consultants | c. all the officers, | user unit? | | | |
| Section 47. Disclosure of Relations | directors, and | user unit: | | | |
| All bids shall be accompanied by a | controlling | g. project | | | |
| sworn affidavit of the bidder that it is | stockholders of the | consultants? | | | |
| not related to the Head of the | bidder corporation are | consultants. | | | |
| Procuring Entity, members of the | not related to the | | | | |
| BAC, the TWG, and the BAC | persons mentioned in | | | | |
| Secretariat, the head of the PMO or | Sec. 47, Amended IRR | | | | |
| the end-user unit, and the project | of RA 9184. | | | | |
| consultants, by consanguinity or | | | | | |
| affinity up to the third civil degree. | | | | | |
| Failure to comply with the | 13. From the TWG report, | Did the BAC | | | |
| aforementioned provision shall be a | as reviewed by the BAC, | automatically | | | |
| ground for the automatic | the Minutes of BAC | disqualify the | | | |
| disqualification of the bid in | meetings/deliberations | bidder found to be | | | |
| consonance with Section 30 of this | and BAC Resolution, | related within the | | | |
| IRR. For this reason, relation to the | check for information | 3 rd civil degree of | | | |
| aforementioned persons within | showing the BAC's | consanguinity or | | | |
| the third civil degree of | decision/action in case of | affinity with the | | | |
| consanguinity or affinity shall | violation with the "no | persons listed in | | | |
| automatically disqualify the bidder from participating | relationship" provision. | Section 47 of the | | | |
| in the procurement of contracts | | Revised IRR of RA | | | |
| of the procuring entity. On the | | 9184? | | | |
| part of the bidder, this | | | | | |
| provision shall apply to the following | | | | | |
| persons: | | | | | |
| a) If the bidder is an individual or a | | | | | |
| sole proprietorship, to the bidder | | | | | |
| himself; | | | | | |
| b) If the bidder is a partnership, to all | | | | | |
| its officers and members; | | | | | |
| c) If the bidder is a corporation, to all | | | | | |
| its officers, directors, and | | | | | |
| controlling stockholders; and | | | | | |
| d) If the bidder is a joint venture, the | | | | | |
| provisions of items (a), (b), or (c) | | | | | |
| of this Section shall | | | | | |
| correspondingly apply to each of | | | | | |
| the members of the said joint | | | | | |
| venture, as may be appropriate. | | | | | |
| O To verify if the DAC | 14. Request from the BAC | 1. Did the BAC | 1 | | |
| 9. To verify if the BAC | Secretariat, for the | ascertain the | | | |
| verified, validated, and | document evidencing that | sufficiency of the | | | |
| ascertained sufficiency of the | the TWG ascertained the | bid security as to: | | | |
| bid security as to: | sufficiency of the bid | 2.4 30041119 43 10. | | | |
| a. type, | security. | a. type? | | | |
| | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|---|--|-----|----|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| b. amount, c. form and wording, and d. validity period. | | b. amount? c. form and word? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid, using non- discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: a) Legal Requirements b) Technical Requirements. i) ii) iii) iv) Ascertainment of the sufficiency of the bid security as to type, amount, form and wording, and validity period; | | d. validity period? | | | |
| 10. To verify if the BAC verified, validated, and ascertained if the Net Financial Contracting Capacity (NFCC) is at least equal to the ABC or the Credit Line Certificate (CLC) in favor of the prospective bidder if awarded the contract is at least 10% of the ABC | 15. From the TWG report duly reviewed by the BAC with supporting documents from the appropriate authorities (e.g. certified true copy of the financial statements with the Income Tax Return, bank that issued the CLC), the Minutes of BAC | Did the BAC verify, validate, and ascertain the financial requirements of the LCB as to: a. CLC at least equal to 10% of the ABC. | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid, using non-discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: a) Legal Requirements b) Technical Requirements c) Financial Requirements To verify, validate and ascertain the bid price proposal of the bidder and, whenever applicable, the required CLC in | meetings/deliberations and BAC Resolution, check for information showing the bidder's: a. CLC must be at least equal to 10% of the ABC. Or b. NFCC must be at least equal to the ABC | b. NFCC at least equal to the ABC? | | | |

| Audit Sub-objective | | Suggested | Audit V | Vorking | g Paper |
|---|---|--|---------|---------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| the amount specified and over the period stipulated in the Bidding Documents, or the bidder's NFCC to ensure that the bidder can sustain the operating cash flow of the transaction. • 23.5.1.4. If the prospective bidder submits a computation of its NFCC, the NFCC must be at least equal to the ABC to be bid, calculated as follows: NFCC = [(Current assets minus current liabilities) (K)] minus the value of all outstanding or uncompleted portions of the projects under ongoing contracts, including awarded contracts yet to be started coinciding with the contract to be bid. Where: K = 10 for a contract duration of one year or less, 15 for a contract duration of more than one year up to two years, and 20 for a contract duration of more than two years. If the prospective bidder submits a CLC, the CLC must be at least equal to ten percent (10%) of the ABC to be bid. If the CLC is issued by a foreign Universal or Commercial Bank, it shall be confirmed or authenticated by LGUs, the prospective bidder may also submit CLC from other banks certified by the BSP as authorized to issue such financial instrument. | | | | | the Answer |
| 11. To verify if the BAC declared the post-qualified LCB as the Lowest Calculated Responsive Bid (LCRB) Implementing Rules and Regulations | 16. From the post qualification report of the TWG, as reviewed by the BAC, check if the LCB passed all the criteria for post qualification. | Did the LCB pass post-qualification? | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: • 34.4. If the BAC determines that the bidder with the Lowest Calculated Bid passes all the criteria for post-qualification, it shall declare the said bid as the | 17. Match the name of the LCRB as approved by the HOPE with the name of bidder as indicated in the BAC resolution recommending LCRB. | Did the BAC declare the LCB as the Lowest Calculated Responsive Bid (LCRB)? | | | |

| Audit Sub-objective | | Suggested | Audit V | Vorkin | g Paper |
|---|--|--|---------|--------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Lowest Calculated Responsive Bid, and recommend to the Head of the Procuring Entity the award of contract to the said bidder at its submitted bid price or its calculated bid price, whichever is lower, or in the case of quality-based | | If Yes, proceed to: AWARD OF CONTRACT. | | | |
| evaluation procedure, submitted bid price or its negotiated price, whichever is lower. | | If No, proceed to the Audit Sub- Objectives in case of Post- disqualification of the bidder with the LCB. | | | |
| IN CASE OF POST-DISQUALIFIC | | R WITH THE LOWE | ST CAL | CULA | ATED BID |
| 1. To verify if the BAC, in case of post-disqualification of the LCB, immediately notified the LCB in writing of the post-disqualification with the grounds for it. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 1. From the records of the BAC Secretariat, check for information on the date of receipt by the post-disqualified bidder of the notice and for the grounds for disqualification indicated thereon. | Did the BAC immediately notify the LCB of the post-disqualification? Did the BAC indicate in the notice the grounds for post- | | | |
| 34.5. If, however, the BAC determines that the bidder with the Lowest Calculated Bid fails the criteria for post-qualification, it shall immediately notify the said bidder in writing of its post-disqualification and grounds for it. 34.6. Immediately after the BAC has notified the first bidder of its post-disqualification, and notwithstanding any pending request for reconsideration thereof, the BAC shall initiate and complete the same post-qualification process on the bidder with the second Lowest Calculated Bid | | disqualification? | | | |
| 2. To verify if the BAC conducted and completed the post-qualification of the second rank bidder using the same post-qualification process adopted for the LCB | 2. Look for the TWG report on the post-qualification of the second rank bidder as reviewed by the BAC. | Did the BAC conduct and complete the post-qualification of the second rank bidder? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on | 3. Repeat the audit activities of sub-objective nos.4 to 10 above. | Did the TWG adopt the same process of verifying, validating and | | | |

| Audit Sub-objective | | Suggested | Audit \ | Workin | g Paper |
|---|--|--|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| September 2, 2009: 34.6 the BAC shall initiate and complete the same post-qualification process on the bidder with the second Lowest Calculated Bid. | 4. Analyze the post- qualification reports of the TWG, as reviewed by the BAC, for the LCB and the second rank bidder to check whether the TWG adopted the same process of verifying, validating and ascertaining all statements made and documents submitted by the LCB and the second rank bidder. | ascertaining all statements made and documents submitted by the LCB and the second rank bidder? | | | |
| | 5. From the post qualification report of the TWG, as reviewed by the BAC, check if the second rank bidder passed the post qualification. | Did the second rank bidder pass the post- qualification? | | | |
| | NOTE: For each post- disqualification of the next-rank bidder, the BAC is to repeat the post-qualification process until the LCRB is declared for award. The related audit activities are likewise to be repeated. | If Yes, proceed to the Audit Subobjective to verify if the BAC declared the post-qualified second-rank bidder as the LCRB after a request for reconsideration of the LCB (first-rank, second-rank, or next-in-rank, a the case may be) has been denied | | | |
| | | If No, proceed to the Audit Sub- Objectives in case of Post- disqualification of the bidder with the LCB. | | | |
| 3. To verify if the BAC declared the post-qualified second-rank bidder as the LCRB after a request for | 6. From the Minutes of the BAC meeting, analyze if the BAC declared the post-qualified <i>second-rank</i> | Did the BAC declare the post- qualified <i>second-</i> <i>rank</i> bidder as the | | | |

| Audit Sub-objective | | Suggested | Audit V | /orkind | p Paper |
|---|--|---|---------|---------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| reconsideration of the LCB (first-rank) has been denied Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.6. Immediately after the BAC has notified the first bidder of its post-disqualification, and notwithstanding any pending request for reconsideration thereof, the BAC shall initiate and complete the same post-qualification process on the bidder with the second Lowest Calculated Bid. If the second bidder passes the post-qualification, and provided that the request for reconsideration of the first bidder has been denied, the second bidder shall be post-qualified as the bidder with the Lowest Calculated Responsive Bid. | bidder as the LCRB after a request for reconsideration of the LCB (first-rank) has been denied. 7. Match the name of the LCRB as approved by the HOPE with the name of bidder as indicated in the BAC resolution recommending the LCRB. | LCRB after a request for reconsideration of the LCB (first-rank) has been denied? | | | |
| 4. To verify if the BAC completed the post-qualification process in not more than seven (7) calendar days from the determination of the LCB or if extended, such extension was approved by the HOPE and not exceeding 30 calendar days • 34.8. The post-qualification process shall be completed in not more than seven (7) calendar days from the determination of the Lowest Calculated Bid. In exceptional cases, the post-qualification period may be extended by the Head of the Procuring Entity, but in no case shall the aggregate period exceed thirty (30) calendar days. | 8. Compute the number of days from the BAC Resolution declaring the LCB and the BAC Resolution declaring the LCRB, and compare this with the 7-calenday-day requirement. 9. If the BAC completed the post-qualification in more than seven (7) calendar days, secure a copy of the document approved by the HOPE extending the period for the post-qualification process. | Did the BAC complete the post-qualification process in not more than seven (7) calendar days from the determination of the LCB? If the BAC completed the post-qualification in more than seven (7) calendar days, was the extension approved by the HOPE? If the BAC completed the post-qualification in more than seven (7) calendar days, was the extension within the 30-calendar day maximum? | | | |
| 5. To verify if the BAC invited Observers: | 10. From the Minutes of the BAC meeting on the selection of the Observer | Did the BAC choose the Observers considering: | | | |
| a. representing the COA, the | from the "pool", check for | considering. | | | |

| Audit Sub-objective | | Suggested | Audit V | Vorking | n Paner |
|--|--|--------------------------|---------|---------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| ridan omena | Addit Activities | Addit Question | 103 | 140 | the Answer |
| specific relevant chamber- | information on the BAC's | a. one | | | THE ATTOMET |
| member of the Philippine | evaluation in regard to: | representing the | | | |
| Chamber of Commerce and | • the selection of the | COA? | | | |
| Industry, and a non- | organization from | 337 | | | |
| government organization | which the Observer | b. One | | | |
| (NGO) from the procuring | will be invited: | representing the | | | |
| entity's Pool of Observers; | knowledge, experience | specific relevant | | | |
| b. that have: | or expertise in | chamber- | | | |
| b.1. knowledge, experience or | procurement or in the | member of the | | | |
| expertise in procurement or in | subject matter of the | Philippine | | | |
| the subject matter of the | contract to be bid; | Chamber of | | | |
| contract to be bid; | no actual or potential | Commerce and | | | |
| b.2. no actual or potential | conflict of interest in | Industry? | | | |
| conflict of interest in the | the contract to be bid; | | | | |
| contract to be bid; and | and | c. One | | | |
| b.3. conformed with other | conformed with other | representing a | | | |
| relevant criteria determined by | relevant criteria | non-government | | | |
| the BAC; | determined by the | organization? | | | |
| c. at least 3 calendar days | BAC. | | | | |
| prior to the Post- | | d. With | | | |
| | | knowledge, | | | |
| qualification | | experience or | | | |
| Implementing Rules and Regulations | | expertise in | | | |
| (IRR) of RA 9184, as amended on | | procurement or | | | |
| September 2, 2009: | | in the subject | | | |
| , | | matter of the | | | |
| Section 13. Observers | | contract to be | | | |
| 13.1. To enhance the transparency of | | bid? | | | |
| the process, the BAC shall, in all | | e. With no actual | | | |
| stages of the | | | | | |
| procurement process, invite, in | | or potential conflict of | | | |
| addition to the representative of the | | interest in the | | | |
| COA, at least two (2) observers, who | | contract to be | | | |
| shall not have the right to vote, to sit | | bid? | | | |
| in its proceedings where: | | Dia. | | | |
| a) At least one (1) shall come from a | | f. Conformed with | | | |
| duly recognized private group in a | | other relevant | | | |
| sector or discipline relevant to the | | criteria | | | |
| procurement at hand, for example: | | determined by | | | |
| i) | | the BAC? | | | |
| ii) For goods, a specific relevant | | | | | |
| chamber-member of the | | | | <u></u> | |
| Philippine Chamber of Commerce | 11. From certified copies | Did the BAC invite | | | |
| and Industry. iii) and | of the invitations to the | the observers at | | | |
| b) The other observer shall come | Observers with evidence | least 3 days before | | | |
| from a non-government | of receipt, compare the | the date of the | | | |
| organization (NGO). | date of receipt with the 3- | post-qualification? | | | |
| organization (1400). | day minimum | | | | |
| 13.2. The observers shall come from | requirement. | | | | |
| an organization duly registered with | | | | | |
| the Securities | | | | | |
| and Exchange Commission (SEC) or | | | | | |
| the Cooperative Development | | | | | |
| Authority (CDA), and should meet the | | | | | |
| following criteria: | | | | | |
| a) Knowledge, experience or | | | | | |

| Avalit Cula alaia ativa | | Comments | I Aal!# \/ | N/ = -! | - Danas | | |
|---|---|----------------------|------------|----------|---------------------------|--|--|
| Audit Sub-objective | Aalia Aaliial | Suggested | | | | | |
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| expertise in procurement or in the subject matter of the contract to be bid; | | | | | | | |
| b) Absence of actual or potential conflict of interest in the contract to be bid; and | | | | | | | |
| c) Any other relevant criteria that may be determined by the BAC. | | | | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The | | | | | | | |
| absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | | |
| | | | | | | | |
| EVALUATING AUDIT EVIDENCE | | MUNICATING THE | E RESU | LTS O | F AUDIT | | |
| 1. To verify the effects of instances of non-compliance on the: | Analyze the instances of non-compliance to establish the effects and develop appropriate audit | Appropriate Audit Wo | orking Pa | pers | | | |
| a. validity of the procurement activities and outputs including the validity of the resulting contract; | recommendations. Also determine if | | | | | | |
| b. validity of any payment to be made on the basis of the contract; | appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | | | |
| c. etc. | | | | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the OFFENSES AND | | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | PENALTIES portion of this <i>Audit Guide</i> . | | | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Wo | orking Pa | pers | | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of | | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|-------------------------------|---------|--------|---------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| | non-compliance. | | I | L | 1 | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Me | emorand | um (AC | OM), if applicable | |

XI. AWARD OF CONTRACT FOR THE PROCUREMENT OF GOODS

A. AUDIT OBJECTIVES:

- 1. To verify if the conditions and procedures for the award of contract were adhered to by the procuring entity
- 2. To verify if the award was made within the prescribed period
- 3. To verify if the conditions/requirements, procedures and timelines for entering into and approval of the contract were adhered to by the procuring entity

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for the evaluation:

- 1. Minutes of the BAC meeting on post-qualification;
- 2. BAC Resolution declaring the LCRB and recommending award, approved by the HOPE with the following supporting documents:
 - a. Abstract of Bids,
 - b. Duly approved delivery schedule and Cost Estimates,
 - c. Document issued by appropriate entity authorizing the procuring entity to incur obligations for a specified amount,
 - d. Other pertinent documents required by existing laws, rules and/or the procuring entity concerned.
- 3. Notice of Award signed by the HOPE, with date of release to and receipt by the winning bidder:
- 4. Copy of the bid security of the winning bidder stamped received by the BAC Secretariat;
- 5. Copy of the portions of the receiving records of the BAC, with information on the date of submission of the Joint Venture Agreement (JVA), if the winning bidder is a Joint Venture; and the date of posting of the performance security;
- 6. Copy of the performance security posted by the winning bidder;
- Copy of the complete set of contract documents duly signed and approved by higher authorities:
- 8. Copy of the policy and schedule of approving authorities;
- 9. Evidences of postings at the PhilGEPS and the procuring entity's websites;
- 10. Evidences of postings at the conspicuous place at the premises of the procuring entity;
- 11. Copy of the document with the approval of the contract by higher authorities;
- 12. Copy of the document with the HOPE's disapproval of the award and the justifications thereto, duly received by the BAC;
- 13. In case of disapproval of the BAC's recommendation for award, copy of the document with the HOPE's instructions on the steps to be adopted by the BAC.
- 14. Copy of the Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 15. Copy of the reports of the BAC Observers.

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|----------------------------|-------------------------------|-------------------------------|-----|----|--------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the |
| | | | | | Answer |
| 1. To verify if the BAC | 1. Compare the LCRB | Did the BAC | | | |
| recommended the bidder | determined by the BAC in its | recommend to the | | | |
| with the Lowest Calculated | deliberations (per Minutes of | HOPE the award of | | | |
| Responsive Bid (LCRB) or | the BAC meeting) with the | contract to the | | | |



| Audit Sub-objective | | Suggested A | udit W | orking | Paper |
|---|---|----------------------|--------|----------|-------------|
| Audit Criteria | | Audit Question | Yes | No | Particulars |
| | Audit Activities | | | | of the |
| | | | | | Answer |
| Single Calculated Responsive | LCRB recommended for award | bidder with LCRB? | | | |
| Bid (SCRB), if lone, to the | in the BAC Resolution. | | | | |
| HOPE for award | | | | | |
| Implementing Dules and Degulations | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on | · | | | | |
| September 2, 2009: | | | | | |
| • 37.1.1. The BAC shall recommend | | | | | |
| to the Head of the Procuring | | | | | |
| Entity the award of contract to the | | | | | |
| bidder with the Lowest Calculated | | | | | |
| Responsive Bid or the Single | | | | | |
| Calculated Responsive Bid after the post qualification process has | | | | | |
| been completed. | | | | | |
| To facilitate the approval of the | | | | | |
| award, the BAC shall submit the | | | | | |
| following supporting documents to | | | | | |
| the Head of the Procuring Entity: | | | | | |
| a) Resolution of the BAC | | | | | |
| recommending award; b) Abstract of Bids; | | | | | |
| c) Duly approved program of | | | | | |
| work or delivery schedule, and | | | | | |
| Cost Estimates; | | | | | |
| d) Document issued by | | | | | |
| appropriate entity authorizing the | | | | | |
| procuring entity to incur obligations for a specified amount; | | | | | |
| and | | | | | |
| e) Other pertinent documents | | | | | |
| required by existing laws, rules | | | | | |
| and/ or the procuring entity | | | | | |
| concerned. | | | | | |
| 2. To verify if the BAC | 2. From the BAC Chairman's | Did the BAC submit | + | | |
| submitted the following | letter for the HOPE submitting | the following | | | |
| documents to the HOPE with | the results and the documents | documents to the | | | |
| the recommendation for | pertaining to the | HOPE with the | | | |
| award: | recommendation, duly | recommendation | | | |
| a. Resolution of the BAC | received by the Office of the HOPE, look for information on | for award: | | | |
| recommending award; | the documents submitted. | a. Resolution of | | | |
| b. Abstract of Bids; | and deciments submitted. | the BAC | | | |
| c. Duly approved delivery | | recommending | | | |
| schedule and Cost | | award? | | | |
| Estimates; | | b Abstract -f | | | |
| d. Document issued by | | b. Abstract of Bids? | | | |
| appropriate entity | | Dias: | | | |
| authorizing the procuring | | c. Duly approved | | | |
| entity to incur | | delivery | | | |
| obligations for a specified | | schedule and | | | |
| amount; and | | Cost | | | |
| e. Other pertinent documents required by | | Estimates? | | | |
| aocuments required by | 1 | 1 | | <u> </u> | |

| Audit Sub-objective | | Suggested A | udit W | orking | Paper |
|--|---|--|--------|--------|---------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| existing laws, rules and/or the procuring entity concerned Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 37.1.1. The BAC shall recommend to the Head of the Procuring Entity the award of contract to the bidder with the Lowest Calculated Responsive Bid or the Single Calculated Responsive Bid after the post qualification process has been completed. To facilitate the approval of the award, the BAC shall submit the following supporting documents to the Head of the Procuring Entity: a) Resolution of the BAC recommending award; b) Abstract of Bids; c) Duly approved program of work or delivery schedule, and Cost Estimates; d) Document issued by appropriate entity authorizing the procuring entity to incur obligations for a specified amount; and e) Other pertinent documents required by existing laws, rules and/ or the procuring entity concerned. | | d. Document issued by appropriate entity authorizing the procuring entity to incur obligations for a specified amount? e. Other pertinent documents required by existing laws, rules and/or the procuring entity concerned? | | | |
| 3. To verify if the HOPE, or his/her duly authorized official, approved the LCRB recommended by the BAC for award within 7 calendar days from the date of receipt of the recommendation from the BAC (15 calendar days for GOCCs/GFIs) | 3. Determine the number of days from the date of receipt by the HOPE of the recommendation for award to the date of approval and compare with the 7-day or 15-day period. | Did the HOPE approve the BAC recommendation for award within the 7-calendar-day period (or 15- calendar-day period for GOCCs/GFIs)? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 37.1.2. Within a period not exceeding seven (7) calendar days from the date of receipt of the recommendation of the BAC, the Head of the Procuring Entity shall approve or disapprove the said | | | | | |

| Audit Sub-objective | | Suggested A | udit W | orking | Paper |
|--|--|---|--------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| recommendation. | | | | | |
| 4. In case of approval, to verify if the Notice of Award was immediately issued to the bidder with the Lowest Calculated Responsive Bid as recommended by the BAC and approved by the HOPE Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 37.1.3. In case of approval, the Head of the Procuring Entity shall immediately issue the Notice of Award to the bidder with the Lowest Calculated Responsive Bid. In the event the Head of the Procuring Entity shall disapprove such recommendation, such | 4. Compare the name of the LCRB recommended by the BAC and approved by the HOPE (per BAC Resolution declaring the LCRB and recommending award, approved by the HOPE) with the name of the bidderawardee in the Notice of Award. 5. Compare the date of release of the Notice of Award with the date of approval of the BAC Resolution recommending the award. | Was the Notice of Award immediately issued to the bidder with the Lowest Calculated Responsive Bid as recommended by the BAC and approved by the HOPE? | | | |
| disapproval shall be based only on valid, reasonable, and justifiable grounds to be expressed in writing, a copy furnished the BAC. • 37.1.5. Contract award shall be made within the bid validity period provided in Section 28 of this IRR • Annex "C" – Period of Action on Procurement Activities | 6. Compare the date of the release of the Notice of Award with the expiry date of the bid validity period. | Was the award made within the bid validity period of the bid security? | | | |
| 5. To verify if the BAC notified all the losing bidders within the 7 calendar day period (same period provided for the HOPE to approve/disapprove the BAC's Resolution) Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 7. From the notices to the losing bidders, look for the date of its receipt and compare with the 7-day or 15-day requirement. 8. Also compare the names of the losing bidders notified with those appearing in the Abstract of Bids as Read. | Did the BAC notify all the losing bidders within the 7 calendar day or 15 calendar day period (same period provided for the HOPE to approve/disapprove the BAC's Resolution)? | | | |
| 37.1.2. Within a period not exceeding seven (7) calendar days from the date of receipt of the recommendation of the BAC, the Head of the Procuring Entity shall approve or disapprove the said recommendation In the case of GOCCs and GFIs, the period provided herein shall be fifteen (15) calendar days. Within the same period provided herein the | | | | | |

| Audit Sub-objective | | Suggested A | udit W | orking | Paper |
|---|---|---|--------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| BAC shall notify all losing bidders of its decision. | | | | | |
| 6. To verify if the BAC posted the Notice of Award within 3 days from its issuance at the: a. PhilGEPS website, b. website of the procuring entity, and c. any conspicuous place in the premises of the procuring entity. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 37.1.6. The BAC, through the Secretariat, shall post, within three (3) calendar days from its issuance, the Notice of Award in the PhilGEPS, the website of the procuring entity, if any, and any conspicuous place in the premises of the procuring entity. | 9. Access the PhilGEPS website and the website of the procuring entity, and conduct inspection of the area where the Notice of Award is to be posted on the 3 rd day from the issuance of the Notice of Award to the winning bidder. | Did the BAC post the Notice of Award: a. within 3 days from its issuance at the PhilGEPS website? b. within 3 days from its issuance at the website of the procuring entity? And c. within 3 days from its issuance at any conspicuous place in the premises of the procuring entity? | | | |
| 7. To verify if the procuring entity observed the following conditions for the execution of the contract: a) Submission of valid joint venture agreement, if applicable, within 10 days from receipt of the Notice of Award by the winning Joint Venture bidder, b) Posting of performance security within ten (10) calendar days from receipt by the winning | 10. From the receiving records of the BAC, compare the date of submission of the Joint Venture Agreement (JVA) with the required 10 days from receipt of the Notice of Award. 11. From the receiving records of the BAC, compare the date of posting of the performance security with the required 10 days from receipt of the Notice of Award; also compare with the date of the signing of the contract. | Did the bidder submit the JVA within ten (10) calendar days from receipt of the notice of award? Was the performance security posted within ten (10) calendar days from receipt by the winning bidder of the Notice of Award & prior to the | | | |
| bidder of the Notice of Award & prior to the signing of the contract in the required amount, currency, form, issuing entity, and valid until the issuance by the procuring entity of the final certificate of acceptance, c) Signing of the contract within the same ten (10) day period provided that | currency, form, issuing entity, and validity period of the performance security posted by the winning bidder with the requirements of Sec 39.2 of the Revised IRR of RA 9184. 13. Compare the date of signing of the contract with | signing of the contract? Was the performance security posted in the: a. right amount? b. right currency? c. right form? | | | |

| • Audit Criteria | A Ita A | Audit Question | V ₀ 0 | NIA | L D .: 1 |
|---|--|---|------------------|-----|---------------------------------|
| | Audit Activities | | Yes | No | Particulars of the Answer |
| requirements are complied with, d) Approval by higher authority, if required, within 15 days from receipt (25 days for GOCCs) Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 37.1.4. Notwithstanding the issuance of the Notice of Award, award of contract shall be subject to the following conditions: a) Submission of the following | equired 10-day period receipt of the Notice of d. compare the signatory poval) in the contract with athorized signatory as red by relevant ations/policies and as a by a copy of a valid nument or office order. compare the date of val of the contract by a rauthority with the 15-reciod from receipt (25 for GOCCs). | d. right issuing entity? e. right validity period? Was the contract signed within 10 calendar days from receipt of the Notice of Award by the winning bidder? If further approval by higher authority is required, was the contract approved by appropriate approving authority or his/her duly authorized representative? Was the contract approved by higher authority within 15 calendar days? (25 calendar days for GOCCs)? | | | Answer |

| Audit Sub-c | bjective | | Suggested A | udit W | orking | Paper |
|---|--|------------------|----------------|--------|--------|---------------------------------|
| • Audit C | | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Form of Performance Security | Amount of Performance Security (Equal to Percentage of the Total Contract Price | | | | | |
| a) Cash, cashier's/ manager's check issued by a Universal or Commercial Bank b) Bank draft/ guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank; Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank. c) Surety bond | Two percent (2%) | | | | | |
| callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security. d) Any combination of the foregoing. | Proportionate to share of form with | | | | | |
| • 37.2. Contract S 37.2.1. The winning post the required Security and enter with the procuring ten (10) calendar receipt by the win the Notice of Awa 37.2.2. The procurin enter into contrac winning bidder with ten (10) day perio all the documenta are complied with | p bidder shall Performance r into contract g entity within days from ening bidder of rd. ng entity shall t with the thin the same and provided that ary requirements | | | | | |

| Audit Sub-objective | | Suggested A | ıdit W | orkina | Paner |
|--|---|--|--------|--------|-------------|
| Audit Criteria | | Audit Question | Yes | No | Particulars |
| | Audit Activities | | | | of the |
| | | | | | Answer |
| 37.3. Contract Approval by Higher Authority When further approval of higher authority is required, the approving authority for the contract or his duly authorized representative shall be given maximum of fifteen (15) calendar days from receipt thereof to approve or disapprove it. 38.3. If no action on the contract is taken by the Head of the Procuring Entity or the appropriate approving authority within the periods specified in this IRR, the contract concerned shall be deemed approved: Provided, however, That where further approval by the Office of the President is required, the contract shall not be deemed approved unless and until the Office of the President gives actual approval to the contract concerned. | | | | | |
| 8. To verify if the BAC invited Observers: a. representing the COA, the specific relevant chambermember of the Philippine Chamber of Commerce and Industry, and a nongovernment organization (NGO) from the procuring entity's Pool of Observers; b. that have: b.1. knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b.2. no actual or potential conflict of interest in the contract to be bid; and b.3. conformed with other relevant criteria determined by the BAC; c. at least 3 calendar days prior to the start of the activity Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 16. From the Minutes of the BAC meeting on the selection of the Observer from the "pool", check for information on the BAC's evaluation in regard to: • the selection of the organization from which the Observer will be invited; • knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; • no actual or potential conflict of interest in the contract to be bid; and • conformed with other relevant criteria determined by the BAC. | Did the BAC choose the Observers considering: a. one representing the COA? b. One representing the specific relevant chambermember of the Philippine Chamber of Commerce and Industry? c. One representing a non-government organization? d. With knowledge, experience or expertise in procurement or in the subject matter of the contract to be | | | |

| Audit Sub-objective | | Suggested A | <u>ork</u> ing | ng Paper | | |
|--|---|---|----------------|----------|---------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| • Section 13. Observers 13.1. To enhance the transparency of the process, the BAC shall, in all stages of the procurement process, invite, in addition to the representative of the COA, at least two (2) observers, who shall not have the right to vote, to sit in its proceedings where: a) At least one (1) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hand, for example: i) ii) For goods, a specific relevant chamber-member of the Philippine Chamber of Commerce and Industry. iii) and b) The other observer shall come from a non-government organization (NGO). 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | 17. From certified copies of the invitations to the Observers with evidence of receipt, compare the date of receipt with the 3-day minimum requirement. | e. With no actual or potential conflict of interest in the contract to be bid? f. Conformed with other relevant criteria determined by the BAC? Did the BAC invite the observers at least 3 days from the date of the bid evaluation? | | | | |
| 9. To verify if the Procuring Entity considered the comments/observations of the Observers Implementing Rules and Regulations (IRR) of RA 9184, as amended on | 18. Based on the Minutes of BAC's meetings and the report of the Observers check whether a deliberation was made on the comments/observations of the observers. | Did the Procuring Entity consider the comments/ observations of the Observers? | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|-----------------------------|--|-----|----|-------------|--|
| Audit Criteria | | Audit Question | Yes | No | Particulars | |
| | Audit Activities | 7.0.0 20.00 | | | of the | |
| | | | | | Answer | |
| 13.4. The observers shall have | | | | | - | |
| the following responsibilities: | | | | | | |
| a) To prepare the report either | | | | | | |
| jointly or separately indicating | | | | | | |
| their observations made on the | | | | | | |
| procurement activities conducted | | | | | | |
| by the BAC for submission to the | | | | | | |
| Head of the Procuring Entity, | | | | | | |
| copy furnished the BAC | | | | | | |
| Chairman. The report shall <u>assess</u> the extent of the BAC's | | | | | | |
| compliance with the provisions of | | | | | | |
| this IRR and areas of | | | | | | |
| improvement in the BAC's | | | | | | |
| proceedings; | | | | | | |
| b) To submit their report to the | | | | | | |
| procuring entity and furnish a | | | | | | |
| copy to the GPPB and Office of | | | | | | |
| the Ombudsman/Resident | | | | | | |
| Ombudsman. If no report is | | | | | | |
| submitted by the observer, then it is understood that the | | | | | | |
| bidding activity conducted by | | | | | | |
| the BAC followed the correct | | | | | | |
| procedure; and | | | | | | |
| c) To immediately inhibit and notify | | | | | | |
| in writing the procuring entity | | | | | | |
| concerned of any actual or | | | | | | |
| potential interest in the contract | | | | | | |
| to be bid. | | | | | | |
| 13.5. Observers shall be allowed | | | | | | |
| access to the following | | | | | | |
| documents upon their request, | | | | | | |
| subject to signing of a | | | | | | |
| confidentiality agreement: (a) | | | | | | |
| minutes of BAC meetings; (b) | | | | | | |
| abstract of Bids; (c) post- | | | | | | |
| qualification summary report; | | | | | | |
| (d) APP and related PPMP; and (e) opened proposals. | | | | | | |
| ана (е) ореней ріорозаіз. | | | | | | |
| 10. To verify if the contract | 19. Obtain from the BAC | Are the contract | | | | |
| is complete | Secretariat or the Project | documents | | | | |
| io compioto | Management Office or the | complete, | | | | |
| Implementing Rules and Regulations | Office responsible for | consisting of the | | | | |
| (IRR) of RA 9184, as amended on | project implementation/ | following: | | | | |
| September 2, 2009: | contract execution for a | a) Contract | | | | |
| • 37.2.3. The following documents | copy of the complete set of | Agreement; | | | | |
| shall form part of the contract: | documents comprising the | b) Bidding | | | | |
| a) Contract Agreement; | contract and compare with | Documents; | | | | |
| b) Bidding Documents; | the requirements. | c) Winning bidder's bid, including the | | | | |
| c) Winning bidder's bid, including the Eligibility requirements, | the requirements. | Eligibility | | | | |
| Technical and Financial | | requirements, | | | | |
| Proposals, and all other | | Technical and | | | | |
| documents/statements | | Financial | | | | |

| Audit Sub-objective | | Suggested A | udit W | orkina | Paper |
|--|---------------------------------|--|----------|----------|-------------|
| Audit Criteria | | Audit Question | Yes | No | Particulars |
| 7.00.7.0 | Audit Activities | Addit Question | 103 | 110 | of the |
| | | | | | Answer |
| submitted; | | Proposals, and all | | | 71137761 |
| d) Performance Security; | | other | | | |
| e) Credit line in accordance with | | documents/statem | | | |
| the provisions of this IRR, if | | ents submitted; | | | |
| applicable; | | d) Performance | | | |
| f) Notice of Award of Contract; | | Security; | | | |
| and | | e) Credit line in | | | |
| g) Other contract documents that | | accordance with | | | |
| may be required by existing | | the provisions of | | | |
| laws and/or the procuring entity | | this IRR, if | | | |
| concerned in the Bidding | | applicable; | | | |
| Documents, | | f) Notice of Award of Contract; and | | | |
| | | g) Other contract | | | |
| | | documents that | | | |
| | | may be required by | | | |
| | | existing laws | | | |
| | | and/or the | | | |
| | | procuring entity | | | |
| | | concerned in the | | | |
| | | Bidding | | | |
| | | Documents, such | | | |
| | | as the construction | | | |
| | | schedule and S- | | | |
| | | curve, manpower | | | |
| | | schedule, | | | |
| | | construction | | | |
| | | methods, equipment | | | |
| | | utilization schedule, | | | |
| | | construction safety | | | |
| | | and health program | | | |
| | | approved by the | | | |
| | | Department of | | | |
| | | Labor and | | | |
| | | Employment, and | | | |
| | | PERT/CPM for | | | |
| | | infrastructure | | | |
| | | projects? | <u> </u> | <u> </u> | <u></u> |
| IN CASE OF DISAPPROVAL BY FOR THE PROCUREMENT OF G | | ECOMMENDATION | FOR | AWAI | KD – |
| 1. In case of disapproval by | 1. If the HOPE disapproved the | In case of | | | |
| the HOPE, verify if the: | recommendation for award, | disapproval by the | | | |
| a. grounds for such were | look for the document | HOPE of the BAC's | | | |
| | indicating the grounds for such | recommendation, | | | |
| expressed in writing and | with evidence of receipt of a | did the HOPE | | | |
| a copy furnished to the | copy thereof by the BAC. | express the | | | |
| BAC, and | | grounds for such | | | |
| b. written instructions on the | | and furnished a | | | |
| subsequent steps to be | | copy to the BAC? | | | |
| adopted were given to | 2. Also look for the document | | | | |
| the BAC | indicating the instructions | In case of | | | |
| Implementing Dules and Demilette | given by the HOPE on the | disapproval by the | | | |
| Implementing Rules and Regulations | subsequent steps to be | HOPE of the BAC's | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: | adopted by the BAC. | recommendation, | | | |
| JEPIEIIIUEI 2, 2007. | I | did the HOPE give | l | l | |



| Audit Sub-objective | | Suggested A | udit W | orking | Paper |
|---|---|--|--------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| • 37.1.3. In case of approval, the Head of the Procuring Entity shall immediately issue the Notice of Award to the bidder with the Lowest Calculated Responsive Bid. In the event the Head of the Procuring Entity shall disapprove such recommendation, such disapproval shall be based only on valid, reasonable, and justifiable grounds to be expressed in writing, a copy furnished the BAC. Generic Procurement Procedures for Goods, June 2006, published by the GPPB: • How is a contract awarded? 5 In case of disapproval of the recommendation of award the HOPE shall state the reasons for disapproval and instruct the BAC on the subsequent actions to be adopted. | | instructions to the BAC on the subsequent actions to be adopted? | | | |
| IN CASE OF FAILURE, REFUSAL DOCUMENTS AND ENTER INTO 1. To verify if the BAC: | | | | | |
| a. disqualified, b. forfeited the bid security of and c. recommended the imposition of sanctions to the winning bidder who, through his fault, failed, refused or was unable: | BAC: • documenting the fact- finding to establish if the winning bidder was responsible for his failure, refusal, or inability to: (a) to submit the documents required under Section 37.1 of the Revised IRR of | disqualify the winning bidder who, through his fault, failed, refused or was unable to: a. submit the documents required under | | | |
| a. to submit the documents required under Section 37.1 of the Revised IRR of RA 9184, or b. to make good its bid by entering into a contract with the procuring entity, | RA 9184, or (b) to make good its bid by entering into a contract with the procuring entity, or (c) post the required Performance Security within the period stipulated in the Revised IRR of RA 9184 or in the | Section 37.1 of the Revised IRR of RA 9184? or b. to make good its bid by entering into a contract with the | | | |
| or c. post the required Performance Security within the period stipulated in the Revised IRR of RA 9184 or in the Bidding Documents Implementing Rules and | Bidding Documents; documenting the deliberations/evaluation conducted and the decisions arrived at; documenting the recommendations made to the HOPE, look for information on the: | procuring entity? or c. post the required Performance Security within the period stipulated in the Revised | | | |



| Audit Sub-objective | | Suggested A | udit W | orking | Paper |
|---|--|---|--------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 40.1. If the bidder with the Lowest Calculated Responsive Bid or the bidder with the Single Calculated/Rated Responsive Bid, fails, refuses or is unable to submit the documents required under Section 37.1 of this IRR or to make good its bid by entering into a contract with the procuring entity or post the required Performance Security within the period stipulated in this IRR or in the Bidding Documents, the bid security shall be forfeited and the appropriate sanctions provided in this IRR and existing laws shall be imposed, except where such failure, refusal or inability is through no fault of the said bidder. | disqualification of the said bidder, forfeiture of the bid security and recommendation of the imposition of sanctions to the winning bidder. | IRR of RA 9184 or in the Bidding Documents? Did the BAC forfeit the bid security of the winning bidder who, through his fault, failed, refused or was unable to: a. submit the documents required under Section 37.1 of the Revised IRR of RA 9184? or b. to make good its bid by entering into a contract with the procuring entity? or c. post the required Performance Security within the period stipulated in the Revised IRR of RA 9184 or in the Bidding Documents? Did the BAC recommend the imposition of sanctions to the winning bidder who, through his fault, failed, refused or was unable to: a. submit the documents required under Section 37.1 of the Revised IRR of RA 9184? or b. to make good its bid by entering | | | Aniswei |

| Audit Sub-objective | | Suggested A | udit W | orking | Paper |
|---|--|--|--------|--------|---------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | | into a contract with the procuring entity? or c. post the required Performance Security within the period stipulated in the Revised IRR of RA 9184 or in the Bidding Documents? | | | |
| 2. To verify if the BAC, after disqualifying the winning bidder who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated, initiated and completed the post-qualification process on the bidder with the second Lowest Calculated Bid Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 40.2. In the case of the failure, | 2. From the records of the BAC, look for information on the disqualification of the winning bidder who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated. Look also for information on the conduct of post-qualification on the bidder with the second Lowest Calculated Bid. | Did the BAC, after disqualifying the winning bidder who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated, initiate and complete the post-qualification process on the bidder with the second Lowest Calculated Bid? | | | |
| refusal or inability of the bidder with the Lowest Calculated Responsive Bid/Highest Rated Responsive Bid to submit the documents required under Section 37.1 of this IRR or to enter into contract and post the required Performance Security, as provided in this Section, the BAC shall disqualify the said bidder, and shall initiate and complete the post-qualification process on the bidder with the second Lowest Calculated Bid/ | NOTE: For the audit on the Post-Qualification for the Procurement of Goods conducted by the BAC, perform the audit activities pertaining to these procurement activities in another part of this Guide. | | | | |
| 3. To verify if the BAC, after disqualifying the winning bidder with the Single Calculated Responsive Bid | 3. From the records of the BAC, look for information on the <u>disqualification</u> of the winning bidder with the SCRB | Did the BAC, after disqualifying the winning bidder with the SCRB who, due | | | |

| Audit Sub-objective | | Suggested Au | udit W | orking | Paper |
|---|--|---|----------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| (SCRB) who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated, declared the bidding a failure and conducted a re-bidding with re-advertisement and/or posting, as provided for in Sections 21 and 25 of the Revised IRR of RA 9184 Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 40.3. In the case of failure, refusal or inability of the bidder with the Single Calculated/Rated Responsive Bid to submit the documents required under Section 37.1 of this IRR or to enter into contract and post the required Performance Security, as provided in this Section, the BAC shall disqualify the said bidder, and shall declare the bidding a failure and conduct a re-bidding with readvertisement and/or posting, as provided for in Sections 21 and 25 of this IRR. Should there occur another failure of bidding after the conduct of the contract's rebidding, the procuring entity concerned may enter into a negotiated procurement. | who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated. Look also for information on the declaration of the bidding a failure and the conduct of a re-bidding with re-advertisement. NOTE: For the audit on the Failure of Bidding for the Procurement of Goods and on the Competitive/Public Bidding for the Procurement of Goods, perform the audit activities pertaining to these procurement activities in other parts of this Guide. | to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated, a. declare the bidding a failure? and b. conduct a re- bidding with re- advertisement and/or posting? | | | |
| EVALUATING AUDIT EVIDENCE | | NICATING THE RE | SULT | S OF | AUDIT |
| 1. To verify the effects of instances of non-compliance on the:a. validity of the procurement activities and | Analyze the instances of non- compliance to establish the effects and develop appropriate audit recommendations. | Appropriate Audit Wo | orking F | apers | |
| outputs including the validity of the resulting contract; | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| b. validity of any payment to be made on the basis of the contract; | NOTE: Also refer to the OFFENSES | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|------------------------------------|--------|--------|---------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| c. etc. | AND PENALTIES portion | | • | • | 1 | |
| and develop appropriate audit recommendations | of this Audit Guide. | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Working Papers | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Me applicable | emoran | dum (A | OM), if | |

XII. FAILURE OF BIDDING DECLARED BY THE B.A.C. FOR THE PROCUREMENT OF GOODS

A. AUDIT OBJECTIVE:

To verify if the conditions/requirements, procedures for the declaration of failure of bidding were adhered to by the procuring entity

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for the evaluation:

- 1. Documentary evidences that no bids were received;
- 2. Documentary evidences that all prospective bidders were declared ineligible;
- 3. Documentary evidences that all bids failed to comply with all the bid requirements;
- 4. Documentary evidences that all bids failed post-qualification;
- Documentary evidences that the bidder with the Lowest Calculated Responsive Bid refused, without justifiable cause, to accept the award of contract, and no award was made in accordance with <u>Section 40</u> of the RA 9184 and Revised IRR;
- 6. Minutes of the BAC meetings on post-qualification;
- 7. BAC Resolution declaring the bidding a failure;
- 8. Minutes of the BAC meetings with information on the review and evaluation conducted on the: (a) terms, (b) conditions, (c) specifications, and (d) cost estimates and the recommendations/decisions made possible revisions/adjustments;
- 9. Approved revised Bidding Documents;
- 10. Revised Approved Budget for the Contract (ABC);
- 11. Records of the re-bidding;
- 12. Copy of the Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 13. Copy of reports of the BAC Observers.

| Audit Sub-objective | | Suggested Audi | t Work | ina Pa | aner |
|---|--|---|--------|--------|---------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC declared a failure of bidding for reason that: a) No bids were received; or b) All prospective bidders were declared ineligible; or c) All bids failed to comply with all the bid requirements, or d) all bids failed post-qualification, or e) the bidder with the Lowest Calculated Responsive Bid refused, without justifiable cause, to accept the award of contract, and no award was made in accordance with Section 40 of the RA 9184 and Revised IRR Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 35.1. The BAC shall declare the bidding a failure when: a) No bids are received; b) All prospective bidders are declared ineligible; c) All bids fail to comply with all the bid requirements or fail post-qualification, or, in the case of consulting services, there is no successful negotiation; or d) The bidder with the Lowest Calculated Responsive Bid refuses, without justifiable cause, to accept the award of contract, and no award is made in accordance with Section 40 of the Act and this IRR. | 1. From the <i>Minutes</i> of BAC meetings and other records, look for information that: a) No bids were received; b) All prospective bidders were declared ineligible; c) all bids failed to comply with all the bid requirements, d) all bids failed post-qualification, d) the bidder with the Lowest Calculated Responsive Bid refused, without justifiable cause, to accept the award of contract, and no award was made in accordance with Section 40 of the RA 9184 and Revised IRR. | Did the BAC declare a failure of bidding for reason that: a) No bids were received? b) All prospective bidders were declared ineligible? or c) All bids failed to comply with all the bid requirements? or d) all bids failed post-qualification? or e) the bidder with the Lowest Calculated Responsive Bid refused, without justifiable cause, to accept the award of contract, and no award was made in accordance with Section 40 of the RA 9184 and Revised IRR? | | | |
| 2. To verify if the BAC determined the reason for the failed bidding by conducting a mandatory review and evaluation of the : a. terms, b. conditions, c. specifications, d. cost estimates | 2. From the minutes of the BAC meetings held for the purpose, look for information on the review and evaluation conducted on the: (a) terms, (b) conditions, (c) specifications, and (d) cost estimates and the recommendations/decisions made – possible | bid the BAC determine the reason for the failed bidding by conducting a mandatory review and evaluation of the: a. terms in the Bidding Documents? b. conditions in the | | | |

| Audit Sub-objective | | Suggested Audi | t Work | ing Pa | per |
|---|--|--|--------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| in the Bidding Documents | revisions/adjustments. | Bidding Documents? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 35.2. In order to determine the reason for the failed bidding, the BAC shall conduct a mandatory review and evaluation of the terms, conditions, and specifications in the Bidding Documents, including its cost estimates. | | c. specifications in the Bidding Documents? d. cost estimates? | | | |
| 3. To verify if the BAC and the concerned units/officials of the procuring entity, revised the following as a result of the review and evaluation conducted: a. terms, b. conditions, c. specifications, d. Approved Budget for the Contract (ABC); had them approved; and conducted a re-bidding with re-advertisement and/or posting Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 3. From the minutes of the BAC meetings held for the purpose and other records of the procuring entity, look for information on the revisions/adjustments made on the (a) terms, (b) conditions, (c) specifications, (d) ABC and approvals made thereon. | Did the BAC and the concerned units/officials of the procuring entity, revised the following as a result of the review and evaluation conducted: a. terms in the Bidding Documents? b. conditions in the Bidding Documents? c. specifications in the Bidding Documents? d. cost estimates? | | | |
| 35.3. Based on its findings, the BAC shall revise the terms, conditions, and specifications, and if necessary, adjust the ABC, subject to the required approvals, and conduct a re-bidding with readvertisement and/or posting, as provided for in Section 21.2 of this IRR | 4. From the records of the BAC look for information on the re-bidding conducted. | Did the BAC conduct a re-bidding? | | | |
| • 35.4. All bidders who have initially responded to the Invitation to Bid/Request for Expression of Interest and have been declared eligible or short listed in the previous biddings shall be allowed to submit new bids. The BAC shall observe the same process and set the new periods according to the same rules followed during the previous bidding(s). | NOTE: For the audit on the rebidding conducted perform the audit using the portion of this Guide on Competitive/Public Bidding for the Procurement of Goods. | | | | |

| Audit Sub-objective | | Suggested Audi | t Work | king Pa | aper |
|--|--|---|--------|---------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 4. To verify if the BAC invited Observers: a. representing the COA, the specific relevant chambermember of the Philippine Chamber of Commerce and Industry, and a nongovernment organization (NGO) from the procuring entity's Pool of Observers; b. that have: b.1. knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b.2. no actual or potential conflict of interest in the contract to be bid; and b.3. conformed with other relevant criteria determined by the BAC; c. at least 3 calendar days prior to the start of the activity Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • Section 13. Observers 13.1. To enhance the transparency of the process, the BAC shall, in all stages of the procurement process, invite, in addition to the representative of the COA, at least two (2) observers, who shall not have the right to vote, to sit in its proceedings where: a) At least one (1) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hand, for example: i) ii) For goods, a specific relevant chamber-member of the Philippine Chamber of Commerce and Industry. iii) and b) The other observer shall come from a non-government organization (NGO). 13.2. The observers shall come from an organization duly registered with the Securities | 5. From the Minutes of the BAC meeting on the selection of the Observer from the "pool", check for information on the BAC's evaluation in regard to: • the selection of the organization from which the Observer will be invited; • knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; • no actual or potential conflict of interest in the contract to be bid; and • conformed with other relevant criteria determined by the BAC. 6. From certified copies of the invitations to the Observers with evidence of receipt, compare the date of receipt with the 3-day minimum requirement. | Did the BAC choose the Observers considering: a. one representing the COA? b. One representing the specific relevant chamber-member of the Philippine Chamber of Commerce and Industry? c. One representing a non-government organization? d. With knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid? e. With no actual or potential conflict of interest in the contract to be bid? f. Conformed with other relevant criteria determined by the BAC? Did the BAC invite the observers at least 3 days from the date of the bid evaluation? | | | Answer |
| and Exchange Commission (SEC) or the Cooperative Development | | | | | |

| Audit Sub-objective | | Suggested Audi | t Work | ring Pa | aner |
|--|---|---------------------------|---------|---------|---------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COMMUI | L NICATING THE RESUL | TS OF | AUD | lT |
| 1. To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. and develop appropriate audit recommendations | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit Working | g Paper | rs. | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non- compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Working | g Papei | rs | |



| Audit Sub-objective | | Suggested Audi | t Work | ing Pa | iper |
|---|--|-------------------------------------|--------|--------|---------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memora applicable | andum | (AOM) | , if |

XIII. FAILURE OF BIDDING DECLARED BY THE HOPE FOR THE PROCUREMENT OF GOODS

A. AUDIT OBJECTIVE:

To verify if the conditions/requirements for the declaration of failure of bidding were adhered to by the procuring entity

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for the evaluation:

Documents on the declaration of failure of bidding by the HOPE with supporting documents on the existence of the grounds used to justify the said declaration that:

- 1. there was prima facie evidence of collusion between appropriate public officers or employees of the procuring entity, or
- 2. there was prima facie evidence of collusion between appropriate public officers or employees of the procuring entity, or
- 3. there was prima facie evidence of collusion between or among the bidders themselves
- 4. there was prima facie evidence of collusion between a bidder and a third party, or
- 5. there was prima facie evidence of any act which restricted, suppressed or nullified competition, or
- 6. the BAC was found to have failed in following the prescribed bidding procedures, or
- 7. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible, as determined by the Head of the Procuring Entity, or
- 8. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the project is no longer necessary as determined by the Head of the Procuring Entity, or
- 9. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the source of funds for the project has been withheld or reduced through no fault of the procuring entity.

| Audit Sub-objective | | Suggested Aud | lit Wor | king P | aper |
|------------------------------------|---|---------------------------------------|---------|--------|-------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars |
| | | | | | of the |
| 4 7 16 16 11 11005 | 1 | Did the HODE dealers | | | Answer |
| 1. To verify if the HOPE | 1. From the documents on the | Did the HOPE declare | | | |
| declared a failure of bidding for | declaration of failure of bidding | a failure of bidding for reason that: | | | |
| reason that: | by the HOPE, look for information on the reason for | for reason that: | | | |
| a tha from do /all atmoont for the | such declaration. | a. the | | | |
| a. the funds/allotment for the | Such designation. | funds/allotment | | | |
| program/project/activity | | for the | | | |
| has been withheld or | | program/project/a | | | |
| reduced through no fault of | | ctivity has been | | | |
| the procuring entity; | | withheld or | | | |
| b. there is prima facie evidence | | reduced through | | | |
| of collusion between: | | no fault of the | | | |
| b.1. appropriate public | | procuring entity? | | | |
| officers or employees of | | or | | | |
| the procuring entity, or | | b. there was prima | | | |
| b.2. between the BAC and | | facie evidence of | | | |
| any of the bidders , or | | collusion between | | | |
| any or the bluders ; or | | appropriate public | | | |



| Audit Sub-objective | | Suggested Aug | dit Wor | kina F | Paner |
|--|------------------|--------------------------------------|---------|--------|-------------|
| Audit Criteria | 0 | Audit Question | Yes | No | Particulars |
| , iaan emena | Audit Activities | ridan Quosnon | 100 | '' | of the |
| | | | | | Answer |
| b.3. among the bidders | | officers or | | | |
| themselves, or | | employees of the | | | |
| b.4. a bidder and a third | | procuring entity? | | | |
| party, | | Or | | | |
| including any act which | | c. there was prima facie evidence of | | | |
| restricts, suppresses or | | collusion between | | | |
| nullifies or tends to restrict, | | the BAC and any | | | |
| suppress or nullify | | of the bidders? | | | |
| competition; | | or | | | |
| or | | d. there was prima | | | |
| c. the BAC is found to have | | facie evidence of | | | |
| failed in following the | | collusion between | | | |
| prescribed bidding | | or among the | | | |
| procedures; | | bidders themselves? | | | |
| or | | Or | | | |
| d. the award of the contract | | e. there was prima | | | |
| will not redound to the | | facie evidence of | | | 1 |
| benefit of the GOP, for | | collusion between | | | |
| justifiable and reasonable | | a bidder and a | | | |
| grounds such as: (i) if the | | third party? | | | |
| physical and economic | | Or | | | |
| conditions have significantly | | f. there was prima | | | |
| changed so as to render the | | facie evidence of | | | |
| project no longer | | any act which restricted, | | | |
| economically, financially, or | | suppressed or | | | |
| technically feasible, as | | nullified | | | |
| determined by the Head of | | competition? | | | |
| the Procuring Entity; (ii) if | | or | | | |
| the project is no longer | | g. the BAC was | | | |
| necessary as determined by | | found to have | | | |
| the Head of the Procuring | | failed in following the prescribed | | | |
| Entity; and (iii) if the source | | bidding | | | |
| of funds for the project has | | procedures? | | | 1 |
| been withheld or reduced | | or | | | |
| through no fault of the | | h. the award of the | | | |
| procuring entity. | | contract will not | | | |
| Implementing Pules and Pagulations | | redound to the | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on | | benefit of the | | | |
| September 2, 2009: | | GOP, for justifiable and reasonable | | | |
| • | | grounds such as | | | |
| Section 41. The Head of the Procuring Entity reserves the right to | | the physical and | | | |
| Procuring Entity reserves the right to reject any and all bids, <u>declare a</u> | | economic | | | |
| failure of bidding, or not award the | | conditions have | | | |
| contract in the following situations: | | significantly | | | |
| a) If there is prima facie evidence of | | changed so as to | | | |
| collusion between appropriate public | | render the project | | | |
| officers or employees of the | | no longer | | | |
| procuring entity, or between the BAC | | economically, | | | |
| and any of the bidders, or if the | | financially, or technically | | | |
| collusion is between or among the | | feasible, as | | | |
| bidders themselves, or between a | | determined by the | | | 1 |
| bidder and a third party, including | | actorniniod by tile | 1 | | |

| Audit Sub-objective | | Suggested Aud | dit Wor | king F | Paper |
|--|------------------|--|---------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| any act which restricts, suppresses or nullifies or tends to restrict, suppress or nullify competition; b) If the BAC is found to have failed in following the prescribed bidding procedures; or c) For any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the GOP, as follows: (i) if the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible, as determined by the Head of the Procuring Entity; (ii) if the project is no longer necessary as determined by the Head of the Procuring Entity; and (iii) if the source of funds for the project has been withheld or reduced through no fault of the procuring entity. GPPB Circular 01-2009 dated 20 January 2009 Section 4.9 Pursuant to Section 41 of the IRR-A of R.A. 9184, the procuring entity reserves the right to declare a failure of bidding if the funds/allotment for the program/project/activity has been withheld or reduced through no fault of the procuring entities shall ensure that their bid documents expressly reserves their right to reject bids, declare a failure of bidding, and not to award the contract without incurring any liability if the funds/allotment for said program/project/activity has been withheld or reduced through no fault of its own. They are also encouraged to emphasize this reservation clause during pre-bid conference or submission of bids. | | Head of the Procuring Entity? Or i. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the project is no longer necessary as determined by the Head of the Procuring Entity? Or j. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the source of funds for the project has been withheld or reduced through no fault of the procuring entity? | | | |

| Audit Sub-objective | | Suggested Au | dit Wor | king F | Paper | |
|---|---|-------------------------------------|---------------------------------|--------|--------|--|
| • Audit Criteria | Audit Activities | Audit Question | Particulars of the Answer | | | |
| EVALUATING AUDIT EVIDENCES | GATHERED AND COMMUNI | CATING THE RESU | LTS OF | AUD | IT | |
| 1. To verify the effects of instances of non-compliance on the: | Analyze the instances of non- compliance to establish the effects and develop appropriate audit | Appropriate Audit Working Papers | | | | |
| a. validity of the procurement activities and outputs including the validity of the resulting contract; | recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances | | | | | |
| b. validity of any payment to be made on the basis of the contract; | of non-compliance. | | | | | |
| c. etc. | | | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the OFFENSES AND PENALTIES portion | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | of this Audit Guide. | | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non- compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion | Appropriate Audit Wor | king Pap | oers | | |
| 3. To communicate the results of the audit with the auditee's Management | of this <i>Audit Guide</i> . Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit | Audit Observation Men applicable | norandu | m (AO | M), if | |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | to Management | | | | | |



ALTERNATIVE METHODS OF PROCUREMENT FOR GOODS

On the Procurement Procedures:

LIMITED SOURCE BIDDING FOR GOODS

Procurement Procedures: LIMITED SOURCE BIDDING FOR GOODS

Limited Source Bidding, otherwise known as selective bidding, is a method of procurement of goods that involves direct invitation to bid by the procuring entity from the list of pre-selected suppliers with known experience and proven capability on the requirements of the particular contract.

I. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Limited Source Bidding was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the approved Annual Procurement Plan (APP);
- 2. evidences to support the conclusion that public bidding cannot be ultimately pursued;
- 3. list of the only suppliers who can supply the highly specialized types of goods subject of the specific procurement; or, list of the only suppliers of the major plant component;
- 4. Minutes of BAC meetings on the deliberations made;
- 5. BAC Resolution recommending the alternative method of procurement: Limited Source Bidding, duly approved by the HOPE.

| Audit Sub-objective | | Suggested Au | dit Wo | rking | Paper |
|--|--|--|--------|-------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC validated: a. that the original mode of procurement per APP was public bidding but cannot be ultimately pursued; and, b. the existence of the conditions | 1. From the evaluation report with supporting documents and minutes of the BAC's meetings and relevant BAC Resolution(s), look for information on the | Did the BAC validate that the original mode of procurement per APP was public bidding but cannot be ultimately pursued? | | | the Allswei |
| to justify Limited Source Bidding: b.1. Procurement of highly specialized types of goods (e.g., sophisticated defense equipment, complex air navigation systems, coal) where only a few suppliers are known to be available, such that resorting to the public bidding method will not likely result in any additional suppliers participating in the bidding; or | BAC's validation that the original mode of procurement per APP was public bidding but cannot be ultimately pursued and of the existence of the conditions to justify Limited Source Bidding. | Did the BAC validate the existence of the conditions to justify Limited Source Bidding: a. Procurement of highly specialized types of goods (e.g., sophisticated defense equipment, complex air navigation systems, coal) | | | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | rking | Paper |
|--|------------------|--|---------|-------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| b.2. Procurement of major plant components where it is deemed advantageous to limit the bidding to known qualified bidders in order to maintain uniform quality and performance of the plant as a whole; Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | where only a few suppliers are known to be available, such that resorting to the public bidding method will not likely result in any additional suppliers or consultants participating in the bidding? | | | |
| 48.2. In accordance with Section 10 of this IRR, as a general rule, the Procuring Entities shall adopt public bidding as the general mode of procurement and shall see to it that the procurement program allows sufficient lead time for such public bidding. Alternative methods shall be resorted to only in the highly exceptional cases provided for in this Rule. 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. 49.1. Limited Source Bidding, otherwise known as selective bidding, is a method of procurement of goods that involves direct invitation to bid by the procuring entity from the list of pre-selected suppliers with known experience and proven capability of the requirements of the particular contract. This alternative method of procurement may be employed under any of the following conditions: a) Procurement of highly specialized types of goods (e.g., sophisticated defense equipment, complex air navigation systems, coal) where only a few suppliers are known to be available, such that resorting to the | | b. Procurement of major plant components where it is deemed advantageous to limit the bidding to known qualified bidders in order to maintain uniform quality and performance of the plant as a whole? | | | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | rking | Paper |
|---|--|--|---------|-------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| result in any additional suppliers participating in the bidding; or | | | | | |
| b) Procurement of major plant components where it is deemed advantageous to limit the bidding to known qualified bidders in order to maintain uniform quality and performance of the plant as a whole. | | | | | |
| 2. To verify if the BAC: | 2. From the BAC | Did the BAC | | | |
| a. recommended the alternative mode of procurement: Limited Source Bidding to the HOPE, and b. the HOPE approved the alternative method of procurement | Resolution recommending Limited Source Bidding as the method of procurement, look for the approval of the HOPE. | recommend the alternative mode of procurement: Limited Source Bidding to the HOPE? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | Did the HOPE approve Limited Source Bidding as the method of | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | procurement? | | | |
| EVALUATING AUDIT EVIDENCES G | ATHERED AND COMMUI | VICATING THE RESU | JLTS (| OF AL | JDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if | Appropriate Audit Work | | | |
| resulting contract; b. validity of any payment to be made on the basis of the contract; | appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| c. etc. | NOTE: | | | | |
| and develop appropriate audit recommendations | Also refer to the OFFENSES AND PENALTIES portion of | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | this Audit Guide. | | | | |



| Audit Sub-objective | | Suggested Au | udit Wo | rking | Paper |
|---|--|---------------------------------|----------|-------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Work | king Pap | pers | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memapplicable | norandu | m (AC | OM), if |

LIMITED SOURCE BIDDING FOR GOODS II. BIDDING DOCUMENTS

NOTE:

Since the requirement of regulations is for the Procuring Entity to prepare the Bidding Documents including the Invitation to Bid (indicating therein the method of procurement to be used) and the technical specifications, in accordance with the procedures in the IRR, the Generic Procurement Manual and the Philippine Bidding Documents (PBDs), the audit pertaining to Bidding Documents shall be as indicated in the *Audit Guide for Bidding Documents in Competitive/Public Bidding for Goods*.

Audit Criteria:

- 49.4. The BAC of the concerned procuring entity shall directly invite <u>all the suppliers appearing in the preselected list</u>. <u>All other procedures for competitive bidding shall be undertaken, except for the advertisement of Invitation to Bid under Section 21.2.1 of the Revised IRR of RA 9184.</u>
- Manual of Procedures for the Procurement of Goods and Services, Volume 2
 The following steps are followed in conducting a limited source bidding:
 - I. ...
 - 2. The BAC, through the TWG and the BAC Secretariat, prepares the Bidding Documents including the Invitation to Bid (indicating therein the method of procurement to be used) and the technical specifications, in accordance with the procedures laid down in the IRR, this Manual and the PBDs.

III. PRE-PROCUREMENT CONFERENCE

NOTE:

Since the requirement of regulations is for the Procuring Entity to conduct Pre-Procurement Conference in accordance with the procedures in the IRR, the Generic Procurement Manual and the Philippine Bidding Documents (PBDs), the audit pertaining to Pre-Procurement Conference shall be as indicated in the Audit Guide for Pre-Procurement Conference in Competitive/Public Bidding for Goods.

Audit Criteria:

- 49.4. The BAC of the concerned procuring entity shall directly invite <u>all the suppliers appearing in the pre-selected list</u>.
 All other procedures for competitive bidding shall be undertaken, except for the advertisement of Invitation to Bid under Section 21.2.1 of the Revised IRR of RA 9184.
- Manual of Procedures for the Procurement of Goods and Services, Volume 2
 The following steps are followed in conducting a limited source bidding:
 - 1
 - 2. ...
 - 3. ...
 - 4. If a Pre-procurement Conference is required or deemed necessary as previously discussed in this Manual, the BAC holds the said Conference. If a Pre-procurement Conference is held the participants should confirm the existence of the conditions required by law for procurement through limited source bidding.

LIMITED SOURCE BIDDING FOR GOODS IV. POSTING OF THE INVITATION TO BID

NOTE:

Since the requirement of regulations is for the Procuring Entity to post the Invitation to Bid in accordance with the procedures in the IRR, the Generic Procurement Manual and the Philippine Bidding Documents (PBDs), the audit pertaining to posting of the Invitation to Bid shall be as indicated in the Audit Guide for posting of the Invitation to Bid in Competitive/Public Bidding for Goods.

Audit Criteria:

49.4. The BAC of the concerned procuring entity shall directly invite <u>all the suppliers appearing in the pre-selected list</u>.
 All other procedures for competitive bidding shall be undertaken, except for the advertisement of Invitation to Bid under Section 21.2.1 of the Revised IRR of RA 9184.

V. PRE-SELECTION AND INVITATION OF SUPPLIERS

A. AUDIT OBJECTIVES

- 1. To verify if the BAC conducted the pre-selection of suppliers as required by regulations;
- 2. To verify if the BAC invited pre-selected suppliers as required by regulations.

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. List maintained by the relevant government authority that has expertise in the type of procurement concerned;
- 2. BAC evaluation report with supporting documents on the pre-selection of suppliers;
- 3. List of Pre-Selected Suppliers;
- 4. Printout of the web pages where the Invitation to Bid was posted in the PhilGEPS website, the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable for the first day and at least the last day of posting;
- 5. Certification by the head of the BAC Secretariat of the procuring entity that the invitation was posted at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days.
- 6. Invitations to bid duly received by the suppliers;

| Audit Sub-objective | | Suggested | Audit \ | Norkir | ng Paper |
|------------------------------------|---------------------------------|--------------------|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the BAC: | 1. From the BAC evaluation | Did the BAC in the | | | |
| a. used the list maintained by | report with supporting | pre-selection of | | | |
| the relevant government | documents (including a copy | supplier: | | | |
| authority, | of the list used by the BAC in | | | | |
| b. took into account | pre-selecting suppliers) on | a. use the list | | | |
| experience and past | the pre-selection of suppliers, | maintained by | | | |
| | the minutes of BAC meetings | the relevant | | | |
| performance on similar | conducted for the purpose, | government | | | |
| contracts, | look for information on the | authority? | | | |

| C. took into account capabilities with respect to personnel, d. took into account capabilities with respect to equipment or manufacturing facilities, e. took into account capabilities with respect to equipment or manufacturing facilities, e. took into account capabilities with respect to financial position in the pre-selection of suppliers shall be those appearing in a list maintained by the relevant government authority that has experience in the type of procurement concerned. The list of pre-selected suppliers shall be those appearing in the submitted to, and maintained updated periodically. A copy of the list shall be based upon the capabilities with respect to presidence and past periodically. A copy of the list shall be based upon the capability and fresortices and past performance on similar contacts. Capabilities with respect to equipment or manufacturing facilities in the type of procurement with the order taking into account their experience and past performance on similar contacts. Capabilities with respect to personnel, equipment or manufacturing facilities with respect to personnel, equipment or manufacturing facilities. An additional position? 9. 49.3. The pre-selection shall be based upon the capability and from the contract staking into account their experience and past performance on similar contacts. Capabilities with respect to personnel, equipment or manufacturing facilities. And financial position? 9. Section 6.2. Once issued by the GPPB, the use of the Generic Procurement Manuals (GPMs). Philippine Bidding Documents (PBDs), and other standard forms shall be mandatory upon all Procuring Entities. However, whenever necessary, to suit the particular needs of the procuring entity, modifications may be made particularly for major and specialized procurement. Subject to the approval of the GPPB. | Audit Sub-objective | | Suggested | Audit \ | Norkii | |
|--|--|--|---|---------|--------|------------|
| capabilities with respect to personnel, d. took into account capabilities with respect to equipment or manufacturing facilities, e. took into account capabilities with respect to financial position in the pre-selection of suppliers Implementing Rules and Regulations (IRR) of RA 9184, as amended on Suppliers Implementing Rules and Regulations (IRR) of RA 9184, as amended on Suppliers shall be those appearing in a list maintained by the relevant government authority that has expertise in the type of procurement concerned. The list of pre-selected suppliers shall be those appearing in a list maintained by the relevant government authority that has expertise in the type of procurement concerned. The list of pre-selected suppliers shall be updated periodically. A copy of the list shall be submitted to, and maintained updated with, the GPPB. • 49.3. The pre-selection shall be based upon the capability and resources of the bidders to perform the contract taking into account their experience and past performance on similar contracts, capabilities with respect to financial position? • 49.2. The pre-selected specific shall be based upon the capability and resources of the bidders to perform the contract taking into account their experience and past performance on similar contracts. Capabilities with respect to financial position? • 49.3. The pre-selection shall be proceedures provided in the GPMs. • Section 6.2. Once issued by the GPPB, the use of the Generic Procurement Manuals (GPMs), Philippine Bidding Documents (GPMs), Philippine Bidding D | • Audit Criteria | Audit Activities | Audit Question | Yes | No | |
| Manual of Procedures for the Procurement of Goods and Services, | capabilities with respect to personnel, d. took into account capabilities with respect to equipment or manufacturing facilities, e. took into account capabilities with respect to financial position in the pre-selection of suppliers Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 49.2. The pre-selected suppliers shall be those appearing in a list maintained by the relevant government authority that has expertise in the type of procurement concerned. The list of pre-selected suppliers shall be updated periodically. A copy of the list shall be submitted to, and maintained updated with, the GPPB. • 49.3. The pre-selection shall be based upon the capability and resources of the bidders to perform the contract taking into account their experience and past performance on similar contracts, capabilities with respect to personnel, equipment or manufacturing facilities, and financial position. Pre-selection shall be done in accordance with the procedures provided in the GPMs. • Section 6.2. Once issued by the GPPB, the use of the Generic Procurement Manuals (GPMs), Philippine Bidding Documents (PBDs), and other standard forms shall be mandatory upon all Procuring Entities. However, whenever necessary, to suit the particular needs of the procuring entity, modifications may be made, particularly for major and specialized procurement, subject to the approval of the GPPB. Manual of Procedures for the | consideration of capabilities and experience in the pre- | account experience and past performance on similar contracts? c. took into account capabilities with respect to personnel? d. took into account capabilities with respect to equipment or manufacturing facilities? e. took into account capabilities with respect to equipment or manufacturing facilities? | | | the Answer |

| Audit Sub-objective | | Suggested | Audit \ | Norkir | ng Paper |
|---|---|--|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| The following steps are followed in conducting a limited source bidding: 1 2 3. The BAC, through the Secretariat gets the list of pre-selected suppliers from the government authority that has expertise in the type of procurement at hand. It may also access the PhilGEPS website as a secondary source of information. 4 5 6 | | | | | the Answer |
| 7 2. To verify if the BAC sent invitations to bid to all the pre-selected suppliers Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 49.4. The BAC of the concerned procuring entity shall directly invite all the suppliers appearing in the pre-selected list. 6.2. Once issued by the GPPB, the use of the Generic Procurement Manuals (GPMs), Philippine Bidding Documents (PBDs), and other standard forms shall be mandatory upon all Procuring Entities. However, whenever necessary, to suit the particular needs of the procuring entity, modifications may be made, particularly for major and specialized procurement, subject to the approval of the GPPB. Manual of Procedures for the Procurement of Goods and Services, Volume 2 The following steps are followed in conducting a limited source bidding: 6. The BAC Secretariat sends the invitation to bid to the preselected suppliers. The invitation to bid is sent to ALL suppliers in the list. | 2. Compare the names of suppliers per copies of invitations to bid duly received by them with the suppliers in the list of preselected suppliers. | Did the BAC send invitations to bid to all the pre-selected suppliers? | | | |
| 3. To verify if the BAC Secretariat post the invitation to bid in: a. The PhilGEPS, | 3. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. | Did the BAC post the <i>Invitation to</i> <i>Bid</i> continuously in the: | | | |

| Audit Sub-objective | | Suggested | Audit \ | Norkii | ng Paper |
|---|---|--|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | riddit Quostion | .03 | | the Answer |
| b. the website of the procuring entity, c. electronic procurement service provider, if any, for a period of 7 calendar days prior to the opening of the bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 6.2. Once issued by the GPPB, the use of the Generic Procurement Manuals (GPMs), Philippine Bidding Documents (PBDs), and other standard forms shall be mandatory upon all Procuring Entities. However, whenever necessary, to suit the particular needs of the procuring entity, modifications may be made, particularly for major and specialized procurement, subject to the approval of the GPPB. Manual of Procedures for the Procurement of Goods and Services, Volume 2 • The following steps are followed in conducting a limited source bidding: 5. The BAC, through the Secretariat, posts for information purposes the invitation to bid in a. The PhilGEPS; b. the website of the procuring entity and its electronic procurement service provider, if any, for a period of 7 | 4. On the first day of posting access the PhilGEPS website, the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable. Print the page where the notice was posted (to form part of the audit evidences). 5. Access the websites at random during the 7-day period to verify the postings. | 1. PhilGEPS website for 7 calendar days starting on the date of advertisement? 2. website of the procuring entity concerned, if available, for 7 calendar days starting on the date of advertisement? 3. website prescribed by the foreign government/ foreign or international financing institution, if applicable, for 7 calendar days starting on the date of advertisement? | | | |
| calendar days prior to the opening of the bids. 4. To verify if the BAC | Ahead of any procurement, | Did the BAC post | | | |
| Secretariat post the invitation to bid in any conspicuous place in the premises of the procuring entity for a period of 7 calendar days prior to the opening of the bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 6.2. Once issued by the GPPB, the use of the Generic Procurement Manuals (GPMs), Philippine Bidding | request the BAC Secretariat for advance information on the first day of any posting. 7. Conduct ocular inspection on the first day of posting. 8. Repeat the ocular inspections (may be at random) during the 7-day period to verify the postings. 9. Request for the certification of the head of the BAC Secretariat | the Invitation to Bid continuously at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the BAC Secretariat of the procuring entity? | | | |

| Audit Sub-objective | | Suggested | Audit \ | Norkir | ng Paper |
|---|---|----------------------|----------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | ridan Quostion | 100 | 110 | the Answer |
| Documents (PBDs), and other standard forms shall be mandatory upon all Procuring Entities. However, whenever necessary, to suit the particular needs of the procuring entity, modifications may be made, particularly for major and specialized procurement, subject to the approval of the GPPB. Manual of Procedures for the Procurement of Goods and Services, Volume 2 • The following steps are followed in conducting a limited source bidding: | | | | | |
| 5. The BAC, through the Secretariat, posts for information purposes the invitation to bid in a b c. any conspicuous place in the premises of the procuring entity; for a period of 7 calendar days prior to the opening of the bids. | | | | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COMMUN | VICATING THE RE | SULTS | S OF | AUDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the | Analyze the instances of non- compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate | Appropriate Audit Wo | orking F | Papers | |
| resulting contract; | actions were taken by the | | | | |
| b. validity of any payment to be made on the basis of the contract; | auditee in regard to instances of non-compliance. | | | | |
| c. etc. | NOTE: | | | | |
| and develop appropriate audit recommendations | Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | of this Hatte Garac. | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |

| Audit Sub-objective | | Suggested | Audit \ | Vorkir | ng Paper | |
|---|--|---|---------|--------|---------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES | Appropriate Audit Working Papers | | | | |
| | AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memorandum (AOM), if applicable | | | | |
| September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | to Management | | | | | |

LIMITED SOURCE BIDDING FOR GOODS

VI. PRE-BID CONFERENCE

VI. OPENING AND PRELIMINARY EXAMINATION OF BIDS

VII. BID EVALUATION
VIII. POST-QUALIFICATION

IX. AWARD OF CONTRACT

NOTE:

Since the requirement of regulations is for the Procuring Entity to undertake all other procedures for competitive bidding, except for the advertisement of Invitation to Bid, the audit pertaining to other phases/activities in Limited Source Bidding shall be as indicated in the *Audit Guide for Competitive/Public Bidding for Goods*.

Audit Criteria:

• Manual of Procedures for the Procurement of Goods and Services, Volume 2

The following steps are followed in conducting a limited source bidding:

1. ...

2. ...

3. ...

4. ...

5. ...



- 7. The BAC proceeds with the pre-bid conference (if deemed warranted under the circumstances), eligibility check, bid evaluation, post-qualification and succeeding activities up to contract award, signing and approval, following the procedures for competitive bidding.
- 49.4. The BAC of the concerned procuring entity shall directly invite <u>all the suppliers appearing in the pre-selected list</u>. All other procedures for competitive <u>bidding shall be undertaken</u>, except for the advertisement of Invitation to Bid under Section 21.2.1 of the Revised IRR of RA 9184.
- 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement.
- <u>54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.</u>
- 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).

On the Procurement Procedures:

DIRECT CONTRACTING FOR GOODS

Procurement Procedures: DIRECT CONTRACTING FOR GOODS

Direct Contracting or *single source procurement* is a method of procurement of goods that does not require elaborate Bidding Documents. The supplier is simply asked to submit a price quotation or a pro-forma invoice together with the conditions of sale. The offer may be accepted immediately or after some negotiations.

I. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of Direct Contracting was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the approved Annual Procurement Plan (APP);
- 2. evidences to support the conclusion that public bidding cannot be ultimately pursued;
- 3. evidence of proprietary nature of the item to be procured; or
- 4. copy of the contract with a provision which requires procurement of critical plant components from a specific supplier as a condition precedent to hold a contractor to guarantee its project performance, in accordance with the provisions of its contract; or
- 5. evidence of exclusive dealership or of absence of sub-dealers selling at lower prices;
- 6. evidence that no suitable substitute for the item to be procured can be obtained at more advantageous terms to the GOP;
- 7. Minutes of BAC meetings on the deliberations made;
- 8. BAC Resolution recommending the alternative method of procurement: Direct Contracting, duly approved by the HOPE.

| Audit Sub-objective | | Suggested Audit Wo | | | |
|--|---|--|-----|----|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC validated: a. that the original mode of procurement per APP was public bidding but cannot be ultimately pursued; and, | From the minutes of the BAC's meetings and relevant BAC Resolution(s), look for information on the BAC's validation that the original mode of procurement per APP | Did the BAC validate that the original mode of procurement per APP was public bidding but cannot be ultimately pursued? | | | |
| b. the existence of the conditions to justify Direct Contracting: b.1. the goods are proprietary in nature which can be obtained only from the proprietary | was public bidding but cannot be ultimately pursued and of the existence of the conditions to justify Direct Contracting. | Did the BAC validate the existence of the conditions to justify Direct Contracting: a. the goods are proprietary in | | | |



| | | Cupanaka A | di+ \^/- | rl/!== | Danor |
|---|------------------|--|----------|--------|------------------------------|
| Audit Sub-objective | Audit Activities | Suggested Au | | | |
| • Audit Criteria | Addit Activities | Audit Question | Yes | No | Particulars of the Answer |
| source, i.e. when patents, trade secrets, and copyrights prohibit others from manufacturing the same item; or b.2. the procurement involves critical plant components from a specific supplier and is a condition precedent to hold a contractor to guarantee its project | | nature which can be obtained only from the proprietary source, i.e. when patents, trade secrets, and copyrights prohibit others from manufacturing the same item? b. the patent, copyright and other evidences of propriety? | | | THE PHISWEI |
| performance, in accordance with the provisions of its contract; or b.3. the item to be procured is sold by an exclusive dealer or manufacturer which does not have subdealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the GOP. | | or c. the procurement involves critical plant components from a specific supplier and is a condition precedent to hold a contractor to guarantee its project performance, in accordance with the provisions of its contract? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 48.1. Subject to the prior approval of the Head of the Procuring Entity, and whenever justified by the conditions provided in this Act, the procuring entity may, in order to promote economy and efficiency, resort to any of the alternative methods of procurement provided in this Rule. In all instances, the procuring entity shall ensure that the most advantageous price for the Government is obtained. 48.2. In accordance with Section 10 of this IRR, as a general rule, the Procuring Entities shall adopt public bidding as the general mode of procurement and shall see to it that the procurement program | | or d. the item to be procured is sold by an exclusive dealer or manufacturer which does not have sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the GOP? | | | |



| Audit Sub-objective | | Suggested A | Audit Working Paper | | | |
|---|------------------|----------------|---------------------|----|---------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| allows sufficient lead time for such public bidding. Alternative methods shall be resorted to only in the highly exceptional cases provided for in this Rule. | | | | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | | |
| 50Direct contracting may be resorted to by concerned Procuring Entities under any of the following conditions: | | | | | | |
| a) Procurement of goods of proprietary nature which can be obtained only from the proprietary source, i.e. when patents, trade secrets, and copyrights prohibit others from manufacturing the same item; | | | | | | |
| b) When the procurement of critical plant components from a specific supplier is a condition precedent to hold a contractor to guarantee its project performance, in accordance with the provisions of its contract; or | | | | | | |
| c) Those sold by an exclusive dealer or manufacturer which does not have sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the GOP. | | | | | | |

| Audit Sub-objective | | Suggested Au | udit Wo | rking | Paper |
|--|---|--|----------|-------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 3. To verify if the BAC: a. recommended the alternative mode of procurement: Direct Contracting to the HOPE, and | 3. From the BAC Resolution recommending Direct Contracting as the method of procurement, look for the approval of the HOPE. | Did the BAC recommend the alternative mode of procurement: Direct Contracting to the HOPE? | | | |
| b. the HOPE approved the method of procurement Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | Did the HOPE approve Direct Contracting as the method of procurement? | | | |
| 48.1. Subject to the <u>prior approval</u> of the <u>Head of the Procuring Entity</u> , and whenever justified by the conditions provided in this Act, the procuring entity may, in order to promote economy and efficiency, resort to any of the alternative methods of procurement provided in this Rule. In all instances, the procuring entity shall ensure that the most advantageous price for the Government is obtained. | | | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| EVALUATING AUDIT EVIDENCES | | VICATING THE RES | ULTS (| OF AL | JDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were | Appropriate Audit Work | king Pap | oers | |
| b. validity of any payment to be made on the basis of the contract; | taken by the auditee in regard to instances of non-compliance. | | | | |
| c. etc. | | | | | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|---|----------------------------------|----------|-------|------------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit Work | king Pap | pers | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mem applicable | norandu | m (AO | M), if | |

DIRECT CONTRACTING FOR GOODS II. BIDDING DOCUMENTS

NOTE:

The regulations provide that the method of procurement does not require elaborate Bidding Documents.

Audit Criteria:

• 50. Direct Contracting or single source procurement is a method of procurement of goods that does not require elaborate Bidding Documents. The supplier is simply asked to submit a price quotation or a pro-forma invoice together with the conditions of sale. The offer may be accepted immediately or after some negotiations.

III. PRICE QUOTATION AND ACCEPTANCE OF OFFER

A. AUDIT OBJECTIVE

To verify if the BAC conducted Direct Contracting as required by regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. BAC evaluation report with supporting documents on the accepted offer;
- 2. Request for price quotation from the identified supplier or a pro-forma invoice;

| Audit Sub-objective | | Suggested | Audit Working Paper | | | | |
|--|---|--|---------------------|----|------------------------------|--|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| 1. To verify if the Procuring Entity requested for price quotation from the identified supplier or a pro-forma invoice together with the conditions of sale | 1. Obtain a copy of the Procuring Entity's request for price quotation from the identified supplier or a proforma invoice together with the conditions of sale and a copy of the supplier's submission. | Did the Procuring Entity request for price quotation from the identified supplier or a pro- forma invoice together with the conditions of sale? | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 50. The supplier is simply asked to submit a price quotation or a pro-forma invoice together with the | | Did the supplier submit the documents requested? | | | | | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|--|-------------------------------|----------|-------|--------------------|--|
| Audit Criteria | Audit Activities | | | | Particulars of the | |
| | | | . 55 | | Answer | |
| conditions of sale. The offer | | | | | | |
| may be accepted immediately | | | | | | |
| or after some negotiations. 2. To verify if the | From the documentation | Did the Procuring | | | | |
| Procuring Entity | of the evaluation conducted | Entity evaluate and | | | | |
| evaluated and accepted | by the procurement unit, | accept the offer | | | | |
| the offer based on pre- | look for information on the | based on pre- | | | | |
| established criteria and | evaluation conducted and | established criteria | | | | |
| procedures | the decisions made. | and procedures? | | | | |
| • | | | | | | |
| Implementing Rules and | | | | | | |
| Regulations (IRR) of RA 9184, as | | | | | | |
| amended on September 2, 2009: | | | | | | |
| 50. The supplier is simply asked | | | | | | |
| to submit a price quotation or a | | | | | | |
| pro-forma invoice together with | | | | | | |
| the conditions of sale. The offer may be accepted immediately or | | | | | | |
| after some negotiations. | | | | | | |
| Ū. | | | | | | |
| EVALUATING AUDIT EVIDE | | MMUNICATING TI | HE RE | SULT | S OF AUDIT | |
| 1. To verify the effects of | Analyze the instances of | | | _ | | |
| instances of non- | non-compliance to establish | Appropriate Audit Wo | orking F | apers | | |
| compliance on the: | the effects and develop appropriate audit | | | | | |
| a. validity of the | recommendations. | | | | | |
| procurement activities | | | | | | |
| and outputs including | Also determine if | | | | | |
| the validity of the | appropriate actions were | | | | | |
| resulting contract; | taken by the auditee in | | | | | |
| b. validity of any payment | regard to instances of non- compliance. | | | | | |
| to be made on the basis | Compilation. | | | | | |
| of the contract; | | | | | | |
| · | NOTE: | | | | | |
| c. etc. | Also refer to the | | | | | |
| and develop appropriate | OFFENSES AND | | | | | |
| audit recommendations | PENALTIES portion of | | | | | |
| Implementing Rules and | this Audit Guide. | | | | | |
| Regulations (IRR) of RA 9184, | | | | | | |
| as amended on September 2, | | | | | | |
| 2009: | | | | | | |
| 13.3. Observers shall be invited | | | | | | |
| at least three (3) calendar days | | | | | | |
| before the date of the | | | | | | |
| procurement stage/activity. The | | | | | | |
| absence of observers will not | | | | | | |
| nullify the BAC proceedings, | | | | | | |
| provided that they have been | | | | | | |
| duly invited in writing. | | | | | | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|--|----------|--------|------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit W | orking I | Papers | | |
| 3. To communicate the results of the audit with the auditee's Management | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memorandum (AOM), if applica | | | | |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | J | | | | | |

On the Procurement Procedures:

REPEAT ORDER FOR GOODS

Procurement Procedures: REPEAT ORDER FOR GOODS

Repeat Order, when provided for in the APP, is a method of procurement of goods from the previous winning bidder, whenever there is a need to replenish goods procured under a contract previously awarded through Competitive Bidding.

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Repeat Order was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the approved Annual Procurement Plan (APP);
- copy of the original contract and evidences that it was awarded through Competitive Bidding;
- 3. copy of the prices for the repeat order with evidences that they are the prevailing market price (advantageous to the GOP) as of the time of the negotiation;
- 4. evidences to support the conclusion that the repeat order contract did not result to splitting of requisition or contract;
- 5. Analysis showing that the quantity of each item in the repeat order did not exceed twenty-five percent (25%) of the quantity of each item in the original contract;
- 6. Minutes of BAC meetings on the deliberations made;

| Audit Sub-objective • Audit Criteria | | Suggested Au | Paper | | |
|---|--|---|-------|----|---------------------------|
| | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC validated: a. that Repeat Order is the mode of procurement provided for in the approved APP; and that: | From the evaluation report with supporting documents (and minutes of the BAC's meetings, look for information on the BAC's validation that the mode of | Did the BAC validate that Repeat Order is the mode of procurement provided for in the approved APP? | | | |
| b. the original contract was previously awarded through Competitive Bidding; c. Unit prices of the repeat order were the same as or lower than those in the original contract, provided | procurement per APP is Repeat Order and of the existence of the conditions to justify Repeat Ordering. | Did the BAC validate that the original contract was previously awarded through Competitive Bidding? | | | |
| that such prices are still the most advantageous to the GOP after price verification; d. The repeat order will not result in splitting of | | Did the BAC validate that Unit prices of the repeat order were the same as or lower than those in the original contract, | | | |

Suggested Audit Working Paper Audit Sub-objective **Audit Activities Audit Question** Yes Particulars of • Audit Criteria the Answer provided that such contracts, requisitions, or prices are still the purchase orders, as provided most advantageous for in Section 54.1 of the to the GOP after price Revised IRR of RA 9184; verification? e. Except in cases duly approved by the GPPB, the repeat order was availed of Did the BAC validate only within six (6) months that repeat order will from the contract effectivity not result in splitting date stated in the Notice to of contracts, requisitions, or Proceed arising from the purchase orders? original contract; and f. The repeat order did NOT Did the BAC validate exceed twenty-five percent that except in cases (25%) of the quantity of duly approved by the each item in the original GPPB, the repeat contract. order was availed of only within six (6) Implementing Rules and Regulations months from the (IRR) of RA 9184, as amended on contract effectivity September 2, 2009: date stated in the Notice to Proceed 48.1. Subject to the prior approval arising from the of the Head of the Procuring Entity, original contract? and whenever justified by the conditions provided in this Act, the procuring entity may, in order to Did the BAC validate promote economy and efficiency, that the repeat order resort to any of the alternative did NOT exceed methods of procurement provided twenty-five percent in this Rule. In all instances, the (25%) of the quantity procuring entity shall ensure that of each item in the the most advantageous price for the Government is obtained. original contract? 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. 51. Repeat Order, when provided



for in the APP, is a method of procurement of goods from the previous winning bidder, whenever there is a need to replenish goods procured under a

| Audit Sub-objective | | Suggested Au | rking | Paper | |
|--|---|--|-----------|-------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| contract previously awarded through Competitive Bidding. a) Unit prices of the repeat order must be the same as or lower than those in the original contract, provided that such prices are still the most advantageous to the GOP after price verification; b) The repeat order will not result in splitting of contracts, requisitions, or purchase orders, as provided for in Section 54.1 of the Revised IRR of RA 9184; c) Except in cases duly approved by the GPPB, the repeat order shall be availed of only within six (6) months from the contract effectivity date stated in the Notice to Proceed arising from the original contract; and | | | | | the Answer |
| d) The repeat order shall not exceed twenty-five percent (25%) of the quantity of each item in the original contract. | | | | | |
| 2. To verify if the BAC Secretariat posted the notice of award in: a. the PhilGEPS, b. the website of the procuring entity, if available c. any conspicuous place in the premises of the procuring entity Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 54.3 In all instances of alternative methods of procurement, the BAC, through the Secretariat, shall post, for information purposes, the notice of award in the PhilG-EPS website, the website of the procuring entity concerned, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity. EVALUATING AUDIT EVIDENCES | 2. Ahead of the procurement, request the BAC Secretariat for advance information on the schedule of any posting. 3. Access the PhilGEPS website, the website of the procuring entity concerned, if available and print the page where the notice was posted (to form part of the audit evidences). 4. Conduct ocular inspection on the schedule of posting. | Did the BAC Secretariat post the notice of award in: a. the PhilGEPS? b. the website of the procuring entity? c. any conspicuous place in the premises of the procuring entity? | COLUMN TO | | MIDIT |



| Audit Sub-objective | Accella Acadiculation | Suggested Au | udit Wo | rking | Paper |
|--|--|----------------------------------|----------|-------|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Work | king Pap | pers | |
| c. etc. | NOTE: | | | | |
| and develop appropriate audit recommendations | Also refer to the OFFENSES AND | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | PENALTIES portion of this <i>Audit Guide</i> . | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Work | king Pap | ers | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and | Audit Observation Mem applicable | norandu | m (AO | M), if |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | transmit to Management | | | | |



On the Procurement Procedures:

SHOPPING FOR GOODS

Procurement Procedures: SHOPPING FOR GOODS

Shopping is a method of procurement of goods whereby the procuring entity simply requests for the submission of price quotations for readily available off-the-shelf goods or ordinary/regular equipment to be procured directly from suppliers of known qualifications.

I. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Shopping was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the approved Annual Procurement Plan (APP);
- 2. evidences to support the conclusion that public bidding cannot be ultimately pursued;
- 3. evidences to support the occurrence of unforeseen contingency requiring immediate purchase;
- 4. analysis leading to the conclusion that the items procured were ordinary or regular office supplies and equipment;
- 5. evidences of the non-availability of the items in the Procurement Service;
- 6. analysis leading to the conclusion that the amounts involved are within the threshold provided in Annex "H" of the Revised IRR of RA 9184;
- 7. Minutes of BAC meetings on the deliberations made;
- 8. BAC Resolution recommending the alternative method of procurement: Shopping, duly approved by the HOPE.

| Audit Sub-objective | | Suggested Audit Working Paper | | | | | |
|---|--|---|-----|----|------------------------------|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| 1. To verify if the BAC validated: | From the evaluation report with supporting | Did the BAC validate that the original mode | | | | | |
| a. that the original mode of procurement per APP was | documents and minutes of the BAC's | of procurement per APP was public | | | | | |
| public bidding but cannot be ultimately pursued; | meetings and relevant BAC Resolution(s), look | bidding but cannot be ultimately pursued? | | | | | |
| and, | for information on the | unimately pursueus | | | | | |
| b. the existence of the conditions to justify Shopping: | BAC's validation that | Did the DAC well-lete | | | | | |
| b.1. occurrence of unforeseen | the original mode of procurement per APP | Did the BAC validate the existence of the | | | | | |
| contingency requiring | was public bidding but | conditions to justify | | | | | |
| immediate purchase; b.2. procurement of ordinary | cannot be ultimately pursued and of the | Shopping: | | | | | |
| or regular office supplies | existence of the | a. occurrence of | | | | | |
| and equipment not available in the | conditions to justify Shopping. | unforeseen contingency requiring | | | | | |



| Audit Cub abjective | | Suggested Au | Paper | | |
|---|------------------|---|-------|----|---------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Procurement Service; b.3. the amounts involved did not exceed the thresholds in Annex "H" of the Revised IRR of RA 9184, c. that there is no "splitting". Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | immediate purchase? or b. procurement of ordinary or regular office supplies and equipment not available in the Procurement Service? | | | THE Allswei |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the <u>original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. </u> | | Or c. the amounts involved did not exceed the thresholds in Annex "H" of the Revised IRR of RA 9184? Did the BAC validate | | | |
| • 52.1. Shopping is a method of procurement of goods whereby the procuring entity simply requests for the submission of price quotations for readily available off-the-shelf goods or ordinary/regular equipment to be procured directly from suppliers of known qualifications. This method of procurement shall be employed in any of the following cases: | | that there is no "splitting"? | | | |
| a) When there is an unforeseen contingency requiring immediate purchase: Provided, however, That the amount shall not exceed the thresholds prescribed in Annex "H" of the Revised IRR or RA 9184. | | | | | |
| b) Procurement of ordinary or regular office supplies and equipment not available in the Procurement Service involving an amount not exceeding the thresholds prescribed in Annex "H" of this IRR. | | | | | |
| 52.2. The phrase "ordinary or regular office supplies" shall be understood to include those supplies, commodities, or materials which, depending on the procuring entity's mandate and nature of operations, | | | | | |



| Audit Sub objective | | Suggested Au | udit Wo | rking | Paper |
|--|---|---|---------|-------|---------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| are necessary in the transaction of its official businesses, and consumed in the day-to-day operations of said procuring entity. However, office supplies shall not include services such as repair and maintenance of equipment and furniture, as well as trucking, hauling, janitorial, security, and related or analogous services. | | | | | the Answer |
| 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement. | | | | | |
| 2. To verify if the BAC: a. recommended the alternative mode of procurement: Shopping to the HOPE, and b. the HOPE approved the alternative method of | 2. From the BAC Resolution recommending Shopping as the method of procurement, look for the approval of the HOPE. | Did the BAC recommend the alternative mode of procurement: Shopping to the HOPE? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | Did the HOPE approve Shopping as the method of procurement? | | | |
| 48.1. Subject to the <u>prior approval of</u> the Head of the Procuring Entity, and whenever justified by the conditions provided in this Act, the procuring entity may, in order to promote economy and efficiency, resort to any of the alternative methods of procurement provided in this Rule. In all instances, the procuring entity shall ensure that the most advantageous price for the Government is obtained. | | | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement | | | | | |



| | | Suggested Au | ıdit Wa | rkina | Paper |
|---|---|------------------------|----------|-------|---------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. EVALUATING AUDIT EVIDENCES G | ATHERED AND COMMIN | NICATING THE RES | UI TS (| DE AL | |
| 1. To verify the effects of | Analyze the instances of | VICATING THE RES | UL13 (| JF AC | ווטק |
| instances of non-compliance on the: | non-compliance to establish the effects and | Appropriate Audit Work | king Pap | oers | |
| a validity of the procurement | develop appropriate audit | | | | |
| a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| c. etc. | NOTE. | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the OFFENSES AND PENALTIES portion of | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | this Audit Guide. | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Work | king Pap | oers | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|---|----------------------------------|--------|-------|------------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mem applicable | orandu | m (AO | M), if | |

SHOPPING FOR GOODS

II. PRICE QUOTATIONS, ACCEPTANCE OF OFFER AND AWARD OF CONTRACT

A. AUDIT OBJECTIVE

To verify if the Procuring Entity conducted Shopping as required by regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. evidences that the suppliers identified were bona fide;
- 2. copy of the requests for price quotations duly received by the suppliers;
- 3. copy of the price quotations;
- 4. evidence of posting request for quotations (RFQ);
- 5. documentation of the analysis of the price quotations leading to the conclusion of what was to be accepted/ compliance with the specifications and other terms and conditions stated in the RFQ:
- 6. documentation of the recommendation to the authorized official of the Procuring Entity;
- 7. documentation of the acceptance of the offer;
- 8. Abstract of Quotations;
- 9. notice of award;
- 10. evidence of posting notice of award

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|---|---|-----|----|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the Procuring Entity obtained price quotations from at least 3 bona fide suppliers (1 supplier during unforeseen contingencies requiring immediate purchase) | 1. From the documentation of the evaluation conducted by the procurement unit of the Procuring Entity, with supporting documents, look for information on whether price quotations were obtained from at least 3 bona fide suppliers (or 1 supplier | Did the procurement unit of the Procuring Entity obtain price quotations from at least 3 bona fide suppliers (or 1 supplier during unforeseen | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on | during unforeseen contingencies). | contingencies)? | | | |



| Audit Sub-objective | | Suggested | Audit \ | Vorki | ng Paper |
|---|---|---|---------|-------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| September 2, 2009: | | | | | the Answer |
| 52.3. Under Section 52.1 (b) of this IRR, at least three (3) price quotations from bona fide suppliers shall be obtained. Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: 1 The Request for Quotation (RFQ) shall be sent to at least three (3) suppliers of known | | | | | |
| qualifications. However, during unforeseen contingencies requiring immediate purchase under Section 52.1 (a) of the IRR, the RFQ may be sent to only one (1) supplier. | | | | | |
| 2. For procurement of ordinary or regular office supplies and equipment with an ABC of more than Php 50,000.00, To verify if the procuring entity posted the RFQs in: | Ahead of the procurement, request the procuring entity for advance information on the schedule of any posting. Access the PhilGEPS website, the website of the procuring entity concerned, if available and print the page | Did the procurement unit of the Procuring Entity post the RFQ in: a. the PhilGEPS for a period of 7 calendar days? | | | |
| a. the PhilGEPS, b. the website of the procuring entity, if available c. any conspicuous place in the premises of the procuring entity for a period of 7 calendar | where the RFQ was posted (to form part of the audit evidences). 4. Conduct ocular inspection on the schedule of posting. | b. the website of the procuring entity for a period of 7 calendar days? c. any conspicuous | | | |
| days Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: | | place in the premises of the procuring entity for a period of 7 calendar days? | | | |
| • 1 2 | | | | | |

| Audit Sub-objective | | Suggested | Audit \ | Norkir | ng Paper |
|---|--|--|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| d. RFOs shall also be posted for a period of seven (7) calendar days in the Philippine Government Electronic Procurement System (PhilG-EPS) website, website of the procuring entity, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity. However, in the following instances, the posting requirement shall not be applicable: i. When there is an unforeseen contingency requiring immediate purchase under Section 52.1(a) of the IRR; or ii. RFOs with ABCs equal to Fifty Thousand Pesos (Php 50,000.00) and below. 3. To verify if the procuring entity prepared an Abstract of Quotations after the deadline for submission of price quotations and determined the lowest quotation Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: 1 2 3. Procedural Guidelines e. After the deadline for submission of price quotations, an Abstract of Quotations shall be prepared setting forth the names of those who responded to the RFQ, their corresponding price quotations, and the lowest quotation submitted. | 5. Look for the Abstract of Quotations and check for the indication of the lowest quotation. 6. Compare the date of the Abstract of Quotations with the deadline for submission of price quotations as indicated in the RFQs. | Did the procurement unit of the Procuring Entity prepare an Abstract of Quotations? Did the procuring Entity prepare an Abstract of Quotations after the deadline for submission of price quotations? Did the procurement unit of the Procuring Entity determine the lowest quotation? | | | the Answer |
| 4. To verify if the procuring entity made the award of contract to the lowest quotation which complied with the specifications and other terms and conditions stated in the RFQ | 7. Compare the name of supplier with the lowest quotation as indicated in the Abstract of Quotation with the name of supplier who was given the Notice of Award.8. From the documentation of | Did the procuring entity award the contract to the lowest quotation which complied with the specifications and other terms and | | | |

| Audit Sub-objective | | Suggested | Audit \ | Norkir | ng Paper |
|---|--|---|----------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: 1 2 3. Procedural Guidelines h. Award of contract shall be made to the lowest quotation for goods which complies with the specifications and other terms and conditions stated in the RFQ. | the evaluation of price quotations conducted by the procuring entity, look for the verification on the compliance with the specifications and other terms and conditions stated in the RFQ. | conditions stated in the RFQ? | | | the Answer |
| 5. For procurement with and ABC of more than P50,000.00, To verify if the procuring entity posted the notice of award in: a. the PhilGEPS, b. the website of the procuring entity, if available c. any conspicuous place in the premises of the procuring entity Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: 1 | 9. Ahead of the procurement, request the procuring entity for advance information on the schedule of any posting. 10. Access the PhilGEPS website, the website of the procuring entity concerned, if available and print the page where the notice was posted (to form part of the audit evidences). 11. Conduct ocular inspection on the schedule of posting. | Did the procuring entity post the notice of award in: a. the PhilGEPS? b. the website of the procuring entity? c. any conspicuous place in the premises of the procuring entity? | | | |
| EVALUATING AUDIT EVIDENCE | | NICATING THE RE | SULTS | S OF | AUDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement | Analyze the instances of non- compliance to establish the effects and develop appropriate audit recommendations. | Appropriate Audit Wo | orking F | Papers | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|--|------------------------------------|----------|----------------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| activities and outputs including the validity of the resulting contract; | Also determine if appropriate actions were taken by the auditee in regard to instances | | | | |
| b. validity of any payment to be made on the basis of the contract; | of non-compliance. | | | | |
| c. etc. | NOTE: Also refer to the | | | | |
| and develop appropriate audit recommendations | OFFENSES AND PENALTIES portion of | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | this Audit Guide. | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non- compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Wo | orking F | Papers | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Me applicable | emoran | dum (<i>F</i> | AOM), if |

Other criteria:

- 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.
- 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).

On the Procurement Procedures:

NEGOTIATED PROCUREMENT OF GOODS

AFTER TWO (2) FAILED BIDDINGS

Procurement Procedures: NEGOTIATED PROCUREMENT OF GOODS AFTER TWO (2) FAILED BIDDINGS

Negotiated Procurement is a method of procurement of goods whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable supplier.

It is resorted **after two failed biddings** (where there has been failure of public bidding for the second time) or in any of the following cases:

- a. Emergency Cases,
- b. Agency-to-Agency,
- c. Procurement Agent,
- d. Defense Cooperation Agreement,
- e. Small-Value Procurement,
- f. NGO Participation
- g. United Nations Agencies.

I. PREPARATORY ACTIVITY: MAINTAIN REGISTRY OF SUPPLIERS

The maintenance of the Registry of Suppliers is a continuing activity of the Procuring Entity, through its Procurement Unit.

A. AUDIT OBJECTIVE

To determine if the Procuring Entity developed and maintained a Registry of Suppliers

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for evaluation:

 Documentation of the System on the Registry of Suppliers maintained by the Procuring Entity

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|--|--|-----|----|--------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the | |
| 1. To verify if the procuring entity maintained a registry of suppliers as basis for selecting the suppliers for negotiations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 53.1.2.2. All Procuring Entities | Obtain a copy of the registry of suppliers maintained by the Procuring Entity. | Did the Procuring Entity maintain a registry of suppliers as basis for selecting the suppliers for negotiations? | | | Answer | |
| shall maintain a registry of suppliers as basis for selecting the suppliers for negotiations. | | | | | | |



| Audit Sub-objective | | Suggested Audit Working Pa | | | | | |
|--|--|----------------------------|----------------------------------|--------|------------------------------|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COMM | UNICATING THE I | RESUL | TS O | FAUDIT | | |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit W | Appropriate Audit Working Papers | | | | |
| the contract; | | | | | | | |
| c. etc. | | | | | | | |
| and develop appropriate audit recommendations | | | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit W | orking I | Papers | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation M | emoran | idum (| AOM), if applicable | | |



NEGOTIATED PROCUREMENT OF GOODS AFTER TWO (2) FAILED BIDDINGS

II. PREPARATORY ACTIVITY: BIDDING DOCUMENTS

Bidding documents are documents issued by the Procuring Entity to provide prospective bidders all the necessary information that they need to prepare their bids.

A. AUDIT OBJECTIVE:

- 1. To verify if after the Procuring Entity's conducted a mandatory review of bidding documents due to two (2) failed biddings
- 2. To verify if the Bidding Documents for the specific procurement **followed the standard forms and manuals** prescribed by the Government Procurement Policy Board (GPPB)
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. The procuring entity's Customized Bidding Documents for Goods;
- 2. Document evidencing BAC's declaration that there has been two (2) failed biddings;
- 3. Bidding Documents for the specific procurement.
- 4. BAC's report on mandatory review of the terms, conditions, specifications and cost estimates:
- 5. BAC Resolution recommending to the HOPE approval of the revised and agreed minimum technical specifications and ABC.

| Audit Sub-objective | | Suggested A | udit W | orking | Paper |
|---|---|--|--------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the procuring entity | From the documentation of the earlier two (2) | Did the BAC declare two (2) failed | | | |
| conducted a mandatory | biddings conducted, look | biddings? | | | |
| review of the terms, | for information on the BAC's declaration that there | | | | |
| conditions, specifications, | have been two (2) failed | | | | |
| and cost estimates on the | biddings. | | | | |
| basis of which the BAC revised and agreed on | | | | | |
| the: | 2. From the TWG | Did the Procuring | | | |
| a. minimum technical | evaluation report with | Entity conduct a | | | |
| specifications, | supporting documents and | mandatory review of | | | |
| b. adjusted the ABC | duly reviewed by the BAC, | the terms, conditions, | | | |
| Implementing Rules and | minutes of the meetings of the BAC, and BAC | specifications, and cost estimates after | | | |
| Regulations (IRR) of RA 9184, as | Resolutions, look for evidences of the conduct of | two failed biddings? | | | |
| amended on September 2, 2009: 53.1.1. After conduct of the | the mandatory review of | | | | |
| mandatory review of the | the terms, conditions, | | | | |
| terms, conditions, | specifications and cost estimates by concerned | | | | |
| specifications, and cost | Offices of the Procuring | | | | |
| estimates, as prescribed in | Entity. | | | | |

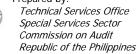


| Audit Sub-objective | | Suggested A | udit W | orkina | ı Paper |
|---|--|--|--------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Section 35 of this IRR, the BAC shall revise and agree on the minimum technical specifications, and if | | | | | |
| necessary, adjust the ABC, subject to the required approvals. However the ABC cannot be increased by more than twenty percent (20%) of the ABC for the last failed bidding. | 3. From the minutes of the BAC's meetings and BAC Resolutions, look for information on the deliberation, revision and agreement on the minimum technical specifications and adjusted ABC; and recommendation to the | Did the BAC revise and agree on the: a. minimum technical specifications? b. Revised ABC? | | | |
| | HOPE for approval. | Did the BAC submit the revised minimum technical specifications to the HOPE for approval? | | | |
| | | Did the BAC submit the adjusted ABC to the HOPE for approval? | | | |
| | 4. From the minutes of the BAC's meetings and BAC Resolutions, look for information on the BAC's evaluation to ensure that the adjustment in the ABC was at a maximum of 20% of the ABC for the second failed bidding. | Did the BAC ensure that the adjustment in the ABC was at a maximum of 20% of the ABC for the second failed bidding? | | | |
| ON THE BIDDING DOCUME | NTS | | | | |
| 1. To verify if the Bidding Documents for the specific procurement include the information and are according to the | 1. If the procuring entity adopted customized Bidding Documents and the results of the earlier validation of this element showed that these are compliant with the | Are the Bidding Documents/ Information complete: a. Approved Budget | | | |
| forms indicated in the Customized Bidding Documents approved by the GPPB or the Philippine | Philippine Bidding Documents for the Procurement of Goods and Section 17.1 of the | for the Contract? b. Request for Submission of | | | |
| Bidding Documents for the Procurement of Goods, 3 rd Edition | Implementing Rules and Regulations of RA 9184, secure from the BAC | Price Quotations? c. Eligibility | | | |
| (October 2009) issued by the GPPB and Section 17 of the Implementing | Secretariat duly certified copies of the <u>Bidding</u> <u>Documents for the specific procurement</u> and <u>compare</u> | Requirements? d. Instruction to Bidders, including | | | |
| Rules and Regulations of RA 9184 as amended on September 2, 2009: | these with the <u>customized</u> <u>Bidding Documents</u> of the procuring entity. | scope of bid/ proposal?documents | | | |



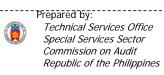
| Audit Sub-objective | | Suggested A | udit W | orking | |
|--|---|--------------------------------------|--------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | 16.11 | | | | the Answer |
| a. Approved Budget for | If the customized Bidding Documents are not | comprising the bid/ proposal? | | | |
| the Contract; | compliant, compare the | biu/ proposar: | | | |
| b. Request for | procurement-specific Bidding | - criteria for | | | |
| Submission of Price | Documents with the | eligibility? | | | |
| Quotations; | Philippine Bidding | 3 | | | |
| c. Eligibility | Documents for the | Price quotations | | | |
| Requirements; d. Instruction to Bidders, | Procurement of Goods | evaluation | | | |
| | issued by the GPPB. | methodology/ criteria? | | | |
| including scope of bid/ proposal, documents | | Citteria? | | | |
| comprising the bid/ | | - post- | | | |
| proposal, criteria for | | qualification | | | |
| eligibility, price | | methodology? | | | |
| quotations evaluation | | | | | |
| methodology/criteria | | - date of the pre- | | | |
| in accordance with the | | bid conference, | | | |
| Act, and post- | | if applicable? | | | |
| qualification, as well | | - time of the pre- | | | |
| as the date, time and | | bid conference? | | | |
| place of the pre-bid | | | | | |
| conference (where | | Place of the | | | |
| applicable), | | pre-bid | | | |
| submission and | | conference? | | | |
| opening of price | | - Deadline for | | | |
| quotations; | | submission of | | | |
| d.1. including: | | price | | | |
| Following | | quotations? | | | |
| completion of the | | | | | |
| negotiations, the | | - Place of | | | |
| BAC shall request | | submission of | | | |
| all suppliers | | price quotations? | | | |
| remaining in the | | quotations: | | | |
| proceedings to | | - Date of opening | | | |
| submit on a | | of price | | | |
| specified date, a | | quotations? | | | |
| best and final offer | | T1 | | | |
| with respect to all | | - Time of opening | | | |
| aspects of the | | of price quotations? | | | |
| proposals, and | | quotations: | | | |
| d.2. selection of the | | - Place of opening | | | |
| successful offer on | | of price | | | |
| the basis of such | | quotations? | | | |
| best and final offers | | Falland's s | | | |
| meeting the minimum technical | | - following | | | |
| requirements and | | completion of the | | | |
| not exceeding the | | negotiations, | | | |
| ABC; | | requesting all | | | |
| e. Scope of work, where | | suppliers | | | |
| applicable; | | remaining in the | | | |
| аррисаые, | | proceedings to | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|------------------|--------------------------------------|-----|----|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | Tradit Quissilon | | | the Answer |
| f. Plans/Drawings and | | submit on a | | | |
| Technical | | specified date, a | | | |
| Specifications; | | best and final | | | |
| g. Form of Bid, Price | | offer with | | | |
| Form, and List of | | respect to all | | | |
| | | aspects of the | | | |
| Goods; | | proposals? | | | |
| h. Delivery Time or | | | | | |
| Completion Schedule; | | selection of the | | | |
| i. Form, Amount, and | | successful offer | | | |
| Validity of | | on the basis of | | | |
| Performance Security | | such best and | | | |
| and Warranty; | | final offers | | | |
| j. Form of Contract and | | meeting the | | | |
| General and Special | | minimum | | | |
| Conditions of | | technical | | | |
| Contract; | | requirements | | | |
| oontract, | | and not | | | |
| Implementing Rules and | | exceeding the | | | |
| Regulations (IRR) of RA 9184, as | | ABC? | | | |
| amended on September 2, 2009: | | e. Scope of work? | | | |
| • 17.1. The Bidding Documents | | e. Scope of work? | | | |
| shall be prepared by the | | f Plans/Drawings | | | |
| procuring entity following the | | f. Plans/Drawings and Technical | | | |
| standard forms and manuals | | Specifications? | | | |
| prescribed by the GPPB. | | Specifications: | | | |
| a. Approved Budget for the | | g. Form of Bid, Price | | | |
| Contract; | | Form, and List of | | | |
| b. Invitation to Bid; | | Goods? | | | |
| c. Eligibility Requirements; | | Joseph . | | | |
| d. Instruction to Bidders, | | h. Delivery Schedule | | | |
| including scope of bid, | | or Completion | | | |
| documents comprising the | | Schedule? | | | |
| bid, criteria for eligibility, bid | | | | | |
| evaluation mothodology/critoria in | | i. Form, Amount, | | | |
| methodology/criteria in accordance with the Act, | | and Validity of | | | |
| and post-qualification, as | | Performance | | | |
| well as the date, time and | | Security and | | | |
| place of the pre-bid | | Warranty | | | |
| conference (where | | | | | |
| applicable), submission of | | j. Form of Contract | | | |
| bids and opening of bids; | | and General and | | | |
| e. Scope of work, where | | Special Conditions | | | |
| applicable; | | of Contract? | | | |
| f. Plans/Drawings and | | A 5 | | | |
| Technical Specifications; | | Are the Bidding | | | |
| g. Form of Bid, Price Form, | | Documents in the | | | |
| and List of Goods; | | required <u>form</u> : | | | |
| h. Completion Schedule; | | - Demised Co. | | | |
| i. Form, Amount, and Validity | | a. Request for | | | |
| Period of Bid Security; | | Submission of | | | |
| [REVISED BY the Revised IRR | | Price Quotation? | | | |
| of RA 9184, item 54.4. <i>Except</i> | | h Instructions to | | | |
| for Limited Source Bidding | | b. Instructions to | | | |



| Audit Sub-objective | | Suggested A | udit W | orking | Paper |
|---|------------------|---|--------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| under Section 49 of this IRR, submission of bid securities may be dispensed with.] j. Form, Amount, and Validity of Performance Security and Warranty; [Also per Revised IRR of RA 9184, Section 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 (emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).] and k. Form of Contract and General and Special Conditions of Contract. • 53.1.4. Following completion of the negotiations, the procuring entity shall request all suppliers, contractors, or consultants remaining in the proceedings to submit, on a specified date, a best and final offer with respect to all aspects of their proposals. • 53.1.5. The procuring entity shall select the successful offer on the basis of such best and final offers which should meet the procuring entity's minimum technical requirements and should not exceed the ABC. | | Bidders? c. Price Quotation Data Sheet? d. General Conditions of the Contract? e. Special Conditions of Contract? f. Schedule of Requirements? g. Technical Specifications? h. Price Quotation Forms? | | | the Answer |
| GPPB Resolution No. 05- 2009 dated 30 September | | | | | |
| 2009: all branches, agencies, | | | | | |
| departments, bureaus, offices and instrumentalities of the Government, including | | | | | |

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| Audit Sub-objective | 0di# 0.a#ii#i.a.a | Suggested A | | | |
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| controlled corporations, government financial institutions, state universities and college, and local government units, are hereby mandated to use the Philippine Bidding Documents Third Edition for all of their procurement activities. | | | | | |
| EVALUATING AUDIT EVIDE | NCES GATHERED AND CO | MMUNICATING THE | PESI | II TS (| OF AUDIT |
| To verify the effects of | Analyze the instances of | MANUAL TIME THE | . INLUC | | J. AUDII |
| instances of non- | non-compliance to establish | Appropriate Audit Work | ing Pap | ers | |
| compliance on the: | the effects and develop | | | | |
| a. validity of the | appropriate audit recommendations. | | | | |
| procurement activities | | | | | |
| and outputs including | Also determine if | | | | |
| the validity of the | appropriate actions were taken by the auditee in | | | | |
| resulting contract; | regard to instances of non- | | | | |
| b. validity of any payment to be made on the basis of the contract; | compliance. | | | | |
| c. etc. | | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the OFFENSES AND | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | PENALTIES portion of this Audit Guide. | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Work | ing Pap | ers | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | |
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| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| | NOTE: | | | | |
| | Also refer to the | | | | |
| | OFFENSES AND | | | | |
| | PENALTIES portion of | | | | |
| | this Audit Guide. | | | | |
| | | | | | |
| 3. To communicate the results of the audit with the auditee's Management | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mem | orandu | m (AOI | M), if applicable |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | | | | | |

NEGOTIATED PROCUREMENT OF GOODS AFTER TWO (2) FAILED BIDDINGS

III. PREPARATORY ACTIVITY: PRE-PROCUREMENT CONFERENCE

The pre-procurement conference is the forum where all officials involved in the procurement meet and discuss all aspects of a specific procurement activity, which includes the technical specifications, the Approved Budget for the Contract (ABC), the applicability and appropriateness of the recommended method of procurement and the related milestones, the bidding documents, and availability of the pertinent budget release for the project.

A. AUDIT OBJECTIVES:

- 1. To verify if the Pre-Procurement Conference was conducted within the required time;
- 2. To verify if the **participants** to the Pre-Procurement Conference were as required;
- 3. To verify if during the Pre-Procurement Conference the participants, led by the Bids and Awards Committee (BAC), performed the required tasks and attained the objectives of the Conference.
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the approved *Minutes of Pre-Procurement Conference* duly certified by the BAC Secretariat;
- 2. Invitation to Bid;
- 3. Duly certified copies of the documents (Office Orders, contracts, Organizational/Functional Charts, etc) which the BAC Secretariat used as bases for identifying and notifying the participants to the Pre-Procurement Conference, including duly certified copies of the notices issued with evidence of receipt by the participants.



| Audit Sub-objective | | Suggested A | Audit V | Vorkin | ig Paper |
|---|---|--|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC conducted the Pre-Procurement Conference prior to the posting or the issuance of the Invitation or Request for Submission of Price Quotation Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 20.1. Prior to the Advertisement or the issuance of the Invitation to Bid for each procurement undertaken through public bidding, the BAC, through its Secretariat shall call for a Pre-Procurement Conference. | 1. Secure from the BAC Secretariat a duly certified copy of the <i>Minutes of Pre- Procurement Conference</i> and compare the date the conference was held with the date indicated in the print-out of website pages where the <i>Invitation or Request for Submission of Price Quotation</i> was posted. | Did the BAC conduct the Pre-Procurement Conference prior to the posting or issuance of the Invitation or Request for Submission of Price Quotation? | | | |
| 2. To verify if the participants to the Pre-Procurement Conference included the BAC, the Secretariat, the unit or officials, including consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Invitation to Bid Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 20.1 The pre-procurement conference shall be attended by the BAC, the Secretariat, the unit or officials, including consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Invitation to Bid, for each procurement. | 2. Secure from the BAC Secretariat duly certified copies of the documents (Office Orders, contracts, Organizational/Functional Charts, etc) which it used as bases for identifying and notifying the participants to the Pre-Procurement Conference, including duly certified copies of the notices issued with evidence of receipt by the participants. 3. From the <i>Minutes of Pre-Procurement Conference</i> look for the names of the members of the BAC, the members of the Secretariat, the officials and/or consultants who prepared the Bidding Documents and the draft Invitation to Bid. | Did the participants to the Pre-Procurement Conference include the: a. BAC? b. Secretariat? c. unit or officials who prepared the Bidding Documents and the draft Invitation to Bid? d. consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Invitation to Bid? | | | |
| 3. To verify if during the Pre- Procurement Conference the participants, led by the BAC, performed the following tasks and attained the related | 4. From the <i>Minutes of Pre- Procurement Conference</i> look for information on the presentation of the scope of the contract, the ABC, and contract duration, the | Did the participants led by the BAC discuss and confirm the: | | | |



| Audit Sub-objective | | Suggested A | Audit V | Vorkin | g Paper |
|---|--|---|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| objectives: a. Discussed relevant | deliberation thereon, and the conclusions reached as a result | a. Description of the scope of | | | THE AHSWEI |
| information and confirmed the description of the scope of the contract, the ABC, and contract duration; b. Discussed relevant information and confirmed that the procurement is in accordance with the project procurement | of the deliberation; and analyze if they led to the confirmation of the description of the scope of the contract, that there was no splitting, the ABC, and the contract duration. | the contract? b. That there was no splitting? c. ABC? d. Contract duration? | | | |
| management plan (PPMP) and annual procurement plan (APP); c. Discussed relevant information and confirmed readiness of the procurement at | 5. From the <i>Minutes of Pre- Procurement Conference</i> look for information on the presentation of the review of the PPMP and APP, the deliberation thereon, and the | Did the participants led by the BAC discuss and confirm that the procurement is in | | | |
| hand on the following: c.1. the availability of appropriations and programmed budget for contract; c.2. completeness of the Bidding Documents and their | conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the procurement is in accordance with the PPMP and APP. | accordance with the PPMP and APP? | | | |
| adherence to relevant general procurement guidelines; d. Reviewed, modified and agreed on the criteria for eligibility screening, evaluation, and post-qualification; | 6. From the <i>Minutes of Pre- Procurement Conference</i> look for information on the presentation of information, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the | Did the participants led by the BAC discuss and confirm that the procurement at hand is ready as to: | | | |
| f. Reviewed and adopted the procurement schedule, including deadlines and timeframes, for the different activities; | confirmation of the readiness of the procurement at hand as to: a. availability of appropriations and programmed budget | a. availability of appropriations and programmed | | | |
| g. Reiterated and emphasized the importance of confidentiality and the applicable sanctions and penalties, as well as agreed on measures to ensure compliance with the foregoing; | for the contract, b. completeness of the Bidding Documents and their adherence to the Philippine Bidding Documents (PBDs)/ customized Bidding Documents. | budget for the contract? b. completeness of the Bidding Documents? | | | |
| h. Confirmed that there was no splitting; and i. identified the justification for the change in the mode of procurement from public bidding to Negotiated Procurement and | | c. adherence of the Bidding Documents with the PBDs/ customized Bidding Documents? | | | |



| Audit Sub-objective | | Suggested A | Audit V | Vorkin | ig Paper |
|---|---|--|---------|--------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| agreed on the recommendations to the HOPE. | | | | | |
| Manual of Procedures for the Procurement of Goods Vol 2 published by the GPPB: • Methodology: How is Negotiated Procurement undertaken? | | | | | |
| 2. The BAC convenes the appropriate officials for the pre-procurement conference, if deemed necessary. | | | | | |
| The procedures for the conduct of public bidding should be observed. | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 20.1 During the conference, the participants, led by the BAC, shall: a. Confirm the description and scope of the contract, the ABC, and contract duration; b. Ensure that the procurement is in accordance with the project and annual procurement plans; c. Determine the readiness of the procurement at hand, including, among other aspects, the following: | 7. From the <i>Minutes of Pre-</i> | Did the | | | |
| i) availability of appropriations and programmed budget for the contract; ii) completeness of the Bidding Documents and their adherence to relevant general procurement guidelines; iii) iv) d. Review, modify and agree on the criteria for eligibility screening, evaluation, and post-qualification; e. Review and adopt the procurement schedule, including deadlines and timeframes, for the different activities; and | Procurement Conference look for information on the presentation of the alternative method of procurement, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation and of the justifications for the change in the mode of procurement from public bidding to Negotiated Procurement and agreed on the recommendations to the HOPE. | participants led by the BAC discuss and confirm the justifications for the change in the mode of procurement from public bidding to Negotiated Procurement and agreed on the recommendation s to the HOPE? | | | |
| f. Reiterate and emphasize the importance of confidentiality and the applicable sanctions and penalties, | | | | | |



| | Audit Sub-objective | | Suggested | Audit V | Vorkin | ıg Paper |
|---|--|--|--|---------|--------|---------------------------|
| | • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | as well as agree on measures to ensure compliance with the foregoing. | 8. From the <i>Minutes of Pre-</i> <i>Procurement Conference</i> look for information on the presentation of the criteria for | Did the participants led by the BAC discuss and | | | and ranswer |
| • | 7.2. No procurement shall be undertaken unless it is in accordance with the approved APP of the procuring entity. The APP shall bear the approval of the Head of the Procuring Entity or second-ranking official designated by the Head of the Procuring Entity to act on his behalf, and must be consistent with its duly approved yearly budget. | eligibility screening, price quotation evaluation, and post-qualification, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the criteria for eligibility screening, price quotation evaluation, and post-qualification. | confirm the criteria for: a. Eligibility screening? b. Price Quotation evaluation? c. Post- | | | |
| • | 48.2. In accordance with Section 10 of this IRR, as a general rule, the Procuring Entities shall adopt public bidding as the general mode of procurement and shall see to it that the procurement program allows sufficient lead time for such public bidding. Alternative methods shall be resorted to only in the highly exceptional cases provided for in this Rule. | 9. From the <i>Minutes of Pre-Procurement Conference</i> look for information on the presentation of the procurement schedule, including deadlines and timeframes for the different activities, the no-contact rule, the deliberation thereon, and | qualification? Did the participants led by the BAC discuss and confirm the adoption of the procurement schedule including | | | |
| • | 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the adoption of the procurement schedule including deadlines and timeframes for the different activities. | deadlines and timeframes for the different activities? | | | |
| • | 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement. | | | | | |



| Audit Cub objective | | Suggested A | Audit V | Vorkir | ng Paper |
|---|---|--|---------|--------|----------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| GPPB Circular 01-2009 dated 20 January 2009: 4.2. To facilitate the immediate implementation of projects even pending approval of the GAA, the ABC shall be based on the budget levels under the National Expenditure Program (NEP) submitted to Congress. 4.3. For specifically appropriated projects, agencies can proceed with the procurement activities prior to issuance of the notice of award using as basis the NEP figures. 4.4. For lump-sum appropriations and Centrally Managed Items (CMIs) under the agency's budget, the head of the agency shall identify and thereafter notify the implementing units (IUs) of the amount allocated for the projects they are to implement. On the basis of said notification, the heads of the respective IUs, as procuring entities, can proceed with the procurement activities prior to issuance of the notice of award. 4.5. For Multi-Year Projects (MYPs), for which the initial funding – sourced from either the existing/current year's budget or the NEP – is not sufficient to cover the total cost of the project, it is required that a Multi-Year Obligational Authority (MYOA) must already have been issued in accord with DBM Circular Letter 2004-012 prior to commencement of any procurement activities should be within the total project cost and categories reflected in the MYOA issued by DBP for the | 10. From the Minutes of Pre-Procurement Conference look for information on the reiteration and emphasis of the importance of confidentiality and the applicable sanctions and penalties, as well as the agreement on measures to ensure compliance. | Did the participants led by the BAC reiterate and emphasize the importance of confidentiality and the applicable sanctions and penalties, as well as the agreement on measures to ensure compliance? | | | the Answer |
| said MYP. 4.6. As prescribed under Section 47, Chapter 8, Subtitle B, Title I, Book V of the Administrative Code of 1987, | | | | | |
| no contract involving the expenditure of public funds shall be entered into unless the proper accounting official of the procuring | | | | | |



| Audit Sub-objective | | Suggested A | Audit V | Vorkin | ig Paper |
|---|------------------|----------------|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| entity shall have certified as to the | | | | | the 7 moved |
| availability of funds and the | | | | | |
| allotment to which the expenditure or obligation may be properly | | | | | |
| charged. | | | | | |
| Definition: | | | | | |
| 3.1. Allotment - document issued by | | | | | |
| the Department of Budget and | | | | | |
| Management (DBM) which | | | | | |
| authorizes an agency to incur | | | | | |
| obligations for a specified amount as contained in a legislated | | | | | |
| appropriation. The allotment | | | | | |
| issued may either be trough the | | | | | |
| Agency Budget Matrix (ABM) | | | | | |
| which covers the comprehensive | | | | | |
| release of specifically appropriated | | | | | |
| items in the agency's budget or | | | | | |
| through the Special Allotment Release Order (SARO). | | | | | |
| Release Older (SARO). | | | | | |
| 3.2. Annual Procurement Plan (APP) | | | | | |
| - the requisite document that the | | | | | |
| agency must prepare to reflect the | | | | | |
| entire procurement activity (i.e., | | | | | |
| goods, services, civil works to be | | | | | |
| procured) that it plans to | | | | | |
| undertake within the calendar year. This document contains the | | | | | |
| following information: | | | | | |
| 3.2.1. Name of the procurement | | | | | |
| program/project; | | | | | |
| 3.2.2. Project management office or | | | | | |
| end-user unit; | | | | | |
| 3.2.3. General description of the | | | | | |
| procurement; 3.2.4. Procurement method to be | | | | | |
| adopted; | | | | | |
| 3.2.5. Time schedule for each | | | | | |
| procurement activity; | | | | | |
| 3.2.6. Source of fund; and | | | | | |
| 3.2.7. Approved Budget for the | | | | | |
| Contract. | | | | | |
| 3.3. Approved Budget for the | | | | | |
| Contract (ABC) – refers to the | | | | | |
| following: | | | | | |
| NGs including SUCs (referred to in | | | | | |
| <u>Section 2.1)</u> | | | | | |
| 3.3.1. For specifically appropriated items as reflected in the annual | | | | | |
| budget of the national government | | | | | |
| agency, the amount corresponding to | | | | | |
| either the full cost of a single year | | | | | |



| Audit Sub-objective | Audit Activities | Suggested A | | | |
|--|--|-------------------|---------|---------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| or multi-year program/project/ activity. For multi-year projects, for which a Multi-Year Obligational Authority has been issued, the ABC shall be the amount reflected in the Multi-Year Obligational Authority. GOCCs and LGUs (referred to in Section 2.2) 3.3.3. In the case of GOCCs, including government financial institutions as well as LGUs, the ABC represents the amount of fund transfers which they receive from a national government agency to implement a program/project/activity. 3.9. National Expenditure Program (NEP) – the proposed national budget submitted by the President to Congress in accord with Section 22, Article VII of the Constitution. The NEP shall be the basis of the general appropriations bill, which upon its enactment, becomes the General Appropriations Act (GAA). | | | | | |
| EVALUATING AUDIT EVIDENCES C | ATHERED AND COMMUNIC | ATING THE DESI | II TC (| DE AL | IDIT |
| 1. To verify the effects of | Analyze the instances of non- | ATTING THE RESU | JL13 (| JF AU | ווטו |
| instances of non-compliance on | compliance to establish the | Appropriate Audit | Working | g Papei | rs |
| the: | effects and develop | | | | |
| a. validity of the procurement activities and outputs including the validity of the resulting contract; | appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances | | | | |
| b. validity of any payment to be made on the basis of the contract; | of non-compliance. | | | | |
| c. etc. | | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the OFFENSES AND | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | PENALTIES portion of this Audit Guide. | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|-------------------------------|---------|--------|---------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non- compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit \ | Workino | g Pape | rs | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation applicable | Memora | andum | (AOM), if | |

NEGOTIATED PROCUREMENT FOR GOODS AFTER TWO (2) FAILED BIDDINGS

IV. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Negotiated Procurement (Two-Failed Biddings) was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- copy of the approved Minutes of Pre-Procurement Conference duly certified by the BAC Secretariat
- 2. BAC Resolution recommending negotiated procurement, duly approved by the HOPE



| | | Suggested Au | dit Wo | rking | Paper |
|--|--|---|--------|-------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if through a Resolution the BAC presented two (2) failed biddings as the justification for the negotiated procurement and recommended change in the mode of procurement to the HOPE for approval Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 1. From the BAC Resolution, look for information on the BAC's justification, that is, two failed biddings and the recommendation for the change in the mode of procurement to the HOPE for approval. | Did the BAC through a Resolution present two (2) failed biddings as the justification for the negotiated procurement and recommend change in the mode of procurement to the HOPE for approval? | | | |
| 35.5. Should there occur a second failure of bidding, the procuring entity may resort to negotiated procurement, as provided for in Section 53.1 of this IRR. | | | | | |
| 53.1. Two Failed Biddings. Where there has been failure of public bidding for the second time as provided in Section 35 of the Act and this IRR. | | | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE | | | | | |
| 2. To verify if the BAC: a. recommended the alternative mode of procurement: Negotiated Procurement to the HOPE, and b. the HOPE approved the alternative method of procurement Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 48.3. The method of procurement to | 2. From the BAC Resolution recommending Negotiated Procurement as the method of procurement, look for the approval of the HOPE. | Did the BAC recommend the alternative mode of procurement: Negotiated Procurement to the HOPE? Did the HOPE approve Negotiated Procurement as the method of procurement? | | | |

| Suggested Au Audit Question EATING THE RESUL | Yes | No | Particulars of the Answer |
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| CATING THE RESUL | LTS OF | | |
| Appropriate Audit Wo | | | IIT |
| Appropriate Audit Wo | orking F | Papers | |
| | Appropriate Audit W | Appropriate Audit Working F | Appropriate Audit Working Papers |



| | | Suggested Audit Working Paper | | | | |
|---|--|------------------------------------|--------|----------------|---------------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Me applicable | emoran | dum (<i>i</i> | AOM), if | |

NEGOTIATED PROCUREMENT FOR GOODS AFTER TWO (2) FAILED BIDDINGS

V. SELECTION OF SUPPLIERS AND REQUEST FOR SUBMISSION OF PRICE QUOTATIONS

A. AUDIT OBJECTIVE:

To verify if the BAC selected and invited suppliers as required by regulations;

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Minutes of the BAC's meetings on the selection and invitation of contractors;
- 2. List of selected contractors to be invited;
- 3. Copies of invitation letters.

| | | Suggested A | udit W | orkin/ | g Paper |
|--|--|--|--------|--------|---------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC used the Procuring Entity's registry of suppliers as basis for selecting the suppliers to be invited for the negotiations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 53.1.2. The BAC shall invite and engage in negotiations with a sufficient number of suppliers to ensure effective competition. 53.1.2.1 53.1.2.2. All Procuring Entities shall maintain a registry of suppliers as basis for | 1. From the Minutes of the BAC meetings, TWG evaluation reports supported with copies of the Procuring Entity's Registry of suppliers, look for information on the basis of identification of the suppliers to be invited for the negotiations and the list of identified suppliers based on the agreed-upon basis. | Did the BAC use the Procuring Entity's registry of suppliers who have been classified under the type of contract/project where the subject contract falls, as one of the bases for selecting the suppliers to be invited for the negotiations? Did the BAC come up with a list of | | | |
| selecting the suppliers for negotiations. | | suppliers to be invited as agreed during the meetings conducted for the purpose? | | | |
| 2. To verify if the BAC invited all suppliers identified from the Registry (ies) and other bases adopted by the BAC for the purpose | 2. Compare the names of the suppliers to whom invitations have been sent by the BAC (with evidence of receipt) with the list of selected suppliers. | Did the BAC invite and engage in negotiations with a sufficient number of suppliers? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 53.1.2. The BAC shall invite and engage in negotiations with a sufficient number of suppliers to ensure effective competition. | | | | | |
| 3. To verify if the BAC posted the <i>Request for Submission of Price Quotations</i> continuously in the PhilGEPS website and the website of the procuring entity concerned, if available, for 7 calendar days starting on the date of posting Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 54.2. For alternative methods of | Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. On the first day of posting access the PhilGEPS website, the website of the procuring entity concerned, if available. Print the page where the notice was posted (to form part of the audit evidences). Access the websites at random during the 7-day period | Did the BAC post the Request for Submission of Price Quotations continuously in the: 1. PhilGEPS website for 7 calendar days starting on the date of advertisement? 2. website of the | | | |

| | | Suggested A | udit W | orking | g Paper |
|--|---|--|--------|--------|---------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| procurement, advertisement and posting as prescribed in Section 21.2.1 of this IRR may be dispensed with: Provided, however, That the BAC, through its Secretariat, shall post the invitation or request for submission of price quotations for Shopping under Sections 52.1(b) and Negotiated Procurement under Sections 53.1 (two-failed biddings) and 53.9 (small value procurement) of this IRR in the PhilGEPS website, the website of the procuring entity concerned, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity for a period of seven (7) calendar days. | to verify the postings. OR From the printouts of the web pages indicating the dates of printing, obtained from and duly certified by the BAC Secretariat as true and correct, compare these dates with the required dates of posting. | procuring entity concerned, if available, for 7 calendar days starting on the date of advertisement? | | | |
| 4. To verify if the BAC posted the Request for Submission of Price Quotations continuously at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the BAC Secretariat of the procuring entity Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 54.2. For alternative methods of procurement, advertisement and posting as prescribed in Section 21.2.1 of this IRR may be dispensed with: Provided, however, That the BAC, through its Secretariat, shall post the invitation or request for submission of price quotations for Shopping under Sections 52.1(b) and Negotiated Procurement under Sections 53.1 (two-failed biddings) and 53.9 (small value procurement) of this IRR in the PhilGEPS website, the website of the procuring entity concerned, if available, and at any conspicuous place reserved for this purpose in | 6. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. 7. Conduct ocular inspection on the first day of posting. 8. Repeat the ocular inspections (may be at random) during the 7-day period to verify the postings. 9. Request for the certification of the head of the BAC Secretariat. | Did the BAC post the Request for Submission of Price Quotations: 1. continuously for seven (7) calendar days? 2. at the conspicuous place reserved for the purpose in the premises of the procuring entity? 3. as certified by the head of the BAC Secretariat of the procuring entity? | | | |

| | | Suggested Audit Working Paper | | | | |
|---|---|-------------------------------|----------|-------|---------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| the premises of the procuring entity for a <u>period of seven (7)</u> <u>calendar days.</u> | | | | | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COMMUNI | CATING THE RES | ULTS (| OF AL | TIDIT | |
| 1. To verify the effects of instances of non-compliance on the: | Analyze the instances of non- compliance to establish the effects and develop appropriate audit recommendations. | Appropriate Audit W | orking F | apers | | |
| a. validity of the procurement activities and outputs including the validity of the resulting contract; | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | | |
| b. validity of any payment to be made on the basis of the contract; | NOTE: | | | | | |
| c. etc. | Also refer to the OFFENSES AND | | | | | |
| and develop appropriate audit recommendations | PENALTIES portion of this Audit Guide. | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non- compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit W | orking F | apers | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |

| | | Suggested A | udit W | orking/ | g Paper |
|---|---|------------------------------------|--------|---------|---------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Ma applicable | emoran | dum (| AOM), if |

NOTES:

- 1. Based on the following requirement of the *Manual of Procedures for the Procurement of Goods Vol 2 published by the GPPB*:
 - o Methodology: How is Negotiated Procurement undertaken?

... 4. ... The procedures for the conduct of public bidding should be observed.

for the rest of the procurement procedures up to the award of the contract, the *Audit Guide on the Procedures: Competitive/Public Bidding* are to be observed with particular attention given to compliance by the BAC of the following provisions of the Revised IRR of RA 9184 during bid evaluation up to award:

- 53.1.4. Following completion of the negotiations, the procuring entity shall request all suppliers remaining in the proceedings to submit, on a specified date, a best and final offer with respect to all aspects of their proposals.
- 53.1.5. The procuring entity shall select the successful offer on the basis of such best and final offers which should meet the procuring entity's minimum technical requirements and should not exceed the ABC.

and to the following provision of the Revised IRR of RA 9184:

• 53.1.6. In all stages of the negotiations, observers shall be invited

2. Other relevant criteria

Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009:

• 53.1.3. Any requirements, guidelines, documents, clarifications, or other information relative to the negotiations that are communicated by the



procuring entity to a supplier shall be communicated on an equal basis to all other suppliers engaging in negotiations with the procuring entity relative to the procurement.

- 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement.
- 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.
- 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).

NEGOTIATED PROCUREMENT OF GOODS

EMERGENCY CASES

Procurement Procedures: NEGOTIATED PROCUREMENT OF GOODS EMERGENCY CASES

Negotiated Procurement is a method of procurement of goods whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable supplier.

It may be resorted to in **emergency cases** or in any of the following cases:

- a. After 2 failed biddings,
- b. Agency-to-Agency,
- c. Procurement Agent,
- d. Defense Cooperation Agreement,
- e. Small-Value Procurement,
- f. NGO Participation,
- g. United Nations Agencies.

I. APPROVAL OF THE ALTERNATIVE METHOD OF PROCUREMENT

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Negotiated Procurement in Emergency Cases was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the approved *Minutes of Pre-Procurement Conference* duly certified by the BAC Secretariat;
- 2. BAC Resolution recommending negotiated procurement, duly approved by the HOPE;

| | | Suggested Audit Working Pap | | | |
|---------------------------------------|--|-----------------------------|-----|----|-----------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the |
| | | | | | Answer |
| 1. To verify if the BAC validated | 1. From the BAC | Did the BAC | | | |
| the existence of an emergency as | Resolution, look for | validation of an | | | |
| follows: | information on the BAC's validation of an | emergency as follows: | | | |
| a. imminent danger to life or | emergency as follows: | TOHOWS: | | | |
| property during a state of | a. imminent danger to life | a. imminent danger | | | |
| calamity, or | or property during a | to life or property | | | |
| b. time is of the essence arising | state of calamity, or | during a state of | | | |
| from natural or man-made | b. time is of the essence | calamity? | | | |
| calamities or other causes | arising from natural or man-made calamities | or | | | |
| where immediate action is | or other causes where | b. time is of the | | | |
| necessary to prevent damage | immediate action is | essence arising | | | |
| to or loss of life or property, or | necessary to prevent | from natural or | | | |
| to restore vital public services, | damage to or loss of | man-made | | | |
| infrastructure facilities and | life or property, or to | calamities or other | | | |
| other public utilities | | | | | |



| | | Suggested Auc | lit Wor | king F | Paper |
|--|--|---|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 53.2. Emergency Cases. In case of imminent danger to life or property during a state of calamity, or when time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities. | restore vital public services, infrastructure facilities and other public utilities | causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities? | | | |
| 2. To verify if the BAC: | From the BAC Resolution, look for | Did the BAC validate the justification for | | | |
| a. validated the justification for adoption of the adoption of Negotiated Procurement, an alternative method of procurement, b. validated that there was no splitting, | information on the BAC's validation of the justification for adoption of the alternative method of procurement: Negotiated | adoption of the alternative method of procurement: Negotiated Procurement? | | | |
| and c. through a Resolution recommended said method to the HOPE for approval | Procurement and recommendation of said method to the HOPE for approval. | Did the BAC validate that there was no "splitting"? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If | | Did the BAC recommend Negotiated Procurement, an alternative method, to the HOPE for approval? | | | |
| the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of | | | | | |

| | | Suggested Aud | dit Wor | king F | Paper |
|---|--|---|----------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement. | | | | | |
| 3. To verify if the HOPE approved the alternative method of procurement: Negotiated Procurement Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 3. From the BAC Resolution recommending the negotiated procurement as an alternative method, look for the approval of the HOPE. | Did the HOPE approve <i>Negotiated</i> <i>Procurement</i> as the method of procurement? | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| EVALUATING AUDIT EVIDENCES G | ATHERED AND COMMUI | NICATING THE RESI | JLTS (| OF AL | JDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if | Appropriate Audit Work | king Pap | oers | |
| resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. | appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |



| | | Suggested Auc | lit Wor | king F | Paper |
|---|--|----------------------------------|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND | Appropriate Audit Work | ing Par | pers | |
| | PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mem applicable | orandu | m (AO | M), if |

NOTES:

- 1. Based on the following requirement of the *Manual of Procedures for the Procurement of Goods Vol. 2 published by the GPPB:*
 - o Methodology: How is Negotiated Procurement undertaken?
 - 4. ... The procedures for the conduct of public bidding should be observed.

for the rest of the procurement procedures up to the award of the contract, the Audit Guide on the Procedures: Competitive/Public Bidding are to be observed.

2. Other relevant criteria

Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009:

- 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.
- 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).



NEGOTIATED PROCUREMENT FOR GOODS

AGENCY-TO-AGENCY

Procurement Procedures: NEGOTIATED PROCUREMENT FOR GOODS AGENCY-TO-AGENCY

Negotiated Procurement may be resorted to in **an agency-to-agency procurement** or in any of the following cases:

- a. After 2 failed biddings,
- b. Emergency,
- c. Procurement Agent,
- d. Defense Cooperation Agreement,
- e. Small-Value Procurement,
- f. NGO Participation
- g. United Nations Agencies.

Procurement of goods from another agency of the Government of the Philippines (GOP), such as the Procurement Service, Department of Budget and Management (PS-DBM), which is tasked with a centralized procurement of Common-Use Supplies for the GOP in accordance with Letters of Instruction No. 755 and Executive Order No. 359, series of 1989.

For purposes of Section 53.5 of the Revised IRR of RA 9184, the term agency <u>excludes</u> GOCCs incorporated under *Batas Pambansa Blg.* 68, otherwise known as the "Corporation Code of the Philippines".

NOTE:

No Audit Guide has been developed for this alternative method of procurement since the GPPB has yet to issue the Guidelines pursuant to the Revised IRR of RA 9184.

NEGOTIATED PROCUREMENT FOR GOODS

SMALL-VALUE PROCUREMENT

Procurement Procedures: NEGOTIATED PROCUREMENT FOR GOODS SMALL- VALUE PROCUREMENT

Negotiated Procurement may be resorted to in a **small – value procurement** or in any of the following cases:

- a. After 2 failed biddings,
- b. Agency-to-Agency,
- c. Procurement Agent,
- d. Defense Cooperation Agreement,
- e. NGO Participation
- f. United Nations Agencies.

Small-Value Procurement - Where the procurement does not fall under Shopping in Section 52 of the Revised IRR of RA 9184 and the amount involved does not exceed the thresholds prescribed in Annex "H" of said IRR, the procuring entity shall draw up a list of at least three (3) suppliers of known qualifications which will be invited to submit proposals.

The thresholds for this method of procurement are:

- a) For NGAs, GOCCs, GFIs, and SUCs, Five Hundred Thousand Pesos (P500,000).
- b) For LGUs, in accordance with the following schedule:

| | Maximum Amount (in Philippine Peso) | | | | | | |
|----------------------------|-------------------------------------|---------|--------------|--|--|--|--|
| DOF Classification of LGUs | Province | City | Municipality | | | | |
| 1st Class | 500,000 | 500,000 | 100,000 | | | | |
| 2nd Class | 500,000 | 500,000 | 100,000 | | | | |
| 3rd Class | 500,000 | 400,000 | 100,000 | | | | |
| 4th Class | 400,000 | 300,000 | 50,000 | | | | |
| 5th Class | 300,000 | 200,000 | 50,000 | | | | |
| 6th Class | 200,000 | 100,000 | 50,000 | | | | |

In the case of barangays, Fifty Thousand Pesos (P50,000).



I. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Small-Value Procurement was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the approved Annual Procurement Plan (APP);
- 2. evidences to support the conclusion that public bidding cannot be ultimately pursued;
- 3. evidences to support that procurement does not fall under Shopping in Section 52 of the IRR:
- 4. analysis leading to the conclusion that the amounts involved are within the threshold provided in Annex "H" of the Revised IRR of RA 9184;
- 5. Minutes of BAC meetings on the deliberations made;
- 6. BAC Resolution recommending the alternative method of procurement: Small-Value Procurement, duly approved by the HOPE.

| | | Suggested Audit Working Paper | | | |
|---|--|---|-----|----|-----------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the |
| | | | | | Answer |
| 1. To verify if the BAC validated: | 1. From the evaluation | Did the BAC validate | | | |
| a. that the original mode of | report with supporting documents and minutes | that the original mode of procurement per | | | |
| procurement per APP was | of the BAC's meetings | APP was public | | | |
| public bidding but cannot be | and relevant BAC | bidding but cannot be | | | |
| ultimately pursued; | Resolution(s), look for | ultimately pursued? | | | |
| b. the existence of the conditions | information on the BAC's | | | | |
| to justify Small-Value Procurement: | validation that the | Billi Bao III. | | | |
| b.1. procurement does not | original mode of procurement per APP | Did the BAC validate the existence of the | | | |
| fall under Shopping in | was public bidding but | conditions to justify | | | |
| Section 52 of the IRR: | cannot be ultimately | Small-Value | | | |
| , | pursued and of the | Procurement: | | | |
| b.2. the amounts involved did | existence of the | | | | |
| not exceed the thresholds | conditions to justify | a. procurement does | | | |
| in Annex "H" of the | Small-Value Procurement. | not fall under | | | |
| Revised IRR of RA 9184. | Frocurement. | Shopping in Section 52 of the | | | |
| c. that there was not splitting | | IRR? | | | |
| Implementing Rules and Regulations | | | | | |
| (IRR) of RA 9184, as amended on | | Or | | | |
| September 2, 2009: | | b. the amounts | | | |
| | | involved did not exceed the | | | |
| 48.3. The method of procurement to he wood shall be as indicated in the | | thresholds in | | | |
| be used shall be as indicated in the Approved Procurement Plan (APP). If | | Annex "H" of the | | | |
| the original mode of procurement | | Revised IRR of RA | | | |
| une <u>original mode of procurement</u> | | 9184? | | | |



| | | Suggested Au | dit Wor | king F | Paper |
|---|------------------|--|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | Did the BAC validate that there was not "splitting"? | | | , u i swei |
| 52.1. Shopping is a method of procurement of goods whereby the procuring entity simply requests for the submission of price quotations for readily available off-the-shelf goods or ordinary/regular equipment to be procured directly from suppliers of known qualifications. This method of procurement shall be employed in any of the following cases: | | | | | |
| a) When there is an unforeseen contingency requiring immediate purchase: Provided, however, That the amount shall not exceed the thresholds prescribed in Annex "H" of the Revised IRR or RA 9184. | | | | | |
| b) Procurement of ordinary or regular office supplies and equipment not available in the Procurement Service involving an amount not exceeding the thresholds prescribed in Annex "H" of this IRR. | | | | | |
| • 52.2. The phrase "ordinary or regular office supplies" shall be understood to include those supplies, commodities, or materials which, depending on the procuring entity's mandate and nature of operations, are necessary in the transaction of its official businesses, and consumed in the day-to-day operations of said procuring entity. However, office supplies shall not include services such as repair and maintenance of equipment and furniture, as well as trucking, hauling, janitorial, security, and related or analogous services. | | | | | |
| 53.9. Small Value Procurement. Where the procurement does not fall under Shopping in Section 52 of this IRR and the amount involved does | | | | | |



| | | Suggested Auc | dit Wor | king F | Paper |
|--|--|---|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| not exceed the thresholds prescribed in Annex "H" of this IRR. | | | | | Allawei |
| 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement. | | | | | |
| 2. To verify if the BAC: a. recommended the alternative mode of procurement: Small-Value Procurement to the HOPE, and b. the HOPE approved the | 2. From the BAC Resolution recommending Small-Value Procurement as the method of procurement, look for the approval of the HOPE. | Did the BAC recommend the alternative mode of procurement: Small-Value Procurement to the HOPE? | | | |
| alternative method of procurement Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | Did the HOPE approve Small-Value Procurement as the method of procurement? | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| EVALUATING AUDIT EVIDENCES G | ATHERED AND COMMUNI | CATING THE RESUL | TS OF | AUD | IT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. | Appropriate Audit Work | ing Pap | ers | |
| activities and outputs including the validity of the | Also determine if appropriate actions were | | | | |

| | | Suggested Audit Working Paper | | | | |
|---|--|-------------------------------------|---------|-------|---------------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| resulting contract; | taken by the auditee in | | | | | |
| b. validity of any payment to be made on the basis of the contract; | regard to instances of non- compliance. | | | | | |
| c. etc. | NOTE | | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the OFFENSES AND | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | PENALTIES portion of this Audit Guide. | | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Working Papers | | | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mer applicable | morandu | m (AO | M), if | |

NEGOTIATED PROCUREMENT FOR GOODS SMALL-VALUE PROCUREMENT

II. PRICE QUOTATIONS AND ACCEPTANCE OF OFFER

A. AUDIT OBJECTIVE

To verify if the Procuring Entity conducted Small-Value Procurement as required by regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. evidences that the suppliers identified were bona fide;
- 2. copy of the requests for price quotations duly received by the suppliers;
- 3. copy of the price quotations;
- 4. evidence of posting request for quotations (RFQ);
- 5. documentation of the analysis of the price quotations leading to the conclusion of what was to be accepted/ compliance with the specifications and other terms and conditions stated in the RFQ;
- 6. documentation of the recommendation to the authorized official of the Procuring Entity;
- 7. documentation of the acceptance of the offer.
- 8. Abstract of Quotations;
- 9. notice of award;
- 10. evidence of posting notice of award

| Audit Sub-objective | | Suggested | Audit \ | Norkii | ng Paper |
|---|---|---|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| 1. To verify if the Procuring Entity obtained price quotations (RFQs) from at least three (3) bona fide suppliers Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 53.9.1. The procuring entity shall draw up a list of at least three (3) suppliers, of known qualifications which will be invited to submit proposals, | 1. From the documentation of the evaluation conducted by the procurement unit of the Procuring Entity, with supporting documents, look for information on whether price quotations were obtained from at least 3 bona fide suppliers. | Did the procurement unit of the Procuring Entity obtain price quotations from at least 3 bona fide suppliers? | | | the Answer |
| 2. For procurement with an ABC of more than Php 50,000.00, To verify if the procuring entity posted the RFQs in: a. the PhilGEPS, | 2. Ahead of the procurement, request the procuring entity for advance information on the schedule of any posting. | Did the procurement unit of the Procuring Entity post the RFQ in: | | | |

| Audit Sub-objective | | Suggested | Audit \ | Norkii | ng Paper |
|---|--|--|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Audit Criteria b. the website of the procuring entity, if available c. any conspicuous place in the premises of the procuring entity for a period of 7 calendar days Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: 1 2 3. Procedural Guidelines d. RFQs shall also be posted for a period of seven (7) calendar days in the Philippine Government Electronic Procurement System (PhilG-EPS) website, website of the procuring entity, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity. However, in the following instances, the posting requirement shall not be applicable: i ii. RFQs with ABCs equal to Fifty Thousand Pesos (Php 50,000.00) and below. | 3. Access the PhilGEPS website, the website of the procuring entity concerned, if available and print the page where the notice was posted (to form part of the audit evidences). 4. Conduct ocular inspection on the schedule of posting. | a. the PhilGEPS for a period of 7 calendar days? b. the website of the procuring entity for a period of 7 calendar days? c. any conspicuous place in the premises of the procuring entity for a period of 7 calendar days? | Yes | No | Particulars of the Answer |
| 3. To verify if the procuring entity prepared an Abstract of Quotations after the deadline for submission of price quotations and determined the lowest quotation Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: 1 2 3. Procedural Guidelines | 5. Look for the Abstract of Quotations and check for the indication of the lowest quotation. 6. Compare the date of the Abstract of Quotations with the deadline for submission of price quotations as indicated in the RFQs. | Did the procurement unit of the Procuring Entity prepare an Abstract of Quotations? Did the procurement unit of the Procuring Entity prepare an Abstract of Quotations after the deadline for submission of price quotations? | | | |

| Audit Sub-objective | | Suggested | Audit ' | Workin | ng Paper |
|--|---|--|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Audit Criteria e. After the deadline for submission of price quotations, an Abstract of Ouotations shall be prepared setting forth the names of those who responded to the RFO, their corresponding price quotations, and the lowest quotation submitted. 4. To verify if the procuring entity made the award of contract to the lowest quotation which complied with the specifications and other terms and conditions stated in the RFQ Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: 1 2 3. Procedural Guidelines h. Award of contract shall be made to the lowest quotation for goods which complies with the specifications and other terms and conditions stated in the RFQ. | 7. Compare the name of supplier with the lowest quotation as indicated in the Abstract of Quotation with the name of supplier who was awarded the contract. 8. From the documentation of the evaluation of price quotations conducted by the procuring entity, look for the verification on the compliance with the specifications and other terms and conditions stated in the RFQ. | Did the procurement unit of the Procuring Entity determine the lowest quotation? Did the procuring entity award the contract to the lowest quotation which complied with the specifications and other terms and conditions stated in the RFQ? | Yes | No | Particulars of the Answer |
| 5. For procurement with an ABC of more than Php 50,000.00, To verify if the procuring entity posted the award in: a. the PhilGEPS, b. the website of the procuring entity, if available c. any conspicuous place in the premises of the procuring entity Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: 1 | 9. Ahead of the procurement, request the procuring entity for advance information on the schedule of any posting. 10. Access the PhilGEPS website, the website of the procuring entity concerned, if available and print the page where the award was posted (to form part of the audit evidences). 11. Conduct ocular inspection on the schedule of posting. | Did the procuring entity post the award in: a. the PhilGEPS? b. the website of the procuring entity? c. any conspicuous place in the premises of the procuring entity? | | | |

| Audit Sub-objective | Suggested Audit Working Paper | | | | |
|---|---|---------------------|---------------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| | | | | | |
| i. For information purposes, all awards shall be posted in the | | | | | |
| PhilG-EPS website, website of | | | | | |
| the procuring entity, if available, | | | | | |
| and at any conspicuous place | | | | | |
| reserved for this purpose in the | | | | | |
| premises of the procuring entity except for those with ABCs | | | | | |
| equal to Fifty Thousand Pesos | | | | | |
| (Php 50,000.00) and below. | | | | | |
| | | | | | |
| EVALUATING AUDIT EVIDENCE | | UNICATING THE | RESUL | TS OF | AUDIT |
| 1. To verify the effects of | Analyze the instances of | Annualist A 321.34 | ! . ! · · · ! | | |
| instances of non-compliance | non-compliance to establish the effects and develop | Appropriate Audit W | orking I | apers | |
| on the: | appropriate audit | | | | |
| a. validity of the procurement | recommendations. | | | | |
| activities and outputs | | | | | |
| including the validity of the | Also determine if | | | | |
| resulting contract; | appropriate actions were taken by the auditee in | | | | |
| b. validity of any payment to | regard to instances of non- | | | | |
| be made on the basis of | compliance. | | | | |
| the contract; | | | | | |
| c. etc. | | | | | |
| and develop appropriate | NOTE: | | | | |
| audit recommendations | Also refer to the | | | | |
| | OFFENSES AND | | | | |
| Implementing Rules and | PENALTIES portion of | | | | |
| Regulations (IRR) of RA 9184, as | this Audit Guide. | | | | |
| amended on September 2, 2009: | | | | | |
| Observers shall be invited at least | | | | | |
| three (3) calendar days before the | | | | | |
| date of the procurement | | | | | |
| stage/activity. The absence of | | | | | |
| observers will not nullify the BAC proceedings , provided | | | | | |
| that they have been duly | | | | | |
| invited in writing. | | | | | |
| 2. To wante the second of | Anglyzo the instance of | | | | |
| 2. To verify the causes of | Analyze the instances of non-compliances to establish | Appropriate Audit W | orkina I | Paners | |
| instances of non-compliance and develop appropriate | the cause(s) and develop | Appropriate Addit W | orning i | apois | |
| audit recommendations | appropriate audit | | | | |
| audit 1000iiiiioiidatioiis | recommendations. | | | | |
| | Also determine if | | | | |
| | appropriate actions were | | | | |
| | taken by the auditee in | | | | |
| | regard to instances of non- | | | | |
| | compliance. | | | | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | | | |
|---|--|---------------------------------|---------------------------------------|----|----------------|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of | | | | the Answer | | |
| | this Audit Guide. | | | | | | |
| 3. To communicate the results of the audit with the auditee's Management | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit | Audit Observation Me applicable | Observation Memorandum (AOM), if able | | | | |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | to Management | | | | | | |

Other criteria:

• 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.

NEGOTIATED PROCUREMENT FOR GOODS

DEFENSE COOPERATION AGREEMENT

Procurement Procedures: NEGOTIATED PROCUREMENT FOR GOODS DEFENSE COOPERATION AGREEMENT

Negotiated Procurement is a method of procurement of goods whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable supplier. It may be resorted to in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Agency-to-Agency, (4) Procurement Agent, (5) Defense Cooperation Agreement, (6) Small-Value Procurement, (7) NGO Participation, (8) United Nations Agencies.

Defense Cooperation Agreement - Upon prior approval by the President of the Philippines, and when the procurement for use by the AFP involves major defense equipment or materiel and/or defense-related consultancy services, when the expertise or capability required is not available locally, and the Secretary of National Defense has determined that the interests of the country shall be protected by negotiating directly with an agency or instrumentality of another country with which the Philippines has entered into a defense cooperation agreement or otherwise maintains diplomatic relations: Provided, however, That the performance by the supplier of its obligations under the procurement contract shall be covered by a performance security in accordance with Section 39 of the Revised IRR of RA 9184.

NOTE:

The Audit Guide on <u>Direct Contracting</u> may be used as reference, to consider the following criteria embodied in Section 53.8 of the Revised IRR of RA 9184:

- 1. There is prior approval by the President of the Philippines,
- 2. The procurement is by the AFP and involves major defense equipment or materiel;
- 3. The Secretary of National Defense has determined that the interests of the country shall be protected by negotiating directly with an agency or instrumentality of another country with which the Philippines has entered into a defense cooperation agreement or otherwise maintains diplomatic relations;
- 4. the performance by the supplier of its obligations under the procurement contract shall be covered by a performance security in accordance with Section 39 of the Revised IRR of RA 9184

NEGOTIATED PROCUREMENT FOR GOODS

UNITED NATIONS AGENCIES FOR GOODS

Procurement Procedures: NEGOTIATED PROCUREMENT FOR GOODS UNITED NATIONS AGENCIES

Negotiated Procurement is a method of procurement of goods whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable supplier in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Agency-to-Agency, (4) Procurement Agent, (5) Defense Cooperation Agreement, (6) Small-Value Procurement, (7) NGO Participation, (8) United Nations Agencies.

United Nations Agencies - Procurement from specialized agencies of the United Nations of any of the following:

- (a) small quantities of off-the-shelf goods, primarily in the fields of education and health; and
- (b) specialized products where the number of suppliers is limited, such as vaccines or drugs.

NOTE:

No Audit Guide has been developed for this method of procurement in the absence of regulations specifying the requirements and the related procedures.

COMPETITIVE / PUBLIC BIDDING FOR THE PROCUREMENT OF INFRASTRUCTURE PROJECTS

Procurement Procedures: COMPETITIVE / PUBLIC BIDDING FOR THE PROCUREMENT OF INFRASTRUCTURE PROJECTS

I. PREPARATORY ACTIVITY: BIDDING DOCUMENTS

Bidding documents are documents issued by the Procuring Entity to provide prospective bidders all the necessary information that they need to prepare their bids.

A. AUDIT OBJECTIVE:

To verify if the Bidding Documents for the specific procurement **followed the standard forms and manuals** prescribed by the Government Procurement Policy Board (GPPB)

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. The procuring entity's Customized Bidding Documents for Infrastructure Projects;
- 2. Bidding Documents for the specific procurement.

| Audit Sub-objective | | Suggested A | Audit W | /orking | g Paper |
|--|---|--|---------|---------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the Bidding | 1. If the procuring entity | Are the Bidding | | | |
| Documents for the specific | adopted customized Bidding | Documents/ | | | |
| procurement include the | Documents and the results | Information | | | |
| information and are | of the earlier validation of | <u>complete</u> : | | | |
| according to the forms | this element showed that | | | | |
| indicated in the | these are compliant with the | a. Approved Budget | | | |
| Customized Bidding | Philippine Bidding | for the Contract? | | | |
| Documents approved by | Documents for the | b. Invitation to Bid? | | | |
| the GPPB or the Philippine | Procurement of Infrastructure Projects and | D. HIVILATION TO DIG: | | | |
| Bidding Documents for the | Section 17.1 of the | c. Eligibility | | | |
| Procurement of | Implementing Rules and | Requirements? | | | |
| | Regulations of RA 9184, | | | | |
| Infrastructure Projects, 3 rd | secure from the BAC | d. Instruction to | | | |
| Edition (October 2009) | Secretariat duly certified | Bidders, including | | | |
| issued by the GPPB and | copies of the Bidding | scope of bid? | | | |
| Section 17 of the | Documents for the specific | | | | |
| Implementing Rules and | procurement and compare | - documents | | | |
| Regulations of RA 9184 as | these with the <u>customized</u> | comprising the | | | |
| amended on September 2, | Bidding Documents of the | bid? | | | |
| 2009: | procuring entity. | - criteria for | | | |
| a. Approved Budget for the | If the acceptance and | eligibility? | | | |
| Contract; | If the customized Bidding Documents are <u>not</u> | ongionity. | | | |
| b. Invitation to Bid; | compliant, compare the | bid evaluation | | | |
| c. Eligibility | procurement-specific Bidding | methodology/ | | | |
| Requirements; | Documents with the | criteria? | | | |
| d. Instruction to Bidders, | Philippine Bidding | | | | |
| including scope of bid, | Documents for the | - post- | | | |
| documents comprising | Procurement of | qualification | | | |
| the bid, criteria for | Infrastructure Projects | methodology? | | | |
| eligibility, bid | issued by the GPPB. | data of the pro | | | |
| evaluation | | date of the pre- bid conference? | | | |
| methodology/criteria in | | Dia conference: | | | |
| | | l | | ı | |

| Audit Sub-objective | | Suggested A | Audit W | /orking | Paper |
|--|------------------|----------------------------|---------|---------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| accordance with the | | - time of the pre- | | | |
| Act, and post- | | bid conference? | | | |
| qualification, as well as | | Diago of the | | | |
| the date, time and | | - Place of the | | | |
| place of the pre-bid | | pre-bid conference? | | | |
| conference (where | | contendice: | | | |
| applicable), submission | | - Deadline for | | | |
| of bids and opening of | | submission of | | | |
| bids; | | bids? | | | |
| e. Scope of work, where | | | | | |
| applicable; | | - Place of | | | |
| f. Plans/Drawings and | | submission of | | | |
| Technical | | bids? | | | |
| Specifications; | | - Date of opening | | | |
| g. Form of Bid, Price Form, | | of bids? | | | |
| and List of Goods; | | or blus. | | | |
| h. Delivery Time or | | - Time of opening | | | |
| Completion Schedule; | | of bids? | | | |
| i. Form, Amount, and | | | | | |
| Validity Period of Bid | | - Place of opening | | | |
| Security; | | of bids? | | | |
| j. Form, Amount, and | | a Sagna of work? | | | |
| Validity of Performance | | e. Scope of work? | | | |
| Security and Warranty; | | f. Plans/Drawings | | | |
| and | | and Technical | | | |
| I. Form of Contract and | | Specifications? | | | |
| General and Special | | | | | |
| Conditions of Contract. | | g. Form of Bid, Price | | | |
| | | Form, and Bill of | | | |
| Implementing Rules and | | Quantities? | | | |
| Regulations (IRR) of RA 9184, as | | h. Completion | | | |
| amended on September 2, 2009: | | Schedule? | | | |
| • 17.1. The Bidding Documents | | oonough. | | | |
| shall be prepared by the | | i. Form, Amount, and | | | |
| procuring entity following the | | Validity Period of | | | |
| standard forms and manuals | | Bid Security? | | | |
| prescribed by the GPPB. | | | | | |
| a. Approved Budget for the | | j. Form, Amount, and | | | |
| Contract; | | Validity of Performance | | | |
| b. Invitation to Bid; | | Security and | | | |
| c. Eligibility Requirements; d. Instruction to Bidders, | | Warranty? | | | |
| including scope of bid, | | | | | |
| documents comprising the | | k. Form of Contract | | | |
| bid, criteria for eligibility, bid | | and General and | | | |
| 0 3 | | Special Conditions | 1 | | |
| evaluation | | of Contract? | | | |

| Audit Sub objective | | Suggested / | \udit \\ | Vorking | n Danor |
|--|---|--|-----------|---------------|------------------------------|
| | Audit Activities | | | | |
| Audit Sub-objective • Audit Criteria accordance with the Act, and post-qualification, as well as the date, time and place of the pre-bid conference (where applicable), submission of bids and opening of bids; e. Scope of work, where applicable; f. Plans/Drawings and Technical Specifications; g. Form of Bid, Price Form, and Bill of Quantities; h. Completion Schedule; i. Form, Amount, and Validity Period of Bid Security; j. Form, Amount, and Validity of Performance Security and Warranty; and k. Form of Contract and General and Special Conditions of Contract. GPPB Resolution No. 05-2009 | Audit Activities | Suggested A Audit Question Are the Bidding Documents in the required form: a. Invitation to Bid? b. Instructions to Bidders? c. Bid Data Sheet? d. General Conditions of the Contract? e. Special Conditions of Contract? f. Schedule of Requirements? g. Technical Specifications? h. Bidding Forms? | Yes | Vorking No | Particulars of the Answer |
| GPPB Resolution No. 05-2009 dated 30 September 2009: all branches, agencies, departments, bureaus, offices and instrumentalities of the Government, including government-owned and/or controlled corporations, government financial institutions, state universities and college, and local government units, are hereby mandated to use the Philippine Bidding Documents Third Edition for all of their procurement activities. | | h. Bidding Forms? | | | |
| EVALUATING AUDIT EVIDEN | CES GATHERED AND CON | MUNICATING THE | RESUI | TS O | F AUDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in | Appropriate Audit Work | | | |
| b. validity of any payment to be made on the basis of the contract; c. etc. | regard to instances of non-compliance. | | | | |
| and develop appropriate | NOTE: Also refer to the | | | | |
| audit recommendations | OFFENSES AND | | | | |

 $\begin{picture}(100,0) \put(0,0){\line(1,0){100}} \put(0,0){\line(1,0){10$



| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|---|-------------------------------|----------|--------|---------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | this Audit Guide. | | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit Work | king Pap | pers | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mem | norandu | m (AON | I), if applicable | |

II. PREPARATORY ACTIVITY: PRE-PROCUREMENT CONFERENCE (For procurement of infrastructure projects costing more than P5 million)

The pre-procurement conference is the forum where all officials involved in the procurement meet and discuss all aspects of a specific procurement activity, which includes the technical specifications, the Approved Budget for the Contract (ABC), the applicability and appropriateness of the recommended method of procurement and the related milestones, the bidding documents, and availability of the pertinent budget release for the project.

A. AUDIT OBJECTIVES:

- 1. To verify if the Pre-Procurement Conference was conducted within the required time;
- 2. To verify if the **participants** to the Pre-Procurement Conference were as required;
- 3. To verify if during the Pre-Procurement Conference the participants, led by the Bids and Awards Committee (BAC), performed the required tasks and attained the objectives of the Conference.
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- copy of the approved Minutes of Pre-Procurement Conference duly certified by the BAC Secretariat;
- 2. Invitation to Bid;
- 3. Duly certified copies of the documents (Office Orders, contracts, Organizational/Functional Charts, etc) which the BAC Secretariat used as bases for identifying and notifying the participants to the Pre-Procurement Conference, including duly certified copies of the notices issued with evidence of receipt by the participants.

| Audit Sub-objective | | Suggested Au | dit Wo | rking | Paper |
|--|---|--|--------|-------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC conducted the Pre-Procurement Conference prior to the advertisement or the issuance of the Invitation to Bid Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 20.1. Prior to the Advertisement or the issuance of the Invitation to Bid for each procurement undertaken through public bidding, the BAC, through its Secretariat shall call for a Pre-Procurement Conference. | 1. Secure from the BAC Secretariat a duly certified copy of the <i>Minutes of Pre- Procurement Conference</i> and compare the date the conference was held with the date indicated in the newspaper or in the print- out of website page where <i>Invitation to Bid</i> was published/posted. | Did the BAC conduct the Pre-Procurement Conference prior to the advertisement or issuance of the Invitation to Bid? | | | |



| | | Suggested Au | dit Wo | rkina | Paner |
|--|--|--|--------|-------|---------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify if the participants to the Pre-Procurement Conference included the BAC, the Secretariat, the unit or officials, including consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Invitation to Bid Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 20.1 The pre-procurement conference shall be attended by the BAC, the Secretariat, the unit or officials, including consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Invitation to Bid, for each procurement. | 2. Secure from the BAC Secretariat duly certified copies of the documents (Office Orders, contracts, Organizational/Functional Charts, etc) which it used as bases for identifying and notifying the participants to the Pre-Procurement Conference, including duly certified copies of the notices issued with evidence of receipt by the participants. 3. From the <i>Minutes of Pre- Procurement Conference</i> look for the names of the members of the BAC, the members of the Secretariat, the officials and/or consultants who prepared the Bidding Documents and the draft Invitation to Bid. | Did the participants to the Pre-Procurement Conference include the: a. BAC? b. Secretariat? c. unit or officials who prepared the Bidding Documents and the draft Invitation to Bid? d. consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Invitation to Bid? | | | |
| 3. To verify if during the Pre- Procurement Conference the participants, led by the BAC, performed the following tasks and attained the related objectives: a. Discussed relevant information and confirmed the description of the scope of the contract, the ABC, and contract duration; b. Discussed relevant information and confirmed that the procurement is in accordance with the project procurement management plan (PPMP) and annual procurement plan (APP); c. Discussed relevant information and confirmed readiness of the procurement at hand on the following: c.1. the availability of appropriations and | 4. From the <i>Minutes of Pre-Procurement Conference</i> look for information on the presentation of the scope of the contract, the ABC, and contract duration, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the description of the scope of the contract, the ABC, and the contract duration. | Did the participants led by the BAC discuss and confirm the: a. Description of the scope of the contract? b. ABC? c. Contract duration? | | | |

| Audit Sub-objective | A | Suggested Au | ıdit Wa | rking | Paper |
|--|--|--|---------|-------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| programmed budget for contract; c.2. completeness of the Bidding Documents and their adherence to relevant general procurement guidelines; c.3. completion of the detailed engineering according to the prescribed standards in the case of infrastructure projects; c.4. confirmation of the availability of ROW and the ownership of affected properties. | 5. From the <i>Minutes of Pre-Procurement Conference</i> look for information on the presentation of the review of the PPMP and APP, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation if the procurement is in accordance with the PPMP and APP and availability of appropriations and programmed budget for the contract. | Did the participants led by the BAC discuss and confirm that the: a. procurement is in accordance with the PPMP and APP? b. appropriations and programmed budget for the contract are available? | | | |
| d. Reviewed, modified and agreed on the criteria for eligibility screening, evaluation, and post-qualification; f. Reviewed and adopted the procurement schedule, | 6. From the <i>Minutes of Pre-Procurement Conference</i> look for information on the presentation of information, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the <u>confirmation</u> | Did the participants led by the BAC discuss and confirm that the procurement at hand is ready as to: a. availability of appropriations and | | | |
| including deadlines and timeframes, for the different activities; and | of the readiness of the procurement at hand as to: a. availability of | programmed budget for the contract? | | | |
| g. Reiterated and emphasized the importance of confidentiality and the applicable sanctions and penalties, as well as agreed on measures to ensure compliance with the foregoing. | appropriations and programmed budget for the contract, b. completeness of the Bidding Documents and their adherence to the Philippine Bidding Documents (PBDs)/customized Bidding Documents, | b. completeness of the Bidding Documents? c. adherence of the Bidding Documents with the PBDs/ customized | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 20.1 During the conference, the participants, led by the BAC, shall: a. Confirm the description and scope of the contract, the ABC, and contract duration; b. Ensure that the procurement is in accordance with the project and annual procurement plans; c. Determine the readiness of the procurement at hand, including, among other aspects, the following: | c. completion of the detailed engineering according to the prescribed standards; d. availability of ROW and the ownership of affected properties. | Bidding Documents? d. completion of the detailed engineering according to the prescribed standards? e. availability of ROW and the ownership of affected properties? | | | |

| | Audit Sub-objective | A., olit A. a.t.i:.t. | Suggested Au | ıdit Wo | orking | Paper |
|----|---|--|--|---------|--------|---------------------------|
| | • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | i) availability of appropriations and programmed budget for the contract; ii) completeness of the Bidding Documents and their adherence to relevant general procurement guidelines; iii) completion of the detailed engineering according to the prescribed standards in the case of infrastructure projects; iv) confirmation of the availability of ROW and the | 7. From the <i>Minutes of Pre-Procurement Conference</i> look for information on the presentation of the criteria for eligibility screening, bid evaluation, and post-qualification, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the <u>confirmation of the criteria for eligibility screening</u> , bid evaluation, and post-qualification. | Did the participants led by the BAC discuss and confirm the criteria for: a. Eligibility screening? b. Bid evaluation? c. Post-qualification? | | | |
| d. | ownership of affected properties. Review, modify and agree on the criteria for eligibility screening, evaluation, and post- | 8. From the <i>Minutes of Pre-Procurement Conference</i> look for information on the presentation of the procurement schedule, | Did the participants led by the BAC discuss and confirm the adoption of the procurement schedule | | | |
| e. | qualification; Review and adopt the procurement schedule, including deadlines and timeframes, for the different activities; and | including deadlines and timeframes for the different activities, the no-contact rule, the deliberation thereon, and the conclusions | including deadlines and timeframes for the different activities? | | | |
| f. | Reiterate and emphasize the importance of confidentiality and the applicable sanctions and penalties, as well as agree on measures to ensure compliance with the foregoing. | reached as a result of the deliberation; and analyze if they led to the confirmation of the adoption of the procurement schedule including deadlines and timeframes for the different | | | | |
| • | 7.2. No procurement shall be undertaken unless it is in accordance with the approved | activities. 9. From the <i>Minutes of Pre-</i> | Did the participants | | | |
| GP | APP of the procuring entity of the Head of the Procuring Entity or second-ranking official designated by the Head of the Procuring Entity to act on his behalf, and must be consistent with its duly approved yearly budget. PB Circular 01-2009 dated 20 | Procurement Conference look for information on the reiteration and emphasis of the importance of confidentiality and the applicable sanctions and penalties, as well as the agreement on measures to ensure compliance. | Did the participants led by the BAC reiterate and emphasize the importance of confidentiality and the applicable sanctions and penalties, as well as the agreement on measures to ensure compliance? | | | |
| | puary 2009: | | compliances | | | |
| | To facilitate the immediate implementation of projects even pending approval of the GAA, the ABC shall be based on the budget levels under the National Expenditure Program (NEP) submitted to Congress. For specifically appropriated | | | | | |



| Audit Sub-objective | A contra A nativitation | Suggested A | udit Wo | ıdit Working Paper | | | |
|---|-------------------------|----------------|---------|--------------------|---------------------------|--|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| projects, agencies can proceed with the procurement activities prior to issuance of the notice of award using as basis the NEP figures. 4.4. For lump-sum appropriations and Centrally Managed Items (CMIs) under the agency's budget, the head of the agency shall identify and thereafter notify the implementing units (IUs) of the amount allocated for the projects they are to implement. On the basis of said notification, | | | | | the 7th Swei | | |
| the heads of the respective IUs, as procuring entities, can proceed with the procurement activities prior to issuance of the notice of award. | | | | | | | |
| 4.5. For Multi-Year Projects (MYPs), for which the initial funding – sourced from either the existing/current year's budget or the NEP – is not sufficient to cover the total cost of the project, it is required that a Multi-Year Obligational Authority (MYOA) must already have been issued in accord with DBM Circular Letter 2004-012 prior to commencement of any procurement activity. Thus, the MYOA shall be a pre-requisite for procurement of a multi-year contract. All procurement activities should be within the total project cost and categories reflected in the MYOA issued by DBM for the said MYP. | | | | | | | |
| 4.6. As prescribed under Section 47, Chapter 8, Subtitle B, Title I, Book V of the Administrative Code of 1987, no contract involving the expenditure of public funds shall be entered into unless the proper accounting official of the procuring entity shall have certified as to the availability of funds and the allotment to which the expenditure or obligation may be properly charged. • Definition: | | | | | | | |

| **Audit Criteria** **Sued by the Department of Budget and Management (DBM) which authorizes an agency to incur obligations for a specified amount as contained in a legislated appropriation. The allotment issued may either be trough the Agency Budget Mairx (ABM) which covers the comprehensive release of specifically appropriated items in the agency budget or through the Special Allotment Release Order (SARO). 3.2. Annual Procurement Plan (APP) – the requisite document that the agency must prepare to reflect the entire procurement activity (i.e., goods, services, civil works to be procured) that it plans to undertake within the calendar year. This document contains the following information: 3.2.1. Name of the procurement program/project: 3.2.2. Project management office or end-user unit; 3.2.3. General description of the procurement activity; 3.2.4. Procurement method to be adopted: 3.2.5. Time schedule for each procurement activity; 3.2.6. Source of fund: and 3.2.7. Approved Budget for the Contract. 3.3. Approved Budget for the Contract. 3.3. Approved Budget for the Contract (ABC) – refers to the following: NGs including SUCs (referred to in Section 2.1) 3.3.1. For specifically appropriated items as reflected in the annual budget of the national government agency, the amount corresponding to either | Audit Sub-obiective | Audit Activities | Suggested Audit Working Paper | | | | |
|--|--|------------------|-------------------------------|-----|----|---------------------------|--|
| issued by the Department of Budget and Management (DBM) which authorizes an agency to incur obligations for a specified amount as contained in a legislated appropriation. The altoment issued may either be trough the Agency Budget Matrix (ABM) which covers the comprehensive release of specifically appropriated items in the agency's budget or through the Special Allotment Release Order (SARO). 3.2. Annual Procurement Plan (APP) – the requisite document that the agency must prepare to reflect the entite procurement activity (i.e., goods, services, civil works to be procured) that it plans to undertake within the calendar year. This document contains the following information: 3.2.1. Name of the procurement program/project: 3.2.2. Project management office or end-user unit: 3.2.3. General description of the procurement office or end-user unit: 3.2.4. Procurement method to be adopted; 3.2.5. Time schedule for each procurement adopted: 3.2.6. Source of fund: and 3.2.7. Approved Budget for the Contract. 3.3. Approved Budget for the Contract. 3.3. Approved Budget for the Contract (ABC) – refers to the following: MGs including SUCs (referred to in Section 2.1) 3.3.1. For specifically appropriated lems as reflected in the annual budget of the national government agency, the amount corresponding to either | | | Audit Question | Yes | No | Particulars of the Answer | |
| 3.2.7. Approved Budget for the Contract. 3.3. Approved Budget for the Contract (ABC) – refers to the following: NGs including SUCs (referred to in Section 2.1) 3.3.1. For specifically appropriated items as reflected in the annual budget of the national government agency, the amount corresponding to either | issued by the Department of Budget and Management (DBM) which authorizes an agency to incur obligations for a specified amount as contained in a legislated appropriation. The allotment issued may either be trough the Agency Budget Matrix (ABM) which covers the comprehensive release of specifically appropriated items in the agency's budget or through the Special Allotment Release Order (SARO). 3.2. Annual Procurement Plan (APP) – the requisite document that the agency must prepare to reflect the entire procurement activity (i.e., goods, services, civil works to be procured) that it plans to undertake within the calendar year. This document contains the following information: 3.2.1. Name of the procurement program/project; 3.2.2. Project management office or end-user unit; 3.2.3. General description of the procurement; 3.2.4. Procurement method to be adopted; 3.2.5. Time schedule for each | Audit Activities | | | | | |
| following: NGs including SUCs (referred to in Section 2.1) 3.3.1. For specifically appropriated items as reflected in the annual budget of the national government agency, the amount corresponding to either | 3.2.7. Approved Budget for the Contract. 3.3. Approved Budget for the | | | | | | |
| in the annual budget of the national government agency, the amount corresponding to either | following: <u>NGs including SUCs (referred to in Section 2.1)</u> 3.3.1. For specifically | | | | | | |
| the full cost of a single year or multi-year program/project/ activity. For multi-year projects, for which a Multi-Year Obligational Authority has been | in the annual budget of the national government agency, the amount corresponding to either the full cost of a single year or multi-year program/project/activity. For multi-year projects, for which a Multi-Year | | | | | | |

| Audit Oriteria amount reflected in the Multi- Year Obligational Authority. GOCCs and LGBs federed to in Section 2.2) 3.3.3. In the case of GOCCs, including government financial institutions as well as LGBs the ABC represents the amount of fund transfers which they receive from a national government agency to implement a program/project/activity. 3.5. Lump-Sum Appropriations and Contraity Management items (CMS) – those time in the budget of agencies for which the Implementing Units and the specific amounts allocated for each have not been identified in the National Expenditure Program (NEP) or the General Appropriations Act (GAA). 3.8. Multi-Year Obligational Authority (MYCA) – a document issued by the DBM either for locally funded projects or foreign assisted projects in protes to authorize the latter to enter into multi-year contracts for the full project cost. A MYOA, which contains an annual breakdown of the full project cost, obligates agencies to include in their budget proposal for the ensuring years the amount programmed for the said year(s). 3.9. National Expenditure Program (NEP) – the proposed national budget submitted by the President to Congress in accord with Socion 22. Article VIII of the Constitution. The NEP shall be the basis of the general appropriations Act (GAA). [CAAA]. EVALUATING AUDIT EVIDENCES GATHERED AND COMMUNICATING THE RESULTS OF AUDIT 1. To verify the effects of | | | Suggested Audit Working Paper | | | | | | |
|--|---|--|----------------------------------|---|--|----------------|--|--|--|
| amount reflected in the Multi- Vear Obligational Authority, GOCCs and LGUs (referred to in Section 2.2) 3.3.3. In the case of GOCCs, including government financial institutions as well as LGUs, the ABC represents the amount of fund transfers which they receive from a national government agency to implement a program/project/activity. 3.5. Lump-Sum Appropriations and Contrally Management Items (CMIs) – those time in the budget of agencies for which the Implementing Units and the specific amounts allocated for each have not been identified in the National Expenditure Program (NEP) or the General Appropriations Act (GAA). 3.8. Multi-Year Obligational Authority (MYCA) – a document issued by the DBM either for locally funded projects or freigin assisted projects implemented by agencies in order to authorize the latter to enter into multi-year contracts for the full project cost. A MYOA, which contains an annual breakdown of the full project cost, obligation spenics to include in their budget proposal for the ensuring years the amount programmed for the said year(s). 3.9. National Expenditure Program (NEP) – the proposed national budget submitted by the President to Congress in accord with Section 22. Article VII of the Constitution. The NEP shall be the basis of the general appropriations bit, which upon its enactment, becomes the General Appropriations Act (GAA). EVALUATING AUDIT EVIDENCES GATHERED AND COMMUNICATING THE RESULTS OF AUDIT 1. To verify the effects of | • | Audit Activities | | _ | | Particulars of | | | |
| and Centrally Management Items (CMIs) – those itme in the budget of agencies for which the Implementing Units and the specific amounts allocated for each have not been identified in the National Expenditure Program (NEP) or the General Appropriations Act (GAA). 3.8. Multi-Year Obligational Authority (NYOA) – a document Issued by the DBM either for locally funded projects or foreign assisted projects implemented by agencies in order to authorize the latter to enter into multi-year contracts for the full project cost. A MYOA, which contains an annual breakdown of the full project cost, obligates agencies to include in their budget proposal for the ensuring years the amount programmed for the said year(s). 3.9. National Expenditure Program (NEP) – the proposed national budget submitted by the President to Congress in accord with Section 22, Article VII of the Constitution. The NEP shall be the basis of the general appropriations bill, which upon its enactment, becomes the General Appropriations Act (GAA). EVALUATING AUDIT EVIDENCES GATHERED AND COMMUNICATING THE RESULTS OF AUDIT 1. To verify the effects of | Year Obligational Authority. GOCCs and LGUs (referred to in Section 2.2) 3.3.3. In the case of GOCCs, including government financial institutions as well as LGUs, the ABC represents the amount of fund transfers which they receive from a national government agency to implement a | | | | | the Answer | | | |
| Authority (MYOA) — a document issued by the DBM either for locally funded projects or foreign assisted projects implemented by agencies in order to authorize the latter to enter into multi-year contracts for the full project cost. A MYOA, which contains an annual breakdown of the full project cost, obligates agencies to include in their budget proposal for the ensuring years the amount programmed for the said year(s). 3.9. National Expenditure Program (NEP) — the proposed national budget submitted by the President to Congress in accord with Section 22, Article VII of the Constitution. The NEP shall be the basis of the general appropriations bill, which upon its enactment, becomes the General Appropriations Act (GAA). EVALUATING AUDIT EVIDENCES GATHERED AND COMMUNICATING THE RESULTS OF AUDIT 1. To verify the effects of | and Centrally Management Items (CMIs) – those itme in the budget of agencies for which the Implementing Units and the specific amounts allocated for each have not been identified in the National Expenditure Program (NEP) or the General | | | | | | | | |
| Program (NEP) – the proposed national budget submitted by the President to Congress in accord with Section 22, Article VII of the Constitution. The NEP shall be the basis of the general appropriations bill, which upon its enactment, becomes the General Appropriations Act (GAA). EVALUATING AUDIT EVIDENCES GATHERED AND COMMUNICATING THE RESULTS OF AUDIT 1. To verify the effects of Analyze the instances of | Authority (MYOA) – a document issued by the DBM either for locally funded projects or foreign assisted projects implemented by agencies in order to authorize the latter to enter into multi-year contracts for the full project cost. A MYOA, which contains an annual breakdown of the full project cost, obligates agencies to include in their budget proposal for the ensuring years the amount programmed for the | | | | | | | | |
| 1. To verify the effects of Analyze the instances of | Program (NEP) – the proposed national budget submitted by the President to Congress in accord with Section 22, Article VII of the Constitution. The NEP shall be the basis of the general appropriations bill, which upon its enactment, becomes the General Appropriations Act | | | | | | | | |
| 1. To verify the effects of Analyze the instances of | EVALUATING AUDIT EVIDENCES GATHERED AND COMMUNICATING THE RESULTS OF AUDIT | | | | | | | | |
| on the: Instances of non-compliance Instances of non-complian | 1. To verify the effects of instances of non-compliance | Analyze the instances of non-compliance to establish the effects and | Appropriate Audit Working Papers | | | | | | |

| Audit Sub-objective | | Suggested Au | udit Wo | orking | Paper |
|---|---|--------------------------|---------|--------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. | recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | • | | |
| and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit Workin | g Papei | rs | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memor | randum | (AOM) | , if applicable |

III. ADVERTISING AND POSTING OF THE INVITATION TO BID (For procurement of infrastructure projects costing more than P5 million)

Advertising and posting are conducted to ensure transparency of the procurement process, widest possible dissemination to increase the number of prospective bidders, and intensify competition for the procurement activity or project

A. AUDIT OBJECTIVE:

To verify if the Invitation to Bid was advertised and posted in the media and within the specified time as required

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Entire page of the newspaper where the *Invitation to Bid* was advertised;
- 2. Document used by the BAC Secretariat to verify from the publisher the extent of circulation of the newspaper and the first day of its publication;
- 3. Printout of the web page where the Invitation to Bid was posted in the PhilGEPS website, the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable for the first day and at least the last day of posting;
- 4. Certification by the head of the BAC Secretariat of the procuring entity that the invitation was posted at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days.

| Audit Sub-objective | | Suggested Au | ıdit Wo | orking | Paper |
|--|--|--|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the BAC | 1. From the entire page of | Did the BAC advertise | | | |
| advertised the Invitation to | the newspaper where the | the <i>Invitation to Bid</i> | | | |
| Bid in a newspaper of | Invitation to Bid was | in a newspaper of | | | |
| general nationwide | advertised, to be submitted | general nationwide circulation which has | | | |
| circulation which has been | to the Auditor on the day of advertisement, validate the | been regularly | | | |
| regularly published for at | advertisement, validate the | published for at least | | | |
| least 2 years before the date | davertisement. | 2 years before the | | | |
| of issue of the advertisement | 2. From the verification | date of issue of the | | | |
| | document obtained by the | advertisement? | | | |
| Implementing Rules and Regulations | BAC Secretariat from the | | | | |
| (IRR) of RA 9184, as amended on | publisher, check the extent | | | | |
| September 2, 2009: | of circulation of the | | | | |
| • 21.2.1. Except as otherwise | newspaper and the first day | | | | |
| provided in Sections 21.2.2 and | of publication. | | | | |
| 54.2 of this IRR and for the procurement of common-use | | | | | |
| goods and supplies, the Request | | | | | |
| for Expression of Interest shall be: | | | | | |
| a. Advertised at least once in a | | | | | |
| newspaper of general nationwide | | | | | |
| circulation which has been | | | | | |
| regularly published for at least 2 | | | | | |
| years before the date of issue of | | | | | |
| the advertisement | | | | | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | orking | Paper |
|--|--|---|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| 2. To verify if the BAC posted the <i>Invitation to Bid</i> continuously in the PhilGEPS website, the website of the procuring entity concerned, if available, and the website prescribed by the foreign government/foreign or international financing institution, if applicable, for 7 calendar days starting on the date of advertisement Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 21.2.1. Except as otherwise provided in Sections 21.2.2 and 54.2 of this IRR and for the procurement of common-use goods and supplies, the Invitation to Bid shall be: c b. Posted continuously in the PhilGEPS website, the website of the procuring entity concerned, if available, and the website prescribed by the foreign government/foreign or international financing institution, if applicable, for 7 calendar days starting on the date of advertisement | 3. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. 4. On the first day of posting access the PhilGEPS website, the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable. Print the page where the notice was posted (to form part of the audit evidences). 5. Access the websites at random during the 7-day period to verify the postings. OR From the printouts of the web pages indicating the dates of printing, obtained from and duly certified by the BAC Secretariat as a true and correct, compare these dates with the required dates of posting. | Did the BAC post the Invitation to Bid continuously in the: 1. PhilGEPS website for 7 calendar days starting on the date of advertisement? 2. website of the procuring entity concerned, if available, for 7 calendar days starting on the date of advertisement? 3. website prescribed by the foreign government/ foreign or international financing institution, if applicable, for 7 calendar days starting on the date of advertisement? | | | the Answer |
| 3. To verify if the BAC posted the <i>Invitation to Bid</i> continuously at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the BAC Secretariat of the procuring entity Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 21.2.1. Except as otherwise provided in Sections 21.2.2 and 54.2 of this IRR and for the procurement of common-use goods and supplies, the Invitation to Bid shall be: | 6. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. 7. Conduct ocular inspection on the first day of posting. 8. Repeat the ocular inspections (may be at random) during the 7-day period to verify the postings. 9. Request for the certification of the head of the BAC Secretariat. | Did the BAC post the <i>Invitation to Bid</i> : 1. continuously for seven (7) calendar days? 2. at the conspicuous place reserved for the purpose in the premises of the procuring entity? 3. as certified by the head of the BAC Secretariat of the procuring entity? | | | |

| <u></u> | | 1 | | | |
|--|--|------------------------|----------------|--------|------------------------------|
| Audit Sub-objective | | Suggested A | <u>udit Wo</u> | orking | |
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| a b c. Posted at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the BAC Secretariat of the procuring entity. | COATUEDED AND COMM | WINDONTING THE D | Telli T | 35 OE | AUDIT |
| EVALUATING AUDIT EVIDENCE | | UNICATING THE R | E20L1 | S OF | AUDIT |
| 1. To verify the effects of instances of non-compliance on the: | Analyze the instances of non-compliance to establish the effects and develop appropriate audit | Appropriate Audit Worl | king Pap | oers | |
| a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; | recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | |
| c. etc. | NOTE. | | | | |
| and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| amended on September 2, 2009: Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Worl | king Pa | oers | |
| | | | | | |



| Audit Sub-objective | | Suggested Au | dit Wo | orking | Paper |
|---|--|---|--------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of | | | | the Answer |
| | this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit | Audit Observation Memorandum (AOM), if applicable | | | |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | to Management | | | | |

IV. POSTING OF THE INVITATION TO BID (For procurement of infrastructure projects costing P5 million and below)

A. AUDIT OBJECTIVE:

To verify if the Invitation to Bid was posted in the media as required and within the specified time

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- Printouts (duly certified by the BAC Secretariat as true and correct) of the web pages
 where the Invitation to Bid was posted in the PhilGEPS website, the website of the
 procuring entity concerned, if available, and website prescribed by the foreign
 government/ foreign or international financing institution, if applicable, for every day of
 the posting, indicating the dates of printing
- 2. Certification by the head of the BAC Secretariat of the procuring entity that the invitation was posted at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days.

| 1. To verify if the BAC posted the <i>Invitation to Bid</i> continuously in the PhilGEPS website, the website of the procuring entity concerned, if available, and the website prescribed by the foreign government/foreign or 1. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. 2. On the first day of posting access the | Suggested At Audit Question d the BAC post the exitation to Bid entinuously in the: PhilGEPS website for 7 calendar days starting on the date of advertisement? | Yes | No | Particulars of the Answer |
|---|--|-----|----|------------------------------|
| the Invitation to Bid continuously in the PhilGEPS website, the website of the procuring entity concerned, if available, and the website prescribed by the foreign government/foreign or procurement, request the BAC Secretariat for advance information on the first day of any posting. 1. If a procurement, request the BAC Secretariat for advance information on the first day of any posting. 2. On the first day of posting access the | PhilGEPS website for 7 calendar days starting on the date of | | | |
| calendar days starting on the date of advertisement Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 21.2.1. Except as otherwise provided in Sections 21.2.2 and 54.2 of this IRR and for the procurement of common-use goods and supplies, the Invitation to Bid shall be: d b. Posted continuously in the PhilGEPS website, the website of the procuring entity concerned, if available, and the website prescribed by the foreign government/ foreign or international financing institution, if applicable. Print the page where the notice was posted (to form part of the audit evidences). 3. Access the websites at random during the 7-day period to verify the postings. OR From the printouts of the web pages indicating the | website of the procuring entity concerned, if available, for 7 calendar days starting on the date of advertisement? website prescribed by the foreign government/ foreign or international financing institution, if applicable, for 7 calendar days starting on the date of advertisement? | | | |

| Audit Sub-objective | | Suggested A | udit Wo | rking F | Paper |
|--|---|--|----------|---------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| | required dates of posting. | | | | |
| 2. To verify if the BAC posted | 4. Ahead of any | Did the BAC post the | | | |
| the Invitation to Bid | procurement, request the | Invitation to Bid: | | | |
| continuously at any | BAC Secretariat for | | | | |
| conspicuous place reserved | advance information on | 1. continuously for | | | |
| for the purpose in the | the first day of any | seven (7) calendar days? | | | |
| premises of the procuring | posting. | uays: | | | |
| entity for 7 calendar days, as | 5. Conduct ocular | 2. at the conspicuous | | | |
| certified by the head of the | inspection on the first day | place reserved for the | | | |
| BAC Secretariat of the | of posting. | purpose in the | | | |
| procuring entity | | premises of the | | | |
| Insulant atting Dulan and Danielations | 6. Repeat the ocular | procuring entity? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on | inspections (may be at | 2 | | | |
| September 2, 2009: | random) during the 7-day period to verify the | 3. as certified by the head of the BAC | | | |
| • 21.2.1. Except as otherwise | postings. | Secretariat of the | | | |
| provided in Sections 21.2.2 and | postinger | procuring entity? | | | |
| 54.2 of this IRR and for the | 7. Request for the | . 3 | | | |
| procurement of common-use goods | certification of the head of | | | | |
| and supplies, the Invitation to Bid | the BAC Secretariat. | | | | |
| shall be: | | | | | |
| a b | | | | | |
| c. Posted at any conspicuous place | | | | | |
| reserved for the purpose in the | | | | | |
| premises of the procuring entity | | | | | |
| for 7 calendar days, as certified | | | | | |
| by the head of the BAC | | | | | |
| Secretariat of the procuring | | | | | |
| entity. | | | | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COM | MUNICATING THE R | ESULT | S OF A | AUDIT |
| To verify the effects of | Analyze the instances of | | | | |
| instances of non-compliance | non-compliance to | Appropriate Audit Work | ing Pape | rs | |
| on the: | establish the effects and | | | | |
| a. validity of the procurement | develop appropriate audit recommendations. | | | | |
| activities and outputs | recommendations. | | | | |
| including the validity of the | Also determine if | | | | |
| resulting contract; | appropriate actions were | | | | |
| | taken by the auditee in | | | | |
| b. validity of any payment to | regard to instances of | | | | |
| be made on the basis of | non-compliance. | | | | |
| the contract; | | | | | |
| c. etc. | | | | | |
| and develop appropriate | NOTE: | | | | |
| audit recommendations | Also refer to the | | | | |
| | OFFENSES AND | | | | |
| Implementing Rules and | PENALTIES portion | | | | |
| Regulations (IRR) of RA 9184, as | of this Audit Guide. | | | | |
| amended on September 2, 2009: | | | | | |
| , | | | | | |
| Observers shall be invited at least three (2) calendar days before the | | | | | |
| three (3) calendar days before the | <u> </u> | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|-------------------------------|-----------|---------|---------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Worl | king Pape | rs | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Men | norandum | ı (AOM) | , if applicable | |

V. ISSUANCE OF BIDDING DOCUMENTS FOR THE PROCUREMENT OF INFRASTRUCTURE PROJECTS

The bidding documents must be made available to the prospective bidders from the time the Invitation to Bid is advertised until immediately before the deadline for submission of bids.

A. AUDIT OBJECTIVE:

To determine whether the prescribed procedures and timelines in the issuance of bidding documents were followed

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Invitation to Bid;
- 2. Printouts (duly certified by the BAC Secretariat as true and correct) of the web pages where the Bidding Documents were posted in the PhilGEPS website, the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable, for every day of the posting, indicating the dates of printing;
- 3. Records of the BAC on issued bidding documents (with information on Official Receipt numbers) for the procurement at hand.

| Audit Sub-objective | | Suggested / | Audit V | Vorkin | g Paper |
|--|--|--|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| 1. To verify if the BAC observed the time required in making the Bidding Documents available, that is, from the time the Invitation to Bid was first advertised up to the deadline for the submission and receipt of bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 17.3. To provide prospective bidders ample time to examine the Bidding Documents and to prepare their respective bids, the concerned BAC shall make the Bidding Documents for the contract to be bid available for the following period: a) For the procurement of goods and infrastructure projects, from the time the Invitation to Bid is first advertised/posted until the deadline for the submission of bids. | 1. Compare the "period of availability of the Bidding Documents" indicated in the <i>Invitation to Bid</i> with the dates of the daily printouts of the web pages day of advertising/posting of the <i>Invitation to Bid</i> (day 1 of period) and the deadline for the submission of bids (last day of period). | Did the BAC make the bidding documents available from the time the Invitation to Bid was first advertised/ posted up to the deadline for the submission and receipt of bids? | | | the Answer |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|---|--|----------|-------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify if the BAC posted the Bidding Documents at the website of the procuring entity and at the PhilGEPS website from the time that the Invitation to Bid was advertised up to the deadline for the submission and receipt of bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Section 17.5 – The procuring entity shall also post the Bidding Documents at its website and at the PhilGEPS website from the time that the Invitation to Bid is advertised. Prospective Bidders may download the Bidding Documents from any of the said websites; Provided that, bidders shall pay the fee for the Bidding Documents upon submission of their Bids. | 2. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting of Bidding Documents. 3. On the first day of posting access the PhilGEPS website, the website of the procuring entity concerned, if available. Print the page where the notice was posted (to form part of the audit evidences). 4. Access the websites at random from the first day of posting up to the deadline for the submission and receipt of bids to verify the postings. | Did the BAC post the Bidding Documents at the: c. PhilGEPS website starting on the first day of advertisement d. website of the procuring entity concerned, if available, starting on the first day of advertisement | | | |
| 3. To verify if all bidders that secured Bidding Documents paid to the authorized collecting officer of the procuring entity Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 17.4. Bidders may be asked to pay for the Bidding Documents to recover the cost of its preparation and development. The BAC shall issue the Bidding Documents upon payment of the corresponding cost thereof to the collecting/ disbursing officer of the procuring entity concerned. 17.5 Prospective bidders may download the Bidding Documents from any of the said websites; Provided that, bidders shall pay the fee for the Bidding Documents upon submission of their bids. | 5. Compare the records of the BAC on issued bidding documents (with information on Official Receipt numbers) for the procurement at hand with copies of Official Receipts (ORs) issued by authorized collecting officers for the sale of bidding documents. 6. After submission of bids, for bidders that downloaded bidding documents, compare the OR numbers indicated in the records of the BAC Secretariat with copies of the ORs or Report of Collection of authorized collecting officers. | Did all the bidders who submitted bids pay the correct amount for the bidding documents to the authorized collecting officer of the procuring entity? | | | |
| EVALUATING AUDIT EVIDENCE | | NICATING THE RE | SULTS | OF A | UDIT |
| 1. To verify the effects of instances of non-compliance on the: | Analyze the instances of non- compliance to establish the effects and develop appropriate audit | Appropriate Audit Wo | orking F | apers | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|------------------------------------|----------|--------|---------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| activities and outputs including the validity of the resulting contract; | Also determine if appropriate actions were taken by the auditee in regard to instances | | | | | |
| b. validity of any payment to be made on the basis of the contract; | of non-compliance. | | | | | |
| c. etc. | NOTE: Also refer to the | | | | | |
| and develop appropriate audit recommendations | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non- compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Wo | orking F | Papers | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Me applicable | emoran | dum (A | OM), if | |
| September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | 3 | | | | | |

VI. PRE-BID CONFERENCE

For the procurement of infrastructure projects with an Approved Budget for the Contract of at least One Million Pesos (P 1 Million)

The pre-bid conference is the initial forum where the Procuring Entity's representatives and the prospective bidders discuss the different aspects of the procurement at hand.

A pre-bid conference must be held for contracts with ABCs of at least One Million Pesos (P 1 Million). For contracts with ABCs of less than P 1 million, pre-bid conferences may or may not be held at the discretion of the BAC. The BAC may also decide to hold a pre-bid conference upon the written request of a prospective bidder.

A. AUDIT OBJECTIVES:

- 1. To verify if the BAC conducted a Pre-Bid Conference for a contract with ABC of at least P1 million;
- 2. To verify if the BAC conducted the Pre-Bid Conference within the required time;
- 3. To verify if during the Pre-Bid Conference the participants, led by the BAC, performed the required tasks.
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Invitation to Bid:
- 2. Minutes of the pre-bid conference approved by the BAC;
- 3. Letters to the participants of the Pre-Bid Conference with evidence of receipt by the intended receipt and the date of such receipt;
- 4. Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 5. Invitations to the Observers with evidence of receipt,
- 6. Reports of the BAC Observers.

| Audit Sub-objective | | Suggested | Audit \ | Norkir | ng Paper |
|--|------------------------------|---------------------|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the BAC conducted | 1. If the ABC is at least P1 | Did the BAC hold a | | | |
| a Pre-Bid Conference for a | million, obtain certified | Pre-Bid Conference | | | |
| contract with ABC of at least P1 | copies of the Invitation to | for a contract with | | | |
| million | Bid and Minutes of the | ABC of at least P1 | | | |
| | Pre-Bid Conference. | million? | | | |
| Implementing Rules and Regulations | | | | | |
| (IRR) of RA 9184, as amended on | | | | | |
| September 2, 2009: | | | | | |
| • 22.1. For contracts to be bid with an | | | | | |
| approved budget of One Million Pesos | | | | | |
| (P1,000,000.00) or more, the BAC shall | | | | | |
| convene at least one (1) pre-bid | | | | | |
| conference to clarify and/or explain any | | | | | |
| of the requirements, terms, conditions, | | | | | |
| and specifications stipulated in the | | | | | |
| Bidding Documents. | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |



| 2. To verify if the Pre-Bid Conference was held at least twelve (12) calendar days before the deadline for the submission and receipt of bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 3. Compare the date determined in 2. above with the date of holding the Pre-Bid Conference determines that, by reason of the method, nature, or complexity of the contract to be bid or when international participation will be more advantageous to the GOP, a longer period for the pre-Bid conference shall be held at least thirty (30) calendar days before the deadline for the submission and receipt of bids. 4. From the Minutes of Pre-Bid Conference look for information on the presentation/discussion, issues/questions raised by prospective bidders, and claffictions made the related objectives: a. Presented the eligibility requirements as well as the technical and financial components of the contract to be bid, the evaluation procedures, evaluation criteria, and possible causes of failure of the bidding; b. Discussed the requirements in the ITB, replied to the bidders' | per | ing Pa | Audit \ | Suggested | | Audit Sub-objective |
|--|--------------------------|--------|-------------|--|--|--|
| Conference was held at least twelve (12) calendar days before the deadline for the submission and receipt of bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.2 The pre-bid conference shall be held at least twelve (12) calendar days before the deadline for the submission and receipt of bids. If the procuring entity determines that, by reason of the method, nature, or complexity of the contract to be bid or when international participation will be more advantageous to the GOP, a longer period for the preparation of bids is necessary, the pre-bid conference shall be held at least thirty (30) calendar days before the deadline. 3. To verify if during the Conference the BAC performed the following tasks and attained the related objectives: a. Presented the eligibility requirements as well as the technical and financial components of the contract to be bid, the evaluation procedures, evaluation criteria, and possible causes of failure of the bidding; b. Discussed the requirements in the ITB, replied to the bidders' of the submission and receipt of bids. for the submission and receipt of bids indicated in the Invitation to Bid, determine the 12th day before the deadline. Compare the date determined in 2. above with the date of holding the Pre-Bid Conference indicated in the certified copy of the Minutes of Pre-Bid Conference. 4. From the Minutes of Pre-Bid Conference look for information on the presentation/discussion, issues/questions raised by prospective bidders, and clarifications made thereon relative to the bid, the evaluation procedures, evaluation criteria, and possible causes of failure of the bidding; b. Discussed the requirements in the ITB, replied to the bidders' | rticulars of e Answer | Pai | | | Audit Activities | • Audit Criteria |
| Conference the BAC performed the following tasks and attained the related objectives: a. Presented the eligibility requirements as well as the technical and financial components of the contract to be bid, the evaluation procedures, evaluation criteria, and possible causes of failure of the bidding; b. Discussed the requirements in the ITB, replied to the bidders' Pre-Bid Conference look for information on the present, discuss, and answer queries on the following: a. eligibility requirements, britechnical component of the contract to be bid, c. financial component of the contract to be bid, d. bid evaluation procedures. Dresent Conference look for information on the present, discuss, and answer queries on the following: a. eligibility requirements, b. technical component of the contract to be bid, c. financial component of the contract to be bid, d. bid evaluation procedures. | | | | the Pre-Bid Conference at least twelve calendar days before the deadline for the submission | for the submission and receipt of bids indicated in the <i>Invitation to Bid</i> , determine the 12 th day before such deadline. 3. Compare the date determined in 2. above with the date of holding the Pre-Bid Conference indicated in the certified copy of the <i>Minutes of Pre-Bid</i> | Conference was held at least twelve (12) calendar days before the deadline for the submission and receipt of bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.2 The pre-bid conference shall be held at least twelve (12) calendar days before the deadline for the submission and receipt of bids. If the procuring entity determines that, by reason of the method, nature, or complexity of the contract to be bid or when international participation will be more advantageous to the GOP,a longer period for the preparation of bids is necessary, the pre-bid conference shall be held at least thirty (30) calendar days before the deadline for the submission and receipt |
| queries about the requirements, specifications and other conditions of the project, the procedures on the bid evaluation of all bidders and post-qualification evaluation of the lowest calculated bidder. Emphasized the warranty requirement of the project and the different offenses and penalties provided for in IRR of RA 9184 Instructions to Bidders, j. specifications, k. other conditions of the project, m. different offenses and penalties provided for in IRR of RA 9184 Instructions to Bidders, j. specifications, k. other conditions of the project, m. different offenses and penalties provided for in IRR of RA 9184 Instructions to Bidders, j. specifications, k. other conditions of the project, m. different offenses and penalties provided for in IRR of RA 9184 Implementing Rules and Regulations In post-qualification criteria? In post-qualification criteria? In procedures, h. possible causes of failure of the bidding, i. requirements in the lost of the project, gualification criteria? In post-qualification criteria? In post-qualification criteria? In procedures, h. possible causes of failure of the bidding, i. requirements in the lost of the project, gualification criteria? In procedures? In post-qualification criteria? In procedures? In procedures of failure of the bidding, i. requirements in the lost of the project, gualification criteria? In post-qualification criteria? In procedures? In procedures of the bidding, i. requirements of the project, gualification procedures? In procedures of the bidding, i. requirements of the project, gualification procedures? In procedures of the bidding, i. requirements of the project, gualification procedures? | | | | present, discuss, and answer queries on the following: a. eligibility requirements? b. technical component of the contract to be bid? c. financial component of the contract to be bid? d. bid evaluation criteria? e. bid evaluation procedures? f. post-qualification criteria? g. post-qualification | Pre-Bid Conference look for information on the presentation/discussion, issues/questions raised by prospective bidders, and clarifications made thereon relative to the following: a. eligibility requirements, b. technical component of the contract to be bid, c. financial component of the contract to be bid, d. bid evaluation criteria, e. bid evaluation procedures, f. post-qualification criteria, g. post-qualification procedures, h. possible causes of failure of the bidding, i. requirements in the Instructions to Bidders, j. specifications, k. other conditions of the project, I. warranty requirement of the project, m. different offenses and | Conference the BAC performed the following tasks and attained the related objectives: a. Presented the eligibility requirements as well as the technical and financial components of the contract to be bid, the evaluation procedures, evaluation criteria, and possible causes of failure of the bidding; b. Discussed the requirements in the ITB, replied to the bidders' queries about the requirements, specifications and other conditions of the project, the procedures on the bid evaluation of all bidders and post-qualification evaluation of the lowest calculated bidder. Emphasized the warranty requirement of the project and the different offenses and penalties provided for in IRR of RA 9184 |

| Audit Sub-objective | | Suggested . | Audit \ | Norkir | |
|--|--|----------------------------|---------|--------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 22.4 The minutes of the pre-bid conference shall be recorded and made available to all participants not later than three (3) calendar days after the pre-bid conference. | Minutes by its participants as indicated in the "receiving" portion of the letter. | | | | |
| 5. To verify if the BAC invited | 7. From the Minutes of | Did the BAC | | | |
| Observers: | the BAC meeting on the | choose the | | | |
| a. representing the COA, the duly | selection of the Observer from the "pool", check for | Observers considering: | | | |
| recognized private group in a | information on the BAC's | considering. | | | |
| sector or discipline relevant to the procurement at hand, and a non- | evaluation in regard to: | a. one | | | |
| government organization (NGO) | the selection of the | representing | | | |
| from the procuring entity's Pool of | organization from | the COA? | | | |
| Observers; | which the Observer will be invited; | b. One | | | |
| b. that have: | knowledge, | representing | | | |
| b.1. knowledge, experience or | experience or | the duly | | | |
| expertise in procurement or in the subject matter of the contract to | expertise in | recognized | | | |
| be bid; | procurement or in the | private group in | | | |
| b.2. no actual or potential conflict | subject matter of the contract to be bid: | a sector or | | | |
| of interest in the contract to be | no actual or potential | discipline relevant to the | | | |
| bid; and | conflict of interest in | procurement at | | | |
| b.3. conformed with other relevant | the contract to be | hand? | | | |
| criteria determined by the BAC; | bid; and | _ | | | |
| c. at least 3 calendar days prior | conformed with other | c. One | | | |
| to the start of the activity | relevant criteria determined by the | representing a non- | | | |
| Implementing Rules and Regulations | BAC. | government | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: | | organization? | | | |
| , | | d. With | | | |
| Section 13. Observers | | knowledge, | | | |
| 13.1. To enhance the transparency of the | | experience or expertise in | | | |
| process, the BAC shall, in all stages of the procurement process, invite, in addition to | | procurement or | | | |
| the representative of the COA, at least | | in the subject | | | |
| two (2) observers, who shall not have the | | matter of the | | | |
| right to vote, to sit in its proceedings | | contract to be | | | |
| where: | | bid? | | | |
| a) At least one (1) shall come from a duly recognized private group in a sector or | | e. With no actual | | | |
| discipline relevant to the procurement at | | or potential | | | |
| hand, for example: | | conflict of | | | |
| i) For infrastructure projects, national | | interest in the | | | |
| associations of constructors duly | | contract to be bid? | | | |
| recognized by the Construction | | Diu: | | | |
| Industry Authority of the Philippines (CIAP), such as, but not limited to | | f. Conformed with | | | |
| the following: | | other relevant | | | |
| (1) Philippine Constructors | | criteria | | | |
| Association, Inc.; | | determined by the BAC? | | | |
| (2) National Constructors Association | | THE DAC! | | | |
| of the Philippines, Inc.; and (3) Philippine Institute of Civil | 8. From certified copies of | Did the BAC invite | | | |
| Engineers (PICE). | the invitations to the | the Observers at | | | |
| ii) | Observers with evidence | least 3 days before | | | |



| Audit Sub-objective | | Suggested | Audit \ | <u>Nork</u> ir | ng Paper |
|--|---|--|---------|----------------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| iii) and b) The other observer shall come from a non-government organization (NGO). 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | of receipt, compare the date of receipt with the 3-day minimum requirement. | the date of the pre-bid conference? | | | |
| 6. To verify if the Procuring Entity considered the comments/ observations of the Observers Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 13.4. The observers shall have the following responsibilities: a) To prepare the report either jointly or separately indicating their observations made on the procurement activities conducted by the BAC for submission to the Head of the Procuring Entity, copy furnished the BAC Chairman. The report shall assess the extent of the BAC's compliance with the provisions of this IRR and areas of improvement in the BAC's proceedings; b) To submit their report to the procuring entity and furnish a copy to the GPPB and Office of the Ombudsman/Resident Ombudsman. If no report is submitted by the observer, then it is understood that the bidding activity conducted by the BAC followed the correct procedure; and c) To immediately inhibit and notify in writing the procuring entity concerned of any actual or potential interest in | 9. Based on the BAC's Minutes on the Pre-Bid Conference and the report of the Observers check whether a deliberation was made on the comments /observations of the observers. | Did the Procuring Entity consider the comments/ observations of the Observers? | | | |

| Audit Sub-objective | | Suggested | Audit \ | Norkir | ng Paper |
|---|--|---------------------|----------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| " | | | | | the Answer |
| the contract to be bid. | | | | | |
| • 13.5. Observers shall be allowed | | | | | |
| access to the following documents | | | | | |
| upon their request, subject to signing | | | | | |
| of a confidentiality agreement: (a) | | | | | |
| minutes of BAC meetings; (b) | | | | | |
| abstract of Bids; (c) post- | | | | | |
| qualification summary report; (d) APP and related PPMP; and (e) | | | | | |
| opened proposals. | | | | | |
| opened proposals. | | | | | |
| EVALUATING AUDIT EVIDENCES G | ATHERED AND COMMUI | VICATING THE RE | SULT | S OF A | AUDIT |
| 1. To verify the effects of | Analyze the instances of | | | | |
| instances of non-compliance on | non-compliance to | Appropriate Audit W | orking F | Papers | |
| the: | establish the effects and | | | | |
| a. validity of the procurement | develop appropriate audit recommendations. | | | | |
| activities and outputs | recommendations. | | | | |
| including the validity of the | Also determine if | | | | |
| resulting contract; | appropriate actions were | | | | |
| _ | taken by the auditee in | | | | |
| b. validity of any payment to be | regard to instances of | | | | |
| made on the basis of the | non-compliance. | | | | |
| contract; | | | | | |
| c. etc. | | | | | |
| and develop appropriate audit | NOTE: | | | | |
| recommendations | Also refer to the | | | | |
| | OFFENSES AND | | | | |
| Implementing Rules and Regulations | PENALTIES portion | | | | |
| (IRR) of RA 9184, as amended on | of this Audit Guide. | | | | |
| September 2, 2009: | | | | | |
| Observers shall be invited at least | | | | | |
| three (3) calendar days before the | | | | | |
| date of the procurement stage/activity. | | | | | |
| The absence of observers will not | | | | | |
| nullify the BAC proceedings, provided that they have been duly | | | | | |
| invited in writing. | | | | | |
| _ | | | | | |
| 2. To verify the causes of | Analyze the instances of | A | | | |
| instances of non-compliance and | non-compliances to | Appropriate Audit W | orking F | apers | |
| develop appropriate audit | establish the cause(s) and develop appropriate audit | | | | |
| recommendations | recommendations. | | | | |
| | | | | | |
| | Also determine if | | | | |
| | appropriate actions were taken by the auditee in | | | | |
| | regard to instances of | | | | |
| | non-compliance. | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|--|---|-----|----|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | t Audit Observation Memorandum (AOM), if applicable | | | |

VII. SUPPLEMENTAL / BID BULLETINS FOR THE PROCUREMENT OF INFRASTRUCTURE PROJECTS

Supplemental/Bid Bulletins may be issued upon the procuring entity's initiative for purposes of clarifying or modifying any provision of the Bidding Documents at least seven (7) calendar days before the deadline for the submission and receipt of bids. Any modification to the Bidding Documents shall be identified as an amendment.

A. AUDIT OBJECTIVE:

To verify if Supplemental / Bid Bulletins were issued as required

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Minutes of the Pre-Bid Conference approved by the BAC;
- 2. Copy of the Supplemental/Bid Bulletin;
- 3. Copies of Requests for Clarification submitted by bidders with evidence of receipt by the BAC Secretariat;
- 4. Printouts of PhilGEPS web page evidencing posting of the Supplemental/Bid Bulletin;
- 5. Printout of the procuring entity's web page evidencing posting of the Supplemental/Bid Bulletin.

| Audit Sub-objective | | Suggested Au | dit Wo | rking | Paper |
|---|--|--|--------|-------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC issued Supplemental / Bid Bulletins in regard to statements made at the pre-bid conference that could modify the terms of the Bidding Documents Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 22.4 Any statement made at the pre-bid conference shall not modify the terms of the Bidding Documents, unless such statement is specifically identified in writing as an amendment thereto and issued as a Supplemental/ Bid Bulletin. 22.5.1 The BAC shall respond to the said request by issuing a Supplemental/Bid Bulletin, duly signed by the BAC Chairman, to be made available to all those who have properly secured the Bidding Documents, at least seven (7) calendar days before the deadline for the submission and receipt of bids. | Go over the Minutes of the Pre-Bid Conference and check for statements that could modify the terms of the Bidding Documents. Obtain a copy of the related Supplemental / Bid Bulletin and check for the signature of the BAC Chairman. From certified copies of the letters to bidders who purchased the Bidding Documents, look for evidences of their receipt of the Supplemental/Bid Bulletins. | Did the BAC issue Supplemental/Bid Bulletins in regard to statements made at the pre-bid conference that could modify the terms of the Bidding Documents to all bidders that properly secured Bidding Documents? Did the BAC Chairman sign the Supplemental / Bid Bulletin? | | | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | rking | Paper |
|--|--|--|---------|-------|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify if: a. requests for clarification(s) on any part of the Bidding Documents or for an interpretation were in writing and submitted to the BAC of the procuring entity at least ten (10) calendar days before the deadline set for the submission and receipt of bids; | 3. Obtain copy/ies of Requests for Clarification and check (date of receipt stamped on the letters) whether these were submitted at least ten (10) calendar days before the deadline set for the submission and receipt of bids. | Were Requests for Clarification submitted at least ten (10) calendar days before the deadline set for the submission and receipt of bids? | | | the Allswei |
| b. the Supplemental/ Bid Bulletin was duly signed by the BAC Chairman; c. the Supplemental/ Bid Bulletin was issued at least seven (7) calendar | 4. Obtain duly certified copies of Supplemental/Bid Bulletins and check for the signature of the BAC Chairman. | Did the BAC Chairman sign the Supplemental / Bid Bulletin? | | | |
| days before the deadline for the submission and receipt of bid. | 5. From the records of the BAC (copies of | Did the BAC issue Supplemental/ Bid | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.5.1 Requests for clarification(s) on any part of the Bidding Documents or for an interpretation must be in writing and submitted to the BAC of the procuring entity at least ten (10) calendar days before the deadline set for the submission and receipt of bids. The BAC shall respond to the said request by issuing a Supplemental/Bid Bulletin, duly signed by the BAC Chairman, to be made available to all those who have properly secured the Bidding Documents, at least seven (7) calendar days before the deadline for the submission and receipt of bids. | Supplemental/Bid Bulletins with evidence of the date of issuance) count the number of days from said issuance and the deadline for the submission and receipt of bids; compare with the 7-day requirement. | Bulletins at least seven (7) calendar days before the deadline for the submission and receipt of bid? | | | |
| To verify if: a. Supplemental/Bid Bulletins initiated by the procuring entity for purposes of clarifying or modifying any provision of the Bidding Documents were issued at least seven (7) calendar | 6. From the records of the BAC (copies of Supplemental/Bid Bulletins with evidence of the date of issuance) count the number of days from said issuance and the deadline for the submission and receipt of bids; compare with the 7- | Did the BAC issue Supplemental/ Bid Bulletins at least seven (7) calendar days before the deadline for the submission and receipt of bid? | | | |

| Audit Sub-objective | | Suggested Au | idit Wo | rking | |
|--|---|--|---------|-------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| days before the deadline for the submission and receipt of bids; | day requirement. | | | | |
| b. Modifications to the Bidding Documents were identified as amendments; | 7. Go through the contents | Did the BAC identify | | | |
| c. the Supplemental/Bid Bulletin was duly signed by the BAC Chairman | of Supplemental/Bid Bulletins and check if amendments were identified as such. | modifications to the Bidding Documents as amendments? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.5.1 issuing a Supplemental/Bid Bulletin, duly signed by the BAC Chairman | 8. Go through the Supplemental/Bid Bulletins and check for the signature of the BAC Chairman. | Did the BAC Chairman sign the Supplemental / Bid Bulletin? | | | |
| 22.5.2 Supplemental/Bid Bulletins may be issued upon the procuring entity's initiative for purposes of clarifying or modifying any provision of the Bidding Documents at least seven (7) calendar days before the deadline for the submission and receipt of bids. Any modification to the Bidding Documents shall be identified as an amendment. | | | | | |
| 4. To verify if the BAC posted Supplemental/Bid Bulletins it issued on the PhilGEPS and the website of the procuring entity concerned, if available Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.5.3 Any Supplemental/ Bid Bulletin issued by the BAC shall also be posted on the PhilGEPS or ["OR" was changed to "AND" per Annex "A" of GPPB Resolution No. 06-2009 dated September 30, 2009] the website of the procuring entity concerned, if available. It shall be the responsibility of all those who have properly secured the Bidding Documents to inquire and secure Supplemental/Bid Bulletins that may be issued by the BAC. However, bidders who have submitted bids before the issuance of the Supplemental/Bid Bulletin | 9. In advance of the posting, request the BAC Secretariat for print-outs (printed on the day of the posting) of Supplemental/ Bid Bulletins as posted on the PhilGEPS and at their website. 10. Obtain the printouts requested as evidence of the posting. | Did the BAC post Supplemental/Bid Bulletins: a. on the PhilGEPS? and b. the website of the procuring entity concerned? | | | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | rking | Paper |
|---|---|---|---------|-------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| must be informed and allowed to modify or withdraw their bids in accordance with Section 26.1 of the IRR. | | | | | |
| 5. To verify if the BAC informed and allowed to modify or withdraw their bids those bidders who have submitted bids before the issuance of the Supplemental/Bid Bulletin Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.5.3 However, bidders who have submitted bids before the issuance of the Supplemental/Bid Bulletin must be informed and allowed to modify or withdraw their bids in accordance with Section 26.1 of the IRR. | 11. From the BAC records on submission of bids, identify the bidders who have submitted bids before the issuance of Supplemental/Bid Bulletins. 12. Go through copies of letters sent by the BAC to these bidders and check if they were informed and allowed to modify or withdraw their bids in accordance with Section 26.1 of the IRR. | Did the BAC inform and allow to modify or withdraw their bids in accordance with Section 26.1 of the IRR the bidders who have submitted bids before the issuance of Supplemental/Bid Bulletins? | | | |
| EVALUATING AUDIT EVIDENCE | | UNICATING THE RE | SULTS | OF A | AUDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Work | | | |
| the contract; | compilarice. | | | | |
| c. etc. and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | rking | Paper |
|---|---|---|---------|-------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Work | ing Pap | oers | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit | Audit Observation Memorandum (AOM), if applicable | | | DM), if |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | to Management | | | | |

VIII. SUBMISSION, RECEIPT, OPENING & PRELIMINARY EXAMINATION OF BIDS FOR THE PROCUREMENT OF INFRASTRUCTURE PROJECTS

Bids shall be submitted simultaneously in two (2) separate sealed envelopes and received by the procuring entity on or before the deadline specified in the Invitation to Bid. Opening of Bids shall be at the time, date and place specified in the Invitation to Bid.

A. AUDIT OBJECTIVES:

- To verify if the prescribed conditions and procedures in the submission and receipt of bids were followed:
- 2. To verify if the bids were submitted in the prescribed manner, specified forms and contained all the required information;
- 3. To verify if the prescribed conditions and procedures in the opening and preliminary examination of bids were followed.

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Minutes of the Bid Opening approved by the BAC;
- 2. Letters from bidders submitting their bids;
- 3. Bid documents submitted by the bidders:
 - a. First Envelope and its contents,
 - b. Second Envelope and its contents,
 - c. Modified bids, if applicable
- 4. Copy of portions of the BAC Secretariat's Receiving logbook containing information on receipt of bids;
- 5. Invitation to Bid;
- 6. Accomplished *Checklist* for the First Envelopes;
- 7. Accomplished *Checklist* for the Second Envelopes;
- 8. Abstract of Bids as Read;
- 9. BAC Resolution on the results of the opening of and the preliminary evaluation of bids;
- 10. Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 11. Invitations to the Observers with evidence of receipt;
- 12. Reports of the BAC Observers.

| Audit Sub-objective | | Suggested Au | ıdit Wo | orking | Paper |
|---|--------------------------|-----------------------|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| SUBMISSION OF BIDS FOR THE PROC | UREMENT OF INFRAST | RUCTURE PROJECT | S | | |
| 1. To verify if the BAC validated if | 1. Go through the | Did the BAC validate | | | |
| the bidders submitted their bids: | Minutes of the Bid | if the bidders submit | | | |
| a. through their duly authorized | Opening and look for | their bids through | | | |
| representative, | information on the BAC's | their duly authorized | | | |
| b. in two (2) separate sealed bid | validation if the | representative? | | | |
| envelopes submitted | signatory to the | | | | |
| simultaneously | document submitting the | | | | |
| Simultaneously | bid is the bidder's | | | | |
| | authorized | | | | |
| Implementing Rules and Regulations (IRR) of | representative as | | | | |
| RA 9184, as amended on September 2, 2009: | indicated in the Sworn | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|--|---|-----|----|----------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | |
| 25.1. Bidders shall submit their bids through their duly authorized representative using the forms specified in the Bidding Documents in two (2) separate sealed bid envelopes, and which shall be submitted simultaneously. The first shall | Statement. | | | | the Answer | |
| contain the technical component of the bid, including the eligibility requirements under Section 23.1 of this IRR, and the second shall contain the financial component of the bid | 2. Go through the Minutes of the Bid Opening and look for information on the BAC's validation if each bidder adopted the forms specified in the Bidding Documents. | Did the BAC validate if the bidders submitted their bids using the forms specified in the Bidding Documents? | | | | |
| | 3. Go through the records of the BAC pertaining to the submission of bids of each bidder and check if the two (2) envelopes were submitted simultaneously. | Did the BAC validate if the bidders submit their bids in two (2) separate sealed bid envelopes submitted simultaneously? | | | | |
| | 4. Go through the <i>Minutes of the Bid Opening</i> and look for information pertaining to opening of two (2) sealed envelops of each bidder. | | | | | |
| Z. To verify if the BAC validated that in modifying a bid: a. it was done before the deadline for the submission and receipt of bids, | 5. Go through the records of the BAC pertaining to the submission of bids of each bidder and check if the submission of modifications were done before the deadline for | Did the BAC validate that the bidders concerned submitted their bid modifications before the deadline for the submission and receipt? | | | | |
| b. the original bid was not retrieved but another bid equally sealed, | the submission and receipt. | receipt: | | | | |
| properly identified, was submitted and linked to the original bid and marked as a "modification," thereof, and stamped "received" by the BAC | 6. Go through the <i>Minutes of the Bid Opening</i> and look for information on the BAC's activities validating if: a. bidders did not | Did the BAC validate if the bidders concerned did not retrieve the original bid but merely submitted another bid equally social | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 26.1. A bidder may modify its bid, provided that this is done before the deadline for the submission and receipt of bids. Where a bidder modifies its bid, it shall not be allowed to retrieve its original bid, but shall only be allowed to send another bid equally sealed, properly identified, linked to its | retrieve the original bid but merely submitted another equally sealed and properly identified as "modification" and stamped "received" by the BAC; and b. linked to the original | bid equally sealed, properly identified, and linked to the original bid and marked as a "modification," thereof, and stamped "received" by the BAC? | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|--|---|-----|----|------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| original bid and marked as a "modification," thereof, and stamped "received" by the BAC. Bid modifications received after the applicable deadline shall not be considered and shall be returned to the bidder unopened. | bid (not withdrawn). | | | | the Ariswel | |
| RECEIPT OF BIDS FOR THE PROCUREN | NENT OF INFRASTRUC | TURE PROJECTS | 1 | | l | |
| To verify if the BAC received bids: a. on the date and time, b. place specified in the Invitation to Bid | 1. Check the receiving logbook of the BAC for information on the date, time, and place of receipt of bids and | Did the BAC receive bids on the date and time specified in the Invitation to Bid? | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | compare these with those in the Invitation to Bid. | Did the BAC receive bids at the place specified in the | | | | |
| • 25.4. Bids shall be received by the BAC on the date, time, and place specified in the Invitation to Bid. | | Invitation to Bid? | | | | |
| 25.5. Bids, including the eligibility requirements under Section 23.1 of this IRR, submitted after the deadline shall not be accepted by the BAC. | | Did the BAC not accept bids after the deadline for submission of bids? | | | | |
| 2. To verify if the BAC observed the maximum of 50 (or 65) calendar days from the last day of posting of the Invitation to Bid up to the deadline for submission and receipt of bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 25.4. Bids shall be received by the BAC on the date, time, and place specified in the Invitation to Bid/Request for Expression of Interest. The following periods from the last day of posting of the Invitation to Bid/Request for Expression of Interest up to the submission and receipt of bids shall be observed: a) b) For infrastructure projects, the following maximum periods: Approved Budget for the Contract (in Philippine currency) Fifty (50) million 50 calendar days | 2. Count the number of days from the last day of posting of the Invitation to Bid (per printout of the web page with the date indicated thereon) up to the deadline for submission and receipt of bids (per Bidding Documents) and compare with the 50- or 65-calendar-day maximum period. | Did the BAC observe the maximum of 50- or 65 calendar days from the last day of posting of the Invitation to Bid up to the deadline for submission and receipt of bids? | | | | |
| Above fifty (50) 65 calendar days million | | | | | | |
| c) | | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|--|---|-----|----|------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| OPENING & PRELIMINARY EXAMINAT PROCUREMENT OF INFRASTRUCTURE | | Ė | | I | | |
| 1. To verify if the BAC observed quorum. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 12.3 Quorum A majority of the total BAC composition as designated by the Head of the Procuring Entity shall constitute a quorum for the transaction of business, provided that the presence of the Chairman or Vice-Chairman shall be required. | 1. From the Office Order creating the BAC, determine the number of BAC members and identify the Chairman or Vice-Chairman. 2. From the <i>Minutes of</i> Opening of Bids, check for the presence of the Chairman or Vice- Chairman and if majority of the BAC members or representatives/alternat es attended the proceedings. | Was there a quorum of the BAC? | | | | |
| 2. To verify if the BAC opened the bids immediately after the deadline for the submission and receipt of bids and at the: a. date, b. time, and c. place specified in the Invitation to Bid Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 29. Bid Opening The BAC shall open the bids immediately after the deadline for the submission and receipt of bids. [GPPB Resolution No. 13-2009, dated 16 December 2009] The time, date, and place of the opening of bids shall be specified in the Bidding Documents. The bidders or their duly authorized representatives may attend the opening of bids. The BAC shall adopt a procedure for ensuring the integrity, security, and confidentiality of all submitted bids. The minutes of the bid opening shall be made available to the public upon written request and payment of a specified fee to recover cost of materials. | 3. Compare the date and time of the opening of bids indicated in the Minutes of the Opening of Bids with the deadline for submission and receipt of bids stated in the Bidding Documents. 4. Compare the date, time and place of the opening of bids indicated in the Minutes of the Opening of Bids with those specified in the Invitation to Bid. | Did the BAC open the bids immediately after the deadline for the submission and receipt of bids? Did the BAC open the bids on the date specified in the Invitation to Bid? Did the BAC open the bids on the time specified in the Invitation to Bid? Did the BAC open the bids on the time specified in the Invitation to Bid? Did the BAC open the bids at the place specified in the Invitation to Bid? | | | | |
| 3. To verify if the BAC/BAC Secretariat read out and recorded during bid opening letters of withdrawal and returned to the bidder the envelope containing the corresponding withdrawn bid unopened, either to the bidder's representative if he is present or by | 5. From the Minutes of Bid Opening, check for information on the BAC's reading out and recording of withdrawn bids during the bid opening; checking of the date of submission of the withdrawal letter; | Did the BAC: a. read out and record during bid opening letters of withdrawal of bids? b. if the withdrawal of bid was made before | | | | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|--|---|-----|----|---------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| for the submission and receipt of bids, provided that the corresponding Letter of Withdrawal contains a valid authorization requesting for such withdrawal, subject to appropriate sanctions. | | | | | the Aliswei | |
| 4. To verify if the BAC opened the first bid envelopes of the bidders in public Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 30.1. The BAC shall open the first bid envelopes of prospective bidders in public to determine each bidder's compliance with the documents required to be submitted for eligibility and for the technical requirements, as prescribed in this IRR. For this purpose, the BAC shall check the submitted documents of each bidder against a checklist of required documents to ascertain if they are all present, using a nondiscretionary "pass/fail" criterion, as stated in the Instructions to Bidders. If a bidder submits the required document, it shall be rated "passed" for that particular requirement. In this regard, bids that fail to include any requirement or are incomplete or patently insufficient shall be considered as "failed". Otherwise, the BAC shall rate the said first bid envelope as "passed" | 7. From the Attendance Record/Minutes of the Opening of Bids check if the participants included bidders and observers. | Did the BAC open the first bid envelopes of the bidders in public? | | | | |
| 5. To verify if the BAC determined compliance of each bidder with the documents required to be submitted in the first envelope by checking the submitted documents of each bidder against a checklist of required documents to ascertain if they are all present, using a nondiscretionary "pass/fail" criterion, as stated in the | 8. Compare the Checklist for the first envelope adopted by the BAC with the list of documents in the first envelope per Bidding Documents. 9. Determine if the BAC's entries in the Checklist are complete. | Did the BAC adopt a Checklist for the first envelope in accordance with the list of documents in the first envelope per Bidding Documents? Did the BAC determine each | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 30.1. The BAC shall open the first bid envelopes of prospective bidders in public to determine each bidder's compliance with the documents required to be submitted for eligibility and for the technical requirements, as prescribed in this IRR. For this purpose, the BAC shall check the submitted documents of each bidder against a checklist of required documents to ascertain if they are all present, using a nondiscretionary "pass/fail" criterion, | Checklist are complete. | bidder's compliance with the documents required to be submitted in the first envelope: a. Registration certificate from SEC, Department of Trade and Industry (DTI) for sole proprietorship, or CDA for cooperatives, or | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|------------------|---------------------------------------|-----|----------|----------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | |
| as stated in the Instructions to Bidders. If a | | any proof of such | | | the Answer | |
| bidder submits the required document, it shall | | registration as | | | | |
| be rated "passed" for that particular | | stated in the | | | | |
| requirement. In this regard, bids that fail to | | Bidding | | | | |
| include any requirement or are incomplete or | | Documents? | | | | |
| patently insufficient shall be considered as | | | | | | |
| "failed". Otherwise, the BAC shall rate the | | b. In a Joint | | | | |
| said first bid envelope as "passed". | | Venture, <u>each</u> | | | | |
| , . | | partner's | | | | |
| • 25.2. The first envelope shall contain the | | Registration | | | | |
| following technical information/ documents, | | certificate from | | | | |
| at the least: | | SEC, Department | | | | |
| a) | | of Trade and | | | | |
| b) For the procurement of infrastructure | | Industry (DTI) for | | | | |
| projects: | | sole | | | | |
| i) Eligibility requirements under Section | | proprietorship, or | | | | |
| 23.1 of this IRR; | | CDA for | | | | |
| ii) The bid security in the prescribed form, | | cooperatives, or | | | | |
| amount and validity period; | | any proof of such | | | | |
| iii) Project Requirements, which shall | | registration as | | | | |
| include the following: (1) Organizational chart for the contract to | | stated in the Bidding | | | | |
| (1) Organizational chart for the contract to be bid: | | Documents? | | | | |
| (2) List of contractor's personnel (viz, | | Documents: | | | | |
| Project Manager, Project Engineers, | | c. Mayor's permit | | | | |
| Materials Engineers, and Foremen), to be | | issued by the city | | | | |
| assigned to the contract to be bid, with | | or municipality | | | | |
| their complete qualification and | | where the | | | | |
| experience data; | | principal place of | | | | |
| (3) List of contractor's equipment units, | | business of the | | | | |
| which are owned, leased, and/or under | | prospective bidder | | | | |
| purchase agreements, supported by | | is located? | | | | |
| certification of availability of equipment | | | | | | |
| from the equipment lessor/vendor for the | | d. In a Joint Venture, | | | | |
| duration of the project; | | each partner's | | | | |
| iv) Sworn statement by the prospective | | Mayor's permit | | | | |
| bidder or its duly authorized representative | | issued by the city | | | | |
| in the form prescribed by the GPPB as to | | or municipality | | | | |
| the following: | | where the | | | | |
| (1) It is not "blacklisted" or barred from | | principal place of business of the | | | | |
| bidding by the GOP or any of its | | prospective bidder | | | | |
| agencies, offices, corporations, or LGUs, including foreign government/foreign or | | is located? | | | | |
| international financing institution whose | | | | | | |
| blacklisting rules have been recognized | | e. Statement of the | | | | |
| by the GPPB; | | prospective bidder | | | | |
| (2) Each of the documents submitted in | | of all its ongoing | | | | |
| satisfaction of the bidding requirements | | and completed | | | | |
| is an authentic copy of the original, | | government and | | | | |
| complete, and all statements and | | private contracts, | | | | |
| information provided therein are true and | | including contracts | | | | |
| correct; | | awarded but not | | | | |
| (3) It is authorizing the Head of the | | yet started, if any, | | | | |
| Procuring Entity or his duly authorized | | whether similar or | | | | |
| representative/s to verify all the | | not similar in | | | | |
| documents submitted; | | nature and | | | | |
| (4) The signatory is the duly authorized | | complexity to the contract to be bid, | | | | |
| representative of the prospective bidder, | | contract to be blu, | 1 | <u> </u> | L | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|------------------|-------------------------------|-----|----|----------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | |
| | | | | | the Answer | |
| and granted full power and authority to | | within the relevant | | | | |
| do, execute and perform any and all acts | | period as provided | | | | |
| necessary and/or to represent the | | in the Bidding | | | | |
| prospective bidder in the bidding, with | | Documents? | | | | |
| the duly notarized Secretary's Certificate | | | | | | |
| attesting to such fact, if the prospective | | e.1. In a Joint | | | | |
| bidder is a corporation, partnership, | | Venture, any | | | | |
| cooperative, or joint venture; | | <u>partner's</u> | | | | |
| (5) It complies with the disclosure provision | | statement of all its | | | | |
| under Section 47 of the Act in relation to | | ongoing and | | | | |
| other provisions of R.A. 3019; | | completed | | | | |
| (6) It complies with the responsibilities of a | | government and | | | | |
| prospective or eligible bidder provided in | | private contracts, | | | | |
| the PBDs; and | | including contracts | | | | |
| (7) It complies with existing labor laws and | | awarded but not | | | | |
| standards, in the case of procurement of | | yet started, if any | | | | |
| services. | | f. The bidder's | | | | |
| • 23.1. For purposes of determining the | | audited financial | | | | |
| eligibility of bidders using the criteria stated in | | statements, | | | | |
| Section 23.5 of this IRR, only the following | | showing, among | | | | |
| documents shall be required by the BAC, | | others, the | | | | |
| using the forms prescribed in the Bidding | | prospective | | | | |
| Documents,: | | bidder's total and | | | | |
| , and the second | | current assets and | | | | |
| a) Class "A" Documents | | liabilities, stamped | | | | |
| Legal Documents | | "received" by the | | | | |
| i) Registration certificate from SEC, | | BIR or its duly | | | | |
| Department of Trade and Industry (DTI) | | accredited and | | | | |
| for sole proprietorship, or CDA for | | authorized | | | | |
| cooperatives, or any proof of such | | institutions, for the | | | | |
| registration as stated in the Bidding | | preceding calendar | | | | |
| Documents. | | year which should | | | | |
| ii) Mayor's permit issued by the city or | | not be earlier than | | | | |
| municipality where the principal place of | | two (2) years from | | | | |
| business of the prospective bidder is | | the date of bid | | | | |
| located. | | submission? | | | | |
| Technical Documents | | | | | | |
| iii) Statement of the prospective bidder of | | f.1. In a Joint | | | | |
| all its ongoing and completed | | Venture, any | | | | |
| government and private contracts, | | <u>partner's</u> audited | | | | |
| including contracts awarded but not yet | | financial statement | | | | |
| started, if any, whether similar or not | | | | | | |
| similar in nature and complexity to the | | | | | | |
| contract to be bid, within the relevant | | g. The bidder's | | | | |
| period as provided in the Bidding | | computation for its | | | | |
| Documents. The statement shall include | | Net Financial | | | | |
| all information required in the PBDs | | Contracting | | | | |
| prescribed by the GPPB. | | Capacity (NFCC) | | | | |
| iv) In the case of procurement of | | or a commitment | | | | |
| infrastructure projects, a valid Philippine | | from a Universal | | | | |
| Contractors Accreditation Board (PCAB) | | or Commercial | | | | |
| license and registration for the | | Bank to extend a | | | | |
| type and cost of the contract to be bid | | credit line in favor | | | | |
| | | of the prospective | | | | |
| Financial Documents | | bidder if awarded | | | | |
| v) The prospective bidder's audited | | the contract to be | | | | |
| financial statements, showing, among | | bid (CLC)? | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|------------------|---|-----|----|---------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| others, the prospective bidder's total and current assets and liabilities, stamped "received" by the BIR or its duly accredited and authorized institutions, for the preceding calendar year which should not be earlier than two (2) years from the date of bid submission. vi) The prospective bidder's computation for its Net Financial Contracting Capacity (NFCC) or a commitment from a Universal or Commercial Bank to extend a credit line in favor of the prospective bidder if awarded the contract to be bid (CLC). v) Class "B" Document Valid joint venture Agreement (JVA), in case the joint venture is already in existence. In the absence of a JVA, duly notarized statements from all the potential joint venture partners stating that they will enter into and abide by the provisions of the JVA in the instance that the bid is successful shall be included in the bid. Failure to enter into a joint venture in the event of a contract award shall be ground for the forfeiture of the bid security. Each partner of the joint venture shall submit the legal eligibility documents. The submission of technical and financial eligibility documents by any of the joint venture partners constitutes compliance. | | g.1. In a Joint Venture, any partner's NFCC or CLC h. Valid joint venture Agreement (JVA), in case the joint venture is already in existence. In the absence of a JVA, duly notarized statements from all the potential joint venture partners stating that they will enter into and abide by the provisions of the JVA in the instance that the bid is successful? i. The bid security in the prescribed: a. form? b. amount? c. validity period? | | | | |
| security, payable to the procuring entity concerned as a guarantee that the successful bidder shall, within ten (10) calendar days or less, as indicated in the Instructions to Bidders, from receipt of the notice of award, enter into contract with the procuring entity and furnish the performance security required in Section 39 of this IRR, except when Section 37.1 of this IRR allows a longer period. Failure to enclose the required bid security in the form and amount prescribed herein shall automatically disqualify the bid concerned. 27.2 The bid security shall be in an amount equal to a percentage of the ABC in accordance with the following schedule [as amended by Annex A of GPPB Resolution No. 06-2009 dated September 30, 2009]: | | j. Project Requirements, which shall include: a. Organizational chart for the contract to be bid? b. List of contractor's personnel (viz, Project Manager, Project Engineers, Materials Engineers, and Foremen), to be assigned to the contract to be bid, with their complete | | | | |

| Audit Sub-objective | | | Suggested Audit Working Paper | | | | |
|--|---|------------------|---|-----|----|---------------------------|--|
| Audit Criteria | | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| Form of Bid Security | Amount of Bid Security (Equal to Percentage of the ABC) | | and experience data? c. List of contractor's | | | | |
| a) Cash or_cashier's/ manager's check issued by a Universal or Commercial Bank. b) Bank draft/ guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank. c) Surety bond callable upon demand issued by a surety or insurance company duly certified | Two percent (2%) Five percent | | equipment units, which are owned, leased, and/or under purchase agreements, supported by certification of availability of equipment from the equipment | | | | |
| by Insurance Commission as authorized to issue such security. d) Any combination of the foregoing. | Proportion- ate to share of form with respect to total amount of security | | lessor/vendor for the duration of the project? k. Sworn statement by the prospective bidder or its duly | | | | |
| For biddings conducted by LGUs, prospective bidder may also subsecurities in the form of cashier's check, bank draft/guarantee, or letter of credit from other banks the BSP as authorized to issue suinstrument. • 27.3. The bid security shall be in Philippine Pesos and posted in procuring entity. | mit bid s/manager's irrevocable certified by uch financial e denominated | | authorized representative in the form prescribed by the GPPB as to the following: (1) It is not "blacklisted" or barred from bidding by the GOP or any of its agencies, offices, | | | | |
| • Section 47. Disclosure of Relation All bids shall be accompanied by affidavit of the bidder that it is not the Head of the Procuring Entity, the BAC, the TWG, and the BAC the head of the PMO or the end-the project consultants, by consultants, by consultants affinity up to the third civil degree comply with the aforementioned shall be a ground for the automorphism of the bid in consultants. For this results to the aforementioned persons we civil degree of consanguinity or a automatically disqualify the bidding participating in the procurement. | a a sworn of related to members of Secretariat, user unit, and anguinity or e. Failure to provision atic sonance with eason, relation within the third affinity shall er from | | corporations, or LGUs, including foreign government/ foreign or international financing institution whose blacklisting rules have been recognized by the GPPB? (2) Each of the documents submitted in | | | | |
| of the procuring entity. On the p bidder, this provision shall apply following persons: | | | satisfaction of the bidding requirements is | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|------------------|--------------------------------|-----|----|----------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | |
| a) If the bidder is an individual or a sole | | an authentic | | | the Answer | |
| proprietorship, to the bidder himself; | | copy of the | | | | |
| b) If the bidder is a partnership, to all its | | original, | | | | |
| officers and members; | | complete, and | | | | |
| c) If the bidder is a corporation, to all its | | all statements | | | | |
| officers, directors, and controlling | | and information | | | | |
| stockholders; and | | provided therein | | | | |
| d) If the bidder is a joint venture, the | | are true and | | | | |
| provisions of items (a), (b), or (c) of this | | correct? | | | | |
| Section shall correspondingly apply to each | | (3) It is | | | | |
| of the members of the said joint venture, as may be appropriate | | authorizing the Head of the | | | | |
| аз тау ве арргорнате | | Procuring Entity | | | | |
| | | or his duly | | | | |
| | | authorized | | | | |
| | | representative/s | | | | |
| | | to verify all the | | | | |
| | | documents | | | | |
| | | submitted? | | | | |
| | | (4) The signatory | | | | |
| | | is the duly | | | | |
| | | authorized representative | | | | |
| | | of the | | | | |
| | | prospective | | | | |
| | | bidder, and | | | | |
| | | granted full | | | | |
| | | power and | | | | |
| | | authority to do, | | | | |
| | | execute and | | | | |
| | | perform any and | | | | |
| | | all acts necessary | | | | |
| | | and/or to | | | | |
| | | represent the | | | | |
| | | prospective | | | | |
| | | bidder in the | | | | |
| | | bidding, with | | | | |
| | | the duly | | | | |
| | | notarized | | | | |
| | | Secretary's | | | | |
| | | Certificate attesting to such | | | | |
| | | fact, if the | | | | |
| | | prospective | | | | |
| | | bidder is a | | | | |
| | | corporation, | | | | |
| | | partnership, | | | | |
| | | cooperative, or | | | | |
| | | joint venture? | | | | |
| | | (5) It complies | | | | |
| | | with the disclosure | | | | |
| | | provision under | | | | |
| | | Section 47 of | | | | |
| | | the Act in | | | | |
| | | relation to other | | | | |
| | | provisions of | | 1 | | |

| Audit Sub-objective | | Suggested Au | ıdit W | orking | Paper |
|--|--|--|--------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | R.A. 3019? (6) It complies with the responsibilities of a prospective or eligible bidder provided in the PBDs? (7) It complies with existing labor laws and standards, in the case of procurement of services? | | | the Answer |
| 6. To verify if the BAC opened the | 10. From the Checklists | Did the BAC open | | | |
| second envelopes of the bidders | of the first envelope | only the second | | | |
| whose first envelopes were rated | and Minutes of the Bid | envelopes of the | | | |
| passed on the same day and | Opening identify the bidders who were rated | bidders whose first envelopes were rated | | | |
| determined compliance with the | passed. | passed? | | | |
| requirements using a | | F====== | | | |
| nondiscretionary "pass/fail" | | | | | |
| criterion, as stated in the Instructions to Bidders | 11. From the Minutes of | Did the BAC open the | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 30.2 Immediately after determining compliance with the requirements in the first envelope, the BAC shall forthwith open the second bid envelope of each remaining eligible bidder whose first bid envelope was rated "passed." The second envelope of | the Bid Opening, check if the second envelopes of the bidders who were rated passed was opened by the BAC on the same day when the first envelopes were opened. | second envelopes on the same day when the first envelopes were opened? | | | |
| each complying bidder shall be opened within the same day In case one or more of the requirements in the second envelope of a particular bid is missing, incomplete or patently insufficient, and/or if the submitted total bid price exceeds the ABC, the BAC shall rate the bid concerned as "falled". Only bids that are determined to contain all the bid requirements for both | 12. Compare the Checklist with the list of documents in the second envelope per Bidding Documents. | Was the BAC's Checklist in accordance with the list of documents in the second envelope per Bidding Documents? | | | |
| components shall be rated "passed" and shall immediately be considered for evaluation and comparison. • 25.3. The second envelope shall contain the financial information/documents as | 13. Validate the entries ("pass/fail") in the Checklist with the documents submitted by the bidders in the second envelope (for | Did the BAC determine each bidder's compliance with the <u>financial</u> information/document s required to be | | | |
| specified in the PBDs. Philippine Bidding Documents (PBDs) for the Procurement of Infrastructure Projects 2 rd Edition (October 2000) | presence or absence). | submitted in the second envelope: | | | |
| Projects, 3 rd Edition, (October 2009) approved by the GPPB per GPPB Resolution No. 06-2009 dated September 30, 2009: • Documents Comprising the Bid: Financial | | (a) Bidding Forms a.1 Bid Form? | | | |
| and the second s | | a.2 Form of | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|--|---|------|------|---------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| Component 13.1. Unless otherwise stated in the Bid Data Sheets, the financial component of the bid shall contain the following: a. Financial Bid Form in accordance with the form prescribed in Section IX, Bidding Forms; and b. Any other document required in the Bid Data Sheets. 13.2. Unless indicated in the BDS, all bids | | Contract Agreement? a.3. Omnibus Sworn Statement? | | | | |
| 13.2. Unless indicated in the BDS, all bids that exceed the ABC shall not be accepted. 31.1 – The ABC shall be the upper limit or ceiling for acceptable bid prices. If a bid price, as evaluated and calculated in accordance with this IRR, is higher than the ABC, the bidder submitting the same shall be automatically disqualified. There shall be no lower limit or floor on the amount of the award. | 14. From the <i>Minutes</i> of <i>Bid Opening, Abstract</i> of <i>Bids as Read,</i> and relevant <i>BAC Resolutions</i> check if bids higher than the ABC were automatically disqualified. | Did the BAC automatically disqualify bids higher than the ABC? | | | | |
| IN CASE A BIDDER DETERMINED AS " | FAILED" FILES A REQU | JEST FOR RECONSI | DERA | TION | | |
| 1. To verify if the Bidder determined as "failed" submitted his request for reconsideration within 3 days upon written notice or, if present at the time of bid opening, upon verbal notification Philippine Bidding Documents (PBDs) for the Procurement of Infrastructure Projects, 3 rd Edition, (October 2009) approved by the GPPB per GPPB Resolution No. 06-2009 dated September 30, 2009: 24.7. A Bidder determined as "failed" has | 1. Count the number of days FROM the date of bid opening or date of receipt of the notice by the concerned Bidder TO the date of receipt by the BAC Secretariat of the letter-request for reconsideration (duly stamped "received" by the BAC Secretariat) and compare with the 3-day maximum. | Did the BAC ensure that the Bidder determined as "failed" submitted their requests for reconsideration within 3 days upon written notice or, if present at the time of bid opening, upon verbal notification? | | | | |
| three (3) calendar days upon written notice or, if present at the time of bid opening, upon verbal notification within which to file a request for reconsideration with the BAC: Provided however, that the request for reconsideration shall not be granted if it is established that the finding of failure is due to the fault of the Bidder concerned: Provided, further, that the BAC shall decide on the request for reconsideration within seven (7) calendar days from receipt thereof. If a failed bidder signifies his intent to file a request for reconsideration, the BAC shall keep the bid envelopes of the said failed Bidder unopened and/or duly sealed until such time that the request for reconsideration or protest has been resolved. | 2. From the Minutes of the deliberation of the request for reconsideration, look for information and finding if the failure was due to the fault of the Bidder, and the if the BAC decided not to grant the request. | Did the BAC evaluate if the failure was due to the fault of the bidder? If in the affirmative, did the BAC decide not to grant the request? | | | | |
| | 3. From the Minutes of the deliberation of the request for reconsideration, look for information on the period within which the BAC decided on the request for reconsideration – from the date of receipt of the request for | Did the BAC decide on the request for reconsideration within 7 days from receipt thereof? | | | | |



| Audit Sub-objective | | Suggested A | udit W | orkina | Paper |
|---|---|------------------------------------|--------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| That official | | riddit Question | | 10 | the Answer |
| | reconsideration up to | | | | |
| | the date of decision | | | | |
| | (BAC Resolution) on the | | | | |
| | decision reached; and | | | | |
| | compare with the 7-day | | | | |
| | maximum period. | | | | |
| | | | | | |
| INVOLVEMENT OF BAC OBSERVERS IN | | | | | ON OF |
| BIDS, INCLUDING EVALUATION AND | | | ERAII | ON | |
| 1. To verify if the BAC invited | 1. From the Minutes of | Did the BAC choose | | | |
| Observers: | the BAC meeting on the selection of the | the Observers | | | |
| a. representing the COA, the duly | | considering: | | | |
| recognized private group in a sector | Observer from the | 1 one representing | | | |
| or discipline relevant to the | "pool", check for | 1. one representing | | | |
| procurement at hand, and a non- | information on the | the COA? | | | |
| government organization (NGO) from | BAC's evaluation in regard to: | 2 One representing | 1 | | |
| the procuring entity's Pool of | • the selection of the | One representing the duly | | | |
| Observers; | organization from | recognized private | | | |
| b. that have: | which the Observer | | | | |
| b.1. knowledge, experience or | will be invited; | group in a sector or discipline | | | |
| expertise in procurement or in the | knowledge, | relevant to the | 1 | | |
| subject matter of the contract to be | 3 · | procurement at | | | |
| bid; | experience or expertise in | hand? | | | |
| b.2. no actual or potential conflict of | procurement or in | nana: | 1 | | |
| interest in the contract to be bid; and | the subject matter of | 3. One representing | | | |
| b.3. conformed with other relevant | the contract to be | a non-government | | | |
| criteria determined by the BAC; | bid: | organization? | | | |
| c. at least 3 calendar days prior to | no actual or | organization. | | | |
| the start of the activity | potential conflict of | 4. With knowledge, | 1 | | |
| the start of the activity | interest in the | experience or | | | |
| Implementing Dules and Degulations | contract to be bid; | expertise in | | | |
| Implementing Rules and Regulations | and | procurement or in | 1 | | |
| (IRR) of RA 9184, as amended on | conformed with | the subject matter | | | |
| September 2, 2009: | other relevant | of the contract to | 1 | | |
| Section 13. Observers | criteria determined | be bid? | | | |
| 13.1. To enhance the transparency of the | by the BAC. | | | | |
| process, the BAC shall, in all stages of the | ., | 5. With no actual or | | | |
| procurement process, invite, in addition to the | | potential conflict | | | |
| representative of the COA, at least two (2) | | of interest in the | | | |
| observers, who shall not have the right to | | contract to be bid? | | | |
| vote, to sit in its proceedings where: | | | | | |
| a) At least one (1) shall come from a duly | | 6. Conformed with | 1 | | |
| recognized private group in a sector or | | other relevant | | | |
| discipline relevant to the procurement at hand, | | criteria determined | 1 | | |
| for example: | | by the BAC? | | | |
| i) For infrastructure projects, national | | | | | |
| associations of constructors duly | 2. From certified copies | Did the BAC invite the | | | |
| recognized by the Construction Industry | of the invitations to the | Observers at least 3 | 1 | | |
| Authority of the Philippines (CIAP), such | Observers with evidence | days before the date | | | |
| as, but not limited to the following: | of receipt, compare the | of the bid opening? | 1 | | |
| (1) Philippine Constructors Association, | date of receipt with the | | | | |
| Inc.; | 3-day minimum | | 1 | | |
| (2) National Constructors Association of | requirement. | | 1 | | |
| the Philippines, Inc.; and | | | | | |
| (3) Philippine Institute of Civil Engineers | | | | | |
| (PICE). | | | 1 | | |
| ii) | | | | | |



| Audit Sub-objective | | Suggested A | orking | | | |
|---|---|--|--------|----|----------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | |
| iii) and b) The other observer shall come from a non- government organization (NGO). 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least | | | | | the Answer | |
| three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify if the Procuring Entity considered the comments/observations of the Observers Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 13.4. The observers shall have the following responsibilities: a) To prepare the report either jointly or separately indicating their observations made on the procurement activities conducted by the BAC for submission to the Head of the Procuring Entity, copy furnished the BAC Chairman. The report shall assess the extent of the BAC's compliance with the provisions of this IRR and areas of improvement in the BAC's proceedings; b) To submit their report to the procuring entity and furnish a copy to the GPPB and Office of the Ombudsman/Resident Ombudsman. If no report is submitted by the observer, then it is understood that the bidding activity conducted by the BAC followed the correct procedure; and c) To immediately inhibit and notify in writing the procuring entity concerned of any actual or potential interest in the contract to be bid. | 3. Based on the BAC's Minutes on the bid opening and preliminary evaluation of bids and the report of the Observers check whether a deliberation was made on the comments /observations of the observers. | Did the Procuring Entity consider the comments/ observations of the Observers? | | | | |

| Audit Sub-objective | | Suggested Audit Work | | | | | |
|--|---|-----------------------|----------|------|------------------------------|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| the following documents upon their request, subject to signing of a confidentiality agreement: (a) minutes of BAC meetings; (b) abstract of Bids; (c) post-qualification summary report; (d) APP and related PPMP; and (e) opened proposals. | | | | | | | |
| EVALUATING AUDIT EVIDENCES GATH | IERED AND COMMUNI | CATING THE RESU | LTS OF | AUD | IT | | |
| 1. To verify the effects of instances of non-compliance on the: | Analyze the instances of non-compliance to establish the effects and | Appropriate Audit Wor | | | | | |
| a. validity of the procurement activities and outputs including the validity of the resulting contract; | develop appropriate audit recommendations. Also determine if appropriate actions | | | | | | |
| b. validity of any payment to be made on the basis of the contract;c. etc. | were taken by the auditee in regard to instances of non- | | | | | | |
| and develop appropriate audit recommendations | compliance. | | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Wor | king Par | oers | | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|--|----------------------------------|---------|-------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mem applicable | norandu | m (AO | M), if |

IX. BID EVALUATION FOR THE PROCUREMENT OF INFRASTRUCTURE PROJECTS

The purpose of bid evaluation is to determine the <u>Lowest Calculated Bid</u>. This is done by establishing the correct calculated prices of the bids and ranking in ascending order the total bid prices as so calculated. The bid with the lowest price is the LCB.

A. AUDIT OBJECTIVES:

- To verify if the BAC adopted the required conditions and procedures in the bid evaluation;
- 2. To verify if the BAC followed the required timeline in the conduct of bid evaluation.
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for the evaluation:

- 1. Minutes of Bid Opening:
- 2. Checklists for technical and financial envelopes;
- 3. Abstract of Bids as Read:
- 4. BAC Resolution(s) on the preliminary examination of bids;
- 5. TWG report on the bid evaluation for determination of the bidder with the LCB, as reviewed by the BAC;
- 6. Abstract of Bids as Calculated;
- 7. Minutes of the BAC meeting on bid evaluation;
- 8. Resolution of the BAC declaring the LCB;
- 9. Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 10. Invitation letters to the Observers with evidence of receipt;
- 11. Reports of the BAC Observers.

| Audit Sub-objective | | Suggested Auc | lit Wor | king F | Paper |
|---|---|--|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| 1. To verify if the BAC conducted detailed evaluation of all bidders whose first envelope (technical component) and second envelope (financial component) were rated passed Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 30.2 Only bids that are determined to contain all the bid requirements for both components shall be rated "passed" and shall immediately be considered for evaluation and comparison. | 1. From the <i>Minutes of Bid Opening, Checklists</i> for technical and financial envelopes, <i>Abstract of Bids as Read,</i> and <i>BAC Resolutions</i> identify the bidders who were rated "passed" in all aspects and compare with the names of the bidders included in the bid evaluation (from the TWG report, as reviewed by the BAC, <i>Minutes</i> of the BAC meeting on bid evaluation, and <i>Resolution of the BAC</i> declaring the LCB). | Did the BAC conduct detailed evaluation only of bidders who passed in the preliminary examination of bids? | | | the Answer |
| 2. To verify if the BAC considered completeness | 2. From the TWG report, as reviewed by the BAC, <i>Minutes</i> of the BAC meeting | Did the BAC evaluate the completeness of the financial component of | | | |

| Audit Sub-objective | | Suggested Auc | lit Wor | kina F | Paper |
|---|--|---|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| and arithmetical corrections of the financial component of the bids in the detailed evaluation Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 32.2.1 – The BAC shall immediately conduct a detailed evaluation of all bids using non-discretionary criteria in considering the following: a. Completeness of the bid—Unless the Instruction to Bidders specifically allow partial bids, bids not addressing or providing all of the required items in the Bidding Documents including, where applicable, bill of quantities, shall be considered non-responsive and, thus, automatically disqualified. In this regard, where a required item is provided, but no price is indicated, the same shall be considered as non-responsive, but specifying a "0" (zero) for the said item would mean that it is being offered for free to the Government; and b. Arithmetical corrections—Consider computational errors and omissions to enable proper comparison of all eligible bids. It may also consider bid modifications if expressly allowed in the Bidding Documents [AS AMENDED BY GPPB RESOLUTION NO. 06-2009 DATED SEPT 30, 2009]. Any adjustment shall be calculated in monetary terms to determine the calculated prices. • 32.2.2. The BAC shall evaluate all bids on an equal footing to ensure fair and competitive bid comparison. For this purpose, all bidders shall be required to include the cost of all taxes, such as, but not limited to, value added tax (VAT), income tax, local taxes, and other fiscal levies and duties which shall be itemized in the bid form and reflected in the detailed | on bid evaluation, and Resolution of the BAC declaring the bidder with the Lowest Calculated Bid (LCB), look for the information on the evaluation of completeness of financial component of the bids. 3. From the TWG report, as reviewed by the BAC, Minutes of the BAC meeting on bid evaluation, and Resolution of the BAC declaring the bidder with the Lowest Calculated Bid (LCB), look for the information on the evaluation of arithmetical accuracy of financial component of the bids. | the bids? Did the BAC consider non-responsive and, thus, automatically disqualified bids not addressing or providing all of the required items in the Bidding Documents? Did the BAC consider non-responsive and, thus, automatically disqualified bids that did not indicate the price for a required item? Did the BAC evaluate the arithmetical accuracy of financial components of bids: d. computational errors? e. omissions? f. other bid modification, if allowed in the Bidding Documents? | | | the Answer |

| Audit Sub-objective | | Suggested Auc | lit Wor | king F | Paper |
|--|--|--|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| taxes, shall be the basis for bid evaluation and comparison. | | | | | the Answer |
| • 32.2.3. In case of discrepancies between: (a) bid prices in figures and in words, the latter shall prevail; (b) total price per item and unit price for the item as extended or multiplied by the quantity of that item, the latter shall prevail; (c) stated total price and the actual sum of prices of component items, the latter shall prevail; (d) unit cost in the detailed estimate and unit cost in the bill of quantities, the latter shall prevail. | | | | | |
| 32.2.4. Bids shall then be ranked in the ascending order of their total calculated bid prices, as evaluated and corrected for computational errors, and other bid modifications, to identify the Lowest Calculated Bid. Total calculated bid prices, as evaluated and corrected for computational errors, and other bid modifications, which exceed the ABC shall be disqualified. | | | | | |
| Requirements of the Bidding Documents for the specific procurement. | | | | | |
| 3. To verify if the BAC disqualified bidders whose bids as calculated were higher than the ABC Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 31.1 – The ABC shall be the upper limit or ceiling for acceptable bid prices. If a bid price, as evaluated and calculated in accordance with this IRR, is higher than the ABC, the bidder submitting the same shall be | 4. Analyze the TWG report with supporting documents and duly reviewed by the BAC, <i>Minutes</i> of the BAC meeting on bid evaluation, <i>Abstract of Bids as Calculated</i> , and <i>Resolution of the BAC</i> declaring the bidder with the Lowest Calculated Bid (LCB), and check if the BAC disqualified bidders whose bids are higher than the ABC. | Did the BAC disqualify bidders whose bids as calculated were higher than the ABC? | | | |
| automatically disqualified. There shall be no lower limit or floor on the amount of the award. | | | | | |
| 4. To verify if the BAC | 5. Check for completeness | Did the BAC prepare the | | | |
| prepared the Abstract of Bids | of the information contained in the Abstract of Bids as | Abstract of Bids as calculated with the | | | |
| as Calculated with the | Calculated and if this was | following information: | | | |
| required information | signed by the members of | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on | the BAC. | a. Name of the contract? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|--|---|-----|----|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| September 2, 2009: • Section 32.3 – After all bids have been received, opened, examined, evaluated, and ranked, the BAC shall prepare the corresponding Abstract of Bids The Abstract of Bids shall contain the following: a. Name of the contract and its location, if applicable; b. Time, date and place of bid opening; and c. Names of bidders and their corresponding calculated bid prices arranged from lowest to highest, the amount of bid security and the name of the issuing entity. | Addit Activities | b. Location? c. Time of bid opening? d. Date of bid opening? e. Place of bid opening? f. Names of bidders and their corresponding calculated bid prices g. Calculated bid prices arranged from lowest to highest? h. Amount of bid security? i. Name of the issuing entity? j. Names and signatures of the Chairman and members of the BAC? | Yes | NO | the Answer |
| 5. To verify if the BAC declared rank 1 in the Abstract of Bids as Calculated as the bidder with the Lowest Calculated Bid (LCB) Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 32.2.4. Bids shall then be ranked in the ascending order of their total calculated bid prices, as evaluated and corrected for computational errors, and other bid modifications, to identify the Lowest Calculated Bid. Total calculated bid prices, as evaluated and corrected for computational errors, and other bid modifications, which exceed the ABC shall be disqualified. | 6. Analyze the TWG report, as reviewed by the BAC, <i>Minutes</i> of the BAC meeting on bid evaluation, <i>Abstract of Bids as Calculated</i> , and <i>Resolution of the BAC</i> declaring the bidder with the Lowest Calculated Bid (LCB), and check if rank 1 in the Abstract was declared as the bidder with the Lowest Calculated Bid (LCB). | Did the BAC declare rank 1 in the Abstract of Bids as Calculated as the bidder with the Lowest Calculated Bid (LCB)? | | | |
| 6. To verify if the BAC notified | 7. Obtain a copy of the notice issued by the BAC to | Did the BAC notify the bidder with the LCB? | | | |

| the bilder with the LCB miplementing Rules and Regulations (IRR) of R4 9184, as amended on September 2, 2000. • 34.2 Within three (3) calendar days from the bilder from the BAC that the bilder for Intellection of the bilder shall submit the following documentary requirements to the BAC: 7. To verify if the BAC completed the evaluation of bids within seven (7) calendar days from the deadline for receipt of proposals (5 calendar days for infrastructure projects costing P50 million and below) Implementing Rules and Regulations (IRR) of R4 9184, as amended on September 2, 2009. • 32.4 The entire evaluation process shall be completed within seven (7) calendar days from the deadline for receipt of proposals (F69,000,000) and below, the entire evaluation process shall be completed in not more than five (3) calendar days from the deadline for receipt of proposals (F60,000,000) and below, the entire evaluation process shall be composals. However, for infrastructure projects costing F10 million and below) 8. To verify if the BAC invited Observers: a. representing the COA, the deadline for receipt of proposal. 8. To verify if the BAC invited Observers: b. that have: b. 1. In knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b. 2. no actual or potential by 2. no actual or potential by 2. no actual or potential on the bid. b. 2. no actual or potential on the bid. b. 2. no actual or potential or potential by 2. no actual or potential on the bid. b. 2. no actual or potential on the bid. b. 2. no actual or potential on the bid. b. 2. no actual or potential on the bid. b. 2. no actual or potential on the procurement or in the subject matter of the contract to be bid; b. 2. no actual or potential on the procurement or in the subject matter of the contract to be bid; b. 2. no actual or potential or potential or potential on the procurement or in the subject matter of the contract to be bid; b. 2. no actual or potential or potential or potential or potential or potential | Audit Sub-objective | | Suggested Aud | dit Wor | kina l | Paper |
|--|---|--|--|---------|--------|------------|
| the bidder with the LCB and mplementing Rules and Regulations (IRR) of R4 9184, as amended on September 2, 2009: • 34.2. Within three (3) calendar days from receipt by the bidder of the bidder from the B4C that the bidder shall submit the following documentary requirements to the B4C: 7. To verify if the BAC completed the evaluation of bids within seven (7) calendar days from the deadline for receipt of proposals (5 calendar days for infrastructure projects costing P50 million and below) Implementing Rules and Regulations (IRR) of R4 9184, as amended on September 2, 2009: • 32.4 The entire evaluation process shall be completed within seven (7) calendar days from the deadline for receipt of proposals (P50,000,000) and below, the entire evaluation process shall be completed within seven (7) calendar days from the deadline for receipt of proposals (P50,000,000) and below, the entire evaluation process shall be completed in not more than live (3) calendar days from the deadline for receipt of proposals. 8. To verify if the BAC invited Observers: a. representing the COA, the duly recognized private group in a sector or discipline relevant to the procurement at hand, and a nongovernment organization (NGO) from the procuring entity's Pool of Observers: b. It is the subject matter of the contract to be bid; b. 2. no actual or potential by 3. no actual or pot | | Audit Activities | | 1 | | |
| check for receipt by the bidder of September 2. 2009: **3 42. Within three (2) calendar days from receipt by the bidder of the patice from the BAC that the bidder from the BAC that the bidder from the BAC that the bidder from the BAC that the bidder from the BAC that the bidder shill submit the following documentary requirements to the BAC: 7. To verify if the BAC completed the evaluation of bids within seven (7) calendar days from the deadline for receipt of proposals (5 calendar days from the deadline for receipt of proposals (5 calendar days for infrastructure projects costing P50 million and below) **Implementing Rules and Regulations (FIR) of RA 9 194, as amended an September 2, 2009: **23.4 The entire evaluation process shall be completed within seven (7) calendar days from the deadline for receipt of proposals. However, for infrastructure projects costing P50 million and below, the entire evaluation process shall be completed in not mare than five (3) calendar days from the deadline for receipt of proposals. 8. To verify if the BAC invited Observers: a. representing the COA, the duty recognized private group in a sector or discipline relevant to the procurement at hand, and a nongovernment organization (NGO) from the procuring entity's Pool of Observers: b. that have: b. 1. knowledge, experience or expertise in procurement at hand, and a nongovernment organization from which cobserver will be invited: congress the procurement at the contract to be bid; b. 2. no actual or potential challenge of the bidder. 8. From the Invitation to Bid and the Minutes of Bid Evaluation (and the Min | | | | | | the Answer |
| and the Minutes of Bid Evaluation of bids within seven (7) calendar days from the deadline for receipt of proposals (5 calendar days for infrastructure projects costing P50 million and below) Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 3.2.4 The entire evaluation process shall be completed within seven (7) calendar days from the deadline for receipt of proposals. However, for Infrastructure projects costing F1fly Million Pesos (P50,000,000) and below, the entire evaluation process shall be completed in ont more than five (5) calendar days from the deadline for receipt of proposal. 8. To verify if the BAC invited Observers: a. representing the COA, the duly recognized private group in a sector or discipline relevant to the procurement at hand, and a nongovernment organization (NGO) from the procuring entity's Pool of Observers; b. that have: b. 1. knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b. 2. no actual or potential | Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.2. Within three (3) calendar days from receipt by the bidder of the notice from the BAC that the bidder has the Lowest Calculated Bid or Highest Rated Bid, the bidder shall submit the following documentary requirements to the | check for receipt by the | | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: 3.24 The entire evaluation process shall be completed within seven (7) calendar days from the deadline for receipt of proposals. However, for infrastructure projects costing Fifty Million Pesos (P50,000,000) and below, the entire evaluation process shall be completed in not more than five (5) calendar days from the deadline for receipt of proposal. 8. To verify if the BAC invited Observers: a. representing the COA, the duly recognized private group in a sector or discipline relevant to the procurement at hand, and a nongovernment organization (NGO) from the procuring entity's Pool of Observers; b. that have: b. 1. knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b. 2. no actual or potential | completed the evaluation of bids within seven (7) calendar days from the deadline for receipt of proposals (5 calendar days for infrastructure projects costing P50 million and | and the <i>Minutes of Bid</i> Evaluation determine the number of days from the deadline for receipt of proposals and the completion of the bid | the evaluation process within seven (7) calendar days from the deadline for receipt of proposal? (5 days for projects costing P50 million and | | | |
| Observers: a. representing the COA, the duly recognized private group in a sector or discipline relevant to the procurement at hand, and a nongovernment organization (NGO) from the procuring entity's Pool of Observers; b. that have: b.1. knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b.2. no actual or potential BAC meeting on the selection of the Observer from the "pool", check for information on the BAC's evaluation in regard to: • the selection of the Observer will be invited; • the selection of the Observer will be invited; • the selection of the Observer will be invited; • the selection of the Observer will be invited; • the selection of the Observer will be invited; • the selection of the Observer will be invited; • knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; • no actual or potential • conflict of interest in the policy and considering: a. one representing the COA? b. One representing the duly recognized private group in a sector or discipline relevant to the procurement or in the subject matter of the contract to be bid; • no actual or potential conflict of interest in the policy and considering: | (IRR) of RA 9184, as amended on September 2, 2009: • 32.4 The entire evaluation process shall be completed within seven (7) calendar days from the deadline for receipt of proposals. However, for infrastructure projects costing Fifty Million Pesos (P50,000,000) and below, the entire evaluation process shall be completed in not more than five (5) calendar days from the | | | | | |
| contract to be bid; and conformed with other relevant criteria d. With knowledge, | Observers: a. representing the COA, the duly recognized private group in a sector or discipline relevant to the procurement at hand, and a nongovernment organization (NGO) from the procuring entity's Pool of Observers; b. that have: b.1. knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b.2. no actual or potential conflict of interest in the | BAC meeting on the selection of the Observer from the "pool", check for information on the BAC's evaluation in regard to: • the selection of the organization from which the Observer will be invited; • knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; • no actual or potential conflict of interest in the contract to be bid; and • conformed with other | a. one representing the COA? b. One representing the duly recognized private group in a sector or discipline relevant to the procurement at hand? c. One representing a non-government organization? | | | |

| Audit Sub-objective | | Suggested Auc | lit Wor | kina F | Paper |
|---|--|--|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Tidan Sinona | | Addit Question | 103 | 140 | the Answer |
| relevant criteria determined by the BAC; c. at least 3 calendar days prior to the start of the activity | determined by the BAC. | expertise in procurement or in the subject matter of the contract to be bid? e. With no actual or | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | potential conflict of interest in the contract to be bid? | | | |
| • Section 13. Observers 13.1. To enhance the transparency of the process, the BAC shall, in all stages of the procurement process, invite, in addition to the representative of the COA, at least two (2) observers, who shall not have the right to vote, to sit in its | | f. Conformed with other relevant criteria determined by the BAC? | | | |
| proceedings where: a) At least one (1) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hand, for example: i) For infrastructure projects, national associations of constructors duly recognized by the Construction Industry Authority of the Philippines (CIAP), such as, but not limited to the following: (1) Philippine Constructors Association, Inc.; (2) National Constructors Association of the Philippines, Inc.; and (3) Philippine Institute of Civil Engineers (PICE). ii) iii) and b) The other observer shall come from a non-government organization (NGO). 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. | 10. From certified copies of the invitations to the Observers with evidence of receipt, compare the date of receipt with the 3-day minimum requirement | Did the BAC invite the observers at least 3 days from the date of the bid evaluation? | | | |

| Audit Sub-objective | | Suggested Aud | dit Wor | kina l | Paper |
|--|--|--|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | 7.00.1. 20001.01. | . 00 | | the Answer |
| o 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 9. To verify if the Procuring Entity considered the comments/observations of the Observers Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 13.4. The observers shall have the following responsibilities: a) To prepare the report either jointly or separately indicating their observations made on the procurement activities conducted by the BAC for submission to the Head of the Procuring Entity, copy furnished the BAC Chairman. The report shall assess the extent of the BAC's compliance with the provisions of this IRR and areas of improvement in the BAC's proceedings; b) To submit their report to the procuring entity and furnish a copy to the GPPB and Office of the Ombudsman/Resident Ombudsman. If no report is submitted by the observer, then it is understood that the bidding activity conducted by the BAC followed the correct procedure; and c) To immediately inhibit and notify in writing the procuring entity concerned of any actual or potential interest in the contract to | 10. Based on the BAC's Minutes on the bid evaluation and the report of the Observers check whether a deliberation was made on the comments /observations of the observers. | Did the Procuring Entity consider the comments/ observations of the Observers? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | Suggested Audit Working F | Paper |
|---|--|-------------------------------|---------|-------|---------------------------|-------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | |
| 13.5. Observers shall be allowed access to the following documents upon their request, subject to signing of a confidentiality agreement: (a) minutes of BAC meetings; (b) abstract of Bids; (c) post-qualification summary report; (d) APP and related PPMP; and (e) opened proposals. | | | | | the Answer | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COMM | UNICATING THE RES | ULTS (| OF AL | JDIT | |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if | Appropriate Audit Workin | | | | |
| resulting contract; b. validity of any payment to be made on the basis of the contract; | appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | | |
| c. etc. | | | | | | |
| and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Workin | g Paper | S | | |



| Audit Sub-objective | | Suggested Auc | lit Wor | king F | Paper | |
|---|--|-------------------------|--|--------|----------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | |
| | | | | | the Answer | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit | Audit Observation Memor | it Observation Memorandum (AOM), if appl | | | |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | to Management | | | | | |

X. POST-QUALIFICATION FOR THE FOR THE PROCUREMENT OF INFRASTRUCTURE PROJECTS

The Lowest Calculated Bid (LCB) shall undergo post-qualification in order to determine whether the bidder concerned complies with and is responsive to all the requirements and conditions as specified in the Bidding Documents.

A. AUDIT OBJECTIVES:

- To verify if the BAC adopted the required conditions and procedures in the conduct of post-qualification;
- 2. To verify if the BAC followed the required timeline in the conduct of post-qualification.

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for evaluation:

- 1. BAC Resolution declaring the bidder with the LCB;
- 2. Copy of the BAC Secretariat's Receiving logbook indicating information on receipt of the:
 a) Tax clearance, b) Latest income and business tax returns, c) Certificate of PhilGEPS
 Registration; and d) Other appropriate licenses and permits required by law and stated in
 the Bidding Documents, submitted by the bidder with the LCB;
- 3. Copy each of the documents submitted by the bidder with the LCB;
- 4. Constructors Performance Evaluation System (CPES) reports obtained by the BAC from the Construction Industry Authority of the Philippines (CIAP);
- 5. Documents evidencing the BAC's validation of the veracity of the documents submitted and the information thereon;
- 6. TWG report on the post-qualification conducted, including supporting documents (e.g. inspection reports), as reviewed by the BAC; evidencing:
 - a. validation of the authenticity of the documents submitted and information thereon:
 - b. validation of compliance of the goods offered with the requirements specified in the Bidding Documents, duly supported with: inspection reports on the goods offered and test results;
 - c. validation of the sufficiency of the bid security as to type, amount, form and wording, validity period;
 - d. validation of compliance with the financial requirements of the LCB;
 - e. conduct of analysis and concluding on the post-qualification or disqualification of the bidder, as the case may be;
- 7. BAC Resolutions on post-qualification/post-disqualification, declaration of LCRB, and recommendation to the HOPE;
- 8. TWG report(s) on the evaluation of the post-disqualified bidder(s)' request for reconsideration, as reviewed by the BAC;
- 9. Minutes of the post-qualification activities;
- 10. Copy of the document approved by the HOPE extending the period for the post-qualification process, if applicable;
- 11. Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 12. Reports of the BAC Observers.



| Audit Sub-objective | | Suggested | Audit \ | Norkino | g Paper |
|---|---|-----------------------------|---------|---------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify whether the bidder | From the records of the | Did the bidder with | | | |
| whose bid was declared as the | BAC, count the number of | the LCB: | | | |
| Lowest Calculated Bid (LCB)/ | days from the date when the bidder with the LCB | a. submit within 3 | | | |
| Single Calculated Bid (SCB) | received the notice and the | calendar days | | | |
| submitted the following | date it submitted the: a) Tax | from receipt of | | | |
| documents within 3 calendar | clearance, b) Latest income | the notice as | | | |
| days from the bidder's receipt | and business tax returns, c) | LCB? | | | |
| of the notice: | Certificate of PhilGEPS | | | | |
| a) Tax clearance; | Registration; and d) Other | b. Tax Clearance? | | | |
| b) Latest income and business | appropriate licenses and | c. Latest income | | | |
| tax returns; | permits required by law and stated in the Bidding | and business tax | | | |
| c) Certificate of PhilGEPS | Documents. | returns? | | | |
| Registration; and | | | | | |
| d) Other appropriate licenses and permits required by law | Compare this with the | d. Certificate of | | | |
| | required maximum 3-day | PhilGEPS | | | |
| and stated in the Bidding Documents | period. | Registration? | | | |
| Documents | | e. Other | | | |
| Implementing Rules and Regulations | | appropriate | | | |
| (IRR) of RA 9184, as amended on | | licenses and | | | |
| September 2, 2009: | | permits required | | | |
| • 34.2. Within three (3) calendar days | | by law and | | | |
| from receipt by the bidder of the | | stated in the | | | |
| notice from the BAC that the bidder | | Bidding | | | |
| has the Lowest Calculated Bid or Highest Rated Bid, the bidder shall | | Documents? | | | |
| submit the following documentary | | | | | |
| requirements to the BAC: | | | | | |
| a) Tax clearance; | | | | | |
| b) Latest income and business tax | | | | | |
| returns; | | | | | |
| c) Certificate of PhilGEPS | | | | | |
| Registration; and | | | | | |
| d) Other appropriate licenses and permits required by law and | | | | | |
| stated in the Bidding Documents. | | | | | |
| | | | | | |
| | | | | | |
| 2. To verify if the BAC: | 2. If based on the validation | Did the BAC forfeit | | | |
| 2.1. determined the veracity of | conducted in 1. above, the | the bid security and | | | |
| the documents submitted | submissions were found to | disqualify the | | | |
| and | be incomplete and/or not on | bidder for award | | | |
| 2.2. forfeited the bid security | time, obtain a copy of the | because of failure | | | |
| and disqualified the bidder | BAC Resolution disqualifying | to submit the | | | |
| for award for reason that; | the bidder and forfeiting its bid security. | required documents on time? | | | |
| a. the bidder failed to | Dia security. | OH UIIIG: | | | |
| submit the required | 3. Obtain from the BAC | Did the BAC forfeit | | | |
| documents on time, | Secretariat documents | the bid security and | | | |
| and/or | evidencing the BAC's | disqualify the | | | |
| b. there was a finding | validation of the veracity of | bidder for award | | | |
| against the veracity of the | the documents submitted | because of a | | | |
| documents/ information | and the information thereon | finding against the | | | |
| | and check the results of | veracity of the | | | |
| | such validation. | documents/ | | | |

| Audit Sub-objective | | Suggested | Audit \ | Vorkin | g Paper |
|--|--|---|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.2. Within three (3) calendar days from receipt by the bidder of the notice from the BAC that the bidder has the Lowest Calculated Bid or Highest Rated Bid, the bidder shall submit the following documentary requirements to the BAC: a) Tax clearance; b) Latest income and business tax returns; c) Certificate of PhilGEPS Registration; and d) Other appropriate licenses and permits required by law and stated in the Bidding Documents. Failure to submit the above requirements on time or a finding against the veracity of such shall be ground for the forfeiture of the bid security and disqualify the bidder for award. | If the BAC had a finding against the veracity of the documents/ information thereon, obtain a copy of the BAC Resolution disqualifying the bidder and forfeiting its bid security. | information? | | | |
| 3. To verify if the BAC subjected the bidder with the Lowest Calculated Bid (LCB) to post-qualification Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.1 The Lowest Calculated Bid shall undergo post-qualification in order to determine whether the bidder concerned complies with and is responsive to all the requirements and conditions as specified in the Bidding Documents. | 4. Match the name of the bidder with the LCB as indicated in the BAC Resolution declaring the LCB with the name of the bidder indicated in the TWG's Post-Qualification Report, as reviewed by the BAC and in the Minutes of the BAC meetings. | Did the BAC subject the bidder with the Lowest Calculated Bid (LCB) to post- qualification? | | | |
| 4. To verify if the BAC verified, validated, and ascertained that the bidder with the LCB is: a. a duly licensed Filipino citizen/sole proprietor, or b. a Partnerships duly organized under the laws of the Philippines and of which at least seventy five percent | 5. From the TWG report with supporting documents and duly reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, look for information evidencing validation of the authenticity of the: a) DTI Registration Certificate, duly supported with: | Did the BAC validate the authenticity of the Registration documents submitted by the bidder? | | | |

| Audit Sub-objective | | Suggested | Δudit \ | Morkin | n Paner |
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| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| - Hadit Official | 710011711100 | Addit Question | 103 | INO | the Answer |
| (75%) of the interest | the DTI-certified copy | | | | |
| belongs to citizens of the | of the <i>Registration</i> | | | | |
| Philippines, or | <i>Certificate</i> and | | | | |
| c. a Corporation duly organized | DTI certificate that the | | | | |
| under the <u>laws</u> of the | sole proprietor is a | | | | |
| Philippines, and of which <u>at</u> | Filipino citizen (based | | | | |
| | on the application for | | | | |
| <u>least seventy five percent</u> (75%) of the outstanding | registration filed by the | | | | |
| · — | bidder with the DTI), if the bidder is a sole | | | | |
| capital stock belongs to | proprietorship; | | | | |
| citizens of the Philippines, or | proprietorsinp, | | | | |
| d. Cooperatives duly organized | b. SEC registration and of | | | | |
| under the laws of the | the 75% Filipino | | | | |
| Philippines, and of which at | ownership, duly | | | | |
| least seventy five percent | supported with: | | | | |
| (75%) belongs to citizens of | the SEC-certified | | | | |
| the Philippines, or | copy of the | | | | |
| e. Joint Venture - that Filipino | Registration | | | | |
| ownership or interest of the | Certificate, | | | | |
| joint venture concerned shall | if the bidder is a | | | | |
| be at least seventy five | partnership; | | | | |
| percent (75%) | c. SEC registration and of | | | | |
| | the 60% Filipino | | | | |
| Implementing Rules and Regulations | ownership, duly | | | | |
| (IRR) of RA 9184, as amended on | supported with: | | | | |
| September 2, 2009: | SEC-certified copy of | | | | |
| • 34.3. The post-qualification shall verify, validate, and ascertain all | the Registration | | | | |
| statements made and documents | Certificate and | | | | |
| submitted by the bidder with the | SEC-certified copy of | | | | |
| Lowest Calculated Bid/Highest Rated | the Articles of | | | | |
| Bid, using non-discretionary criteria, | Incorporation | | | | |
| as stated in the Bidding Documents. | if the bidder is a corporation. | | | | |
| These criteria shall consider, but | corporation. | | | | |
| shall not be limited to, the following: | | | | | |
| a) Legal Requirements. To verify, | d. CDA registration and of | | | | |
| validate, and ascertain licenses, | the 75% Filipino | | | | |
| certificates, permits, and agreements submitted by the | ownership, duly | | | | |
| bidder, and the fact that it is not | supported with: | | | | |
| included in any "blacklist" as | CDA-certified copy of | | | | |
| provided in Section 25.2 of this | the Registration | | | | |
| IRR. For this purpose, the GPPB | Certificate and | | | | |
| shall maintain a consolidated file | CDA certificate that at least sixty percent. | | | | |
| of all "blacklisted" suppliers, | at least sixty percent (60%) belongs to | | | | |
| contractors, and consultants. | citizens of the | | | | |
| | Philippines | | | | |
| | if the bidder is a | | | | |
| • 23.5.2. For the procurement of | cooperative | | | | |
| infrastructure projects: | | | | | |
| 23.5.2.1. The following | e. Joint Venture individual | | | | |
| persons/entities shall be allowed to | partner's: | | | | |
| participate in the bidding | • <u>DTI, SEC, or CDA</u> | | | | |
| for infrastructure projects: a) Duly licensed Filipino citizens/sole | registrations and | | | | |
| proprietorships; | • of the <u>75% Filipino</u> | | | | |
| ρι υρι ιστυι επιρε, | <u>ownership</u> | | | | |

| Audit Sub-objective | | Suggested | Audit \ | Norkin | g Paper |
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| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| b) Partnerships duly organized under the laws of the Philippines and of which at least seventy-five percent (75%) of the interest belongs to citizens of the Philippines; c) Corporations duly organized under the laws of the Philippines, and of which at least seventy-five percent (75%) of the outstanding capital stock belongs to citizens of the Philippines; d) Cooperatives duly organized under the laws of the Philippines, and of which at least seventy percent (75%) belongs to citizens of the Philippines; or e) Persons/entities forming themselves into a joint venture, i.e., a group of two (2) or more persons/entities that intend to be jointly and severally responsible or liable for a particular contract: Provided, however, That, in accordance with Letter of Instructions No. 630 (LOI 630), Filipino ownership or interest of the joint venture concerned shall be at least seventy-five percent (75%): Provided, further, That joint ventures in which Filipino ownership or interest is less than seventy-five percent (75%) may be eligible where the structures to be built require the application of techniques and/or technologies which are not adequately possessed by a person/entity meeting the seventy-five percent (75%) Filipino ownership requirement: Provided, finally, That in the latter case, Filipino ownership or interest shall not be less than twenty-five percent (25%). For this purpose, Filipino ownership or interest shall be based on the contributions of each of the members of the joint venture as specified in their JVA. | duly supported with the DTI-, SEC-, or CDA-certified Certificate, as the case may be and DTI-, SEC-, or CDA-certified documents evidencing ownership. 6. From the TWG report, as reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, look for information evidencing validation of Filipino ownership of the bidder's firm. | Did the BAC validate Filipino ownership of the bidder? | | | THE AllSWEI |
| 5. To verify if the BAC verified, validated, and ascertained that the Mayor's Permit submitted by the bidder with the LCB was issued by the city or municipality where the principal place of business of | 7. From the TWG report, as reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, look for information evidencing validation of authenticity of the Mayor's Permit have its way issued by the | Did the BAC verify, validate, and ascertain that the Mayor's Permit submitted by the bidder is authentic? | | | |
| the prospective bidder is located | whether it was <u>issued by the</u> <u>city or municipality where</u> <u>the principal place of the</u> <u>business of the bidder is</u> | Did the BAC verify, validate, and ascertain that the | | | |

| Audit Sub-objective | | Suggested | Audit \ | Vorkin | g Paper |
|---|---|---|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid/Highest Rated Bid, using non-discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: a) Legal Requirements. To verify, validate, and ascertain licenses, certificates, permits, and agreements submitted by the bidder, and the fact that it is not included in any "blacklist" as provided in Section 25.2 of this IRR. For this purpose, the GPPB shall maintain a consolidated file of all "blacklisted" suppliers, contractors, and consultants. • 23.1. For purposes of determining the eligibility of bidders using the criteria stated in Section 23.5 of this IRR, only the following documents shall be required by the BAC, using the forms prescribed in the Bidding Documents,: a) Class "A" Documents Legal Documents i) ii) Mayor's permit issued by the city or municipality where the principal place of business of the prospective bidder is located. | located, duly supported with: The LGU-certified copy of the Mayor's permit, and DTI-, SEC-, or CDA-certified Registration Certificate showing the bidder's principal place of business | Mayor's Permit submitted by the bidder was issued by the city or municipality where the principal place of business of the bidder is located? | | | the Answer |
| 6. To verify if the BAC validated if the bidder with the LCB has a valid license and registration issued by the Philippine Contractors Accreditation Board (PCAB) to engage or act as a contractor for the type of contract to be bid Implementing Rules and Regulations | 8. From the TWG report, as reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, check for information showing the BAC's validation of the: • authenticity of the PCAB license and registration, • for the type of contract to be bid. | Did the BAC verify, validate, and ascertain that the PCAB license and registration submitted by the bidder is authentic? | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: 23.5.2.3. In accordance with R.A. 4566, entitled "An Act Creating the Philippine Licensing Board for Contractors, Prescribing its Powers, Duties and Functions, Providing Funds Therefor, and for Other | | Did the BAC validate if the bidder with the LCB has a valid license and registration issued by the Philippine Contractors | | | |



| Audit Sub-objective | | Suggested | Δudit \ | Morkin | a Paner |
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| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Purposes", the persons/entities enumerated in Section 23.5.1.1 of this IRR may participate in public bidding if he has been issued a license by the PCAB to engage or act as a contractor. • 23.1. Technical Documents iii) iv) In the case of procurement of infrastructure projects, a valid Philippine Contractors Accreditation Board (PCAB) license and registration for the type and cost of | Addit Activities | Accreditation Board (PCAB) to engage or act as a contractor for the type of contract to be bid? | Yes | NO | the Answer |
| the contract to be bid. | | | | | |
| 7. To verify if the BAC validated if the bidder with the LCB is not "blacklisted" Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid/Highest Rated Bid, using non-discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: a) Legal Requirements. To verify, validate, and ascertain licenses, certificates, permits, and agreements submitted by the bidder, and the fact that it is not included in any "blacklist" as provided in Section 25.2 of this IRR. For this purpose, the GPPB shall maintain a consolidated file of all "blacklisted" suppliers, contractors, and consultants. | 9. From the TWG report, as reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, check for information showing the BAC's validation if the bidder with the LCB is not "blacklisted". | Did the BAC validate if the bidder with the LCB was not blacklisted? | | | |
| 8. To verify if the BAC validated the bidder's | 10. From the TWG report, as reviewed by the BAC, the Minutes of BAC meetings/ | Did the BAC validate the | | | |
| compliance with the "no | deliberations and BAC | relationship of the bidder with the: | | | |
| relationship" provision embodied in Section 47 of the | Resolution, check for | | | | |
| Revised IRR of RA No. 9184, | information showing the | a. HOPE? | | | |
| i.e., that the bidder is not | BAC's validation that: | h manustrana (CIII) | | | |
| related by consanguinity or | a. the individual bidder in an individual or a sole | b. members of the BAC? | | | |
| affinity up to the 3 rd civil | proprietorship, is not | DAO: | | | |
| degree to the: | related to the persons | c. members of the | | | |
| а. НОРЕ, | mentioned in Sec. 47, Amended IRR of RA | TWG? | | | |

| Audit Sub-objective | | Suggested | Audit \ | Morkin | n Paner |
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| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| - Flacti Officia | 7.00.01711.00 | Addit Question | 103 | NO | the Answer |
| b. members of the BAC, | 9184; | d. members of the | | | |
| c. members of the TWG, | b. all the officers and | BAC Secretariat? | | | |
| d. members of the BAC | members of the bidder | | | | |
| Secretariat, | partnership are not | e. head of the | | | |
| e. head of the Project | related to the persons | Project | | | |
| Management Office (PMO), | mentioned in Sec. 47, Amended IRR of RA | Management Office (PMO)? | | | |
| f. head of the end-user unit, | 9184; | Office (PIVIO)? | | | |
| g. project consultants | c. all the officers, directors, | f. head of the end- | | | |
| | and controlling | user unit? | | | |
| Section 47. Disclosure of Relations | stockholders of the | | | | |
| All bids shall be accompanied by a | bidder corporation are | g. project | | | |
| sworn affidavit of the bidder that it is not related to the | not related to the | consultants? | | | |
| Head of the Procuring Entity, members | persons mentioned in | | | | |
| of the BAC, the TWG, and the BAC | Sec. 47, Amended IRR of | | | | |
| Secretariat, the | RA 9184. | | | | |
| head of the PMO or the end-user unit, | | | | | |
| and the project consultants, by | | | | | |
| consanguinity or affinity up to the third | | | | | |
| civil degree. Failure to comply with the | | | | | |
| aforementioned provision shall be a ground for the automatic | 11. From the TWG report, as | Did the BAC | | | . <u></u> |
| disqualification of the bid in consonance | reviewed by the BAC, the | automatically | | | |
| with Section 30 of this IRR. For this | Minutes of BAC | disqualify the | | | |
| reason, relation to the | meetings/deliberations and | bidder found to be | | | |
| aforementioned persons within the | BAC Resolution, check for information showing the | related within the 3 rd civil degree of | | | |
| third civil degree of consanguinity | BAC's decision/action in case | consanguinity or | | | |
| or affinity shall automatically | of violation with the "no | affinity with the | | | |
| disqualify the bidder from | relationship" provision. | persons listed in | | | |
| participating | | Section 47 of the | | | |
| in the procurement of contracts of the procuring entity. On the part of | | Revised IRR of RA | | | |
| the bidder, this | | 9184? | | | |
| provision shall apply to the following | | | | | |
| persons: | | | | | |
| a) If the bidder is an individual or a | | | | | |
| sole proprietorship, to the bidder | | | | | |
| himself; | | | | | |
| b) If the bidder is a partnership, to all | | | | | |
| its officers and members; c) If the bidder is a corporation, to all | | | | | |
| its officers, directors, and controlling | | | | | |
| stockholders; and | | | | | |
| d) If the bidder is a joint venture, the | | | | | |
| provisions of items (a), (b), or (c) of | | | | | |
| this Section shall correspondingly | | | | | |
| apply to each of the members of the | | | | | |
| said joint venture, as may be | | | | | |
| appropriate | | | | | |
| 9. To verify if the BAC validated the | 12. From the TWG report | Did the BAC | | | |
| bidder's stated competence and | duly reviewed by the BAC, | validate if the | | | |
| experience | and the <i>Minutes</i> of BAC | bidder with the LCB | | | |
| | meetings, check for | has completed: | | | |
| Implementing Rules and Regulations | information showing the | | | | |
| (IRR) of RA 9184, as amended on | BAC's validation of the | a. within a period | | | |
| September 2, 2009: | completion by the bidder | of ten (10) years | | | |

| Audit Sub-objective | | Suggested | Audit \ | Vorkin | g Paper |
|--|--|---|---------|--------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid/Highest Rated Bid, using non-discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: | within a period of ten (10) years from the date of submission and receipt of bids, of at least one (1) contract that is similar to the contract to be bid, and whose value, adjusted to current prices using the NSO consumer price indices is at least fifty percent (50%) of the ABC to be bid. OR From the TWG report, as reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, check for information showing the BAC's validation that for contractors under Small A and Small B categories without similar experience on the contract to be bid, the cost of such contract is not more than fifty percent (50%) of the Allowable Range of Contract Cost (ARCC) of their registration based on the guidelines as prescribed by the PCAB. | from the date of submission and receipt of bids? b. of at least one (1) contract that is similar to the contract to be bid? c. and whose value, adjusted to current prices using the NSO consumer price indices is at least fifty percent (50%) of the ABC to be bid? Did the BAC validate if for bidder under Small A and Small B categories without similar experience on the contract to be bid the ABC is not more than 50% of ARCC? | | | the Answer |

| Audit Sub-objective | | Suggested | Audit \ | Vorkin | g Paper |
|--|--|--|---------|--------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| to be bid if it has the same major categories of work. | | | | | |
| 10. To verify if the BAC validated the stated competence and experience of the bidder's key personnel to be assigned to the project Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid/Highest Rated Bid, using non-discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: b) Technical Requirements. To determine compliance of the goods, infrastructure projects, or consulting services offered with the requirements specified in the Bidding Documents, including, where applicable: i) Verification and validation of the bidder's stated competence and experience, and the competence and experience of the bidder's key personnel to be assigned to the project, for the procurement of infrastructure projects and consulting services. | 13. From the TWG report with supporting documents and duly reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, check for information showing the BAC's validation of the authenticity of the documents submitted as evidence of the competence and experience of the bidder's key personnel to be assigned to the project; and validation of said competence and experience with the requirements of the Bidding Documents. | Did the BAC verify, validate, and ascertain that the documents submitted by the bidder as evidence of the competence and experience of its key personnel to be assigned to the project license were authentic? Did the BAC validate the stated competence and experience of the bidder's key personnel to be assigned to the project against the requirements of the Bidding Documents? | | | |
| 11. To verify if the BAC validated the availability, commitment, capacities and operating conditions of equipment units to be owned/leased/under purchase by the bidder for use in the contract under bidding Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: b) Technical Requirements. To determine compliance of the goods, infrastructure projects, or consulting services offered with the requirements specified in the Bidding Documents, including, where | 14. From the TWG report, as reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, duly supported with analysis of schedules of equipment utilization, inspection reports and test results, check for information showing the BAC's validation of the availability, commitment, capacities and operating conditions of equipment units to be owned/leased/ under purchase by the bidder for use in the contract under bidding. | Did the BAC validate the availability, commitment, capacities and operating conditions of equipment units to be owned/leased/ under purchase by the bidder for use in the contract under bidding? | | | |

| Audit Sub-objective | | Suggested | Audit \ | Vorkin | g Paper |
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| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| applicable: | | | | | |
| a | | | | | |
| i) ii) Verification of availability and | | | | | |
| commitment, and/or inspection | | | | | |
| and testing for the required | | | | | |
| capacities and operating | | | | | |
| conditions, of equipment units to | | | | | |
| be owned/leased/under purchase | | | | | |
| by the bidder for use in the | | | | | |
| contract under bidding, | | | | | |
| as well as checking the | | | | | |
| performance of the bidder in its | | | | | |
| ongoing government and private | | | | | |
| contracts (if any of these on-going | | | | | |
| contracts shows a reported | | | | | |
| negative slippage of at least | | | | | |
| fifteen percent (15%), or | | | | | |
| substandard quality of work as per contract plans and specifications, | | | | | |
| or unsatisfactory performance of | | | | | |
| the contractor's obligations as per | | | | | |
| contract terms and conditions, at | | | | | |
| the time of inspection, and if the | | | | | |
| BAC verifies any of these | | | | | |
| deficiencies to be due to the | | | | | |
| contractor's fault or negligence, | | | | | |
| the agency shall disqualify the | | | | | |
| contractor from the award), for | | | | | |
| the procurement of infrastructure projects; | | | | | |
| iii) | | | | | |
| iv) | | | | | |
| 10.7 | 45 5 11 7110 | Billi BAG | | | |
| 12. To verify if the BAC checked the performance of the bidder in | 15. From the TWG report duly reviewed by the BAC, | Did the BAC validate the | | | |
| its on-going government and | and the <i>Minutes</i> of BAC | bidder's | | | |
| private contracts for: | meetings, duly supported | performance in its | | | |
| | with inspection reports and | ongoing | | | |
| a. reported negative slippage of at | test results, photographs, | government and | | | |
| least fifteen percent (15%), or | interview documents with | private contracts | | | |
| | owners/project personnel of | for: | | | |
| b. substandard quality of work as | previous/current projects of | a reported | | | |
| per contract plans and specifications, or | the bidder, check for information showing the | a. reported negative slippage | | | |
| specifications, of | BAC's validation of the | of at least fifteen | | | |
| c. unsatisfactory performance of | performance of the bidder in | percent (15%)? or | | | |
| the contractor's obligations as per | its ongoing government and | | | | |
| contract terms and conditions, at | private contracts for: | b. substandard | | | |
| the time of inspection, | | quality of work as | | | |
| and verified that the deficiencies | a. reported negative | per contract plans | | | |
| were due to the contractor's fault | slippage of at least fifteen | and specifications? | | | |
| or negligence | percent (15%), or | or | | | |
| | b. substandard quality of | c. unsatisfactory | | | |
| Implementing Rules and Regulations | work as per contract plans | performance of the | | | |
| (IRR) of RA 9184, as amended on | and specifications, or | contractor's | | | |

| Audit Sub-objective | | Suggested | Audit \ | Vorkin | g Paper |
|---|--|--|---------|--------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| September 2, 2009: 34.3. b) Technical Requirements. To determine compliance of the goods, infrastructure projects, or consulting services offered with the requirements specified in the Bidding Documents, including, where applicable: i) ii) as well as checking the performance of the bidder in its ongoing government and private contracts (if any of these on-going contracts shows a reported negative slippage of at least fifteen percent (15%), or substandard quality of work as per contract plans and specifications, or unsatisfactory performance of the contractor's obligations as per contract terms and conditions, at the time of inspection, and if the BAC verifies any of these deficiencies to be due to the contractor's fault or negligence, the agency shall disqualify the contractor from the award), for the procurement of infrastructure projects; iii) iv) | c. unsatisfactory performance of the contractor's obligations as per contract and verified that the deficiencies were due to the contractor's fault or negligence. 16. From the TWG report duly reviewed by the BAC, the Minutes of BAC meetings/ deliberations and BAC Resolution, check for information showing the BAC's evaluation and decision to disqualify the bidder found to be at fault or negligent. | obligations as per contract? and d. verified that the deficiencies were due to the contractor's fault or negligence? Did the BAC disqualify the bidder found to be at fault or negligent? | | | |
| 13. To verify if the BAC validated that the bidder's Constructors Performance Evaluation Summary and/or certificate of completion and owner's acceptance of the contract was at least satisfactory Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 23.5.2.4. The Constructors Performance Evaluation System [AS AMENDED BY GPPB RESOLUTION NO. 11-2009 DATED 30 NOVEMBER 2009] (CPES) rating and/or certificate of completion and owner's acceptance of the contract must be satisfactory. | 17. From the TWG report, as reviewed by the BAC, the Minutes of BAC meetings/ deliberations and BAC Resolution, with copies of the CPES) reports obtained by the BAC from the Construction Industry Authority of the Philippines (CIAP), check for information showing the BAC's validation of the bidder's ratings in the CPES and/or certificates of completions and owner's acceptance that the ratings were at least "satisfactory". | Did the BAC validate that the bidder's ratings in the CPES and/or certificates of completion and owner's acceptance were at least "satisfactory"? | | | |

| Audit Sub-objective | | Suggested | Audit \ | Vorking | g Paper |
|---|--|--|---------|---------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 14. To verify if the BAC verified, validated, and ascertained authenticity of the bid security and its sufficiency as to: a. type, b. amount, c. form and wording, and d. validity period. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid, using non- discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: a. Legal Requirements. i) ii) ii) ii) iv) Ascertainment of the sufficiency of the bid security as to type, amount, form and wording, and validity period. | 18. From the TWG report duly reviewed by the BAC, the Minutes of BAC meetings/ deliberations and BAC Resolution, check for information showing the BAC's validation of the authenticity of the bid security and its sufficiency as to type, amount, form and wording, and validity period. | Did the BAC verify, validate, and ascertain the authenticity of the bid security submitted by the bidder? Did the BAC ascertain the sufficiency of the bid security as to: a. type? b. amount? c. form and wording? d. validity period? | | | THE ATISWEI |
| 15. To verify if the BAC verified, validated, and ascertained if the Net Financial Contracting Capacity (NFCC) is at least equal to the ABC or the Credit Line Certificate (CLC) in favor of the prospective bidder if awarded the contract is at least 10% of the ABC Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid, using non-discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: a) Legal Requirements b) Technical Requirements | 19. From the TWG report duly reviewed by the BAC with supporting documents from the appropriate authorities (e.g. certified true copy of the financial statements with the Income Tax Return, bank that issued the CLC), the Minutes of BAC meetings/deliberations and BAC Resolution, check for information showing the BAC's: a. validation of the authenticity of the CLC or the financial statements used as basis for computing the NFCC, b. validation of the accuracy of the computation for NFCC, c. validation of the Statement of the prospective bidder of all its ongoing and | Did the BAC verify, validate, and ascertain the authenticity of the documents (financial statements, etc.) submitted by the bidder to support its computation of NFCC? Did the BAC verify, validate, and ascertain that the: a. NFCC is at least equal to the ABC? or b. CLC is at least 10% of the ABC? | | | |

| Audit Sub-objective | | Suggested | Audit \ | Vorkin | g Paper |
|---|---|----------------|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| c) Financial Requirements To verify, validate and ascertain the bid price proposal of the bidder and, whenever applicable, the required CLC in the amount specified and over the period stipulated in the Bidding Documents, or the bidder's NFCC to ensure that the bidder can sustain the operating cash flow of the transaction. | completed government and private contracts, including contracts awarded but not yet started, and d. comparison with the requirements. | | | | WIO THIS WO. |
| 23.5.1.4. If the prospective bidder submits a computation of its NFCC, the NFCC must be at least equal to the ABC to be bid, calculated as follows: | | | | | |
| NFCC = [(Current assets minus current liabilities) (K)] minus the value of all outstanding or uncompleted portions of the projects under ongoing contracts, including awarded contracts yet to be started coinciding with the contract to be bid. Where: | | | | | |
| K = 10 for a contract duration of one year or less, 15 for a contract duration of more than one year up to two years, and 20 for a contract duration of more than two years. | | | | | |
| If the prospective bidder submits a CLC, the CLC must be at least equal to ten percent (10%) of the ABC to be bid. If the CLC is issued by a foreign Universal or Commercial Bank, it shall be confirmed or authenticated by a Universal or Commercial Bank. For biddings conducted by LGUs, the prospective bidder may also submit CLC from other banks certified by the BSP as authorized to issue such financial instrument. | | | | | |
| • 23.1 Technical Documents iii) Statement of the prospective bidder of all its ongoing and completed government and private contracts, including contracts awarded but not yet started, if any, whether similar or not similar in nature and complexity to the contract to be bid, within the relevant period as provided in the Bidding Documents. The statement shall include all information required in | | | | | |

| Audit Sub-objective | | Suggested | Audit \ | Vorkin | g Paper |
|---|---|---|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| the PBDs prescribed by the GPPB. | | | | | the Answer |
| 16. To verify if the BAC declared the post-qualified bidder with LCB as the Lowest Calculated Responsive Bid (LCRB) at its submitted bid price or its calculated bid price, whichever is lower | 20. From the post qualification report of the TWG with supporting documents and duly reviewed by the BAC, computations and analysis, check if the LCB passed all the criteria for post qualification. | Did the BAC pass the LCB/bidder with the LCB in all the criteria for post- qualification? | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: • 34.4. If the BAC determines that the bidder with the Lowest Calculated Bid passes all the criteria for post-qualification, it shall declare the said bid as the Lowest Calculated Responsive Bid, and recommend to | 21. Match the name of the LCRB as approved by the HOPE with the name of bidder as indicated in the BAC Resolution declaring the results of the post-qualification and recommending LCRB, if | Did the BAC declare the bid of the post- qualified LCB as the Lowest Calculated Responsive Bid (LCRB)? | | | |
| the Head of the Procuring Entity the award of contract to the said bidder at its submitted bid price or its calculated bid price, whichever is lower. | applicable. | If Yes, proceed to: AWARD OF CONTRACT. | | | |
| | | If No, proceed to the Audit Sub- Objectives in case of Post- | | | |
| | | disqualificatio n of the bidder with the LCB. | | | |
| IN CASE OF POST-DISQUALIFICA | | | CALCU | LATE | D BID (LCB) |
| - FOR THE PROCUREMENT OF IN | | | | | |
| 17. To verify if the BAC, in case of post-disqualification of the LCB immediately notified the LCB in writing of the post-disqualification with the grounds for it. | 1. From the records of the BAC Secretariat, check for information on the date of receipt by the post-disqualified bidder of the notice of post-disqualification and for the | Did the BAC immediately notify the LCB of the post-disqualification? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.5. If, however, the BAC determines that the bidder with the Lowest Calculated Bid fails the criteria for post-qualification, it shall immediately notify the said bidder in writing of its post-disqualification and grounds for it. • 34.6. Immediately after the BAC has notified the first bidder of its post-disqualification, and notwithstanding any pending request for | grounds for such disqualification indicated thereon. | Did the BAC indicate in the notice the grounds for post-disqualification? | | | |



| Audit Sub-objective | | Suggested | Audit \ | Workin | g Paper |
|---|--|--|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| reconsideration thereof, the BAC shall initiate and complete the same post-qualification process on the bidder with the second Lowest Calculated Bid. If the second bidder passes the post-qualification, and provided that the request for reconsideration of the first bidder has been denied, the second bidder shall be post-qualified as the bidder with the Lowest Calculated Responsive Bid. If the second bidder passes the post-qualification, and provided that the request for reconsideration of the first bidder has been denied, the second bidder shall be post-qualified as the bidder with the Lowest Calculated Responsive Bid. | | | | | the Answer |
| 18. To verify if the BAC conducted and completed the post-qualification of the second rank bidder using the same post-qualification process adopted for the LCB | 2. Look for the TWG report on the post-qualification of the second rank bidder as reviewed by the BAC. | Did the BAC conduct and complete the post- qualification of the second rank bidder? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.6 the BAC shall initiate and complete the same post-qualification process on the bidder with the second Lowest Calculated Bid. | 3. Repeat the audit activities of on post-qualification for the second rank bidder. 4. Analyze the post-qualification reports of the TWG, as reviewed by the BAC, for the LCB and the second rank bidder to check whether the TWG adopted the same process of verifying, validating and ascertaining all statements made and documents submitted by the LCB and the second rank bidder. | Did the BAC adopt the same process of verifying, validating and ascertaining all statements made and documents submitted by the LCB and the second rank bidder? | | | |
| | 5. From the post qualification report of the TWG, as reviewed by the BAC, check if the second rank bidder passed the post qualification. | Did the second rank bidder pass the post- qualification? | | | |
| | NOTE: For each post- disqualification of the next-rank bidder, the BAC is to repeat the | If Yes, proceed to the Audit Sub-objective to verify if the BAC declared the post- | | | |

| Audit Sub-objective | | Suggested | Audit V | Vorkin | g Paper |
|--|---|---|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | post-qualification process until the LCRB is declared for award. The related audit activities are likewise to be repeated. | qualified second-rank bidder as the LCRB after a request for reconsideratio n of the LCB (first-rank, second-rank, or next-in- rank, a the case may be) has been denied | | | THE MISWEI |
| | | If No, proceed to the Audit Sub- Objectives in case of Post- disqualificatio n of the bidder with the LCB. | | | |
| 19. To verify if the BAC declared the LCB as the LCRB after its request for reconsideration was granted and it was declared post-qualified Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.6. Immediately after the BAC has notified the first bidder of its post-disqualification, and notwithstanding any pending request for reconsideration thereof, the BAC shall initiate and complete the same post-qualification process on the bidder with the second Lowest Calculated Bid. If the second bidder passes the post-qualification, and provided that the request for reconsideration of the first bidder has been denied, the second bidder shall be post-qualified as the bidder with the Lowest Calculated Responsive Bid. | 27. From the Minutes of the BAC meeting, analyze if the BAC declared the LCB as the LCRB after its request for reconsideration has been granted and it was declared post-qualified. 28. Match the name of the LCRB as approved by the HOPE with the name of bidder as indicated in the BAC resolution recommending the LCRB. | Did the BAC declare the LCB as the LCRB after its request for reconsideration was granted and it was declared post-qualified? | | | |
| 20. To verify if the BAC declared the post-qualified second-rank bidder as the | 29. From the Minutes of the BAC meeting, analyze if the BAC declared the post- | Did the BAC declare the post-qualified second-rank bidder | | | |

| Audit Sub-objective | | Suggested | Audit \ | Norkin | g Paper |
|--|---|--|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| LCRB after a request for reconsideration of the LCB (first-rank) has been denied Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.6. Immediately after the BAC has notified the first bidder of its post-disqualification, and notwithstanding any pending request for reconsideration thereof, the BAC shall initiate and complete the same post-qualification process on the bidder with the second Lowest Calculated Bid. If the second bidder passes the post-qualification, and provided that the request for reconsideration of the first bidder has been denied, the second bidder shall be post-qualified as the bidder with the Lowest Calculated Responsive Bid. | qualified second-rank bidder as the LCRB after a request for reconsideration of the LCB (first-rank) has been denied. 30. Match the name of the LCRB as approved by the HOPE with the name of bidder as indicated in the BAC resolution recommending the LCRB. | as the LCRB after a request for reconsideration of the LCB (first-rank) has been denied? | | | |
| 21. To verify if the BAC completed the post-qualification process in not more than seven (7) calendar days from the determination of the LCB or if extended, such extension was approved by the HOPE and not exceeding 30 calendar days | 31. Compute the number of days from the BAC Resolution declaring the LCB and the BAC Resolution declaring the LCRB, and compare this with the 7-calenday-day requirement. | Did the BAC complete the post- qualification process in not more than seven (7) calendar days from the determination of the LCB? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.8. The post-qualification process shall be completed in not more than seven (7) calendar days from the determination of the Lowest Calculated Bid. In exceptional cases, the post-qualification period may be extended by the Head of the Procuring Entity, but in no case shall the aggregate period exceed thirty (30) calendar days. | 32. If the BAC completed the post-qualification in more than seven (7) calendar days, secure a copy of the document approved by the HOPE extending the period for the post-qualification process. | If the BAC completed the post-qualification in more than seven (7) calendar days, was the extension approved by the HOPE? If the BAC completed the post-qualification in more than seven (7) calendar days, was the extension within the 30-calendar day maximum? | | | |
| 22. To verify if the BAC invited Observers: a. representing the COA, the | 33. From the Minutes of the BAC meeting on the selection of the Observer from the "pool", check for | Did the BAC choose the Observers considering: | | | |

| Audit Sub-objective | | Suggested | Audit \ | | g Paper |
|---|---|---|---------|----|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| duly recognized private group in a sector or discipline relevant to the procurement at hand, and a non-government organization (NGO) from the procuring entity's Pool of Observers; b. that have: b.1. knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b.2. no actual or potential conflict of interest in the contract to be bid; and b.3. conformed with other relevant criteria determined by the BAC; c. at least 3 calendar days prior to the Post-qualification Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • Section 13. Observers 13.1. To enhance the transparency of the process, the BAC shall, in all stages of the procurement process, invite, in addition to the representative of the COA, at least two (2) observers, who shall not have the right to vote, to sit in its proceedings where: a) At least one (1) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hand, for example: i) For infrastructure projects, national associations of constructors duly recognized by the Constructor Industry Authority of the Philippines (CIAP), such as, but not limited to the | information on the BAC's evaluation in regard to: • the selection of the organization from which the Observer will be invited; • knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; • no actual or potential conflict of interest in the contract to be bid; and • conformed with other relevant criteria determined by the BAC. | a. one representing the COA? b. One representing the duly recognized private group in a sector or discipline relevant to the procurement at hand? c. One representing a non-government organization? d. With knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid? e. With no actual or potential conflict of interest in the contract to be bid? f. Conformed with other relevant criteria determined by the BAC? | | | |
| following: (1) Philippine Constructors Association, Inc.; (2) National Constructors Association of the Philippines, Inc.; and (3) Philippine Institute of Civil Engineers (PICE). ii) iii) and b) The other observer shall come from a non-government organization (NGO). 13.2. The observers shall come from an organization duly registered with the | 34. From certified copies of the invitations to the Observers with evidence of receipt, compare the date of receipt with the 3-day minimum requirement. | Did the BAC invite the observers at least 3 days from the date of the post-qualification? | | | |

| Audit Sub-objective | | Suggested | Audit \ | Vorkin | g Paper |
|--|---|----------------------------------|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| Securities | | | | | |
| and Exchange Commission (SEC) or the | | | | | |
| Cooperative Development Authority | | | | | |
| (CDA), and should meet the following | | | | | |
| criteria: a) Knowledge, experience or expertise | | | | | |
| in procurement or in the subject | | | | | |
| matter of the contract to be bid: | | | | | |
| b) Absence of actual or potential | | | | | |
| conflict of interest in the contract to | | | | | |
| be bid; and | | | | | |
| c) Any other relevant criteria that may | | | | | |
| be determined by the BAC. | | | | | |
| 13.3. Observers shall be invited at | | | | | |
| least three (3) calendar days | | | | | |
| before the date of the procurement | | | | | |
| stage/activity. The absence of | | | | | |
| observers will not nullify the BAC | | | | | |
| proceedings, provided that they have been duly invited in writing. | | | | | |
| nave been dary invited in writing. | | | | | |
| 23. To verify if the Procuring | 35. Based on the BAC's | Did the Procuring | | | |
| Entity considered the | Minutes on the Post | Entity consider the | | | |
| comments/observations of the | Qualification and the report of the Observers check | comments/ observations of the | | | |
| Observers | whether a deliberation was | Observers? | | | |
| | made on the comments | Observers. | | | |
| Implementing Rules and Regulations | /observations of the | | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: | observers. | | | | |
| September 2, 2007. | | | | | |
| • 13.4. The observers shall have the | | | | | |
| following responsibilities: | | | | | |
| a) To prepare the report either jointly | | | | | |
| or separately indicating their observations made on the | | | | | |
| procurement activities conducted by | | | | | |
| the BAC for submission to the Head | | | | | |
| of the Procuring Entity, copy | | | | | |
| furnished the BAC Chairman. The | | | | | |
| report shall <u>assess</u> the extent of the | | | | | |
| BAC's compliance with the provisions | | | | | |
| of this IRR and areas of improvement in the BAC's | | | | | |
| proceedings; | | | | | |
| b) To submit their report to the | | | | | |
| procuring entity and furnish a copy | | | | | |
| to the GPPB and Office of the | | | | | |
| Ombudsman/Resident Ombudsman. | | | | | |
| If no report is submitted by the | | | | | |
| observer, then it is understood that the bidding activity | | | | | |
| conducted by the BAC followed | | | | | |
| the correct procedure; and | | | | | |
| c) To immediately inhibit and notify in | | | | | |
| writing the procuring entity | | | | | |
| concerned of any actual or potential | | | | | |

| Audit Sub-objective | | Suggested | Audit \ | Norkin | g Paper |
|--|---|-----------------------|-----------|-------------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| interest in the contract to be bid. | | | | | |
| 12.5. Observers about the attacked | | | | | |
| 13.5. Observers shall be allowed access to the following documents | | | | | |
| upon their request, subject to | | | | | |
| signing of a confidentiality | | | | | |
| agreement: (a) minutes of BAC | | | | | |
| meetings; (b) abstract of Bids; | | | | | |
| (c) post-qualification summary | | | | | |
| report; (d) APP and related | | | | | |
| PPMP; and (e) opened proposals. | | | | | |
| proposais. | | | | | |
| EVALUATING AUDIT EVIDENCES | GATHERED AND COMMUI | VICATING THE RE | SULTS | OF AL | JDIT |
| 1. To verify the effects of | Analyze the instances of | | | · · · · · · | ==•• |
| instances of non-compliance on | non-compliance to establish | Appropriate Audit Wo | orking Pa | apers | |
| the: | the effects and develop | | - | | |
| | appropriate audit | | | | |
| a. validity of the procurement | recommendations. | | | | |
| activities and outputs | Also determine if | | | | |
| including the validity of the | appropriate actions were | | | | |
| resulting contract; | taken by the auditee in | | | | |
| b. validity of any payment to be | regard to instances of non- | | | | |
| made on the basis of the | compliance. | | | | |
| contract; | | | | | |
| c. etc. | | | | | |
| and develop appropriate audit | NOTE: | | | | |
| recommendations | Also refer to the | | | | |
| | OFFENSES AND | | | | |
| Implementing Pulse and | PENALTIES portion of | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as | this Audit Guide. | | | | |
| amended on September 2, 2009: | ciiis i i i i i i i i i i i i i i i i i | | | | |
| | | | | | |
| Observers shall be invited at least | | | | | |
| three (3) calendar days before the | | | | | |
| date of the procurement stage/activity. The absence of | | | | | |
| observers will not nullify the BAC | | | | | |
| proceedings, provided that they | | | | | |
| have been duly invited in | | | | | |
| writing. | | | | | |
| 2. To verify the causes of | Analyze the instances of | | | | |
| instances of non-compliance | non-compliances to establish | Appropriate Audit Wo | orkina Pa | apers | |
| and develop appropriate audit | the cause(s) and develop | pp. op. ato / wait We | 9 / 0 | -, | |
| recommendations | appropriate audit | | | | |
| | recommendations. | | | | |
| | Also determine if | | | | |
| | appropriate actions were | | | | |
| | taken by the auditee in | | | | |
| | regard to instances of non- | | | | |
| | compliance. | | | | |
| | NOTE. | | | | |
| | NOTE: Also refer to the | | | | |
| | viso teret to tile | | | | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|---|-----|----|----------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | |
| | | | | | the Answer | |
| | OFFENSES AND | | | | | |
| | PENALTIES portion of | | | | | |
| | this Audit Guide. | | | | | |
| To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memorandum (AOM), if applicable | | | | |
| September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | to management | | | | | |

XI. AWARD OF CONTRACT FOR THE PROCUREMENT OF INFRASTRUCTURE PROJECTS

A. AUDIT OBJECTIVES:

- 1. To verify if the conditions/requirements and procedures for the award of contract were adhered to by the procuring entity;
- 2. To verify if the award was made within the prescribed period;
- 3. To verify if the conditions/requirements, procedures and timelines for entering into and approval of the contract were adhered to by the procuring entity.
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for the evaluation:

- 1. Minutes of the BAC meetings on post-qualification;
- 2. BAC Resolution declaring the LCRB/SCRB and recommending award, approved by the HOPE, with the following supporting documents:
 - a. Abstract of Bids,
 - b. Duly approved program of work and Cost Estimates,
 - c. Document issued by appropriate entity authorizing the procuring entity to incur obligations for a specified amount,
 - d. Other pertinent documents required by existing laws, rules and/or the procuring entity concerned.
- Notice of Award signed by the HOPE, with date of release to and receipt by the winning bidder:
- 4. Copy of the bid security of the winning bidder stamped received by the BAC Secretariat;
- 5. Copy of the portions of the receiving records of the BAC, with information on the date of submission of the Joint Venture Agreement (JVA), if the winning bidder is a Joint Venture; and the date of posting of the performance security;
- 6. Copy of the performance security posted by the winning bidder;
- 7. Copy of the complete set of contract documents duly signed and approved by higher authorities;
- 8. Copy of the policy and schedule of approving authorities;
- 9. Evidences of postings at the PhilGEPS and the procuring entity's websites;
- 10. Evidences of postings at the conspicuous place at the premises of the procuring entity;
- 11. Copy of the Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 12. Copy of reports of the BAC Observers;
- 13. Copy of the document with the HOPE's disapproval of the award and the justifications thereto, duly received by the BAC;
- 14. In case of disapproval of the BAC's recommendation for award, copy of the document with the HOPE's instructions on the steps to be adopted by the BAC.



| Audit Sub-objective | | Suggested Aud | dit Wor | king P | aper |
|---|--|--|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC recommended the bidder with the Lowest Calculated Responsive Bid (LCRB) or Single Calculated Responsive Bid (SCRB), if lone, to the HOPE for award | 1. Compare the LCRB determined by the BAC in its deliberations (per Minutes of the BAC meeting) with the LCRB recommended for award in the BAC Resolution. | Did the BAC recommend to the HOPE the award of contract to the bidder with LCRB or the SCRB? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 37.1.1. The BAC shall recommend to the Head of the Procuring Entity the award of contract to the bidder with the Lowest Calculated Responsive Bid or the Single Calculated Responsive Bid after the post qualification process has been completed. | | | | | |
| To facilitate the approval of the award, the BAC shall submit the following supporting documents to the Head of the Procuring Entity: a) Resolution of the BAC recommending award; b) Abstract of Bids; c) Duly approved program of work or delivery schedule, and Cost Estimates; d) Document issued by appropriate entity authorizing the procuring entity to incur obligations for a specified amount; and e) Other pertinent documents required by existing laws, rules and/ or the procuring entity concerned. | | | | | |
| • 37.1.2. Within a period not exceeding seven (7) calendar days from the date of receipt of the recommendation of the BAC, the Head of the Procuring Entity shall approve or disapprove the said recommendation In the case of GOCCs and GFIs, the period provided herein shall be fifteen (15) calendar days. | | | | | |
| • 37.1.3. In case of approval, the Head of the Procuring Entity shall immediately issue the Notice of Award to the bidder with the Lowest Calculated Responsive Bid. In the event the Head of the | | | | | |

| Audit Sub-objective | | Suggested Aud | dit Wor | king P | aper |
|---|--|---|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Procuring Entity shall disapprove such recommendation, such disapproval shall be based only on valid, reasonable, and justifiable grounds to be expressed in writing, a copy furnished the BAC. | | | | | the Answer |
| 2. To verify if the BAC recommended to the HOPE the award of the contract to the bidder with the LCRB at its submitted price or its calculated bid price, whichever is lower, subject to ITB Clause 30.3. Philippine Bidding Documents (PBDs) for the Procurement of Infrastructure Projects, 3 rd Edition, (October 2009) approved by the GPPB per GPPB Resolution No. 06-2009 dated September 30, 2009: 28.4. If the BAC determines that the Bidder with the Lowest Calculated Bid passes all the criteria for post-qualification, it shall declare the said bid as the Lowest Calculated Responsive Bid, and recommend to the Head of the Procuring Entity the award of contract to the said Bidder at its submitted price or its calculated bid price, whichever is lower, subject to ITB Clause 30.3. | 2. From the TWG evaluation report with supporting documents and duly reviewed by the BAC and BAC Resolution declaring the LCRB and recommending award, look for information on the contract amount recommended by the BAC for award. | Did the BAC recommend to the HOPE the award of the contract to the bidder with the LCRB at the lower of the submitted price and its calculated bid price? | | | |
| 3. To verify if the BAC submitted the following documents to the HOPE with the recommendation for award: a. Resolution of the BAC recommending award; b. Abstract of Bids; c. Duly approved program of work and Cost Estimates; d. Document issued by appropriate entity authorizing the procuring entity to incur obligations for a specified amount; and e. Other pertinent | 3. From the BAC Chairman's letter for the HOPE submitting the results and the documents pertaining to the recommendation, duly received by the Office of the HOPE, look for information on the documents submitted. | Did the BAC submit the following documents to the HOPE with the recommendation for award: a. Resolution of the BAC recommending award? b. Abstract of Bids? c. Duly approved program of work and Cost Estimates? d. Document issued by appropriate entity | | | |
| documents required by existing laws, rules and/ | | authorizing the procuring entity to | | | |

| Audit Sub-objective | | Suggested Aud | dit Wor | rking P | aper |
|---|--|---|---------|---------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| or the procuring entity concerned Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 37.1.1. The BAC shall recommend to the Head of the Procuring Entity the award of contract to the bidder with the Lowest Calculated Responsive Bid or the Single Calculated Responsive Bid after the post qualification process has been completed. To facilitate the approval of the award, the BAC shall submit the | | incur obligations for a specified amount? e. Other pertinent documents required by existing laws, rules and/or the procuring entity concerned? | | | the Answer |
| following supporting documents to the Head of the Procuring Entity: a) Resolution of the BAC recommending award; b) Abstract of Bids; c) Duly approved program of work or delivery schedule, and Cost Estimates; d) Document issued by appropriate entity authorizing the procuring entity to incur obligations for a specified amount; and e) Other pertinent documents required by existing laws, rules and/ or the procuring entity concerned. | | | | | |
| 4. To verify if the HOPE, or his/her duly authorized official, approved the LCRB/SLRB recommended by the BAC for award within 7 calendar days (4 calendar days for infrastructure projects costing P50 million and below) from the date of receipt of the recommendation from the BAC (15 calendar days for GOCCs/GFIs) Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 37.1.2. Within a period not exceeding seven (7) calendar days from the date of receipt of the | 4. Determine the number of days from the date of receipt by the HOPE of the recommendation for award to the date of approval and compare with the 4-day, 7-day or 15-day period. | Did the HOPE approve the BAC recommendation for award within the 4-, 7- calendar-day period (or 15-calendar-day period for GOCCs/GFIs)? | | | |
| September 2, 2009: • 37.1.2. Within a period not | | | | | |

| Audit Sub-objective | | Suggested Aug | Audit Working Paper | | | |
|---|--|--|---------------------|----|---------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| approve or disapprove the said recommendation. However, for infrastructure projects with an ABC of Fifty Million Pesos (P50,000,000) and below, the Head of the Procuring Entity shall approve or disapprove the said recommendation within four (4) calendar days. In the case of GOCCs and GFIs, the period provided herein shall be fifteen (15) calendar days. | | | | | THE ATISWEI | |
| 5. In case of approval, to verify if the Notice of Award was issued to the winning bidder immediately and within the validity period of the bid security Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 37.1.3. In case of approval, the Head of the Procuring Entity shall immediately issue the Notice of Award to the bidder with the | 5. Compare the name of the bidder appearing in the Notice of Award with the winning bidder per approved BAC Resolution. 6. Compare the date of release of the Notice of Award with the date of approval of the BAC Resolution recommending the award. | Was the Notice of Award as recommended by the BAC and approved by the HOPE immediately issued to the winning bidder? | | | | |
| Award to the bidder with the Lowest Calculated Responsive Bid. In the event the Head of the Procuring Entity shall disapprove such recommendation, such disapproval shall be based only on valid, reasonable, and justifiable grounds to be expressed in writing, a copy furnished the BAC. • 37.1.5. Contract award shall be | 7. Compare the date of the release of the Notice of Award with the expiry date of the bid validity period. | Was the Notice of Award as recommended by the BAC and approved by the HOPE issued to the winning bidder within the bid validity period of the bid security? | | | | |
| made within the bid validity period provided in Section 28 of this IRR. • Annex C Period of Action on Procurement | | | | | | |
| Activities | | | | | | |
| 6. To verify if the BAC notified all the losing bidders within the 7 or 4 calendar day period (same period provided for the HOPE to approve/disapprove the BAC's Resolution) Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 8. From the notices to the losing bidders, look for the date of its receipt and compare with the 7-day or 4-day requirement. 9. Also compare the names of the losing bidders notified with those appearing in the Abstract of Bids. | Did the BAC notify <u>all</u> the losing bidders <u>within</u> the 7 calendar day <u>period</u> / 4 calendar day period for ABC P50,000,000 and below (same period provided for the HOPE to approve/ disapprove the BAC's Resolution)? | | | | |
| • 37.1.2. Within a period not exceeding seven (7) calendar days | | | | | | |

| Audit Sub-objective | | Suggested Au | dit Woı | rking F | Paper |
|--|--|--|---------|---------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| from the date of receipt of the recommendation of the BAC, the Head of the Procuring Entity shall approve or disapprove the said recommendation. However, for infrastructure projects with an ABC of Fifty Million Pesos (P50,000,000) and below, the Head of the Procuring Entity shall approve or disapprove the said recommendation within four (4) calendar days. In the case of GOCCs and GFIs, the period provided herein shall be fifteen (15) calendar days. Within the same period provided herein the BAC shall notify all losing bidders of its decision. | | | | | the Answer |
| 7. To verify if the BAC posted the Notice of Award within 3 days from its issuance at the: a. PhilGEPS website, b. website of the procuring entity, and c. any conspicuous place in the premises of the procuring entity. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 37.1.6. The BAC, through the Secretariat, shall post, within three (3) calendar days from its issuance, the Notice of Award in the PhilGEPS, the website of the procuring entity, if any, and any conspicuous place in the premises of the procuring entity. | 10. Access the PhilGEPS website and the website of the procuring entity, and conduct inspection of the area where the Notice of Award is to be posted on the 3 rd day from the issuance of the Notice of Award to the winning bidder. | Did the BAC post the Notice of Award within 3 days from its issuance at the: a. PhilGEPS website? b. website of the procuring entity? And c. any conspicuous place in the premises of the procuring entity? | | | |
| 8. To verify if the procuring entity observed the following conditions for the execution of the contract: a) Submission of valid joint venture agreement, if applicable, within 10 days from receipt of the Notice of Award by the winning Joint Venture bidder, | 11. From the receiving records of the BAC, compare the date of submission of the Joint Venture Agreement (JVA) with the required 10 days from receipt of the Notice of Award. | Did the bidder submit the JVA within ten (10) calendar days from receipt of the notice of award? | | | |
| b) Posting of performance security within ten (10) calendar days from receipt by the winning bidder of | 12. From the receiving records of the BAC, compare the date of posting of the performance security with the required 10 days from | Was the performance security posted within ten (10) calendar days from receipt by the winning bidder of the | | | |

| Audit Sub-objective | | Suggested Aud | dit Wor | rkina P | aner |
|---|---|---|---------|---------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| the Notice of Award & prior to the signing of the contract in the required amount, currency, form, issuing entity, and valid until the issuance by the | receipt of the Notice of Award; also compare with the date of the signing of the contract. | Notice of Award & prior to the signing of the contract? | | | the Answer |
| procuring entity of the final certificate of acceptance, c) Signing of the contract within the same ten (10) day period provided that all the documentary requirements are complied with, | 13. Compare the amount, currency, form, issuing entity, and validity period of the performance security posted by the winning bidder with the requirements of Sec 39.2 of the Revised IRR of RA 9184. | Was the performance security posted in the: a. right amount? b. right currency? | | | |
| d) Approval by higher authority, if required, within 15 days from receipt (25 days for GOCCs) | | c. right form? d. right issuing entity? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | e. right validity period? | | | |
| 37.1.4. Notwithstanding the issuance of the Notice of Award, award of contract shall be subject to the following conditions: a) Submission of the following documents within the | 14. Compare the date of signing of the contract with the required 10-day period from receipt of the Notice of Award. | Was the contract signed within 10 calendar days from receipt of the Notice of Award by the winning bidder? | | | |
| prescribed period: i) Valid JVA, if applicable, within ten (10) calendar days from receipt by the bidder of the notice from the BAC that the bidder has the Lowest Calculated Responsive Bid, as the case may be; or ii) In case of infrastructure | 15. Compare the signatory (approval) in the contract with the authorized signatory as required by relevant regulations/policies and as shown by a copy of a valid appointment or office order. | If further approval by higher authority is required, was the contract approved by appropriate approving authority or his/her duly authorized representative? | | | |
| projects, valid PCAB license and registration for the type and cost of the contract to be bid for foreign bidders, within 30 calendar days from receipt by the bidder of the notice from the BAC that the bidder has the LCRB, when the treaty or international or executive agreement expressly allows submission of the PCAB license and registration for the type and cost of the contract to be (sic) as a precondition to the notice of award. | 16. Compare the date of approval of the contract by higher authority with the 15-day-period (5 days for infrastructure projects costing P50 M and below) from receipt (25 days for GOCCs). | Was the contract approved by higher authority within 15 calendar days (5 days for infrastructure projects costing P50 million and below)? (25 calendar days for GOCCs)? | | | |

| Audit Sub-obj | ective | | | Suggested Audit Working Paper | | |
|---|--|------------------|----------------|-------------------------------|----|---------------------------|
| • Audit Crit | teria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| e) Posting of perfor security in accor Section 39 of the f) Signing of the co provided in Sect IRR; g) Approval by high required, as pro Section 37.3 of t | rdance with is IRR; ontract as ion 37.2 of this her authority, if vided in | | | | | the 7mswer |
| • 39. Performance Se 39.1. To guarantee performance by the v of its obligations und in accordance with the Documents, it shall p performance security signing of the contra 39.2. The performan shall be in an amount percentage of the to- price in accordance w following schedule: [UNDER GPPB RESOLUT 2009 DATED 30 SEPTEN | the faithful winning bidder winning bidder whe contract the Bidding post a prior to the ct. Ince security the equal to a tal contract with the AS AMENDED ION NO. 06- | | | | | |
| Form of Performance Security | Amount of Performance Security (Equal to Percentage of the Total Contract Price | | | | | |
| a) Cash, cashier's/ manager's check issued by a Universal or Commercial Bank b) Bank draft/ guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank; Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank. | Two percent (2%) | | | | | |
| c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security. | Five percent (5%) | | | | | |
| d) Any combination of the foregoing. | Proportionate to share of form with respect to total amount of security | | | | | |

| Audit Sub-objective | | Suggested Aud | dit Wor | | | |
|--|--|--|---------|----|------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| • 37.2. Contract Signing 37.2.1. The winning bidder shall post the required Performance Security and enter into contract with the procuring entity within ten (10) calendar days from receipt by the winning bidder of the Notice of Award. 37.2.2. The procuring entity shall enter into contract with the winning bidder within the same ten (10) day period provided that all the documentary requirements are complied with. | | | | | | |
| • 37.3. Contract Approval by Higher Authority When further approval of higher authority is required, the approving authority for the contract or his duly authorized representative shall be given maximum of fifteen (15) calendar days from receipt thereof to approve or disapprove it. However, for infrastructure projects with an ABC of Fifty Million Pesos (P50,000,000) and below, the maximum period is five (5) calendar days. In the case of GOCCs, the concerned board or its duly authorized representative shall be given a maximum of twenty-five (25) calendar days from receipt thereof to approve or disapprove it. | | | | | | |
| 9. To verify if the contract is complete Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 37.2.3. The following documents shall form part of the contract: a) Contract Agreement; b) Bidding Documents; c) Winning bidder's bid, including the Eligibility requirements, Technical and Financial Proposals, and all other documents/statements submitted; d) Performance Security; e) Credit line in accordance with the provisions of this IRR, if applicable; | 17. Obtain from the BAC Secretariat or the Project Management Office or the Office responsible for project implementation/ contract execution for a copy of the complete set of documents comprising the contract and compare with the requirements. | Are the contract documents complete, consisting of the following: a) Contract Agreement; b) Bidding Documents; c) Winning bidder's bid, including the Eligibility requirements, Technical and Financial Proposals, and all other documents/statements submitted; d) Performance Security; e) Credit line in accordance with the | | | | |

| Audit Sub-objective | | Suggested Aud | dit Woı | rking P | aper |
|--|---------------------------|---|---------|---------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | Tidan Lassion | | | the Answer |
| f) Notice of Award of Contract; and | | provisions of this IRR, | | | |
| g) Other contract documents that | | if applicable; | | | |
| may be required by existing laws | | | | | |
| and/or the procuring entity | | f) Notice of Award of | | | |
| concerned in the Bidding Documents, such as the | | Contract; and | | | |
| construction schedule and S- | | g) Other contract | | | |
| curve, manpower schedule, | | documents that may | | | |
| construction methods, equipment | | be required by existing | | | |
| utilization schedule, construction | | laws and/or the | | | |
| safety and health program | | procuring entity | | | |
| approved by the Department of | | concerned in the | | | |
| Labor and Employment, and PERT/CPM for infrastructure | | Bidding Documents, such as the | | | |
| projects. | | construction schedule | | | |
| projects. | | and S-curve , | | | |
| | | manpower schedule, | | | |
| | | construction methods, | | | |
| | | equipment utilization | | | |
| | | schedule, construction | | | |
| | | safety and health | | | |
| | | program approved by the Department of | | | |
| | | Labor and | | | |
| | | Employment, and | | | |
| | | PERT/CPM for | | | |
| | | infrastructure projects? | | | |
| IN CASE OF DISAPPROVAL BY FOR THE PROCUREMENT OF IN | | TS | OR AV | VARD | _ |
| 1. In case of disapproval by the HOPE, verify if the: | disapproved the | In case of disapproval by the HOPE of the | | | |
| a. grounds for such were | recommendation for | BAC's | | | |
| expressed in writing and a | award, look for the | recommendation, did | | | |
| copy furnished to the | document indicating the | the HOPE express the | | | |
| BAC, and | grounds for such with | grounds for such and | | | |
| b. written instructions on the | evidence of receipt of a | furnished a copy to | | | |
| subsequent steps to be | copy thereof by the BAC. | the BAC? | | | |
| adopted were given to the | 1,7 | | | | |
| BAC | | | | | |
| | | In case of disapproval | | | |
| Implementing Rules and | 2. Also look for the | by the HOPE of the | | | |
| Regulations (IRR) of RA 9184, as | document indicating the | BAC's | | | |
| amended on September 2, 2009: | instructions given by the | recommendation, did | | | |
| • 37.1.3. In case of approval, | HOPE on the subsequent | the HOPE give | | | |
| the Head of the Procuring | steps to be adopted by | instructions to the | | | |
| Entity shall immediately issue | the BAC. | BAC on the | | | |
| the Notice of Award to the | | subsequent actions to | | | |
| bidder with the Lowest | | be adopted? | | | |
| Calculated Responsive Bid. In | | | | | |
| the event the Head of the | | | | | |
| Procuring Entity shall | | | | | |
| disapprove such | | | | | |
| recommendation, such | | | | | |
| disapproval shall be based only | | | | | |

| Audit Sub-objective | | Suggested Aud | dit Woı | rking P | aper |
|--|---|--|----------|----------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| on valid, reasonable, and | | | | | |
| justifiable grounds to be | | | | | |
| expressed in writing, a copy | | | | | |
| furnished the BAC. | | | | | |
| | | | | | |
| Generic Procurement Procedures for | | | | | |
| Infrastructure Projects, June 2006, published by the GPPB: | | | | | |
| • How is a contract awarded? | | | | | |
| | | | | | |
| 5. In case of disapproval of the | | | | | |
| recommendation of award the | | | | | |
| HOPE shall state the reasons for | | | | | |
| disapproval and instruct the BAC | | | | | |
| on the subsequent actions to be | | | | | |
| adopted. | | | | | |
| IN CASE OF FAILURE, REFUSAL | , OR INABILITY BY THE \ | WINNING BIDDER TO | SUBN | IIT DO | CUMENTS |
| AND ENTER INTO CONTRACT - | | | | | |
| 1. To verify if the BAC: | 1. From the records of the | Did the BAC disqualify | | | |
| a. disqualified, | BAC: | the winning bidder who, | | | |
| b. forfeited the bid security of | documenting the fact- | through his fault, failed, | | | |
| and | finding to establish if | refused or was unable | | | |
| c. recommended the | the winning bidder was | to: | | | |
| imposition of sanctions to | responsible for his failure, refusal, or | a. submit the documents required | | | |
| the winning bidder who, | inability to: (a) to | under Section 37.1 | | | |
| through his fault, failed, | submit the documents | of the Revised IRR | | | |
| refused or was unable: | required under Section | of RA 9184? | | | |
| Torus a trus arrabis. | 37.1 of the Revised IRR | or | | | |
| a. to submit the documents | of RA 9184, or (b) to | b. to make good its bid | | | |
| required under Section | make good its bid by | by entering into a | | | |
| 37.1 of the Revised IRR of | entering into a contract with the procuring | contract with the procuring entity? | | | |
| RA 9184, or | entity, or (c) post the | or | | | |
| b. to make good its bid by | required Performance | c. post the required | | | |
| entering into a contract | Security within the | Performance | | | |
| with the procuring entity, | period stipulated in the | Security within the | | | |
| or | Revised IRR of RA 9184 | period stipulated in | | | |
| c. post the required | or in the Bidding | the Revised IRR of | | | |
| Performance Security | Documents; • documenting the | RA 9184 or in the Bidding | | | |
| within the period | deliberations/evaluation | Documents? | | | |
| stipulated in the Revised | conducted and the | | | | |
| IRR of RA 9184 or in the | decisions arrived at; | | | | |
| Bidding Documents | documenting the | Did the BAC forfeit the | | | |
| Implementing Rules and | recommendations made | bid security of the | | | |
| Regulations (IRR) of RA 9184, as | to the HOPE, | winning bidder who, | | | |
| amended on September 2, 2009: | look for information on the: | through his fault, failed, refused or was unable | | | |
| | 100K 101 IIII0IIIIation on the: | to: | | | |
| • 40.1. If the bidder with the Lowest | disqualification of the | a. submit the | | | |
| Calculated Responsive Bid/Highest | said bidder, | documents required | | | |
| Rated Responsive Bid or the | forfeiture of the bid | under Section 37.1 | | | |
| bidder with the Single | security and | of the Revised IRR | | | |
| Calculated/Rated Responsive Bid, | recommendation of the | of RA 9184? | | | |
| fails, refuses or is unable to | imposition of sanctions | or | <u> </u> | <u> </u> | |

| Audit Sub-objective | | Suggested Auc | dit Wor | rking F | aper |
|---|---|---|---------|---------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| submit the documents required under Section 37.1 of this IRR or to make good its bid by entering into a contract with the procuring entity or post the required Performance Security within the period stipulated in this IRR or in the Bidding Documents, the bid security shall be forfeited and the appropriate sanctions provided in this IRR and existing laws shall be imposed, except where such failure, refusal or inability is through no fault of the said bidder. | to the winning bidder. | b. to make good its bid by entering into a contract with the procuring entity? or c. post the required Performance Security within the period stipulated in the Revised IRR of RA 9184 or in the Bidding Documents? Did the BAC recommend the imposition of sanctions to the winning bidder who, through his fault, failed, refused or was unable to: a. submit the documents required under Section 37.1 of the Revised IRR of RA 9184? or b. to make good its bid by entering into a contract with the procuring entity? or c. post the required Performance Security within the period stipulated in the Revised IRR of RA 9184 or in the Bidding | | | the Answer |
| 2. To verify if the BAC, after disqualifying the winning bidder who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated, initiated and completed the post-qualification process on the bidder with the second Lowest Calculated Bid Implementing Rules and Regulations (IRR) of RA 9184, as amended on | 2. From the records of the BAC, look for information on the disqualification of the winning bidder who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated. Look also for information on the conduct of postqualification on the bidder with the second Lowest Calculated Bid. | Documents? Did the BAC, after disqualifying the winning bidder who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated, initiate and complete the post-qualification process on the bidder with the second Lowest Calculated Bid? | | | |

| Audit Sub-objective | | Suggested Auc | dit Wor | king P | |
|--|--|---|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| September 2, 2009: 40.2. In the case of the failure, refusal or inability of the bidder with the Lowest Calculated Responsive Bid to submit the documents required under Section 37.1 of this IRR or to enter into contract and post the required Performance Security, as provided in this Section, the BAC shall disqualify the said bidder, and shall initiate and complete the post-qualification process on the bidder with the second Lowest Calculated Bid:This procedure shall be repeated until the Lowest Calculated Responsive Bid is determined for award. However, if no bidder passes post-qualification, the BAC shall declare the bidding a failure and conduct a re-bidding with re-advertisement. Should there occur another failure of bidding after the conduct of the contract's re-bidding, the procuring entity concerned may enter into a negotiated procurement. 3. To verify if the BAC, after disqualifying the winning | NOTE: For the audit on the Post-Qualification for the Procurement of Infrastructure Projects conducted by the BAC, perform the audit activities pertaining to these procurement activities in another part of this Guide. 3. From the records of the BAC, look for information on | Did the BAC, after disqualifying the | | | the Aliswei |
| bidder with the Single Calculated Responsive Bid (SCRB) who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated, declared the bidding a failure and conducted a re-bidding with re-advertisement and/or posting, as provided for in Sections 21 and 25 of the Revised IRR of RA 9184 Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 40.3. In the case of failure, refusal or inability of the bidder with the Single Calculated/Rated Responsive Bid to submit the documents required under Section 37.1 of this IRR or to enter into contract and | the disqualification of the winning bidder with the SCRB who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated. Look also for information on the declaration of the bidding a failure and the conduct of a re-bidding with re-advertisement. NOTE: For the audit on the Failure of Bidding for the Procurement of Infrastructure Projects and on the Competitive/ Public | winning bidder with the SCRB who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated, a. declare the bidding a failure? and b. conduct a re-bidding with re-advertisement and/or posting? | | | |

| Audit Sub-objective | | Suggested Aud | noW tib | kina F | Paner |
|--|---|--|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| post the required Performance Security, as provided in this Section, the BAC shall disqualify the said bidder, and shall declare the bidding a failure and conduct a re-bidding with re-advertisement and/or posting, as provided for in Sections 21 and 25 of this IRR. Should there occur another failure of bidding after the conduct of the contract's re-bidding, the procuring entity concerned may enter into a negotiated procurement. | Bidding for the Procurement of Infrastructure Projects, perform the audit activities pertaining to these procurement activities in other parts of this Guide. | | | | the Answer |
| INVOLVEMENT OF THE BAC OB | SEDVEDS | | | | |
| To verify if the BAC invited | 1. From the Minutes of the | Did the BAC choose the | | | |
| Observers: | BAC meeting on the | Observers considering: | | | |
| a. representing the COA, the | selection of the Observer from the "pool", check for | a. one representing | | | |
| duly recognized private group in a sector or discipline | information on the BAC's | the COA? | | | |
| relevant to the procurement | evaluation in regard to: | | | | |
| at hand, and a non- | the selection of the cranization from which | b. one representing | | | |
| government organization | organization from which the Observer will be | the duly recognized private | | | |
| (NGO) from the procuring entity's Pool of Observers; | invited; | group in a sector | | | |
| b. that have: | knowledge, experience or | or discipline | | | |
| b.1. knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b.2. no actual or potential conflict of interest in the contract to be bid; and b.3. conformed with other relevant criteria determined by the BAC; c. at least 3 calendar days prior to the start of the activity Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Section 13. Observers 13.1. To enhance the transparency of the process, the BAC shall, in all | expertise in procurement or in the subject matter of the contract to be bid; • no actual or potential conflict of interest in the contract to be bid; and • conformed with other relevant criteria determined by the BAC. | relevant to the procurement at hand? c. one representing a non-government organization? d. with knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid? e. With no actual or potential conflict of interest in the contract to be bid? f. Conformed with | | | |
| stages of the procurement process, invite, in addition to the representative of the COA, at least two (2) observers, who shall not have the right to vote, to sit in its proceedings where: a) At least one (1) shall come from a | From certified copies of the invitations to the | other relevant criteria determined by the BAC? Did the BAC invite the observers at least 3 | | | |
| duly recognized private group in a sector or discipline relevant to the procurement at hand, for example: | Observers with evidence of receipt, compare the date of receipt with the 3-day minimum requirement. | days prior to the start of the activity? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|---|---|-----|----|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| i) For infrastructure projects, national associations of constructors duly recognized by the Construction Industry Authority of the Philippines (CIAP), such as, but not limited to the following: (1) Philippine Constructors Association, Inc.; (2) National Constructors Association of the Philippines, Inc.; and (3) Philippine Institute of Civil Engineers (PICE). ii) iii) and b) The other observer shall come from a non-government organization (NGO). | | | | | the Answer |
| 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. | | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify if the Procuring Entity considered the comments/observations of the Observers Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 13.4. The observers shall have the following responsibilities: a) To prepare the report either jointly or separately indicating | 3. Based on the BAC's Minutes on the Post Qualification, the meetings on the award of contract, and the report of the Observers check whether a deliberation was made on the comments /observations of the observers. | Did the Procuring Entity consider the comments/ observations of the Observers? | | | |

| Audit Sub-objective | Suggested Audit W | Suggested Audit Working Paper | | | |
|---|---|----------------------------------|--------|-------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | riddit Quostion | | | the Answer |
| their observations made on the procurement activities conducted by the BAC for submission to the Head of the Procuring Entity, copy furnished the BAC Chairman. The report shall assess the extent of the BAC's compliance with the provisions of this IRR and areas of improvement in the BAC's proceedings; b) To submit their report to the procuring entity and furnish a copy to the GPPB and Office of the Ombudsman/Resident Ombudsman. If no report is submitted by the observer, then it is understood that the bidding activity conducted by the BAC followed the correct procedure; and c) To immediately inhibit and notify in writing the procuring entity concerned of any actual or potential interest in the contract to be bid. 13.5. Observers shall be allowed access to the following documents upon their request, subject to signing of a confidentiality agreement: (a) minutes of BAC meetings; (b) abstract of Bids; (c) post-qualification summary report; (d) APP and related PPMP; and (e) opened proposals. | | | | | the Answer |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COMM | UNICATING THE RES | ULTS (| OF AU | DIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were | Appropriate Audit Working Papers | | | |
| b. validity of any payment to be made on the basis of the contract; c. etc. | taken by the auditee in regard to instances of non-compliance. | | | | |
| and develop appropriate audit recommendations Implementing Rules and | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide | | | | |
| Regulations (IRR) of RA 9184, as | this Audit Guide. | | | | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | | | |
|---|--|-------------------------------|---------|-------|---------------------------|--|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| amended on September 2, 2009: | | | | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Working | g Paper | rs | | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memor | andum | (AOM) | , if applicable | | |

XII. FAILURE OF BIDDING DECLARED BY THE BIDS AND AWARDS COMMITTEE (BAC) FOR THE PROCUREMENT OF INFRASTRUCTURE PROJECTS

A. AUDIT OBJECTIVE:

To verify if the conditions/requirements, procedures for the declaration of failure of bidding were adhered to by the procuring entity

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for the evaluation:

- 1. Documentary evidences that no bids were received;
- 2. Documentary evidences that all prospective bidders were declared ineligible;
- 3. Documentary evidences that all bids failed to comply with all the bid requirements;
- 4. Documentary evidences that all bids failed post-qualification;
- 5. Documentary evidences that the bidder with the Lowest Calculated Responsive Bid refused, without justifiable cause, to accept the award of contract, and no award was made in accordance with Section 40 of the RA 9184 and Revised IRR;
- 6. Minutes of the BAC meetings on post-qualification;
- 7. BAC Resolution declaring the bidding a failure;
- 8. Minutes of the BAC meetings with information on the review and evaluation conducted on the:
 (a) terms, (b) conditions, (c) specifications, and (d) cost estimates and the recommendations/decisions made possible revisions/adjustments;
- 9. Approved revised Bidding Documents;
- 10. Revised Approved Budget for the Contract (ABC);
- 11. Records of the re-bidding;
- 12. Copy of the Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 13. Copy of reports of the BAC Observers.

| Audit Sub-objective • Audit Criteria | | Suggested Au | dit Wo | rking | Paper |
|---------------------------------------|--|--------------------------|--------|-------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC | 1. From the <i>Minutes</i> of BAC | Did the BAC declare a | | | |
| declared a failure of bidding | meetings and other records, | failure of bidding for | | | |
| for reason that: | look for information that: | reason that: | | | |
| | a) No bids were received; | a) No bids were | | | |
| a) No bids were received; or | b) All prospective bidders | received? | | | |
| b) All prospective bidders | were declared ineligible; c) all bids failed to comply | b) All prospective | | | |
| were declared ineligible; or | with all the bid | bidders were | | | |
| c) All bids failed to comply | requirements, | declared ineligible? | | | |
| with all the bid | d) all bids failed post- | | | | |
| requirements, or | qualification, | or | | | |
| d) all bids failed post- | e) the bidder with the Lowest | c) All bids failed to | | | |
| qualification, or | Calculated Responsive Bid | comply with all the | | | |
| e) the bidder with the | refused, without justifiable | bid requirements? | | | |
| Lowest Calculated | cause, to accept the award | or | | | |
| Responsive Bid refused, | of contract, and no award was made in accordance | or d) all bids failed | | | |
| without justifiable cause, | with Section 40 of the RA | post-qualification? | | | |
| to accept the award of | 9184 and Revised IRR. | post qualification. | | | |
| contract, and no award | | or | | | |
| was made in accordance | | e) the bidder with | | | |



| Audit Sub-objective | - Judge | | | uggested Audit Working Paper | | |
|---|------------------|---|-----|------------------------------|---------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| with Section 40 of the RA 9184 and Revised IRR e) funds are not available Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 35.1. The BAC shall declare the bidding a failure when: a) No bids are received; b) All prospective bidders are declared ineligible; c) All bids fail to comply with all the bid requirements or fail post- qualification, or, in the case of consulting services, there is no successful negotiation; or d) The bidder with the Lowest Calculated Responsive Bid/Highest Rated Responsive Bid refuses, without justifiable cause, to accept the award of contract, and no award is made in accordance with Section 40 of the Act and this IRR. GPPB Circular 01-2009 dated 20 | | the Lowest Calculated Responsive Bid refused, without justifiable cause, to accept the award of contract, and no award was made in accordance with Section 40 of the RA 9184 and Revised IRR? | | | | |
| January 2009: 4.2. To facilitate the immediate implementation of projects even pending approval of the GAA, the ABC shall be based on the budget levels under the National Expenditure Program (NEP) submitted to Congress. 4.3. For specifically appropriated projects, agencies can proceed with the procurement activities prior to issuance of the notice of award using as basis the NEP figures. 4.4. For lump-sum appropriations and Centrally Managed Items (CMIs) under the agency's budget, the head of the agency shall identify and thereafter notify the implementing units (IUs) of the amount allocated for the projects they are to implement. On the basis of said notification, the heads of the respective IUs, as procuring entities, can proceed with the procurement activities prior to issuance of the notice of award. | | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|--|---|-----|----|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 4.5. For Multi-Year Projects (MYPs), for which the initial funding – sourced from either the existing/current year's budget or the NEP – is not sufficient to cover the total cost of the project, it is required that a Multi-Year Obligational Authority (MYOA) must already have been issued in accord with DBM Circular Letter 2004-012 prior to commencement of any procurement activity. Thus, the MYOA shall be a pre-requisite for procurement of a multi-year contract. All procurement activities should be within the total project cost and categories reflected in the MYOA issued by DBM for the said MYP. 4.6. As prescribed under Section 47, Chapter 8, Subtitle B, Title I, Book V of the Administrative Code of 1987, no contract involving the expenditure of public funds shall be entered into unless the proper accounting official of the procuring entity shall have certified as to the availability of funds and the allotment to which the expenditure or obligation may be properly charged. | | | | | |
| 2. To verify if the BAC determined the reason for the failed bidding by conducting a mandatory review and evaluation of the : a. terms, b. conditions, c. specifications, d. cost estimates in the Bidding Documents Implementing Rules and Regulations | 2. From the minutes of the BAC meetings held for the purpose, look for information on the review and evaluation conducted on the: (a) terms, (b) conditions, (c) specifications, and (d) cost estimates and the recommendations/decisions made – possible revisions/adjustments. | Did the BAC determine the reason for the failed bidding by conducting a mandatory review and evaluation of the: a. terms in the Bidding Documents? b. conditions in the Bidding Documents? | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: 35.2. In order to determine the reason for the failed bidding, the BAC shall conduct a mandatory review and evaluation of the terms, conditions, and specifications in the | | c. specifications in the Bidding Documents? d. cost estimates? | | | |

| Audit Sub-objective • Audit Criteria | | Suggested Au | dit Wo | orking | Paper |
|--|--|--|--------|--------|---------------------------|
| • Addit Cinena | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Bidding Documents, including its cost estimates. | | | | | |
| 3. To verify if the BAC and the concerned units/officials of the procuring entity, revised the following as a result of the review and evaluation conducted: a. terms, b. conditions, c. specifications, d. Approved Budget for the Contract (ABC); had them approved; and conducted a re-bidding with re-advertisement and/or posting Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 3. From the minutes of the BAC meetings held for the purpose and other records of the procuring entity, look for information on the revisions/adjustments made on the (a) terms, (b) conditions, (c) specifications, (d) ABC and approvals made thereon. | Did the BAC and the concerned units/officials of the procuring entity, revised the following as a result of the review and evaluation conducted: a. terms in the Bidding Documents? b. conditions in the Bidding Documents? c. specifications in the Bidding Documents? d. cost estimates? | | | |
| • 35.2. In order to determine the reason for the failed bidding, the BAC shall conduct a mandatory review and evaluation of the terms, conditions, and specifications in the Bidding Documents, including its cost estimates. | From the records of the BAC look for information on the re-bidding conducted. | Did the BAC conduct a re-bidding? | | | |
| 35.3. Based on its findings, the BAC shall revise the terms, conditions, and specifications, and if necessary, adjust the ABC, subject to the required approvals, and conduct a re-bidding with re-advertisement and/or posting, as provided for in Section 21.2 of this IRR 35.4. All bidders who have initially responded to the Invitation to Bid/Request for Expression of Interest and have been declared eligible or short listed in the previous biddings shall be allowed to submit new bids. The BAC shall observe the same process and set the new periods according to the same rules followed during the previous bidding(s). | NOTE: For the audit on the rebidding conducted perform the audit using the portion of this Guide on Competitive/Public Bidding for the Procurement of Infrastructure Projects. | | | | |
| 35.5. Should there occur a second failure of bidding, the procuring entity may resort to | | | | | |

| Audit Sub-objective • Audit Criteria | | Suggested Au | dit Wo | orking | Paper |
|--|--|--|--------|--------|---------------------------|
| • Audil Citteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| negotiated procurement, as provided for in Section 53.1 of this IRR. | | | | | |
| A. To verify if the BAC invited Observers: a. representing the COA, the duly recognized private group in a sector or discipline relevant to the procurement at hand, and a nongovernment organization (NGO) from the procuring entity's Pool of Observers; b. that have: b. 1. knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b. 2. no actual or potential conflict of interest in the contract to be bid; and b. 3. conformed with other relevant criteria determined by the BAC; c. at least 3 calendar days prior to the start of the activity Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Section 13. Observers 13.1. To enhance the transparency of the process, the BAC shall, in all stages of the procurement process, invite, in addition to the representative of the COA, at least two (2) observers, who shall not have the right to vote, to sit in its proceedings where: a) At least one (1) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hand, for example: | 5. From the Minutes of the BAC meeting on the selection of the Observer from the "pool", check for information on the BAC's evaluation in regard to: • the selection of the organization from which the Observer will be invited; • knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; • no actual or potential conflict of interest in the contract to be bid; and • conformed with other relevant criteria determined by the BAC. | Did the BAC choose the Observers considering: 1. one representing the COA? 2. One representing the specific relevant the duly recognized private group in a sector or discipline relevant to the procurement at hand? 3. One representing a non-government organization? 4. With knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid? 5. With no actual or potential conflict of interest in the contract to be bid? 6. Conformed with other relevant criteria determined by the BAC? | | | |
| i)) For infrastructure projects, national associations of constructors duly recognized by the Construction Industry Authority of the Philippines (CIAP), such as, but not limited to the following: (1) Philippine Constructors Association, Inc.; | 6. From certified copies of the invitations to the Observers with evidence of receipt, compare the date of receipt with the 3-day minimum requirement. | Did the BAC invite the observers at least 3 days from the date of the bid evaluation? | | | |
| (CIAP), such as, but not limited to the following: (1) Philippine Constructors | with the 3-day minimum | | | | |



| Audit Sub-objective | | Suggested Au | ıdit Wo | rking | Paper |
|---|--|------------------------|---------|-------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Philippines, Inc.; and (3) Philippine Institute of Civil Engineers (PICE) ii) iii) and b) The other observer shall come from a non-government organization (NGO). | | | | | |
| 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The | | | | | |
| absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| EVALUATING AUDIT EVIDENCE | | VICATING THE RESU | JLTS (| OF AU | JDIT |
| 1. To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; | Analyze the instances of non- compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the | Appropriate Audit Work | ing Par | oers | |
| b. validity of any payment to be made on the basis of the contract; | auditee in regard to instances of non-compliance. | | | | |
| c. etc. and develop appropriate audit recommendations | NOTE: Also refer to the OFFENSES AND PENALTIES portion of | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | this Audit Guide. | | | | |



| Audit Sub-objective | | Suggested Au | ıdit Wo | rking | Paper | |
|---|--|----------------------------------|---------|-------|---------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Working Papers | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mem applicable | orandu | m (AO | M), if | |

XIII. FAILURE OF BIDDING DECLARED BY THE HOPE FOR THE PROCUREMENT OF INFRASTRUCTURE PROJECTS

A. AUDIT OBJECTIVE:

To verify if the conditions/requirements for the declaration of failure of bidding were adhered to by the procuring entity

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for the evaluation:

Documents on the declaration of failure of bidding by the HOPE with supporting documents on the existence of the grounds used to justify the said declaration that:

- 1. there was prima facie evidence of collusion between appropriate public officers or employees of the procuring entity, or
- 2. there was prima facie evidence of collusion between appropriate public officers or employees of the procuring entity, or
- 3. there was prima facie evidence of collusion between or among the bidders themselves.
- 4. there was prima facie evidence of collusion between a bidder and a third party, or
- 5. there was prima facie evidence of any act which restricted, suppressed or nullified competition, or
- 6. the BAC was found to have failed in following the prescribed bidding procedures, or
- 7. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible, as determined by the Head of the Procuring Entity, or
- 8. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the project is no longer necessary as determined by the Head of the Procuring Entity, or
- 9. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the source of funds for the project has been withheld or reduced through no fault of the procuring entity.

| Audit Sub-objective | | Suggested Aud | lit Wor | king F | aper |
|--|---|--|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the HOPE declared a failure of bidding for reason that: a. no funds available; b. there is prima facie | From the documents on the declaration of failure of bidding by the HOPE, look for information on the reason for such declaration. | Did the HOPE declare a failure of bidding for reason that: a. no funds available? | | | |
| evidence of collusion between: b.1. appropriate public officers or employees of the procuring entity, or b.2. between the BAC and any of the bidders, or b.3. among the bidders themselves, or b.4. a bidder and a third | | b. there was prima facie evidence of collusion between appropriate public officers or employees of the procuring entity? | | | |
| party, | | OR | | | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | Paper |
|--|------------------|---|-----|----|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| including any act which | | | | | the Answer |
| restricts, suppresses or nullifies or tends to restrict, suppress or nullify competition; or | | c. there was prima facie evidence of collusion between the BAC and any of the bidders? | | | |
| c. the BAC is found to have failed in following the prescribed bidding procedures; | | OR c. there was prima facie evidence of | | | |
| or d. the award of the contract will not redound to the benefit of the GOP, for | | collusion between or among the bidders themselves? | | | |
| justifiable and reasonable grounds such as: (i) if the physical and economic conditions have significantly changed so as to render the project no | | d. there was prima facie evidence of collusion between a bidder and a third party? | | | |
| longer economically, financially, or technically feasible, as determined by the Head of the Procuring Entity; (ii) if the project is | | OR e. there was prima facie evidence of any | | | |
| no longer necessary as determined by the Head of the Procuring Entity; and (iii) if the source of funds | | act which restricted, suppressed or nullified competition? | | | |
| for the project has been withheld or reduced through no fault of the | | OR f. the BAC was found to have failed in | | | |
| Implementing Rules and Regulations | | following the prescribed bidding procedures? | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: Section 41. The Head of the | | OR | | | |
| Procuring Entity reserves the right to reject any and all bids, <u>declare a failure of bidding</u> , or not award the contract in the following situations: a) If there is prima facie evidence of collusion between appropriate public officers or employees of the procuring entity, or between the BAC and any of the bidders, or if the collusion is between or among the bidders themselves, or between a bidder and a third party, including any act which | | g. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the physical and economic conditions have significantly changed so as to render the project no longer economically, | | | |
| party, including any act which restricts, suppresses or nullifies or tends to restrict, suppress or nullify competition; | | financially, or technically feasible, as determined by the | | | |

| Audit Sub-objective | Audit Sub-objective Suggested Audit Working Pa | | | Paper | |
|---|--|--|---------|-------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| b) If the BAC is found to have failed in following the prescribed bidding procedures; or c) For any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the GOP, as follows: (i) if the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible, as determined by the Head of the Procuring Entity; (ii) if the project is no longer necessary as determined by the Head of the Procuring Entity; and (iii) if the source of funds for the project has been withheld or reduced through no fault of the procuring entity. | | Head of the Procuring Entity? OR h. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the project is no longer necessary as determined by the Head of the Procuring Entity? OR i. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the source of funds for the project has been withheld or reduced through no fault of | | | the Answer |
| EVALUATING AUDIT EVIDENCE | C CATHEDED AND COMM | the procuring entity? | II TC (|) | IDIT |
| 1. To verify the effects of | Analyze the instances of | UNICATING THE RESU | JLIS | OF AL | ווטנ |
| instances of non-compliance on the: a. validity of the procurement activities and outputs | non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if | Appropriate Audit Working | g Paper | rs | |
| including the validity of the resulting contract; | appropriate actions were | | | | |
| b. validity of any payment to be made on the basis of the contract;c. etc. | taken by the auditee in regard to instances of non-compliance. | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the OFFENSES AND | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | PENALTIES portion of this <i>Audit Guide</i> . | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|----------------------------------|-------|-------|---------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Working Papers | | | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memor | andum | (AOM) |), if applicable | |

ALTERNATIVE METHODS OF PROCUREMENT FOR INFRASTRUCTURE PROJECTS

On the Procurement Procedures:

NEGOTIATED PROCUREMENT
OF INFRASTRUCTURE PROJECTS

AFTER TWO (2) FAILED BIDDINGS

Procurement Procedures: NEGOTIATED PROCUREMENT OF INFRASTRUCTURE PROJECTS AFTER TWO (2) FAILED BIDDINGS

Negotiated Procurement is a method of procurement of infrastructure projects whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable contractor.

Cases when negotiated procurement are allowed:

- (1) Two Failed Biddings (there has been failure of public bidding for the second time),
- (2) Emergency Cases,
- (3) Take-Over of Contracts,
- (4) Adjacent or Contiguous,
- (5) Agency-to-Agency,
- (6) Small Value Procurement,
- (7) NGO Participation,
- (8) Community Participation.

I. PREPARATORY ACTIVITY: REGISTRY OF CONTRACTORS

The Registry of Contractors is developed and maintained by the Procuring Entity to ensure that it is updated.

A. AUDIT OBJECTIVE

To determine if the Procuring Entity developed and maintained a Registry of Contractors

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for evaluation:

 Documentation of the System on the Registry of contractors maintained by the Procuring Entity

| Audit Sub-objective | | Suggested Au | ıdit Wo | orking | Paper |
|--|--|---|---------|--------|-------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars |
| | riddit ridit till d | | | | of the |
| | | | | | Answer |
| 1. To verify if the procuring | Obtain a copy of the | Did the Procuring | | | |
| entity maintained a registry of | registry of contractors | Entity <u>maintain</u> a | | | |
| contractors as basis for selecting | maintained by the Procuring | registry of | | | |
| the contractors for negotiations | Entity. | contractors as | | | |
| | | basis for selecting the contractors for | | | |
| Implementing Rules and Regulations | | negotiations? | | | |
| (IRR) of RA 9184, as amended on | | negotiations: | | | |
| September 2, 2009: | | | | | |
| • 53.1.2.2. All Procuring Entities shall | | | | | |
| maintain a registry of contractors as | | | | | |
| basis for selecting the contractors for | | | | | |
| negotiations. | | | | | |
| | | | | | |
| | | | | | |



| Audit Sub-objective | | Suggested Au | orking | | |
|---|--|------------------------------------|----------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| EVALUATING AUDIT EVIDENCES G | ATHERED AND COMMUNIC | ATING THE RESUL | TS OF | AUD | |
| 1. To verify the effects of | Analyze the instances of non- | | | 7.00 | |
| instances of non-compliance on | compliance to establish the | Appropriate Audit We | orking F | Papers | |
| the: | effects and develop | | | | |
| a. validity of the procurement | appropriate audit recommendations. | | | | |
| activities and outputs including the validity of the resulting contract; | Also determine if appropriate actions were taken by the | | | | |
| b. validity of any payment to be made on the basis of the contract; | auditee in regard to instances of non-compliance. | | | | |
| c. etc. | | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the OFFENSES AND PENALTIES portion of | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non- compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Wo | orking F | Papers | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Ma applicable | emoran | dum (| AOM), if |



Negotiated Procurement of Infrastructure Projects After Two (2) Failed Biddings

II. PREPARATORY ACTIVITY: BIDDING DOCUMENTS

Bidding documents are documents issued by the Procuring Entity to provide prospective bidders all the necessary information that they need to prepare their bids.

A. AUDIT OBJECTIVE:

To verify if after the Procuring Entity's conduct of mandatory review due to two (2) failed biddings, the Bidding Documents for the specific procurement **followed the standard forms and manuals** prescribed by the Government Procurement Policy Board (GPPB)

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for evaluation:

- 1. The procuring entity's Customized Bidding Documents for Infrastructure Projects;
- 2. Bidding Documents for the specific procurement.

| Audit Sub-objective | | Suggested Au | dit Wo | rking | Paper |
|--|---|---|--------|-------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the procuring entity conducted a mandatory review of the terms, conditions, specifications, and cost estimates on the basis of which the BAC revised and agreed on the: a. minimum technical | 1. From the documentation of the earlier two (2) biddings conducted, look for information on the BAC's declaration that there have been two (2) failed biddings. | Did the BAC declare two (2) failed biddings? Did the Procuring Entity | | | |
| specifications, b. adjusted the ABC Implementing Rules and Regulations | evaluation report with supporting documents and duly reviewed by the BAC, minutes of the meetings of the BAC, and | conduct a mandatory review of the terms, conditions, specifications, and cost estimates after two | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: 53.1.1. After conduct of the mandatory review of the terms, conditions, specifications, and cost estimates, as prescribed in Section 35 of this IRR, the BAC shall revise and agree on the minimum technical | BAC Resolutions, look for evidences of the conduct of the mandatory review of the terms, conditions, specifications and cost estimates by concerned Offices of the Procuring Entity. | failed biddings? | | | |
| specifications, and if necessary, adjust the ABC, subject to the required approvals. However the ABC cannot be increased by more than twenty percent (20%) of the ABC for the last failed bidding. | 3. From the minutes of the BAC's meetings and BAC Resolutions, look for information on the deliberation, revision and agreement on the minimum technical specifications and adjusted ABC; and | Did the BAC revise and agree on the: a. minimum technical specifications? b. Revised ABC? | | | |

| Audit Sub-objective | | Suggested Au | dit Wo | rking | Paper |
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| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 6.2. Once issued by the GPPB, the use of the Generic Procurement Manuals (GPMs), Philippine Bidding Documents (PBDs), and other standard forms shall be mandatory upon all Procuring Entities. However, | recommendation to the HOPE for approval. | Did the BAC submit the revised minimum technical specifications to the HOPE for approval? | | | |
| whenever necessary, to suit the particular needs of the procuring entity, modifications may be made, particularly for major and specialized procurement, subject | | Did the BAC submit the adjusted ABC to the HOPE for approval? | | | |
| to the approval of the GPPB. | 4. From the minutes of | Did the BAC ensure that | | | |
| | the BAC's meetings and BAC Resolutions, look for | the adjustment in the ABC was at a maximum | | | |
| | information on the BAC's | of 20% of the ABC for | | | |
| | evaluation to ensure that the adjustment in the ABC | the second failed bidding? | | | |
| | was at a maximum of | bluding: | | | |
| | 20% of the ABC for the | | | | |
| | second failed bidding. | | | | |
| ON THE BIDDING DOCUMENTS | | I | | 1 | |
| 1. To verify if the Bidding | 1. If the procuring entity | Are the Bidding | | | |
| Documents for the specific | adopted customized Bidding Documents and | Documents/ Information complete: | | | |
| procurement include the information and are | the results of the earlier | miormation <u>complete</u> . | | | |
| according to the forms | validation of this element | I. Revised Approved | | | |
| indicated in the <i>Customized</i> | showed that these are | Budget for the Contract? | | | |
| Bidding Documents approved | compliant with the Philippine Bidding | Contract? | | | |
| by the GPPB or the Philippine | Documents for the | m. Request for Price | | | |
| Bidding Documents for the | Procurement of | Quotation? | | | |
| Procurement of | Infrastructure Projects and | n Fliaibility | | | |
| Infrastructure Projects, 3 rd | Section 17.1 of the Implementing Rules and | n. Eligibility Requirements? | | | |
| Edition (October 2009) | Regulations of RA 9184, | | | | |
| issued by the GPPB and Section 17 of the | secure from the BAC | o. Instruction to | | | |
| Implementing Rules and | Secretariat duly certified | Bidders, including | | | |
| Regulations of RA 9184 as | copies of the <u>Bidding</u> <u>Documents for the specific</u> | - scope of bid? | | | |
| amended on September 2, | procurement and compare | | | | |
| 2009: | these with the <u>customized</u> | documents comprising the | | | |
| b. Approved Budget for the | Bidding Documents of the procuring entity. | bid? | | | |
| Contract; b. Request for Submission | procuring entity. | | | | |
| of Price Quotation; | If the customized | - criteria for | | | |
| c. Eligibility Requirements; | Bidding Documents are not | eligibility? | | | |
| d. Instruction to Bidders, | compliant, compare the procurement-specific | price quotations | | | |
| including scope of bid, | Bidding Documents with | evaluation | | | |
| documents comprising | the <i>Philippine Bidding</i> | methodology/ criteria? | | | |
| the bid, criteria for | Documents for the | GITGIA: | | | |
| eligibility, bid evaluation | Procurement of | - post-qualification | | | |
| methodology/criteria in accordance with the Act, | Infrastructure Projects issued by the GPPB. | methodology? | | | |

and post-qualification, as

| Audit Sub-objective | | Suggested Au | dit Wo | rkina | Paper |
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| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | riddir Questieri | . 00 | | the Answer |
| well as the date, time and | | - date of the pre- | | | |
| place of the pre-bid | | bid conference, if | | | |
| conference (where | | applicable? | | | |
| applicable), submission | | | | | |
| of bids and opening of | | - time of the pre-bid conference? | | | |
| bids; | | conference? | | | |
| d.1. including: Following | | - Place of the pre- | | | |
| completion of the | | bid conference? | | | |
| negotiations, the BAC | | | | | |
| shall request all | | Deadline for | | | |
| contractors remaining | | submission of | | | |
| in the proceedings to | | price quotations? | | | |
| submit on a specified | | Dlaga of | | | |
| date, a best and final | | - Place of submission of | | | |
| offer with respect to | | price quotations? | | | |
| all aspects of the | | price quotations. | | | |
| proposals, and | | - Date of opening of | | | |
| d.2. selection of the | | price quotations? | | | |
| successful offer on the | | | | | |
| basis of such best and | | - Time of opening of | | | |
| final offers meeting | | price quotations? | | | |
| the minimum technical | | Diago of anoning | | | |
| requirements and not | | Place of opening of price | | | |
| exceeding the ABC; | | quotations? | | | |
| e. Scope of work, where | | quotatione. | | | |
| applicable; | | - following | | | |
| f. Plans/Drawings and | | completion of the | | | |
| Technical Specifications; | | negotiations, | | | |
| g. Form of Bid, Price Form, | | requesting all | | | |
| and Bill of Quantities; | | contractors | | | |
| h. Delivery Time or | | remaining in the proceedings to | | | |
| Completion Schedule; | | submit on a | | | |
| i. Form, Amount, and | | specified date, a | | | |
| Validity of Performance | | best and final offer | | | |
| Security and Warranty; | | with respect to all | | | |
| 1. Form of Contract and | | aspects of the | | | |
| General and Special | | proposals? | | | |
| Conditions of Contract; | | | | | |
| Implementing Pulse and Regulations | | - selection of the successful offer on | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on | | the basis of such | | | |
| September 2, 2009: | | best and final | | | |
| , | | offers meeting the | | | |
| 17.1. The Bidding Documents shall | | minimum technical | | | |
| be prepared by the procuring entity following the standard forms | | requirements and | | | |
| and manuals prescribed by the | | not exceeding the | | | |
| GPPB. | | ABC? | | | |
| a. Approved Budget for the | | p. Scope of work? | | | |
| Contract; | | p. Scope of work? | | | |
| b. Invitation to Bid; | | q. Plans/Drawings | | | |
| c. Eligibility Requirements; | | and Technical | | | |
| d. Instruction to Bidders, | | Specifications? | | | |
| including scope of bid, | | | | | |

| Audit Sub-objective | | Suggested Audit Working | | | g Paper | | |
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| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| documents comprising the bid, criteria for eligibility, bid evaluation methodology/criteria in accordance with the Act, and post-qualification, as well as the date, time and place of the prebid conference (where applicable), submission of bids and opening of bids; e. Scope of work, where applicable; f. Plans/Drawings and Technical Specifications; g. Form of Bid, Price Form, and Bill of Quantities; h. Completion Schedule; i. Form, Amount, and Validity Period of Bid Security; [REVISED BY the Revised IRR of RA 9184, item 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.] j. Form, Amount, and Validity of Performance Security and Warranty; [Also per Revised IRR of RA 9184, Section 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Sections 53.2 (emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).] and k. Form of Contract and General and Special Conditions of Contract. 53.1.4. Following completion of the negotiations, the procuring entity shall request all suppliers, contractors, or consultants remaining in the proceedings to submit, on a specified date, a best and final offer with respect to all aspects of their proposals. | | r. Price Form and Bill of Quantities? s. Completion Schedule? t. Form of Contract and General and Special Conditions of Contract? Are the Bidding Documents in the required form: a. Request for Price Quotation? b. Instructions to Bidders? c. Price Quotation Data Sheet? d. General Conditions of the Contract? e. Special Conditions of Contract? f. Schedule of Requirements? g. Technical Specifications? h. Price Quotation Forms? | | | | | |

| Audit Sub-objective | | Suggested Au | ted Audit Working Paper | | | |
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| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| 53.1.5. The procuring entity shall select the successful offer on the basis of such best and final offers which should meet the procuring entity's minimum technical requirements and should not exceed the ABC. | | | | | uic /iliswei | |
| GPPB Resolution No. 05-2009 dated 30 September 2009: • all branches, agencies, departments, bureaus, offices and instrumentalities of the Government, including government-owned and/or controlled corporations, government financial institutions, state universities and college, and local government units, are hereby mandated to use the Philippine Bidding Documents Third Edition for all of their procurement activities. | | | | | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COM | MUNICATING THE RE | SULTS | OF A | AUDIT | |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. | Appropriate Audit Working Papers | | | | |
| outputs including the validity of the resulting contract; | Also determine if appropriate actions were taken by the auditee in regard to instances of non- | | | | | |
| b. validity of any payment to be made on the basis of the contract; | compliance. | | | | | |
| c. etc. and develop appropriate audit recommendations | NOTE: Also refer to the OFFENSES AND PENALTIES portion | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | of this Audit Guide. | | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |

| Audit Sub-objective | | Suggested Au | dit Wo | rking | Paper |
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| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit Workin | | s | the Answer |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memor | andum | (AOM) |), if applicable |

Negotiated Procurement Of Infrastructure Projects After Two (2) Failed Biddings

III. PREPARATORY ACTIVITY: PRE-PROCUREMENT CONFERENCE

The pre-procurement conference is the forum where all officials involved in the procurement meet and discuss all aspects of a specific procurement activity, which includes the technical specifications, the Approved Budget for the Contract (ABC), the applicability and appropriateness of the recommended method of procurement and the related milestones, the bidding documents, and availability of the pertinent budget release for the project.

A. AUDIT OBJECTIVES:

- 1. To verify if the Pre-Procurement Conference was conducted within the required time;
- 2. To verify if the **participants** to the Pre-Procurement Conference were as required;
- 3. To verify if during the Pre-Procurement Conference the participants, led by the Bids and Awards Committee (BAC), performed the required tasks and attained the objectives of the Conference.
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- copy of the approved Minutes of Pre-Procurement Conference duly certified by the BAC Secretariat;
- 2. Request for Submission of Price Quotation;
- 3. Duly certified copies of the documents (Office Orders, contracts, Organizational/Functional Charts, etc) which the BAC Secretariat used as bases for identifying and notifying the participants to the Pre-Procurement Conference, including duly certified copies of the notices issued with evidence of receipt by the participants.

| A 111 C 1 1 1 1 1 | | Suggested Audit Working Paper | | | |
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| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC conducted the Pre-Procurement Conference prior to the posting or the issuance of the Invitation or Request for Submission of Price Quotation Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 20.1. Prior to the Advertisement or the issuance of the Invitation to Bid for each procurement undertaken through public bidding, the BAC, through its Secretariat shall call for a Pre-Procurement Conference. | 1. Secure from the BAC Secretariat a duly certified copy of the <i>Minutes of Pre-Procurement Conference</i> and compare the date the conference was held with the date indicated in the print-out of website pages where the <i>Invitation or Request for Submission of Price Ouotation</i> was posted. | Did the BAC conduct the Pre-Procurement Conference prior to the posting or issuance of the Request for Submission of Price Quotation? | | | |

| | | Suggested Auc | lit Wor | king F | Paper |
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| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify if the participants to the Pre-Procurement Conference included the BAC, the Secretariat, the unit or officials, including consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Request for Submission of Price Quotation Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 20.1 The pre-procurement conference shall be attended by the BAC, the Secretariat, the unit or officials, including consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Invitation to Bid, for each procurement. | 2. Secure from the BAC Secretariat duly certified copies of the documents (Office Orders, contracts, Organizational/Functional Charts, etc) which it used as bases for identifying and notifying the participants to the Pre- Procurement Conference, including duly certified copies of the notices issued with evidence of receipt by the participants. 3. From the Minutes of Pre-Procurement Conference look for the names of the members of the BAC, the members of the Secretariat, the officials and/or consultants who prepared the Bidding Documents and the draft Request for Submission of Price Quotation. | Did the participants to the Pre-Procurement Conference include the: a. BAC? b. Secretariat? c. unit or officials who prepared the Bidding Documents and the draft Request for Submission of Price Quotation? d. consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Request for Submission of Price Quotation? | | | , with the second secon |
| 3. To verify if during the Pre- Procurement Conference the participants, led by the BAC, performed the following tasks and attained the related objectives: a. Discussed relevant information and confirmed the description of the scope of the contract, the ABC, and contract duration; b. Discussed relevant information and confirmed that the procurement is in accordance with the project procurement management | 4. From the <i>Minutes of Pre-Procurement Conference</i> look for information on the presentation of the scope of the contract, the ABC, and contract duration, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the description of the scope of the contract, that there was no splitting, the ABC, and the contract duration. | Did the participants led by the BAC discuss and confirm the: a. Description of the scope of the contract? b. That there was no splitting? c. Revised ABC? d. Contract duration? | | | |

| Audit Sub-objective | | Suggested Auc | lit Wor | king I | |
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| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| plan (PPMP) and annual procurement plan (APP); | 5. From the <i>Minutes of</i> Pre-Procurement Conference look for | Did the participants led by the BAC discuss and confirm | | | Allswei |
| c. Discussed relevant information and confirmed readiness of the procurement at hand on the following: c.1. the availability of appropriations and programmed budget for contract; c.2. completeness of the Bidding Documents and their adherence to relevant general procurement | information on the presentation of the review of the PPMP and APP, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the procurement is in accordance with the PPMP and APP. | that the procurement is in accordance with the PPMP and APP? | | | |
| guidelines; c.3. completion of the detailed engineering according to the prescribed standards in the case of infrastructure projects; c.4. confirmation of the availability of ROW and the ownership of affected properties. d. Reviewed, modified and agreed on the criteria for eligibility screening, evaluation, and post- qualification; e. Reviewed and adopted the procurement schedule, including deadlines and timeframes, for the different activities; f. Reiterated and | 6. From the Minutes of Pre-Procurement Conference look for information on the presentation of information, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the readiness of the procurement at hand as to: a. availability of appropriations and programmed budget for the contract, b. completeness of the Bidding Documents and their adherence to the Philippine Bidding Documents (PBDs)/ customized Bidding | Did the participants led by the BAC discuss and confirm that the procurement at hand is ready as to: a. availability of appropriations and programmed budget for the contract? b. completeness of the Bidding Documents? c. adherence of the Bidding Documents with the PBDs/ customized Bidding Documents? | | | |
| emphasized the importance of confidentiality and the applicable sanctions and penalties, as well as agreed on measures to ensure compliance with the foregoing; g. Confirmed that there was no splitting; and h. identified the justification for the change in | Documents, c. completion of the detailed engineering according to the prescribed standards; d. availability of ROW and the ownership of affected properties. | d. completion of the detailed engineering according to the prescribed standards? e. availability of ROW and the ownership of affected properties? | | | |

| Accella Codo abda addos | | Suggested Auc | lit Wor | king F | Paper |
|--|--|---|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| the mode of procurement from public bidding to Negotiated Procurement and agreed on the recommendations to the HOPE. Generic Procurement Manual for the Procurement of Infrastructure Projects (May 2006) published by the GPPB: • Methodology: How is Negotiated Procurement conducted? | 7. From the <i>Minutes of</i> | Did the participants led by the BAC discuss and confirm the justifications for the change in the mode of procurement from public bidding to Negotiated Procurement and agreed on the recommendations to the HOPE? Did the participants | | | |
| The procedures for the conduct of public bidding should be observed. | Pre-Procurement Conference look for information on the presentation of the criteria | led by the BAC discuss and confirm the criteria for: | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 20.1 During the conference, the participants, led by the BAC, shall: a. Confirm the description and scope of the contract, the ABC, and contract duration; b. Ensure that the procurement is in accordance with the project and annual procurement plans; c. Determine the readiness of | for eligibility screening, price quotation evaluation, and post-qualification, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the criteria for eligibility screening, price quotation evaluation, and post-qualification. | a. Eligibility screening?b. Price Quotation evaluation?c. Post-qualification? | | | |
| the procurement at hand, including, among other aspects, the following: i) availability of appropriations and programmed budget for the contract; ii) completeness of the Bidding Documents and their adherence to relevant general procurement guidelines; iii) completion of the detailed engineering according to the prescribed standards in the case of infrastructure projects; iv) confirmation of the availability of ROW and the ownership of affected properties. d. Review, modify and agree on the criteria for eligibility screening, evaluation, and | 8. From the Minutes of Pre-Procurement Conference look for information on the presentation of the procurement schedule, including deadlines and timeframes for the different activities, the nocontact rule, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the adoption of the procurement schedule including deadlines and timeframes for the different activities. | Did the participants led by the BAC discuss and confirm the adoption of the procurement schedule including deadlines and timeframes for the different activities? | | | |



| | | Suggested Audit Working | | | Paper |
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| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| post-qualification; e. Review and adopt the procurement schedule, including deadlines and timeframes, for the different activities; and f. Reiterate and emphasize the importance of confidentiality and the applicable sanctions and penalties, as well as agree on measures to ensure compliance with the foregoing. | 9. From the <i>Minutes of</i> Pre-Procurement Conference look for information on the reiteration and emphasis of the importance of confidentiality and the applicable sanctions and penalties, as well as the agreement on measures to ensure compliance. | Did the participants led by the BAC reiterate and emphasize the importance of confidentiality and the applicable sanctions and penalties, as well as the agreement on measures to ensure compliance? | | | |
| 7.2. No procurement shall be undertaken unless it is in accordance with the approved APP of the procuring entity. The APP shall bear the approval of the Head of the Procuring Entity or second-ranking official designated by the Head of the Procuring Entity to act on his behalf, and must be consistent with its duly approved yearly budget. | | | | | |
| 48.2. In accordance with Section 10 of this IRR, as a general rule, the Procuring Entities shall adopt public bidding as the general mode of procurement and shall see to it that the procurement program allows sufficient lead time for such public bidding. Alternative methods shall be resorted to only in the highly exceptional cases provided for in this Rule. | | | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means | | | | | |

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|--|------------------|-------------------------------|-----|----|---------------------------------|
| A 111 G I I I I I I I I I I I I I I I I I | | Suggested Audit Working Paper | | | Paper |
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| the division or breaking up of | | | | | Allowei |
| GOP contracts into smaller | | | | | |
| quantities and amounts, or | | | | | |
| dividing contract implementation into artificial phases or sub- | | | | | |
| contracts for the purpose of | | | | | |
| evading or circumventing the | | | | | |
| requirements of law and this | | | | | |
| IRR, specially the necessity of public bidding and the | | | | | |
| requirements for the alternative | | | | | |
| methods of procurement. | | | | | |
| GPPB Circular 01-2009 dated 20 | | | | | |
| January 2009: | | | | | |
| 4.2. To facilitate the immediate | | | | | |
| implementation of projects even | | | | | |
| pending approval of the GAA, the ABC shall be based on the | | | | | |
| budget levels under the National | | | | | |
| Expenditure Program (NEP) | | | | | |
| submitted to Congress. | | | | | |
| 4.3. For specifically appropriated | | | | | |
| projects, agencies can proceed with the procurement activities | | | | | |
| prior to issuance of the notice of | | | | | |
| award using as basis the NEP | | | | | |
| figures. | | | | | |
| 4.4. For lump-sum appropriations and Centrally Managed Items (CMIs) | | | | | |
| under the agency's budget, the | | | | | |
| head of the agency shall | | | | | |
| identify and thereafter notify the | | | | | |
| implementing units (IUs) of the amount allocated for the | | | | | |
| projects they are to implement. | | | | | |
| On the basis of said notification, | | | | | |
| the heads of the respective IUs, | | | | | |
| as procuring entities, can proceed with the procurement | | | | | |
| activities prior to issuance of the | | | | | |
| notice of award. | | | | | |
| 4.5. For Multi-Year Projects (MYPs), | | | | | |
| for which the initial funding – sourced from either the | | | | | |
| existing/current year's budget or | | | | | |
| the NEP – is not sufficient to | | | | | |
| cover the total cost of the | | | | | |
| project, it is required that a | | | | | |
| Multi-Year Obligational Authority (MYOA) must already have been | | | | | |
| issued in accord with DBM | | | | | |
| Circular Letter 2004-012 prior to | | | | | |
| commencement of any | | | 1 | | |

| | | Suggested Audit Working Pape | | | Paper |
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| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| procurement activity. Thus, the MYOA shall be a pre-requisite for procurement of a multi-year contract. All procurement activities should be within the total project cost and categories reflected in the MYOA issued by DBP for the said MYP. 4.6. As prescribed under Section 47, Chapter 8, Subtitle B, Title I, Book V of the Administrative Code of 1987, no contract involving the expenditure of public funds shall be entered into unless the proper accounting official of the procuring entity shall have certified as to the availability of funds and the allotment to which the expenditure or obligation may be properly charged. | | | | | Answer |
| Definition: 3.1. Allotment - document issued by the Department of Budget and Management (DBM) which authorizes an agency to incur obligations for a specified amount as contained in a legislated appropriation. The allotment issued may either be trough the Agency Budget Matrix (ABM) which covers the comprehensive release of specifically appropriated items in the agency's budget or through the Special Allotment Release Order (SARO). | | | | | |
| 3.2. Annual Procurement Plan (APP) – the requisite document that the agency must prepare to reflect the entire procurement activity (i.e., goods, services, civil works to be procured) that it plans to undertake within the calendar year. This document contains the following information: 3.2.1. Name of the procurement program/project; 3.2.2. Project management | | | | | |

| A 111 G I I I I I I | | Suggested Audit Working Paper | | | aper |
|---|------------------|-------------------------------|-----|----|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| office or end-user unit; 3.2.3. General description of the procurement; 3.2.4. Procurement method to be adopted; 3.2.5. Time schedule for each procurement activity; 3.2.6. Source of fund; and 3.2.7. Approved Budget for the Contract. | | | | | Allswei |
| 3.3. Approved Budget for the Contract (ABC) – refers to the following: NGs including SUCs (referred to in Section 2.1) 3.3.1. For specifically appropriated items as reflected in the annual budget of the national government agency, the amount corresponding to either the full cost of a single year or multi-year program/project/activity. For multi-year projects, for which a Multi-year projects, for which a Multi-Year Obligational Authority has been issued, the ABC shall be the amount reflected in the Multi-Year Obligational Authority. GOCCs and LGUs (referred to in Section 2.2) 3.3.3. In the case of GOCCs, including government financial institutions as well as LGUs, the ABC represents the amount of fund transfers which they receive from a national government agency to implement a program/project/activity. 3.5. Lump-Sum Appropriations and Centrally Management Items (CMIs) – those itme in the budget of agencies for which the Implementing Units and the | | | | | |
| specific amounts allocated for each have not been identified in the National Expenditure Program (NEP) or the General Appropriations Act (GAA). | | | | | |
| 3.8. Multi-Year Obligational Authority (MYOA) – a document issued by the DBM either for locally funded projects or foreign assisted projects implemented by | | | | | |

| Audit Sub-objective | | Suggested Au | | | |
|--|--|------------------------|----------|-------|---------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| agencies in order to authorize the latter to enter into multi-year contracts for the full project cost. A MYOA, which contains an annual breakdown of the full project cost, obligates agencies to include in their budget proposal for the ensuring years the amount programmed for the said year(s). 3.9. National Expenditure Program (NEP) – the proposed national budget submitted by the President to Congress in accord with Section 22, Article VII of the Constitution. The NEP shall be the basis of the general appropriations bill, which upon its enactment, becomes the General Appropriations Act (GAA). | | | | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COM | MUNICATING THE I | RESUL | TS OI | F AUDIT |
| 1. To verify the effects of | Analyze the instances of | | | | |
| instances of non-compliance | non-compliance to establish the effects and | Appropriate Audit Worl | king Pap | oers | |
| on the: | develop appropriate audit | | | | |
| a. validity of the procurement activities and outputs including the validity of the resulting contract; | recommendations. Also determine if appropriate actions were | | | | |
| b. validity of any payment to | taken by the auditee in | | | | |
| be made on the basis of the contract; | regard to instances of non-compliance. | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate | Analyze the instances of non-compliances to establish the cause(s) and | Appropriate Audit Worl | king Pap | oers | |



| | | Suggested Aud | dit Wor | king F | Paper |
|--|--|---------------------------------|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| audit recommendations | develop appropriate audit recommendations. Also determine if | | | | |
| | appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memapplicable | norandu | m (AO | M), if |
| the Use of the Rules and Regulations on Settlement of Accounts | | | | | |

Negotiated Procurement of Infrastructure Projects After Two (2) Failed Biddings

IV. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Negotiated Procurement (Two-Failed Biddings) was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the approved *Minutes of Pre-Procurement Conference* duly certified by the BAC Secretariat;
- 2. BAC Resolution recommending negotiated procurement, duly approved by the HOPE;

| | | Suggested Audit Working Paper | | | | |
|--|--|--|-----|----|---------------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| 1. To verify if through a Resolution the BAC presented two (2) failed biddings as the justification for the negotiated procurement and recommended the change in the mode of procurement to the HOPE for approval Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 1. From the BAC Resolution, look for information on the BAC's justification, that is, two failed biddings and the recommendation for the change in the mode of procurement to the HOPE for approval. | Did the BAC through a Resolution present two (2) failed biddings as the justification for the negotiated procurement and recommend change in the mode of procurement to the HOPE for approval? | | | | |
| 35.5. Should there occur a second failure of bidding, the procuring entity may resort to negotiated procurement, as provided for in Section 53.1 of this IRR. | | | | | | |
| • 53.1. Two Failed Biddings. Where there has been failure of public bidding for the second time as provided in Section 35 of the Act and this IRR. | | | | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE | | | | | | |

| Andre C. L. Live | | Suggested Aud | dit Wor | king F | Paper |
|---|--|--|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify if the BAC: a. recommended the alternative mode of procurement: Negotiated Procurement to the HOPE, and b. the HOPE approved the alternative method of procurement | 2. From the BAC Resolution recommending Negotiated Procurement as the method of procurement, look for the approval of the HOPE. | Did the BAC recommend the alternative mode of procurement: Negotiated Procurement to the HOPE? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | approve Negotiated Procurement as the method of procurement? | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| EVALUATING AUDIT EVIDENCES G | ATHERED AND COMMUNI | CATING THE RESUL | TS OF | AUD | IT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if | Appropriate Audit Work | ing Par | oers | |
| resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. | appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |

| | | Suggested Aud | lit Wor | king F | Paper |
|---|---|------------------------------------|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | h Appropriate Audit Working Papers | | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit | e applicable | | | |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | to Management | | | | |

Negotiated Procurement of Infrastructure Projects After Two (2) Failed Biddings

V. SELECTION OF CONTRACTORS AND REQUEST FOR SUBMISSION OF PRICE QUOTATIONS

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Negotiated Procurement was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. BAC Resolution recommending negotiated procurement, duly approved by the HOPE;
- 2. Minutes of the BAC's meetings on the selection and invitation of contractors;
- 3. List of selected contractors to be invited;
- 4. Copies of invitation letters.

| | | Suggested Audit Working Paper | | | | |
|---|---|--|-----|----|------------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| 1. To verify if the BAC used the Procuring Entity's registry of contractors (bona fide contractors licensed with the CIAP whose eligibility documents are on file with the Procuring Entity concerned) or the Department of Public Works and Highways (DPWH) Contractors' Registry, and | 1. From the Minutes of the BAC meetings, TWG evaluation reports supported with copies of the Procuring Entity's Registry of Contractors and/or the DPWH Contractors' Registry, look for information on the basis of identification of the contractors to be invited for the negotiations and the list of identified contractors | Did the BAC use the Procuring Entity's registry of contractors who have been classified under the type of contract/project where the subject contract falls, as one of the bases for selecting the contractors to be | | | Allswei | |
| who have been classified under the type of contract/project where the subject contract falls as basis for selecting the contractors to be invited for the negotiations | based on the agreed-upon basis. | invited for the negotiations? Did the BAC use the DPWH Registry of contractors who | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | have been classified under the type of | | | | |
| 53.1.2. The BAC shall invite and engage in negotiations with a sufficient number of contractors to ensure effective competition. 53.1.2.1. In the case of infrastructure projects, bona-fide contractors licensed with the CIAP whose eligibility documents are on file with the | | contract/project where the subject contract falls, as one of the bases for selecting the contractors to be invited for the negotiations? | | | | |

| | | Suggested | Audit | Work | ing Paner |
|--|--|---|-------|------|------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| procuring entity concerned or the DPWH Contractors' Registry, as the case may be, and who have been classified under the type of contract/ project where the subject contract falls are eligible to be invited for negotiation. Other contractors not previously deemed eligible may also apply for eligibility. | | Did the BAC arrive at a list of contractors to be invited as agreed during the meetings conducted for the purpose? | | | |
| 53.1.2.2. All Procuring Entities shall maintain a registry of contractors as basis for selecting the contractors for negotiations. | | | | | |
| 2. To verify if the BAC invited all contractors identified from the Registry (ies) and other bases adopted by the BAC for the purpose | 2. Compare the names of the contractors to whom invitations have been sent by the BAC (with evidence of receipt) with the list of selected contractors. | Did the BAC invite and engage in negotiations with a sufficient number of contractors? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | |
| 53.1.2. The BAC shall invite and engage in <u>negotiations with a</u> <u>sufficient number of contractors to</u> <u>ensure effective competition</u> . | | | | | |
| 53.1.2.1. In the case of infrastructure projects, bona fide contractors licensed with the CIAP whose eligibility documents are on file with the procuring entity concerned or the DPWH Contractors' Registry, as the case may be, and who have been classified under the type of contract/project where the subject contract falls are eligible to be invited for negotiation. Other | | | | | |
| contractors not previously deemed eligible may also apply for eligibility. | | | | | |
| 3. To verify if the BAC posted the Request for Submission of Price Quotations continuously in the PhilGEPS website and the website of the procuring entity concerned, if available, for 7 calendar days starting on the date of posting Implementing Rules and Regulations | Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. On the first day of posting access the PhilGEPS website, the website of the procuring entity concerned, if available. Print the page where the notice was posted | Did the BAC post the Request for Submission of Price Quotations continuously in the: 1. PhilGEPS website for 7 calendar days starting on the date of | | | |

| | | Suggested | d Audit | Work | ing Paper |
|---|---|---|---------|------|------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| (IRR) of RA 9184, as amended on September 2, 2009: | (to form part of the audit evidences). | advertisement? | | | |
| 54.2. For alternative methods of procurement, advertisement and posting as prescribed in Section 21.2.1 of this IRR may be dispensed with: Provided, however, That the BAC, through its Secretariat, shall post the invitation or request for submission of price quotations for Shopping under Sections 52.1(b) and Negotiated Procurement under Sections 53.1 (two-failed biddings) and 53.9 (small value procurement) of this IRR in the PhilGEPS website, the website of the procuring entity concerned, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity for a period of seven (7) calendar days. | 5. Access the websites at random during the 7-day period to verify the postings. OR From the printouts of the web pages indicating the dates of printing, obtained from and duly certified by the BAC Secretariat as true and correct, compare these dates with the required dates of posting. | 2. website of the procuring entity concerned, if available, for 7 calendar days starting on the date of advertisement? | | | |
| 4. To verify if the BAC posted the Request for Submission of Price Quotation continuously at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the BAC Secretariat of the procuring entity Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 54.2. For alternative methods of procurement, advertisement and posting as prescribed in Section 21.2.1 of this IRR may be dispensed with: Provided, however, That the BAC, through its Secretariat, shall post the invitation or request for submission of price quotations for Shopping under Sections 52.1(b) and Negotiated Procurement under Sections 53.1 (two-failed biddings) and 53.9 (small value procurement) of this IRR in the PhilGEPS website, the website of | 6. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. 7. Conduct ocular inspection on the first day of posting. 8. Repeat the ocular inspections (may be at random) during the 7-day period to verify the postings. 9. Request for the certification of the head of the BAC Secretariat. | Did the BAC post the <i>Invitation to Bid</i> : 1. continuously for seven (7) calendar days? 2. at the conspicuous place reserved for the purpose in the premises of the procuring entity? 3. as certified by the head of the BAC Secretariat of the procuring entity? | | | |

| | | Suggested Audit Working Paper | | | | |
|--|---|----------------------------------|----------|--------|---------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| available, and at any <u>conspicuous</u> <u>place</u> reserved for this purpose in the premises of the procuring entity for a <u>period of seven (7)</u> <u>calendar days.</u> | | | | | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COMM | UNICATING THE I | RESUL | TS O | F AUDIT | |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were | Appropriate Audit Working Papers | | | | |
| b. validity of any payment to be made on the basis of the contract; | taken by the auditee in regard to instances of non-compliance. | | | | | |
| c. etc. | | | | | | |
| and develop appropriate audit recommendations | NOTE: | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit W | orking I | Papers | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |

| | | Suggested Audit Working Paper | | | | |
|---|--|---|-----|----|--------------------|--|
| Audit Sub-objective | Audit Activities | Audit Question | Yes | No | Particulars of the | |
| • Audit Criteria | | | | | Answer | |
| 3. To communicate the results of the audit with the auditee's Management | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit | Audit Observation Memorandum (AOM), if applicable | | | | |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | to Management | | | | | |

NOTES:

- 1. Based on the following requirement of the Generic Procurement Manual for the Procurement of Infrastructure Projects (May 2006) published by the GPPB:
 - Methodology: How is Negotiated Procurement conducted?

The procedures for the conduct of public bidding should be observed.

for the rest of the procurement procedures up to the award of the contract, the *Audit Guide on the Procedures: Competitive/Public Bidding* are to be observed with particular attention given to compliance by the BAC of the following provisions of the Revised IRR of RA 9184 during bid evaluation up to award:

- 53.1.4. Following completion of the negotiations, the procuring entity shall request all suppliers, contractors, or consultants remaining in the proceedings to submit, on a specified date, a best and final offer with respect to all aspects of their proposals.
- 53.1.5. The procuring entity shall select the successful offer on the basis of such best and final offers which should meet the procuring entity's minimum technical requirements and should not exceed the ABC.

and to the following provision of the Revised IRR of RA 9184:

• 53.1.6. In all stages of the negotiations, observers shall be invited

2. Other relevant criteria

Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009:

- 53.1.3. Any requirements, guidelines, documents, clarifications, or other information relative to the negotiations that are communicated by the procuring entity to a supplier, contractor, or consultant shall be communicated on an equal basis to all other suppliers, contractors, or consultants engaging in negotiations with the procuring entity relative to the procurement.
- 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or subcontracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement.



- 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.
- 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).

On the Procurement Procedures:

NEGOTIATED PROCUREMENT
OF INFRASTRUCTURE PROJECTS

EMERGENCY CASES

Procurement Procedures: NEGOTIATED PROCUREMENT OF INFRASTRUCTURE PROJECTS EMERGENCY CASES

Negotiated Procurement is a method of procurement of infrastructure projects whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable contractor in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Take-Over of Contracts, (4) Adjacent or Contiguous, (5) Agency-to-Agency, (6) Small Value Procurement, (7) NGO Participation, (8) Community Participation.

Emergency Cases - In case of imminent danger to life or property during a state of calamity, or when time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities.

I. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Negotiated Procurement in Emergency Cases was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- copy of the approved *Minutes of Pre-Procurement Conference* duly certified by the BAC Secretariat:
- 2. BAC Resolution recommending negotiated procurement, duly approved by the HOPE;

| | | Suggested A | udit Wor | king F | Paper |
|--|--|------------------------------------|----------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC validated the existence of an emergency as | From the BAC Resolution, look for | Did the BAC validation of an | | | |
| follows: | information on the BAC's | emergency as | | | |
| a. imminent danger to life or | validation of an emergency as follows: | follows: | | | |
| property during a state of calamity, or | a. imminent danger to life or property during a | a. imminent danger to life or | | | |
| b. time is of the essence arising | state of calamity, or | property during | | | |
| from natural or man-made calamities or other causes | b. time is of the essence arising from natural or | a state of calamity? | | | |
| where immediate action is | man-made calamities | | | | |
| necessary to prevent damage | or other causes where immediate action is | or b. time is of the | | | |
| to or loss of life or property, or to restore vital public services, | necessary to prevent | essence arising | | | |
| infrastructure facilities and | damage to or loss of life or property, or to | from natural or man-made | | | |
| other public utilities | restore vital public | calamities or | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on | services, infrastructure facilities and other public utilities | other causes where immediate | | | |

| | | Suggested A | udit Wo | rking F | Paper |
|--|---|--|---------|---------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| September 2, 2009: 53.2. Emergency Cases. In case of imminent danger to life or property during a state of calamity, or when time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities. | | action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities? | | | 7.11.53110. |
| 2. To verify if the BAC validated the justification for adoption of the alternative method of procurement: Negotiated Procurement and through a Resolution recommended said method to the HOPE for approval Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 48.1. Subject to the prior approval of the Head of the Procuring Entity, and whenever justified by the conditions provided in this Act, the procuring entity may, in order to promote economy and efficiency, resort to any of the alternative methods of procurement provided in this Rule. In all instances, the procuring entity shall ensure that the most advantageous price for the Government is obtained. 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | 2. From the BAC Resolution, look for information on the BAC's validation of the justification for adoption of the alternative method of procurement: Negotiated Procurement and recommended said method to the HOPE for approval. | Did the BAC validate the justification for adoption of the alternative method of procurement: Negotiated Procurement and recommended said method to the HOPE for approval? | | | |
| 3. To verify if the HOPE approved the alternative method of procurement: Negotiated Procurement | 3. From the BAC Resolution recommending the negotiated procurement as an alternative method, | Did the HOPE approve Negotiated Procurement as the method of | | | |

| | | Suggested A | udit Wo | rking F | Paper |
|---|--|----------------------------------|-----------|---------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | look for the approval of the HOPE. | procurement? | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| EVALUATING AUDIT EVIDENCES G | | NICATING THE RE | SULTS | OF AL | JDIT |
| 1. To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Working Papers | | | |
| and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Wo | orking Pa | pers | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |



| A 111 G 1 1 1 1 1 1 | | Suggested Audit Working Paper | | | |
|---|--|------------------------------------|----------|-------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Me applicable | emorandu | m (AO | M), if |

NOTES:

- 1. Based on the following requirement of the Generic Procurement Manual for the Procurement of Infrastructure Projects (May 2006) published by the GPPB:
 - Methodology: How is Negotiated Procurement conducted?

The procedures for the conduct of public bidding should be observed.

for the rest of the procurement procedures up to the award of the contract, the Audit Guide on the Procedures: Competitive/Public Bidding are to be observed.

2. Other relevant criteria

Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009:

- 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or subcontracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement.
- 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.
- 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).

On the Procurement Procedures:

NEGOTIATED PROCUREMENT OF INFRASTRUCTURE PROJECTS

TAKE-OVER OF CONTRACTS

Procurement Procedures: NEGOTIATED PROCUREMENT OF INFRASTRUCTURE PROJECTS TAKE-OVER OF CONTRACTS

Negotiated Procurement is a method of procurement of infrastructure projects whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable contractor in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Take-Over of Contracts, (4) Adjacent or Contiguous, (5) Agency-to-Agency, (6) Small Value Procurement, (7) NGO Participation, (8) Community Participation.

Take-over of contracts, which have been rescinded or terminated for causes provided for in the contract and existing laws, where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities.

I. PREPARATORY ACTIVITY: REGISTRY OF CONTRACTORS

A. AUDIT OBJECTIVE

To determine if the Procuring Entity developed and maintained a Registry of Contractors

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for evaluation:

• Documentation on the Registry of contractors maintained by the Procuring Entity

| Audit Sub-objective | | | | | |
|--|------------------------------------|----------------------------|----------|--------|--------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the |
| | | | | | Answer |
| 1. To verify if the procuring | 1. Obtain a copy of the | Did the Procuring | | | |
| entity maintained a registry | registry of contractors | Entity <u>maintain</u> a | | | |
| of contractors as basis for | maintained by the | registry of contractors as | | | |
| selecting the contractors for | Procuring Entity. | basis for selecting | | | |
| negotiations | | the contractors for | | | |
| | | negotiations? | | | |
| Implementing Rules and Regulations | | 3 | | | |
| (IRR) of RA 9184, as amended on | | | | | |
| September 2, 2009: • 53.1.2.2. All Procuring Entities | | | | | |
| shall maintain a registry of | | | | | |
| contractors as basis for selecting | | | | | |
| the contractors for negotiations. | | | | | |
| | | | | | |
| EVALUATING AUDIT EVIDENCE | | UNICATING THE F | RESUL | TS O | F AUDIT |
| 1. To verify the effects of | Analyze the instances of | | | | |
| instances of non-compliance | non-compliance to establish | Appropriate Audit Wo | orking F | Papers | |
| on the: | the effects and develop | | | | |
| a. validity of the procurement | appropriate audit recommendations. | | | | |
| activities and outputs | recommendations. | | | | |
| including the validity of the | Also determine if | | | | |
| resulting contract; | appropriate actions were | | | | |
| b. validity of any payment to | taken by the auditee in | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|-------------------------------|----------|--------|------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| be made on the basis of the contract; c. etc. | regard to instances of non-compliance. | | | | | |
| and develop appropriate audit recommendations | NOTE: | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | omo riador Giarde. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Wo | orking F | Papers | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Me | emoran | dum (| AOM), if applicable | |

Negotiated Procurement of Infrastructure Projects TAKE-Over of Contracts

II. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Negotiated Procurement (Take-Over) was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the approved minutes of BAC meetings duly certified by the BAC Secretariat;
- 2. BAC Resolution recommending negotiated procurement, duly approved by the HOPE

| | | Suggested Aud | dit Wor | king F | Paper |
|--|---|--|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| To verify if the BAC validated: that the contract for the project has been terminated or rescinded; and there is a need for immediate action to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 53.3. Take-over of contracts, which have been rescinded or terminated for causes provided for in the contract and existing laws, where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities. | 1. From the minutes of BAC meetings look for information on the BAC's validation: a. that the contract for the project has been terminated or rescinded; and b. there is a need for immediate action to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities. | a. that the contract for the project has been terminated or rescinded? and b. there is a need for immediate action to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities? | | | |
| 2. To verify if the BAC validated the justification for adoption of the alternative method of procurement: Negotiated Procurement (Take-Over of Contracts) and through a Resolution recommended said method to the HOPE for approval | 2. From the BAC Resolution, look for information on the BAC's validation of the justification for adoption of the alternative method of procurement: Negotiated Procurement (Take-Over) and recommended said method to the HOPE for approval. | Did the BAC validate the justification for adoption of the alternative method of procurement: Negotiated Procurement (Take- Over) and recommend said method to the HOPE for approval? | | | |

| | | Suggested Audit Working Paper | | | |
|---|---|---|-----|----|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| (IRR) of RA 9184, as amended on September 2, 2009: | | | | | |
| 48.1. Subject to the <u>prior approval of</u> the Head of the Procuring Entity, and whenever justified by the conditions provided in this Act, the procuring entity may, in order to promote economy and efficiency, resort to any of the alternative methods of procurement provided in this Rule. In all instances, the procuring entity shall ensure that the most advantageous price for the Government is obtained. 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| 3. To verify if the HOPE approved the alternative method of procurement: Negotiated Procurement (Take-Over) | 3. From the BAC Resolution recommending the negotiated procurement as an alternative method, look for the approval of the HOPE. | Did the HOPE approve <i>Negotiated</i> <i>Procurement</i> as the method of procurement? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | TIOI E. | | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| 53.3.3. Authority to negotiate contracts for projects under these exceptional cases shall be subject to prior approval by the Heads of the Procuring Entities concerned, within their respective limits of approving authority. | | | | | |

| | | Suggested Audit Working Paper | | | | |
|--|---|------------------------------------|-----|----|--------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the | |
| | | | | | Answer | |
| 4. To communicate the results of the audit/validation with management | 4. Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit | Audit Observation Memorandum (AOM) | | | | |
| COA Circular No. 2009-006 dated September 15, 2009 re- Rules and Regulations on Settlement | to management | | | | | |

Negotiated Procurement of Infrastructure Projects Take-Over of Contracts

III. NEGOTIATION

A. AUDIT OBJECTIVE:

To verify if the negotiation conducted were as required

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. BAC Resolution recommending negotiated procurement, duly approved by the HOPE;
- 2. Documentation preliminary to inviting the second LCB for negotiation, including the invitation;
- 3. Minutes of the BAC's meetings on the negotiations;
- 4. Minutes of the BAC's meetings on the selection of the BAC Observers;
- 5. Invitation letters for the BAC Observers, duly received by them;
- 6. Reports of the BAC Observers.

| | | Suggested Audit Working Paper | | | | |
|---|--|---|-----|----|------------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| NEGOTIATION WITH THE SECOND LCB FOR THE PROJECT | | | | | | |
| 1. To verify if the BAC negotiated the contract starting with the bidder with the second lowest calculated bid for the project under consideration at the bidder's original bid price | From the Minutes of the BAC meetings, TWG evaluation reports with supporting documents duly reviewed by the BAC, look for information on the BAC's negotiations. | Did the BAC negotiate the contract starting with the second lowest calculated bid at the bidder's original price? | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 53.3 53.3.1. The contract may be negotiated starting with the second lowest calculated bidder for the project under consideration at the bidder's original bid price. 53.3.2. If negotiation fails, 53.3.3. Authority to negotiate contracts for projects under these exceptional cases shall be subject to prior approval by the Heads of the Procuring Entities concerned, within their respective limits of approving authority. | NOTES: If negotiation prospered, proceed to Post-qualification then Award using the Audit Guide for Competitive/Public Bidding for Infrastructure Projects. If negotiation failed, proceed to the next audit Sub-objective. | | | | | |

| | | Suggested | Audit \ | Norkir | ng Paner |
|---|---|--|---------|--------|---------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| WHEN NEGOTIATION WITH TH | E SECOND LCB FOR THE I | PROJECT FAILED | l | | |
| 1. When the negotiation with the second LCB failed, to verify if the BAC negotiated the contract with the bidder with the third lowest calculated bid for the project under consideration at the bidder's original bid price Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | From the Minutes of the BAC meetings, TWG evaluation reports with supporting documents duly reviewed by the BAC, look for information on the BAC's negotiations. | When the negotiation with the second LCB failed, did the BAC negotiate the contract with the third lowest calculated bid at the bidder's original price? | | | |
| 53.3 53.3.1 53.3.2. If negotiation fails, then negotiation shall be done with the third lowest calculated bidder at his original price. If the negotiation fails again, a short list of at least three (3) eligible contractors shall be invited to submit their bids, and negotiation shall be made starting with the lowest calculated bidder. 53.3.3. Authority to negotiate contracts for projects under these exceptional cases shall be subject to prior approval by the Heads of the Procuring Entities concerned, within their respective limits of approving authority. | NOTES: If negotiation prospered, proceed to Postqualification then Award using the Audit Guide for Competitive/ Public Bidding for Infrastructure Projects. If negotiation failed, proceed to the next audit Sub-objective. | | | | |
| WHEN NEGOTIATION WITH TH | E THIRD LCB FOR THE PR | OJECT FAILED | | | |
| 1. To verify if the BAC used the Procuring Entity's registry of contractors (bona fide contractors licensed with the CIAP whose eligibility documents are on file with the Procuring Entity concerned) or the Department of Public Works and Highways (DPWH) Contractors' Registry, and who have been classified under the type of contract/project where the subject contract falls as basis for preparing the shortlist of contractors to be invited for | 1. From the Minutes of the BAC meetings, TWG evaluation reports supported with copies of the Procuring Entity's Registry of Contractors and/or the DPWH Contractors' Registry, look for information on the basis of identification of the contractors to be invited for the negotiations and the shortlist of identified contractors. | Did the BAC use the Procuring Entity's registry of contractors who have been classified under the type of contract/project where the subject contract falls, as one of the bases for selecting the contractors to be invited for the negotiations? | | | |



| | | Suggested | Audit \ | Workii | ng Paper |
|---|---|---|---------|--------|---------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Audit Criteria the negotiations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 53.3 53.3.1 53.3.2. If negotiation fails, then negotiation shall be done with the third lowest calculated/highest rated bidder at his original price. If the negotiation fails again, a short list of at least three (3) eligible contractors shall be invited to submit their bids, and negotiation shall be made starting with the lowest calculated bidder. 53.1.2.2. All Procuring Entities shall maintain a registry of contractors as basis for selecting the contractors for negotiations. 2. To verify if the BAC invited at least three short listed contractors to submit their bids Implementing Rules and Regulations | 2. Compare the names of the contractors to whom invitations have been sent by the BAC (with evidence of receipt) with the contractors in the shortlist. | Did the BAC use the DPWH Registry of contractors who have been classified under the type of contract/project where the subject contract falls, as one of the bases for selecting the contractors to be invited for the negotiations? Did the BAC arrive at the shortlist of contractors to be invited using the criteria and procedures as agreed during the meetings conducted for the purpose? Did the BAC invite at least three (3) short listed contractors to submit their bids? | | | the Answer |
| (IRR) of RA 9184, as amended on September 2, 2009: • 53.3.2. If negotiation fails, then negotiation shall be done with the third lowest calculated bidder at his original price. If the negotiation fails again, a short list of at least three (3) eligible contractors shall be invited to submit their bids, and negotiation shall be made starting with the lowest calculated bidder. 3. To verify if the BAC negotiated starting with the bidder with the lowest calculated bid (LCB) Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 53.3.2. If negotiation fails, then | NOTE: Proceed to the Audit Guide on Bid Evaluation and onwards under Competitive/Public Bidding for Infrastructure Projects. | Did the BAC negotiate starting with the bidder with the lowest calculated bid? | | | |

| | | Suggested Audit Working Paper | | | |
|---|--|-------------------------------|-----|----|------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| negotiation shall be done with the third lowest calculated/highest rated bidder at his original price. If the negotiation fails again, a short list of at least three (3) eligible contractors shall be invited to submit their bids, and negotiation shall be made starting with the lowest calculated/highest rated bidder. | QUESTION: What will happen if after negotiation which prospered, the bidder was post-disqualified? | | | | |

NOTES:

- 1. Based on the following requirement of the Generic Procurement Manual for the Procurement of Infrastructure Projects (May 2006) published by the GPPB:
 - o Methodology: How is Negotiated Procurement conducted?

...
The procedures for the conduct of public bidding should be observed.

for the rest of the procurement procedures up to the award of the contract, the Audit Guide on the *Procedures: Competitive/Public Bidding* are to be observed.

2. Other relevant criteria

Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009:

- 53.1.3. Any requirements, guidelines, documents, clarifications, or other information relative to the negotiations that are communicated by the procuring entity to a supplier, contractor, or consultant shall be communicated on an equal basis to all other suppliers, contractors, or consultants engaging in negotiations with the procuring entity relative to the procurement.
- 53.1.6. In all stages of the negotiations, observers shall be invited.
- 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement.
- 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.
- 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).



On the Procurement Procedures:

NEGOTIATED PROCUREMENT
OF INFRASTRUCTURE PROJECTS

ADJACENT OR CONTIGUOUS

Procurement Procedures: NEGOTIATED PROCUREMENT OF INFRASTRUCTURE PROJECTS ADJACENT OR CONTIGUOUS

Negotiated Procurement is a method of procurement of infrastructure projects whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable contractor in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Take-Over of Contracts, (4) Adjacent or Contiguous, (5) Agency-to-Agency, (6) Small Value Procurement, (7) NGO Participation, (8) Community Participation.

Adjacent or Contiguous - Where the subject contract is adjacent or contiguous to an on-going Infrastructure Project

I. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Negotiated Procurement (Adjacent or Contiguous) was in accordance with rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 3. copy of the approved minutes of BAC meetings duly certified by the BAC Secretariat;
- 4. BAC Resolution recommending negotiated procurement, duly approved by the HOPE.

| | | Suggested Audit Working Paper | | | |
|---|---|--|-----|----|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC validated that: a. the project is adjacent or contiguous to an on-going Infrastructure Project; b. that the original contract is the result of a Competitive Bidding; c. the subject contract to be negotiated has similar or related scopes of work; d. it is within the contracting capacity of the contractor; e. the contractor uses the same prices or lower unit prices as in the original contract less | 1. From the minutes of BAC meetings look for information on the BAC's validation that: a. adjacent or contiguous to an on-going Infrastructure Project; b. that the original contract is the result of a Competitive Bidding; c. the subject contract to be negotiated has similar or related scopes of work; d. it is within the contracting capacity of the contractor; e. the contractor uses the | Did the BAC validate that: a. the project is adjacent or contiguous to an on-going Infrastructure Project? b. that the original contract is the result of a Competitive Bidding? | | | |



| | | Suggested Aud | dit Wor | king F | Paper |
|---|---|---|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| f. the amount involved does not exceed the amount of the ongoing project; g. the contractor has no negative slippage/delay; h. the negotiations for the procurement are commenced before the expiry of the original contract. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 53.4. Adjacent or Contiguous. Where the subject contract is adjacent or contiguous to an on-going Infrastructure Project or Consulting Service where the consultants have unique experience and expertise to deliver the required service: Provided, however, That (a) the original contract is the result of a Competitive Bidding; (b) the subject contract to be negotiated has similar or related scopes of work; (c) it is within the contracting capacity of the contractor/consultant uses the same prices or lower unit prices as in the original contract less mobilization cost; (e) the amount involved does not exceed the amount of the ongoing project; and (f) the contractor/ consultant has no negative slippage/delay: Provided, further, That negotiations for the procurement are commenced before the expiry of the original contract. | same prices or lower unit prices as in the original contract less mobilization cost; f. the amount involved does not exceed the amount of the ongoing project; g. the contractor has no negative slippage/delay, h. the negotiations for the procurement are commenced before the expiry of the original contract. | c. the subject contract to be negotiated has similar or related scopes of work;? d. it is within the contracting capacity of the contractor? e. the contractor uses the same prices or lower unit prices as in the original contract less mobilization cost? f. the amount involved does not exceed the amount of the ongoing project? g. the contractor has no negative slippage/delay? h. the negotiations for the procurement are commenced before the expiry of the original contract? | | | Allswei |
| 2. To verify if the BAC validated the justifications for adoption of the alternative method of procurement: Negotiated Procurement (Adjacent or Contiguous) and through a Resolution recommended said method to the HOPE for approval Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 48.1. Subject to the prior approval of the Head of the Procuring Entity, and | 2. From the BAC Resolution, look for information on the BAC's validation of the justification for adoption of the alternative method of procurement: Negotiated Procurement (Adjacent or Contiguous) and recommended said method to the HOPE for approval. | Did the BAC validate the justification for adoption of the alternative method of procurement: Negotiated Procurement (Adjacent or Contiguous) and recommend said method to the HOPE for approval? | | | |

| | | Suggested Audit Working Paper | | | |
|--|---|---|----------|-----|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| whenever justified by the conditions provided in this Act, the procuring entity may, in order to promote economy and efficiency, resort to any of the alternative methods of procurement provided in this Rule. In all instances, the procuring entity shall ensure that the most advantageous price for the Government is obtained. • • 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | Allswei |
| 3. To verify if the HOPE approved the alternative method of procurement: Negotiated Procurement (Adjacent or Contiguous) | 3. From the BAC Resolution recommending the negotiated procurement as an alternative method, look for the approval of the HOPE. | Did the HOPE approve Negotiated Procurement (Adjacent or Contiguous) as the method of | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | procurement? | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| EVALUATING AUDIT EVIDENCES G | | CATING THE RESUL | TS OF | AUD | İIT |
| 1. To verify the effects of instances of non-compliance on the: | Analyze the instances of non-compliance to establish the effects and develop appropriate audit | Appropriate Audit Work | king Par | ers | |
| a. validity of the procurement activities and outputs including the validity of the | recommendations. Also determine if | | | | |

| Accella Code 111 11 | | Suggested Au | Paper | | |
|---|---|----------------------------------|---------|-------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| resulting contract; | appropriate actions were | | | | |
| b. validity of any payment to be made on the basis of the contract; | taken by the auditee in regard to instances of non-compliance. | | | | |
| c. etc. | | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Working Papers | | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit | Audit Observation Mer applicable | norandu | m (AO | M), if |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | to Management | | | | |

Negotiated Procurement of Infrastructure Projects Adjacent or Contiguous

II. NEGOTIATION

A. AUDIT OBJECTIVE:

To verify if the **negotiations** conducted were as required

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. BAC Resolution recommending negotiated procurement, duly approved by the HOPE;
- 2. Documentation preliminary to inviting the contractor with the on-going adjacent or contiguous project for negotiation, including the invitation;
- 3. copy of contract for the on-going adjacent or contiguous project;
- 3. Minutes of the BAC's meetings on the negotiations;
- 4. Minutes of the BAC's meetings on the selection of the BAC Observers;
- 5. Invitation letters for the BAC Observers, duly received by them;
- 6. Reports of the BAC Observers.

| | | Suggested Audit Working Paper | | | |
|---|--|--|-----|----|---------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Audit Criteria 1. To verify if the BAC negotiated the contract with the contractor of the ongoing adjacent or contiguous project identified during the evaluation/deliberations and as approved by the HOPE Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 53.4. Adjacent or Contiguous. Where the subject contract is adjacent or contiguous to an ongoing Infrastructure Project or Consulting Service where the consultants have unique experience and expertise to deliver the required service: Provided, however, That (a) the original contract is the result of a Competitive Bidding; (b) the subject contract to be negotiated has similar or related scopes of work; (c) it is within the contracting capacity of the contractor/consultant; (d) the | 1. From the Minutes of the BAC meetings, TWG evaluation reports with supporting documents duly reviewed by the BAC, look for information on the BAC's negotiations. 2. From the Minutes of the BAC meetings, TWG evaluation reports with supporting documents, duly reviewed by the BAC, and the contract for the on-going adjacent or contiguous project, check if the name of the contractor is the same. NOTES: If negotiations prospered, proceed to Award using the Audit Guide for Competitive/ | Did the BAC negotiate the contract with the contractor of the on-going adjacent or contiguous project identified during the evaluation/delibera tions and as approved by the HOPE? | | | the Answer |
| contractor/consultant, (d) the contractor/consultant uses the same prices or lower unit prices as in the original contract less mobilization | Public Bidding for Infrastructure Projects. | | | | |
| cost; (e) the amount involved does not exceed the amount of the | If negotiations failed, | | | | |

| | | Suggested Audit Working Paper | | | | |
|---|--|----------------------------------|------|------|---------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| ongoing project; and (f) the contractor/ consultant has no negative slippage/delay: Provided, further, That negotiations for the procurement are commenced before the expiry of the original contract. | the project is to be subjected to competitive/public bidding. For the audit, adopt the Audit Guide for Competitive/Public Bidding for Infrastructure Projects. | | | | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COMMUI | NICATING THE RE | SULT | S OF | AUDIT | |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; | Analyze the instances of non- | Appropriate Audit Working Papers | | | | |
| b. validity of any payment to be made on the basis of the contract; | auditee in regard to instances of non-compliance. | | | | | |
| c. etc. | NOTE. | | | | | |
| and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non- compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Working Papers | | | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |

| | | Suggested Audit Working Paper | | | |
|---|--|------------------------------------|--------|--------|---------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mo applicable | emoran | dum (/ | AOM), if |

NOTES:

- 1. Based on the following requirement of the Generic Procurement Manual for the Procurement of Infrastructure Projects (May 2006) published by the GPPB:
 - Methodology: How is Negotiated Procurement conducted?

The procedures for the conduct of public bidding should be observed.

for the rest of the procurement procedures, the Audit Guide on the *Procedures: Competitive/Public Bidding* are to be observed.

2. Other relevant criteria

Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009:

- 53.1.6. In all stages of the negotiations, observers shall be invited.
- 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement.
- 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.
- 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).

NEGOTIATED PROCUREMENT FOR INFRASTRUCTURE PROJECTS

AGENCY-TO-AGENCY

Procurement Procedures:

NEGOTIATED PROCUREMENT FOR INFRASTRUCTURE PROJECTS AGENCY-TO-AGENCY

Negotiated Procurement is a method of procurement of infrastructure projects whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable contractor in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Take-Over of Contracts, (4) Adjacent or Contiguous, (5) Agency-to-Agency, (6) Small Value Procurement, (7) NGO Participation, (8) Community Participation.

Procurement of infrastructure projects from another agency of the GOP.

For purposes of this Section 53.5 of the Revised IRR of RA 9184, the term agency excludes GOCCs incorporated under Batas Pambansa Blg. 68, otherwise known as the "Corporation Code of the Philippines". The GPPB shall issue guidelines to implement this provision

NOTE:

No *Audit Guide* has been developed for this alternative method of procurement since no Guidelines has as yet been issued by the GPPB.

NEGOTIATED PROCUREMENT OF INFRASTRUCTURE PROJECTS

COMMUNITY PARTICIPATION

Procurement Procedures: NEGOTIATED PROCUREMENT OF INFRASTRUCTURE PROJECTS COMMUNITY PARTICIPATION

Negotiated Procurement is a method of procurement of infrastructure projects whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable contractor in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Take-Over of Contracts, (4) Adjacent or Contiguous, (5) Agency-to-Agency, (6) Small Value Procurement, (7) NGO Participation, (8) Community Participation.

Community Participation - Where, in the interest of project sustainability or to achieve certain specific social objectives, it is desirable in selected project components to call for participation of local communities in the delivery of services, the procuring entity shall propose the procedures, specifications, and contract packaging which are subject to the approval of the GPPB.

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Negotiated Procurement (Community Participation) was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the approved minutes of BAC meetings duly certified by the BAC Secretariat;
- 2. BAC Resolution recommending negotiated procurement, duly approved by the HOPE;
- 3. documentation of the proposed procedures, specifications and contract packaging including letter of submission to GPPB and its approval;

| Applit Code ability | | Suggested Audit Working Paper | | | | |
|---|---|---|-----|----|---------------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| 1. To verify if the BAC: a. validated the justification for adoption of the alternative method of procurement: Negotiated Procurement – Community Participation, that is, in the interest of project sustainability or to achieve certain specific | 1. From the BAC Resolution, look for information on the BAC's validation of the justification for adoption of the alternative method of procurement: Negotiated Procurement, validation that there is no "splitting" and recommended said method of procurement | Did the BAC validate the justification for adoption of the alternative method of procurement: Negotiated Procurement? Did the BAC validate that there is no "splitting"? | | | | |
| social objectives, | to the HOPE for approval. | Did the BAC | | | | |
| b. validated that there is no "splitting", and | | recommend the alternative method of procurement: Negotiated | | | | |
| c. through a Resolution recommended said method to the HOPE for approval | | Procurement to the HOPE for approval? | | | | |

| A 111 G 1 1 1 1 1 1 | | Suggested Au | dit Wor | king F | Paper |
|--|------------------|----------------|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | Allswei |
| 53.12. Community Participation. Where, in the interest of project sustainability or to achieve certain specific social objectives, it is desirable in selected project components to call for participation of local communities in the delivery of services, the procuring entity shall propose the procedures, specifications, and contract packaging which are subject to the approval of the GPPB. | | | | | |
| 48.1. Subject to the <u>prior approval of</u> the <u>Head of the Procuring Entity</u> , and whenever justified by the conditions provided in this Act, the procuring entity may, in order to promote economy and efficiency, resort to any of the alternative methods of procurement provided in this Rule. In all instances, the procuring entity shall ensure that the most advantageous price for the Government is obtained. | | | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement. | | | | | |

| | | Suggested Auc | dit Wor | king F | Paper |
|--|---|---|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify if the HOPE approved the alternative method of procurement: Negotiated Procurement Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 2. From the BAC Resolution recommending the negotiated procurement as an alternative method, look for the approval of the HOPE. | Did the HOPE approve Negotiated Procurement as the method of procurement? | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| 3. To verify if the procuring entity proposed the procedures, specifications and contract packaging to the GPPB for approval Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 3. From the documentation of the proposed procedures, specifications and contract packaging, look for the letter of the procuring entity submitting to GPPB for its approval. | Did the procuring entity submitted to the GPPB for approval the proposed the procedures, specifications and contract packaging? | | | |
| 53.12. Community Participation. Where, in the interest of project sustainability or to achieve certain specific social objectives, it is desirable in selected project components to call for participation of local communities in the delivery of services, the procuring entity shall propose the procedures, specifications, and contract packaging which are subject to the approval of the GPPB. | | | | | |
| 4. To verify if the GPPB approved the proposed procedures, specifications and contract packaging submitted by the procuring entity | 4. From the documentation of the proposed procedures, specifications and contract packaging, look for the approval by the GPPB. | Were the proposed procedures, specifications and contract packaging approved by the GPPB? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | |
| • 53.12. Community Participation. | | | | | |

| | | Suggested Aud | dit Wor | king F | Paper |
|--|--|------------------------|----------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Where, in the interest of project sustainability or to achieve certain specific social objectives, it is desirable in selected project components to call for participation of local communities in the delivery of services, the procuring entity shall propose the procedures, specifications, and contract packaging which are subject to the approval of the GPPB. | | | | | |
| EVALUATING AUDIT EVIDENCES G | | CATING THE RESUL | .15 OF | AUD | 011 |
| 1. To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Work | ing Pap | oers | |
| and develop appropriate audit | | | | | |
| recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Work | ring Pap | oers | |

| | | Suggested Auc | Paper | | |
|---|--|---|-------|----|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memorandum (AOM), if applicable | | | |

Other relevant criteria:

Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009:

- 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.
- 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).

NEGOTIATED PROCUREMENT FOR INFRASTRUCTURE PROJECTS

SMALL-VALUE PROCUREMENT

Procurement Procedures: NEGOTIATED PROCUREMENT FOR INFRASTRUCTURE PROJECTS SMALL-VALUE PROCUREMENT

Negotiated Procurement is a method of procurement of infrastructure projects whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable contractor in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Take-Over of Contracts, (4) Adjacent or Contiguous, (5) Agency-to-Agency, (6) Small Value Procurement, (7) NGO Participation, (8) Community Participation.

Small-Value Procurement - Where the amount of procurement does not exceed the thresholds prescribed in Annex "H" of the IRR, RA 984, the procuring entity shall draw up a list of at least three (3) contractors of known qualifications which will be invited to submit proposals.

The thresholds for this method of procurement are:

- a) For NGAs, GOCCs, GFIs, and SUCs, Five Hundred Thousand Pesos (P500,000).
- b) For LGUs, in accordance with the following schedule:

| | Maximum Amount (in Philippine Peso) | | | | | |
|----------------------------|-------------------------------------|---------|--------------|--|--|--|
| DOF Classification of LGUs | Province | City | Municipality | | | |
| 1st Class | 500,000 | 500,000 | 100,000 | | | |
| 2nd Class | 500,000 | 500,000 | 100,000 | | | |
| 3rd Class | 500,000 | 400,000 | 100,000 | | | |
| 4th Class | 400,000 | 300,000 | 50,000 | | | |
| 5th Class | 300,000 | 200,000 | 50,000 | | | |
| 6th Class | 200,000 | 100,000 | 50,000 | | | |

In the case of barangays, Fifty Thousand Pesos (P50,000).

I. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Small-Value Procurement was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the approved Annual Procurement Plan (APP);
- 2. evidences to support the conclusion that public bidding cannot be ultimately pursued;
- 3. analysis leading to the conclusion that the amounts involved are within the threshold provided in Annex "H" of the Revised IRR of RA 9184;
- 4. Minutes of BAC meetings on the deliberations made:
- 5. BAC Resolution recommending the alternative method of procurement: Small-Value Procurement, duly approved by the HOPE.



| | | Suggested Auc | dit Wor | king F | Paper |
|---|---|--|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC validated: a. that the original mode of procurement per APP was public bidding but cannot be ultimately pursued; and, b. the existence of the conditions to justify Small-Value Procurement and the amount involved did not exceed the thresholds in Annex "H" of the Revised IRR of RA 9184. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. 53.9. Small Value Procurement. Where the the amount involved does not exceed the thresholds prescribed in Annex "H" of this IRR. Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: 1. SCOPE AND PURPOSE a b. Small Value Procurement of goods, infrastructure projects, and consulting services under 53.9 of the IRR. | 1. From the evaluation report with supporting documents and minutes of the BAC's meetings and relevant BAC Resolution(s), look for information on the BAC's validation that the original mode of procurement per APP was public bidding but cannot be ultimately pursued and of the existence of the conditions to justify Small-Value Procurement. | Did the BAC validate that the original mode of procurement per APP was public bidding but cannot be ultimately pursued? Did the BAC validate: a. the existence of the conditions to justify Small-Value Procurement? OR b. the amount involved did not exceed the thresholds in Annex "H" of the Revised IRR of RA 9184? | | | |
| 2. To verify if the BAC: a. recommended the alternative mode of procurement: Small-Value Procurement to the HOPE, and b. the HOPE approved the | 2. From the BAC Resolution recommending Small- Value Procurement as the method of procurement, look for the approval of the HOPE. | Did the BAC recommend the alternative mode of procurement: Small-Value Procurement to the HOPE? | | | |
| alternative method of procurement | | Did the HOPE | | | |

| | | Suggested Audit Working Pape | | | Paper |
|---|---|--|----------------------|-------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | approve Small-Value Procurement as the method of procurement? | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| EVALUATING AUDIT EVIDENCES G | | NICATING THE RES | ULTS (| OF AL | JDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. | Appropriate Audit Work | king Pa _l | oers | |
| including the validity of the resulting contract; | Also determine if appropriate actions were | | | | |
| b. validity of any payment to be made on the basis of the contract; | taken by the auditee in regard to instances of non-compliance. | | | | |
| c. etc. | | | | | |
| and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Work | king Pa _l | oers | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |

| | | Suggested Audit Working Paper | | | | |
|---|--|----------------------------------|--------|-------|---------------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mem applicable | orandu | m (AO | M), if | |

NEGOTIATED PROCUREMENT FOR INFRASTRUCTURE PROJECTS SMALL-VALUE PROCUREMENT

II. PRICE QUOTATIONS AND ACCEPTANCE OF OFFER

A. AUDIT OBJECTIVE

To verify if the Procuring Entity conducted Small-Value Procurement as required by regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. evidences that the contractors identified were bona fide;
- 2. copy of the requests for price quotations duly received by the contractors;
- 3. copy of the price quotations;
- 4. evidence of posting request for quotations (RFQ);
- 5. documentation of the analysis of the price quotations leading to the conclusion of what was to be accepted/ compliance with the specifications and other terms and conditions stated in the RFQ:
- 6. documentation of the recommendation to the authorized official of the Procuring Entity;
- 7. documentation of the acceptance of the offer.
- 8. Abstract of Quotations;
- 9. notice of award;
- 10. evidence of posting notice of award

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|-----------------------------|------------------------------|-------------------------------|-----|----|---------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| | | | | | the Answer | |
| 1. To verify if the BAC | 1. From relevant minutes of | Did the BAC | | | | |
| validated that there was no | BAC meetings look for | validate that there | | | | |
| "splitting" | information on the BAC's | was no "splitting"? | | | | |
| 96 | validation that there was no | | | | | |



| Audit Sub-objective | | Suggested | Audit ' | Workii | ng Paper |
|---|--|--|---------|--------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | "splitting" and the documents that became their basis for such. | | | | |
| 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement. | | | | | |
| 2. To verify if the Procuring Entity obtained price quotations from at least 3 bona fide contractors Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 53.9.1. The procuring entity shall draw up a list of at least three (3) contractors, of known qualifications which will be invited to submit proposals, | 1. From the documentation of the evaluation conducted by the procurement unit of the Procuring Entity, with supporting documents, look for information on whether price quotations were obtained from at least 3 bona fide contractors. | Did the procurement unit of the Procuring Entity obtain price quotations from at least 3 bona fide contractors? | | | |
| 3. For procurement with an ABC of more than Php 50,000.00, to verify if the procuring entity posted the RFQs in: a. the PhilGEPS, b. the website of the procuring entity, if available c. any conspicuous place in the premises of the procuring entity for a period of 7 calendar days | 2. Ahead of the procurement, request the procuring entity for advance information on the schedule of any posting. 3. Access the PhilGEPS website, the website of the procuring entity concerned, if available and print the page where the notice was posted (to form part of the audit evidences). 4. Conduct ocular inspection on the schedule of posting. | Did the procurement unit of the Procuring Entity post the RFQ in: a. the PhilGEPS for a period of 7 calendar days? b. the website of the procuring entity for a period of 7 calendar days? | | | |
| Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: | | c. any conspicuous place in the premises of the procuring entity for a period of 7 | | | |

| Audit Sub-objective | | Suggested | Audit \ | Norkir | ng Paper |
|---|--|--|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | Audit Activities | | | | |
| 4. To verify if the procuring entity prepared an Abstract of Quotations after the deadline for submission of price quotations and determined the lowest quotation Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: 1 2 3. Procedural Guidelines e. After the deadline for submission of price quotations, an Abstract of Quotations shall be prepared setting forth the names of those who responded to the RFQ, their corresponding price quotations, and the lowest quotation submitted. | 5. Look for the Abstract of Quotations and check for the indication of the lowest quotation. 6. Compare the date of the Abstract of Quotations with the deadline for submission of price quotations as indicated in the RFQs. | Did the procurement unit of the Procuring Entity prepare an Abstract of Quotations? Did the procurement unit of the Procuring Entity prepare an Abstract of Quotations after the deadline for submission of price quotations? Did the procurement unit of the Procuring Entity determine the lowest quotation? | | | |
| 5. To verify if the procuring entity made the award of contract to the lowest quotation which complied with the specifications and other terms and conditions stated in the RFQ | 7. Compare the name of contractor with the lowest quotation as indicated in the Abstract of Quotation with the name of contractor who was awarded the contract. 8. From the documentation of the evaluation of price | Did the procuring entity award the contract to the lowest quotation which complied with the specifications and other terms and conditions stated in | | | |

| Audit Sub-objective | | Suggested | Audit \ | Workin | ng Paper |
|--|---|---|----------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: | quotations conducted by the procuring entity, look for the verification on the compliance with the specifications and other terms and conditions | the RFQ? | | | the Answer |
| 1 2 3. Procedural Guidelines h. Award of contract shall be made to the lowest quotation for infrastructure projects which complies with the specifications and other terms and conditions stated in the RFQ. | stated in the RFQ. | Did the procuring | | | |
| 6. For procurement with and ABC of more than Php 50,000.00, To verify if the procuring entity posted the award in: a. the PhilGEPS, b. the website of the procuring entity, if available c. any conspicuous place in the premises of the procuring entity Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: 1 2 3. Procedural Guidelines i. For information purposes, all awards shall be posted in the PhilG-EPS website, website of the procuring entity, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity except for those with ABCs equal to Fifty Thousand Pesos (Php 50,000.00) and below. | 9. Ahead of the procurement, request the procuring entity for advance information on the schedule of any posting. 10. Access the PhilGEPS website, the website of the procuring entity concerned, if available and print the page where the award was posted (to form part of the audit evidences). 11. Conduct ocular inspection on the schedule of posting. | Did the procuring entity post the award in: a. the PhilGEPS? b. the website of the procuring entity? c. any conspicuous place in the premises of the procuring entity? | | | |
| EVALUATING AUDIT EVIDENCE | | NICATING THE RE | SULT | S OF A | AUDIT |
| 1. To verify the effects of | Analyze the instances of non- | | | | |
| instances of non-compliance | compliance to establish the effects and develop | Appropriate Audit Wo | orking I | Papers | |
| on the: | appropriate audit | | | | |
| a. validity of the procurement activities and outputs | recommendations. | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|---|-----------------------------------|----------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | the Answer |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit W | orking F | Papers | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation M applicable | emoran | idum (| AOM), if |

Other criteria:

• 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.



NEGOTIATED PROCUREMENT FOR INFRASTRUCTURE PROJECTS

NON-GOVERNMENTAL ORGANIZATION'S (NGO) PARTICIPATION

Procurement Procedures: NEGOTIATED PROCUREMENT FOR INFRASTRUCTURE PROJECTS NGO PARTICIPATION

Negotiated Procurement is a method of procurement of infrastructure projects whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable contractor in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Take-Over of Contracts, (4) Adjacent or Contiguous, (5) Agency-to-Agency, (6) Small Value Procurement, (7) NGO Participation, (8) Community Participation.

NGO Participation – When an appropriation law or ordinance earmarks an amount to be specifically contracted out to Non-Governmental Organizations (NGOs), the procuring entity may enter into a Memorandum of Agreement with an NGO, subject to guidelines to be issued by the GPPB.

NOTE:

No Audit Guide has been developed for this method of procurement since no guidelines has yet been issued by the GPPB.

COMPETITIVE / PUBLIC BIDDING FOR THE PROCUREMENT OF CONSULTING SERVICES

Procurement Procedures: COMPETITIVE / PUBLIC BIDDING FOR THE PROCUREMENT OF CONSULTING SERVICES

I. PREPARATORY ACTIVITY: BIDDING DOCUMENTS

Bidding documents are documents issued by the Procuring Entity to provide prospective bidders all the necessary information that they need to prepare their bids.

A. AUDIT OBJECTIVE:

To verify if the Bidding Documents for the specific procurement **followed the standard forms and manuals** prescribed by the Government Procurement Policy Board (GPPB)

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. The procuring entity's Customized Bidding Documents for Consulting Services;
- 2. Bidding Documents for the specific procurement.

| Audit Sub-objective | | Suggested A | udit Wo | orking | Paper |
|-------------------------------------|---|-----------------------------|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the Bidding | 1. If the procuring entity | Are the Bidding | | | |
| Documents for the specific | adopted customized Bidding | Documents/ | | | |
| procurement include the forms | Documents and the results | Information | | | |
| and information/contents | of the earlier validation of | complete: | | | |
| indicated in the <i>Philippine</i> | this element showed that | | | | |
| Bidding Documents for the | these are compliant with | a. Approved | | | |
| Procurement of Consulting | the <i>Philippine Bidding</i> Documents for the | Budget for the Contract? | | | |
| Services issued by the GPPB: | Procurrement of Consulting | Contract? | | | |
| a. Approved Budget for the | Services, 3 rd Edition | b. Request for | | | |
| Contract | (October 2009) issued by | Expression of | | | |
| b. Request for Expression of | the GPPB, secure from the | Interest? | | | |
| Interest. | BAC Secretariat duly | | | | |
| c. Eligibility Documents, | certified copies of the | c. Eligibility | | | |
| d. Eligibility Data Sheet, | Bidding Documents for | Requirements? | | | |
| e. Instructions to Bidders, | specific procurements and | | | | |
| f. Bid Data Sheet, | compare these with the | d. Instruction to | | | |
| g. General Conditions of | customized Bidding | Bidders, | | | |
| Contract, | Documents of the procuring | including | | | |
| h. Special Conditions of | entity. | - scope of bid? | | | |
| Contract, | If the customized Bidding | - documents | | | |
| i. Technical Proposal - Standard | Documents are not | comprising the | | | |
| Forms, | compliant, compare the | bid? | | | |
| j. Financial Proposal – Standard | procurement-specific | Dia. | | | |
| Forms, | Bidding Documents with the | - criteria for | | | |
| k. Terms of Reference (TOR), | Philippine Bidding | eligibility? | | | |
| I. Appendices | Documents for the | | | | |
| Implementing Rules and Regulations | Procurement of Consulting | - bid | | | |
| (IRR) of RA 9184, as amended on | Services, 3 rd Edition | evaluation/ | | | |
| September 2, 2009: | (October 2009) issued by | methodology/ | | | |
| • 17.1. The Bidding Documents shall | the GPPB using the audit | criteria? | | | |
| be prepared by the procuring entity | matrix for the <i>Element</i> – | | | | |
| following the standard forms and | Customized Bidding | - post- | | l | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | orking | Paper |
|---|--|--|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| manuals prescribed by the GPPB. 17.1 The Bidding Documents shall include the following: a) Approved Budget for the Contract (ABC); b) Request for Expression of Interest; c) Eligibility Documents/ Requirements; d) Eligibility Data Sheet; e) Instructions to Bidders, including documents comprising the bid, criteria for eligibility, bid evaluation methodology (Quality-Based or Quality-Cost Based)/criteria, and post- | Audit Activities Documents for Consulting Services. | Audit Question qualification methodology? - date of the pre-bid conference, if applicable? - time of the pre- bid conference, if applicable? - Place of the pre-bid conference, if applicable? | Yes | No | |
| qualification, as well as the date, time and place of the prebid conference (where applicable), submission of bids and opening of bids; f) Bid Data Sheet; g) Terms of Reference; h) Scope of Services; i) Form of Bid (Technical and Financial Proposal Forms); j) Completion Schedule; k) Form, Amount, and Validity Period of Bid Security; l) Form, Amount, and Validity of Performance Security; and m) Form of Contract and General and Special Conditions of Contract | | Deadline for submission of bids? Place of submission of bids? Date of opening of bids? Time of opening of bids? Place of opening of bids? Place of opening of bids? Form of Bid? Completion Schedule? Form, Amount, and Validity Period of Bid Security? i. Form, Amount, | | | |
| | | and Validity of Performance Security? j. Form of Contract, General and | | | |

| Audit Sub-objective | | Suggested Au | udit Wo | orking | Paper |
|--|---|---|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | | Special Conditions of Contract? | | | |
| | | Are the Bidding Documents in the required <u>form</u> : | | | |
| | | a. Request for Expression of Interest? | | | |
| | | b. Instructions to Bidders? | | | |
| | | c. Bid Data Sheet? | | | |
| | | d. General Conditions of the Contract? | | | |
| | | e. Special Conditions of Contract? | | | |
| | | f. Terms of Reference? | | | |
| | | g. Bidding Forms?h. Appendices? | | | |
| EVALUATING AUDIT EVIDENCES | CATHEDED AND COMMI | | CIII TO | S OF A | MIDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. | Appropriate Audit Wor | | | |
| activities and outputs including the validity of the resulting contract; | Also determine if appropriate actions were taken by the auditee in | | | | |
| b. validity of any payment to be made on the basis of the contract;c. etc. | regard to instances of non- compliance. | | | | |
| and develop appropriate audit recommendations | NOTE: | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|-------------------------------------|----------------------|--------|---------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Wor | Audit Working Papers | | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mer applicable | morando | um (A(| DM), if | |

II. PREPARATORY ACTIVITY: PRE-PROCUREMENT CONFERENCE (For procurement of consulting service costing more than P1 million)

The pre-procurement conference is the forum where all officials involved in the procurement meet and discuss all aspects of a specific procurement activity, which includes the technical specifications, the Approved Budget for the Contract (ABC), the applicability and appropriateness of the recommended method of procurement and the related milestones, the bidding documents, and availability of the pertinent budget release for the project.

A. AUDIT OBJECTIVES:

- 1. To verify if the Pre-Procurement Conference was conducted within the required time;
- 2. To verify if the **participants** to the Conference are as required;
- 3. To verify if during the Conference the participants, led by the Bids and Awards Committee (BAC), **performed the required tasks** and **attained the objectives of the Conference**.

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the *Minutes of Pre-Procurement Conference* duly certified by the BAC Secretariat;
- 2. Request for Expression of Interest;
- 3. Duly certified copies of the documents (Office Orders, contracts, Organizational/Functional Charts, etc) which the BAC Secretariat used as bases for identifying and notifying the participants to the Pre-Procurement Conference, including duly certified copies of the notices issued with evidence of receipt by the participants.

| Audit Sub-objective | | Suggested A | orking Paper | | |
|--|---|--|--------------|----|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the Pre-Procurement Conference was conducted prior to the advertisement or the issuance of the Request for Expression of Interest Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 20.1. Prior to the Advertisement or the issuance of the Request for Expression of Interest for each procurement undertaken through public bidding, the BAC, through its Secretariat shall call for a Pre-Procurement Conference. | 1. Secure from the BAC Secretariat a duly certified copy of the <i>Minutes of Pre-Procurement Conference</i> and compare the date the conference was held with the date indicated in the Request for Expression of Interest (included in the Bidding Documents) | Was the Pre- Procurement Conference conducted prior to the issuance of the Request for Expression of Interest? | | | |
| 2. To verify if the participants to the Pre-Procurement Conference included the BAC, the Secretariat, the unit or officials, including consultants | 2. Secure from the BAC Secretariat duly certified copies of the documents (Office Orders, contracts, Organizational/Functional Charts, etc) which it used | Did the participants to the Conference include the: a. BAC? | | | |

| Audit Sub-objective | A 111 A 11 111 | Suggested Audit Working Paper | | | | |
|---|--|--|-----|----|------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| hired by the procuring entity, who prepared the Bidding Documents and the draft Request for Expression of Interest Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 20.1 The pre-procurement conference shall be attended by the BAC, the Secretariat, the unit or officials, including consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Request for Expression of Interest, for each procurement. | as bases for identifying and notifying the participants to the Pre-Procurement Conference, including duly certified copies of the notices issued with evidence of receipt by the participants 3. From the <i>Minutes of Pre-Procurement Conference</i> look for the names of the members of the BAC, the members of the Secretariat, the officials and/or consultants who prepared the Bidding Documents and the draft Request for Expression of Interest | b. Secretariat? c. unit or officials who prepared the Bidding Documents and the draft Request for Expression of Interest? d. consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Request for Expression of Interest? | | | | |
| 3. To verify if during the Pre- Procurement Conference the participants, led by the BAC, performed the following tasks and attained the related objectives: a. Discussed relevant information and confirmed the description of the scope of the contract, the ABC, and contract duration; b. Discussed relevant information and confirmed that the procurement is in accordance with the project procurement management plan (PPMP) and annual procurement plan (APP); c. Discussed relevant information and confirmed the availability of appropriations | 4. From the <i>Minutes of Pre-Procurement Conference</i> look for information on the presentation of the scope of the contract, the ABC, and contract duration, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the description of the scope of the contract, the ABC, and the contract duration | Did the participants led by the BAC discuss and confirm the: a. Description of the scope of the contract? b. ABC? c. Contract duration? | | | | |
| and programmed budget for contract; d. Discussed relevant information and confirmed the completeness of the Bidding Documents and their adherence to relevant general procurement guidelines; e. Reviewed, modified and agreed on the criteria for | 5. From the <i>Minutes of</i> Pre-Procurement Conference look for information on the presentation of the review of the PPMP and APP, availability of appropriations and programmed budget for the contract, the deliberation thereon, and the conclusions reached | Did the participants led by the BAC discuss and confirm that the: a. procurement is in accordance with the PPMP and APP? | | | | |

| Audit Sub-objective | | Suggested A | udit Work | king Paper |
|---|---|--|-----------|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes N | No Particulars of the Answer |
| eligibility screening, criteria for short listing, minimum score for short listing, number of short listed consultants, criteria for bid evaluation and post-qualification; f. Reviewed and adopted the procurement schedule, including deadlines and timeframes, for the different activities; and | as a result of the deliberation; and analyze if they led to the confirmation of the procurement is in accordance with the PPMP and APP, and availability of appropriations and programmed budget for the contract. | b. appropriations and programmed budget for the contract are available? | | |
| g. Reiterated and emphasized the importance of confidentiality and the applicable sanctions and penalties, as well as agreed on | 6. From the <i>Minutes of</i> Pre-Procurement Conference look for information on the presentation of the | Did the participants led by the BAC discuss and confirm the following: | | |
| measures to ensure compliance with the foregoing. Implementing Rules and Regulations | Bidding Documents, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze | a. completeness of the Bidding Documents? | | |
| (IRR) of RA 9184, as amended on September 2, 2009: 20.1 During the conference, the participants, led by the BAC, shall: a) Confirm the description and scope of the contract, the ABC, and contract duration; b) Ensure that the procurement is in accordance with the project | if they led to the confirmation of the completeness of the Bidding Documents and their adherence to the Philippine Bidding Documents (PBDs)/customized Bidding Documents. | b. adherence to the Philippine Bidding Documents (PBDs)/ customized Bidding Documents? | | |
| and annual procurement plans; c) Determine the readiness of the procurement at hand, including, among other aspects, the following: i) availability of appropriations and programmed budget for contract; ii) completeness of the Bidding Documents and their adherence to relevant general procurement guidelines; iii) d) Review, modify and agree on the criteria for eligibility screening, evaluation, and post-qualification; e) Review and adopt the procurement schedule, including deadlines and timeframes, for the different activities; and f) Reiterate and emphasize the importance of confidentiality and the applicable sanctions and penalties, as well as agree on measures to ensure | 7. From the Minutes of Pre-Procurement Conference look for information on the presentation of the criteria for eligibility screening, bid evaluation, and post-qualification, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the criteria for eligibility screening. criteria for short listing, minimum score for short listed consultants, criteria for bid evaluation and post-qualification. | Did the participants led by the BAC discuss and confirm the: a. Criteria for Eligibility screening? a. Criteria for short listing? b. Minimum score for short listing? c. Number of short listed consultants? d. Criteria for Bid evaluation? e. Criteria Post- qualification? | | |



| Audit Cub abjective | | | | udit Working Paper | | |
|---|--|--|-----|--------------------|---------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| compliance with the foregoing. | | | | | the Answei | |
| 24.5.2. The BAC shall draw up the short list of consultants from those who have been determined as eligible in accordance with the provisions of this IRR. [AMENDED PER ANNEX "A" OF GPPB RESOLUTION NO. 06-2009 DATED 30 SEPTEMBER 2009]. The number of short listed consultants, which shall be determined in the preprocurement conference, shall consist of three (3) to seven (7) consultants, with five (5) as the | 8. From the <i>Minutes of</i> Pre-Procurement Conference look for information on the presentation of the procurement schedule, including deadlines and timeframes for the different activities, the nocontact rule, the | Did the participants led by the BAC discuss and confirm the: a. adoption of the procurement schedule including deadlines and timeframes for the | | | | |
| preferable number. Should less than the required number apply for eligibility and short listing, pass the eligibility check, and/or pass the minimum score required in the short listing, the BAC shall consider the same. | deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the adoption of the | different activities? b. agreement on the no-contact rule? | | | | |
| • 7.2. No procurement shall be undertaken unless it is in accordance with the approved APP of the procuring entity. The APP shall bear the approval of the Head of the Procuring Entity or second-ranking official designated by the Head of the Procuring Entity to act on his behalf, and must be consistent with its duly approved yearly budget. | procurement schedule including deadlines and timeframes for the different activities and agreement on the nocontact rule. | | | | | |
| GPPB Circular 01-2009 dated 20 January 2009: | | | | | | |
| 4.2. To facilitate the immediate implementation of projects even pending approval of the GAA, the ABC shall be based on the budget levels under the National Expenditure Program (NEP) submitted to Congress. 4.3. For specifically appropriated projects, agencies can proceed with the procurement activities prior to issuance of the notice of award using as basis the NEP figures. 4.4. For lump-sum appropriations and Centrally Managed Items (CMIs) under the agency's budget, the head of the agency shall identify and thereafter notify the implementing units (IUs) of the amount allocated for the projects they are to implement. On the basis of said notification, the heads of the respective IUs, as | | | | | | |

| Audit Sub-objective | | Suggested A | Audit W | orking | ing Paper | | |
|--|------------------|----------------|---------|--------|------------------------------|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| procuring entities, can proceed with the procurement activities prior to issuance of the notice of award. 4.5. For Multi-Year Projects (MYPs), for which the initial funding – sourced from either the existing/current year's budget or the NEP – is not sufficient to cover the total cost of the project, it is required that a Multi-Year Obligational Authority (MYOA) must already have been issued in accord with DBM Circular Letter 2004-012 prior to commencement of any procurement activity. Thus, the MYOA shall be a pre-requisite for procurement of a multi-year contract. All procurement activities should be within the total project cost and categories reflected in the MYOA issued by DBP for the said MYP. 4.6. As prescribed under Section 47, Chapter 8, Subtitle B, Title I, Book V of the Administrative Code of 1987, no contract involving the expenditure of public funds shall be entered into unless the proper accounting official of the procuring entity shall have certified as to the availability of funds and the | | | | | the Answer | | |
| allotment to which the expenditure or obligation may be properly charged. • Definition: 3.1. Allotment - document issued by the Department of Budget and Management (DBM) which authorizes an agency to incur obligations for a specified amount as contained in a legislated appropriation. The allotment issued may either be trough the Agency Budget Matrix (ABM) which covers the comprehensive release of specifically appropriated items in the agency's budget or through the Special Allotment Release Order (SARO). 3.2. Annual Procurement Plan (APP) – the requisite document | | | | | | | |

| Audit Sub-objective | A 11. A .1 | Suggested Audit Working Paper | | | |
|---|------------------|-------------------------------|-----|----|-----------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars o the Answer |
| procurement activity (i.e., | | | | | |
| goods, services, civil works to | | | | | |
| be procured) that it plans to | | | | | |
| undertake within the calendar | | | | | |
| year. This document contains | | | | | |
| the following information: | | | | | |
| 3.2.1. Name of the procurement program/project; | | | | | |
| 3.2.2. Project management office | | | | | |
| or end-user unit; | | | | | |
| 3.2.3. General description of the | | | | | |
| procurement; | | | | | |
| 3.2.4. Procurement method to be | | | | | |
| adopted; | | | | | |
| 3.2.5. Time schedule for each | | | | | |
| procurement activity; | | | | | |
| 3.2.6. Source of fund; and | | | | | |
| 3.2.7. Approved Budget for the Contract. | | | | | |
| COMITACI. | | | | | |
| 3.3. Approved Budget for the | | | | | |
| Contract (ABC) – refers to the | | | | | |
| following: | | | | | |
| NGs including SUCs (referred to in | | | | | |
| Section 2.1) | | | | | |
| 3.3.1. For specifically | | | | | |
| appropriated items as reflected in | | | | | |
| the annual budget of the national | | | | | |
| government agency, the amount corresponding to either the full | | | | | |
| cost of a single year or multi-year | | | | | |
| program/project/ activity. For | | | | | |
| multi-year projects, for which a | | | | | |
| Multi-Year Obligational Authority | | | | | |
| has been issued, the ABC shall be | | | | | |
| the amount reflected in the Multi- | | | | | |
| Year Obligational Authority. | | | | | |
| GOCCs and LGUs (referred to in | | | | | |
| Section 2.2) 3.3.3. In the case of GOCCs, | | | | | |
| including government financial | | | | | |
| institutions as well as LGUs, the | | | | | |
| ABC represents the amount of | | | | | |
| fund transfers which they receive | | | | | |
| from a national government | | | | | |
| agency to implement a | | | | | |
| program/project/activity. | | | | | |
| 2.5. Lumn Sum Appropriations | | | | | |
| 3.5. Lump-Sum Appropriations and Centrally Management Items | | | | | |
| (CMIs) – those itme in the budget | | | | | |
| of agencies for which the | | | | | |
| Implementing Units and the | | | | | |
| specific amounts allocated for | | | | | |
| | | 1 | 1 | | |
| each have not been identified in | | | | | |
| each have not been identified in the National Expenditure Program | | | | | |
| | | | | | |

| | | Suggested Audit Working Paper | | | |
|--|--|----------------------------------|----------|-----|----------------|
| Audit Sub-objective | Audit Activities | Audit Question | Yes | No | Particulars of |
| Audit Criteria | | Audit Question | res | INO | the Answer |
| 3.8. Multi-Year Obligational Authority (MYOA) – a document issued by the DBM either for locally funded projects or foreign assisted projects implemented by agencies in order to authorize the latter to enter into multi-year contracts for the full project cost. A MYOA, which contains an annual breakdown of the full project cost, obligates agencies to include in their budget proposal for the ensuring years the amount programmed for the said year(s). 3.9. National Expenditure Program (NEP) – the proposed national budget submitted by the President to Congress in accord with Section 22, Article VII of the Constitution. The NEP shall be the basis of the general appropriations bill, which upon its enactment, becomes the General Appropriations Act (GAA). | | | | | |
| | | | <u> </u> | | |
| 1. To verify the effects of | Analyze the instances of | UNICATING THE RI | ESULI | SOF | AUDIT |
| instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; | non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were | Appropriate Audit Working Papers | | | |
| b. validity of any payment to be made on the basis of the contract;c. etc. | taken by the auditee in regard to instances of non-compliance. | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit | Appropriate Audit Work | king Par | ers | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|-------------------------------|--------|-------|---------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| | recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's | Prepare the appropriate audit/ validation document reflecting the results of | Audit Observation Mem | orandu | m (AO | M), if applicable | |
| Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | the audit/validation and transmit to Management | | | | | |

III. ADVERTISING AND POSTING OF THE REQUEST FOR EXPRESSION OF INTEREST

(For consulting service contracts costing more than P1 million or with duration of more than 4 months)

Advertising and posting are conducted to ensure transparency of the procurement process, widest possible dissemination to increase the number of prospective bidders, and intensify competition for the procurement activity or project

A. AUDIT OBJECTIVE:

To verify if the Request for Expression of Interest was advertised and posted in the media as required and within the specified time

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Entire page of the newspaper where the *Request for Expression of Interest* was advertised;
- 2. Document used by the BAC Secretariat to verify from the publisher the extent of circulation of the newspaper and the first day of its publication;
- 3. Printout of the web page where the *Request for Expression of Interest* was posted in the PhilGEPS website, the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable for the first day and at least the last day of posting;
- 4. Certification by the head of the BAC Secretariat of the procuring entity that the *Request for Expression of Interest* was posted at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days.

| Audit Sub-objective | | Suggested Au | dit Wo | orking | Paper |
|--|---|--------------------------------------|--------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the BAC | 1. Request the BAC | Did the BAC advertise | | | |
| advertised the Request for | Secretariat to provide a copy | the Request for | | | |
| Expression of Interest in a | of the entire page of the | Expression of Interest | | | |
| newspaper of general | newspaper where the | in a newspaper of general nationwide | | | |
| nationwide circulation which | Request for Expression of Interest was advertised, to | circulation which has | | | |
| has been regularly published | be submitted to the Auditor | been regularly | | | |
| for at least 2 years before | on the day of advertisement. | published for at least | | | |
| the date of issue of the | , | 2 years before the | | | |
| advertisement | 2. From the verification | date of issue of the | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 21.2.1. Except as otherwise provided in Sections 21.2.2 and 54.2 of this IRR and for the procurement of common-use goods and supplies, the Request for Expression of Interest shall be: a. Advertised at least once in a newspaper of general nationwide circulation which has been regularly published for at least 2 years before the date of issue of the advertisement; b | document obtained by the BAC Secretariat from the publisher, check the extent of circulation of the newspaper and the first day of publication. | advertisement? | | | |

| Audit Sub objective | | Suggested Au | ıdit \\/a | orkina | Danar |
|---|--|--|-----------|--------|-------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Suggested Au Audit Question | Yes | No | Paper Particulars of |
| Addit Criteria | Addit Adit vities | Addit Question | 163 | INO | the Answer |
| 2. To verify if the BAC posted the Request for Expression of Interest continuously in the PhilGEPS website, the website of the procuring entity concerned, if available, and the website prescribed by the foreign government/foreign or international financing institution, if applicable, for 7 calendar days starting on the date of advertisement Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2 2009: • 21.2.1. Except as otherwise provided in Sections 21.2.2 and 54.2 of this IRR and for the procurement of common-use goods and supplies, the Request for Expression of Interest shall be: a b. Posted continuously in the PhilGEPS website, the website of the procuring entity concerned, if available, and the website prescribed by the foreign government/foreign or international financing institution, if applicable, for 7 calendar days starting on the date of advertisement | 3. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. 4. On the first day of posting access the PhilGEPS website, the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable. Print the page where the notice was posted (to form part of the audit evidences). 5. Access the websites at random during the 7-day period to verify the postings. | Did the BAC post the Request for Expression of Interest continuously in the: a. PhilGEPS website for 7 calendar days starting on the date of advertisement? b. website of the procuring entity concerned, if available, for 7 calendar days starting on the date of advertisement? c. website prescribed by the foreign government/ foreign or international financing institution, if applicable, for 7 calendar days starting on the date of advertisement? | | | the Answer |
| 3. To verify if the BAC posted the <i>Request for Expression of Interest</i> continuously at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the BAC Secretariat of the procuring entity Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 3, 2009: • 21.2.1. Except as otherwise provided in Sections 21.2.2 and 54.2 of this IRR and for the procurement of common-use | 6. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. 7. Conduct ocular inspection on the first day of posting. 8. Repeat the ocular inspections (may be at random) during the 7-day period to verify the postings. 9. Request for the certification of the head of the BAC Secretariat. | Did the BAC post the Request for Expression of Interest: a. continuously for seven (7) calendar days, b. at the conspicuous place reserved for the purpose in the premises of the procuring entity, c. as certified by the head of the BAC Secretariat of the procuring entity? | | | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | orkina | Paper |
|---|---|------------------------|----------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| goods and supplies, the Request for Expression of Interest shall be: a b c. Posted at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the BAC Secretariat of the procuring entity. | | | | | the Answer |
| EVALUATING AUDIT EVIDENCE | | MUNICATING THE RI | ESULT | S OF | AUDIT |
| To verify the effects of instances of non-compliance on the: validity of the procurement activities and outputs including the validity of the resulting contract; validity of any payment to be made on the basis of the contract; etc. and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit Work | ting Pap | pers | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Work | ing Par | oers | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|--|----------------------------------|--------|--------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 3. To communicate the | Prepare the appropriate | | | | the Answei |
| results of the audit with the auditee's Management | audit/ validation document reflecting the results of the audit/validation and transmit | Audit Observation Mem applicable | orandu | m (AON | М), if |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | to Management | | | | |

IV. POSTING OF THE REQUEST FOR EXPRESSION OF INTEREST (For consulting service contracts costing P1 million and below or with duration of 4 months or less)

A. AUDIT OBJECTIVE:

To verify if the *Request for Expression of Interest* was posted in the media as required and within the specified time

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Printout of the web pages where the *Request for Expression of Interest* was posted in the PhilGEPS website, the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable for the first day and at least the last day of posting;
- 2. Certification by the head of the BAC Secretariat of the procuring entity that the *Request for Expression of Interest* was posted at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days.

| | | taait vvc | JI KII IY | Paper |
|---|---|-----------|-----------|------------------------------|
| Audit Criteria Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC post the Request for Expression of Interest continuously in 1. Ahead of any procurement, request the BAC Secretariat for Expression | Did the BAC post the Request for Expression of Interest ontinuously in the: PhilGEPS website for 7 calendar days starting on the date of advertisement? website of the procuring entity concerned, if available, for 7 calendar days starting on the date of advertisement? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|--|--|--------|-------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| a b. Posted continuously in the PhilGEPS website, the website of the procuring entity concerned, if available, and the website prescribed by the foreign government/foreign or international financing institution, if applicable, for 7 calendar days starting on the date of advertisement 2. To verify if the BAC posted the Request for Expression of Interest continuously at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the BAC Secretariat of the procuring entity Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 21.2.1. Except as otherwise provided in Sections 21.2.2 and 54.2 of this IRR and for the procurement of common-use goods and supplies, the Request for Expression of Interest shall be: a b c. Posted at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the BAC Secretariat of the procuring entity. | 4. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. 5. Conduct ocular inspection on the first day of posting. 6. Repeat the ocular inspections (may be at random) during the 7-day period to verify the postings. 7. Request for the certification of the head of the BAC Secretariat | Did the BAC post the Request for Expression of Interest: a. continuously for seven (7) calendar days, b. at the conspicuous place reserved for the purpose in the premises of the procuring entity, c. as certified by the head of the BAC Secretariat of the procuring entity? | | | the Answer |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND CO | MMUNICATING THE | E RESU | LTS O | F AUDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Work | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|---|-------------------------------|----------|-------|---------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit Work | ing Pape | rs | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mem | orandum | (AOM) | , if applicable | |

V. ISSUANCE OF ELIGIBILITY DOCUMENTS TO CONSULTANTS

The list of eligibility requirements/ documents must be made available from the first day of advertising/ posting until the deadline for the eligibility check.

A. AUDIT OBJECTIVE:

To verify if the pertinent regulations on issuance of eligibility documents were followed

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Request for Expression of Interest;
- 2. Entire page of the newspaper where the *Request for Expression of Interest* was advertised (for consulting service contracts costing more than P1 million or with duration of more than 4 months), for the first day of advertising;
- 3. Printout of the web pages where the Request for Expression of Interest was posted in the PhilGEPS website, the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable, for the first day of posting;
- 4. Records of the BAC on issued eligibility requirements/ documents.

| Audit Sub-objective | | Suggested A | Audit Wo | orking | Paper |
|--|--|---------------------------------|-----------|----------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the BAC | 1. Compare the "period of | Did the BAC make | | | |
| observed the time required | availability of the Eligibility | the <u>eligibility</u> | | | |
| in making the eligibility | Documents" indicated in the Request for Expression of | documents available from the | | | |
| documents <u>available</u> , that is, | Interest with the first day of | time the <i>Request</i> | | | |
| from the time the Request | its advertising/posting and | for Expression of | | | |
| for Expression was first | the deadline for the | Interest was first | | | |
| advertised up to the deadline | eligibility check. | advertised/ posted | | | |
| for the eligibility check | | up to the deadline | | | |
| I manufacture of the second Day of the Control | | for the eligibility | | | |
| Implementing Rules and Regulations | | check? | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: | | | | | |
| . 17.3 | | | | | |
| a) | | | | | |
| b) For the procurement of | | | | | |
| consulting services, eligibility | | | | | |
| documents shall be made | | | | | |
| available from the time the | | | | | |
| Request for Expression of Interest | | | | | |
| is first advertised/posted until the | | | | | |
| deadline for the eligibility check, | | | | | |
| EVALUATING AUDIT EVIDENCE | I ES GATHEREN AND COMM | I MINICATING THE | DESHII T | S OF | ALIDIT |
| 1. To verify the effects of | Analyze the instances of | TOTAL THE TILL | KLJULI | <u> </u> | AODI I |
| instances of non-compliance | non-compliance to establish | Appropriate Audit Wo | rking Par | oers | |
| on the: | the effects and develop | | 5 1 | | |
| | appropriate audit | | | | |
| a. validity of the procurement activities and | recommendations. | | | | |
| outputs including the | Alaa dakamadaa if | | | | |
| | Also determine if | | | | |
| validity of the resulting | appropriate actions were | | | | |

| Audit Sub-objective | | Suggested Audit Working Pape | | | | |
|--|--|------------------------------------|-----------|--------|---------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| contract; b. validity of any payment to be made on the basis of the contract; c. etc. and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | taken by the auditee in regard to instances of noncompliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | uic /uiswei | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit Wo | orking Pa | pers | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Me applicable | emorandu | um (AO | M), if | |

VI. ELIGIBILITY CHECKING & SHORT LISTING OF CONSULTANTS

Eligibility Check is a procedure to determine if a prospective bidder is eligible to participate in the bidding at hand.

The process of short listing determines the most qualified consultants from those eligible to undertake the project.

A. AUDIT OBJECTIVES:

- To verify if all consultants that submitted Eligibility Documents were included in the Eligibility Checking;
- 2. To verify if submission and opening of eligibility envelopes were made within the time as required;
- 3. To verify if the BAC performed the eligibility checking as required;
- 4. To verify if the BAC performed the short listing as required;
- 5. To verify if the BAC notified the prospective bidders concerned of the results of the eligibility checking and short listing as required.

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. *Receiving Logbook* of the BAC Secretariat showing information on the consultants that submitted Eligibility Documents;
- 2. Minutes of Eligibility Checking;
- 3. Request for Expression of Interest;
- 4. Checklist of Eligibility Requirements of Consulting Services accomplished by the BAC;
- 5. TWG report on short listing as reviewed by the BAC;
- 6. Rating Sheet for Short Listing accomplished by the TWG/BAC;
- 7. Minutes of meeting(s) on short listing;
- 8. BAC Resolution on the Short Listing conducted, duly approved by the HOPE;
- 9. Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 10. Reports of the BAC Observers.

| Audit Sub-objective | | Suggested A | Audit Wo | orking | Paper |
|------------------------------------|--|-----------------------|----------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| ELIGIBILITY CHECKING / SCR | EENING OF CONSULTANT | ΓS | | | |
| 1. To verify if the BAC | 1. From the Minutes of | Did the BAC include | | | |
| included all consultants that | Eligibility Checking, compare | all consultants that | | | |
| submitted Eligibility | the list of consultants | submitted Eligibility | | | |
| Documents in the Eligibility | subjected to eligibility | Documents in the | | | |
| Checking | checking with those that | Eligibility Checking? | | | |
| 3 | submitted Eligibility Documents per the | | | | |
| Implementing Rules and Regulations | Receiving Logbook of the | | | | |
| (IRR) of RA 9184, as amended on | BAC Secretariat. | | | | |
| September 2, 2009: | Brio degretariat. | | | | |
| • 3. The procurement of the GOP | | | | | |
| shall be governed by these | | | | | |
| principles: | | | | | |
| b) Competitiveness by | | | | | |



| Audit Sub-objective | | Suggested | Audit Wo | orkina | Paper |
|---|---|---|----------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| extending equal opportunity to enable private contracting parties who are eligible and qualified to participate in public bidding. | | | | | the Answer |
| 2. To verify if the eligibility envelopes were submitted on or before the deadline set in the Request for Expression of Interest Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 24.4.1. The eligibility envelopes of prospective bidders for procurement of consulting services shall be submitted on or before the deadline specified in the Request for Expression of Interest | 2. From the <i>Receiving</i> Logbook, check the date and time of submission and compare with the deadline set in the <i>Request for Expression of Interest</i> . | Were the eligibility envelopes submitted on or before the deadline set in the Request for Expression of Interest? | | | |
| 3. To verify if the BAC opened the eligibility envelopes before the dates of the pre-bid conference and bid opening Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 24.4.1. The eligibility envelopes of prospective bidders for procurement of consulting services shall be opened before the dates of the pre-bid conference and bid opening to determine eligibility of prospective bidders who shall then be allowed to acquire or purchase the relevant bidding documents from the procuring entity. | 3. From the Minutes of Eligibility Checking, compare the date of opening of eligibility envelopes with the dates of the pre-bid conference and bid opening indicated in the Bidding Documents (Request for Expression of Interest). | Did the BAC open the eligibility envelopes: a. before the date of the pre-bid conference? b. before the date of the bid opening? | | | |
| 4. To verify if the BAC: a. opened the eligibility envelopes in public, and b. determined each prospective bidder's | 4. From the Minutes of Eligibility Checking, go over the list of those present if they included prospective bidders and BAC Observers. | Did the BAC open the eligibility envelopes in public? | | | |
| compliance with the documents required to be submitted for eligibility Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 30.1 For the purpose the BAC | 5. Compare the list of documents required to be submitted for eligibility per Bidding Documents and those in the Checklist of required documents used during the eligibility checking. | Are the contents of the Checklist of Eligibility Requirements of Consulting Services those that are required for eligibility per | | | |

| Audit Sub-objective | | Suggested A | Audit W | orkina | Paper |
|---|---|---|---------|--------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| shall check the submitted documents of each bidder against a checklist of required documents | | Bidding Documents? | | | |
| to ascertain if they are all present using a non-discretionary "pass/fail" criterion as stated in the Instructions to Bidders. If the bidder submits the required the required documents, it shall be rated "passed" for that particular requirement. | 6. Validate the entries in the Checklist with the eligibility documents of the prospective bidders (for presence or absence). | Did the BAC determine each prospective bidder's compliance with the documents required to be submitted for eligibility? | | | |
| • 24.4.2. Subject to the short listing of consultants as provided in this IRR, the determination of eligibility of consultants shall be based on the evaluation of the eligibility documents prescribed above in accordance with the procedures provided in Section 30.1 of this IRR. | 7. From the Minutes of Eligibility checking if those consultants declared eligible were those that passed all the eligibility criteria. | Did the BAC declare as eligible only those consultants that passed all the eligibility criteria? | | | |
| • 24.1. The following documents shall be submitted, using the forms prescribed by the BAC in the Bidding Documents for purposes of determining eligibility and short listing of prospective bidders in accordance with Sections 24.4 and 24.5 of this IRR: | | | | | |
| a) Class "A" Documents— | | | | | |
| <u>Legal Documents-</u> i) Registration certificate from | | | | | |
| SEC for partnerships and corporations or Registration certificate from Department of Trade and Industry (DTI) for sole proprietorship or CDA for cooperatives, or any proof of such registration | | | | | |
| ii) Mayor's permit issued by the city or municipality where the principal place of business of the prospective bidder is located; | | | | | |
| Technical Documents- | | | | | |
| iii) Statement of the prospective bidder of all its ongoing and completed government and private contracts, including contracts awarded but not yet started, if any, whether similar or not similar in nature and complexity to the contract to be bid, within the | | | | | |

| Audit Sub-objective | | Suggested | Audit Wa | orkina | Paper |
|---|--|---|----------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| relevant period as provided for in the Bidding Documents. | | | | | the Answer |
| iv) Statement of the consultant specifying its nationality and confirming that those who will actually perform the service are registered professionals authorized by the appropriate regulatory body to practice those professions and allied professions, including their respective curriculum vitae. [AS AMENDED BY GPPB RESOLUTION NO. 11-2009 DATED 30 NOVEMBER 2009] | | | | | |
| <u>Financial Documents-</u> | | | | | |
| v) The consultant's audited financial statements, showing, among others, the consultant's total and current assets and liabilities, stamped "received" by the BIR or its duly accredited and authorized institutions, for the preceding calendar year which should not be earlier than two (2) years from the date of bid submission. b) Class "B" Documents— | | | | | |
| vi) Valid Joint Venture Agreement (JVA), in case of a joint venture is already in existence. In the absence of a JVA, duly notarized statements from all the potential joint venture partners stating that they will enter into and abide by the provisions of the JVA in the instance that the bid is successful, shall be included in the bid. | | | | | |
| 5. To verify if the BAC informed consultants subjected to eligibility screening of the results thereof Implementing Rules and Regulations | 8. Based on the Minutes of Eligibility Screening and copies of Notices of Eligibility & Notices of Ineligibility, check if: a. all the consultants subjected to Eligibility | Did the BAC issue Notices of Ineligibility and Notices of Eligibility: a. to all the | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: • 6.2. Once issued by the GPPB, the use of the Generic Procurement Manuals (GPMs), Philippine Bidding Documents (PBDs), and other standard forms | Screening were notified of the results, b. the Notices were signed by members of the BAC present, c. the reason for ineligibility was stated in the Notice, d. the Notices were duly received by the | consultants subjected to Eligibility Screening? b. that were signed by members of the BAC present? | | | |

| Audit Sub-objective | | Suggested | Audit Wo | orkina | Paper |
|--------------------------------------|-------------------------------|--------------------|----------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| shall be mandatory upon all | prospective bidders. | | | | |
| Procuring Entities. However, | | c. that stated the | | | |
| whenever necessary, to suit the | | reason(s) for | | | |
| particular needs of the procuring | | ineligibility? | | | |
| entity, modifications may be | | | | | |
| made, particularly for major and | | d. were duly | | | |
| specialized procurement, subject | | received by the | | | |
| to the approval of the GPPB. | | prospective | | | |
| | | bidders or | | | |
| Generic Procurement Manual for | | authorized | | | |
| Consulting Services Vol. 4, June | | representative? | | | |
| 2006 published by the GPPB: | | | | | |
| How is an eligibility check | | | | | |
| conducted? | | | | | |
| 1 | | | | | |
| 2. The BAC shall declare | | | | | |
| prospective bidders as either | | | | | |
| "eligible" or "ineligible", based on | | | | | |
| the findings in Item 1 above, and | | | | | |
| inform them accordingly. The | | | | | |
| Eligibility envelopes shall likewise | | | | | |
| be marked as such, and these | | | | | |
| markings shall be countersigned | | | | | |
| by the BAC chairperson or his duly | | | | | |
| designated authority. The BAC | | | | | |
| shall prepare a pro-forma Notice | | | | | |
| of Eligibility and a Notice of | | | | | |
| Ineligibility which will be duly | | | | | |
| accomplished by the BAC | | | | | |
| | | | | | |
| Secretariat and signed by the BAC | | | | | |
| members present during the | | | | | |
| Eligibility Checking/Screening. In | | | | | |
| case a prospective bidder is | | | | | |
| declared ineligible, the Notice of | | | | | |
| Ineligibility shall state the reason | | | | | |
| for such ineligibility. The Notice | | | | | |
| will be received officially by the | | | | | |
| bidder's authorized representative. | | | | | |
| SHORT LISTING OF CONSULTA | NTS | <u>I</u> | ı | l . | 1 |
| 6. To verify if the BAC | 9. From the Minutes of | Did the BAC | | | |
| considered for short listing | Eligibility Checking, compare | consider for short | | | |
| only those consultants who | the list of eligible | listing only those | | | |
| have been determined as | consultants with those | consultants who | | | |
| eligible | considered for short listing | have been | | | |
| | per Rating Sheet for Short | determined as | | | |
| Implementing Rules and Regulations | Listing. | eligible? | | | |
| (IRR) of RA 9184, as amended on | | | | | 1 |
| September 2, 2009: | | | | | |
| , , | | | | | |
| • 24.5.2. The BAC shall draw up the | | | | | 1 |
| short list of consultants from those | | | | | 1 |
| who have been determined as | | | | | 1 |
| eligible in accordance with the | | | | | 1 |
| provisions of this IRR. | | | | | |
| Ben County Forms County | | | | | |
| Per Sample Forms for the | | | | | |
| Procurement of Consulting Services | | | | | <u> </u> |

| Audit Sub-objective | | Suggested | Audit W | orking | |
|---|--|--|---------|--------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| published by the GPPB the required form is SF-CONS-30: Rating Sheet for Short Listing | | | | | |
| 7. To verify if the BAC subjected to short listing only those whose contracts are similar in nature and complexity to the contract to be bid based on the Request for Expression of Interest Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 24.5.1. With respect to a particular contract for consulting services to be bid, the concerned procuring entity shall only consider for short listing those consultants whose contracts, as identified in the eligibility documents submitted for registration, are similar in nature and complexity to the contract to be bid, based on the Request for Expression of Interest. | 10. From the Bidding Documents identify the "definition" of "contract that is similar in nature and complexity". 11. From the relevant report(s) of the Technical Working Group with supporting documents and duly reviewed by the BAC, Minutes of Meeting(s) of the BAC, look for information on the evaluation (comparison) of "similar" contracts of consultants subjected to short listing. | Did the BAC subject to short listing only those consultants whose contracts, as identified in the eligibility documents submitted for registration, are similar in nature and complexity to the contract to be bid, based on the Request for Expression of Interest? | | | |
| (Note/Observation: The Request for Expression of Interest does not have a space for this information) | | | | | |
| • 24.1 a) Class "A" Documents— | | | | | |
| <u>Legal Documents-</u> | | | | | |
| i) ii) | | | | | |
| <u>Technical Documents-</u> | | | | | |
| iii) Statement of the prospective bidder of all its ongoing and completed government and private contracts, including contracts awarded but not yet started, if any, whether similar or not similar in nature and complexity to the contract to be bid, within the relevant period as provided for in the Bidding Documents. | | | | | |
| Philippine Bidding Documents for Consulting Services 3 rd Ed., October 2009, published by the GPPB: | | | | | |
| "Similar contract" is as defined/ described in the <i>Eligibility Data</i> Sheet. | | | | | |

| | T | T | | | |
|--|---|--|-----|--------|----------------|
| Audit Sub-objective | | Suggested A | | orking | |
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| 0.7.15.15.11.70.0 | 40.5 | DILLI DAG | | | the Answer |
| 8. To verify if the BAC | 12. From the relevant | Did the BAC use | | | |
| conducted the short listing | report(s) of the Technical Working Group with | the criteria and rating system | | | |
| based on the criteria and | supporting documents and | specified in the | | | |
| rating system for short | duly reviewed by the BAC, | Request for | | | |
| listing of consultants as | and Minutes of Meeting(s) of | Expression of | | | |
| specified in the <i>Request for</i> | the BAC, look for | Interest and other | | | |
| Expression of Interest and | information on the | relevant Bidding | | | |
| other relevant Bidding | evaluation conducted | Documents and | | | |
| Documents, which | pertaining to short listing. | these considered the following, | | | |
| considered the following, among others (NOTE: The | 13. Compare the criteria | among others: | | | |
| recommended percentages are | and rating system used with | among outers. | | | |
| as indicated in the Generic | those specified in the | a. Applicable | | | |
| Procurement Manual of | Request for Expression of | experience of the | | | |
| Procedures for the Procurement | Interest and other relevant | consultant and | | | |
| of Consulting Services, June | Bidding Documents. | members in case | | | |
| 2006, published by the GPPB.): | | of joint ventures, considering both | | | |
| a. Applicable experience of | | the overall | | | |
| the consultant and | | experiences of the | | | |
| members in case of joint | | firm or, in the case | | | |
| ventures, considering | | of new firms, the | | | |
| both the overall | | individual | | | |
| experiences of the firm | | experiences of the | | | |
| or, in the case of new | | principal and key | | | |
| firms, the individual | | staff, including the times when | | | |
| experiences of the | | employed by other | | | |
| principal and key staff, | | consultants = | | | |
| including the times when | | 50%; | | | |
| employed by other | | | | | |
| consultants - 50%; | | b. Qualification of | | | |
| b. Qualification of personnel | | personnel who may be assigned | | | |
| who may be assigned to | | to the job vis-à-vis | | | |
| the job vis-à-vis extent | | extent and | | | |
| and complexity of the | | complexity of the | | | |
| undertaking – 30%; and | | undertaking = | | | |
| c. Current workload relative | | 30%; and | | | |
| to capacity – 20%. | | o Current weeklee | | | |
| Implementing Dulas and Dulas | | c. Current workload relative to capacity | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on | | = 20%. | | | |
| September 2, 2009: | | | | | |
| | | | | | |
| • 6.2. Once issued by the GPPB, | | | | | |
| the use of the Generic | | | | | |
| Procurement Manuals (GPMs), | | | | | |
| Philippine Bidding Documents | | | | | |
| (PBDs), and other standard forms shall be mandatory upon all | | | | | |
| Procuring Entities. However, | | | | | |
| whenever necessary, to suit the | | | | | |
| particular needs of the procuring | | | | | |
| entity, modifications may be | | | | | |
| made, particularly for major and | | | | | |
| specialized procurement, subject | | | | | |
| to the approval of the GPPB. | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|---|--|-----|----|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| • 24.5.3. The BAC shall specify in the Request for Expression of Interest the set of criteria and rating system for short listing of consultants to be used for the particular contract to be bid which shall consider the following, among others: (NOTE: The recommended percentages are as indicated in the Generic Procurement Manual of Procedures for the Procurement of Consulting Services, June 2006, published by the GPPB.): a. Applicable experience of the consultant and members in case of joint ventures, considering both the overall experiences of the firm or, in the case of new firms, the individual experiences of the principal and key staff, including the times when employed by other consultants – 50%; b. Qualification of personnel who may be assigned to the job visà-vis extent and complexity of the undertaking – 30%; and c. Current workload relative to capacity – 20%. | | | | | the Answer |
| 9. To verify if the BAC: a. included in the short list only those consultants who passed the minimum score required in the short listing, and b. the number of short listed consultants was as determined in the pre- procurement conference, and consisted of 3 to 7 consultants with 5 as the preferable number; unless | 14. Compare the minimum score required for short listing agreed upon during the pre-procurement conference (from the Minutes of the Pre-Procurement Conference) with the one used by the BAC in the actual conduct of short listing (based on the Rating Sheet for Short Listing and the relevant Minutes of BAC Meetings). | Did the BAC adopt the minimum score for short listing agreed upon during the Pre- Procurement Conference? | | | |
| the number of those who applied and were short listed is less than the required Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 15. Compare the ratings of the short listed consultants with the minimum score. | Did the BAC short list only those consultants that passed the minimum score for inclusion in the short list? | | | |

| Audit Sub-objective | | Suggested A | Audit W | orkina | Paner |
|--|--|--|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 24.5.2 The number of short listed consultants which shall be determined in the preprocurement conference shall consist of 3 to 7 consultants with 5 as the preferable number. 24.5.2 Should less than the required number apply for eligibility and short listing pass the eligibility check, or pass the minimum score required in the short listing, the BAC shall consider the same. | 16. Compare the number of short listed consultants with the number agreed upon during the Pre-Bid Conference. | Did the BAC adopt the number of short list agreed upon during the Pre-Procurement Conference (unless the number of consultants who submitted eligibility documents and were declared eligible and short listed is less)? | | | the Answer |
| 10. To verify if the HOPE approved the short list of consultants based on the BAC's recommendation Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 24.5.4. The BAC shall recommend the short list of consultants to the Head of the Procuring Entity for consideration and approval. | 17. Check for the HOPE's approval of the BAC's Resolution declaring the short listed consultants and recommending the shortlist for approval. | Did the HOPE approve the short list of consultants recommended by the BAC? | | | |
| 11. To verify if the BAC notified the short listed consultants of the results of the short listing process Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 6.2. Once issued by the GPPB, the use of the Generic Procurement Manuals (GPMs), Philippine Bidding Documents (PBDs), and other standard forms shall be mandatory upon all Procuring Entities. However, whenever necessary, to suit the particular needs of the procuring entity, modifications may be made, particularly for major and specialized procurement, subject to the approval of the GPPB. Generic Procurement Manual of Procedures for the Procurement of Consulting Services, June 2006, published by the GPPB.): | 18. Compare the names of the short listed consultants as approved by the HOPE with those in the Notices issued by the BAC, and duly received by the consultants concerned. | Did the BAC notify the short listed consultants of the results of the short listing process? | | | |

| Audit Sub-objective | | Suggested | Audit W | orking | Paper |
|---|---|---|---------|--------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| inform the short listed consultants about the results of the short listing process. | | | | | |
| 12. To verify if the procuring entity completed the process of eligibility check and short listing in 20 calendar days Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 24.5.4 The entire process of eligibility check and short listing shall not exceed twenty (20) calendar days. | 19. Compute the number of days from the opening of the eligibility envelopes to the approval by the HOPE of the BAC Resolution recommending the short list of consultants and compare with the 20-day period. | Did the procuring entity complete the process of eligibility check and short listing in 20 calendar days? | | | |
| 13. To verify if the BAC invited Observers: a. representing the COA, the project-related professional organization accredited or duly recognized by the Professional Regulation Commission or the Supreme Court, and a non-government organization (NGO) from the procuring entity's Pool of Observers; b. that have: b.1. knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b.2. no actual or potential conflict of interest in the contract to be bid; and b.3. conformed with other relevant criteria determined by the BAC; c. at least 3 calendar days prior to the pre-bid conference | 20. From the Minutes of the BAC meeting on the selection of the Observer from the "pool", check for information on the BAC's evaluation in regard to: • the selection of the organization from which the Observer will be invited; • knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; • no actual or potential conflict of interest in the contract to be bid; and • conformed with other relevant criteria determined by the BAC. | Did the BAC choose the Observers considering: a. One representing the COA? b. One representing the project-related professional organization accredited or duly recognized by the Professional Regulation Commission or the Supreme Court? c. One representing a non-government organization? d. With knowledge, experience or expertise in | | | |
| September 2, 2009: Section 13. Observers 13.1. To enhance the transparency of the process, the BAC shall, in all stages of the procurement process, invite, in addition to the representative of the COA, at least two (2) observers, who shall not have the right to vote, to sit in its proceedings where: a) At least one (1) shall come from a | | procurement or in the subject matter of the contract to be bid? e. With no actual or potential conflict of interest in the contract to be bid? | | | |

| Audit Activities | Suggested Audit Question f. Conformed with | Yes | No | Particulars of the Answer |
|--|---|---|--|---|
| | f. Conformed with | | | the Answer |
| | other relevant criteria determined by | | | |
| 21. From certified copies of the invitations to the Observers with evidence of receipt, compare the date of receipt with the 3-day minimum requirement. | the BAC? Did the BAC invite the Observers at least 3 days from the date of the prebid conference? | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| 22. Based on the BAC's Minutes on the Post Qualification and the report of the Observers check whether a deliberation was made on the comments /observations of the observers. | Did the Procuring Entity consider the comments/ observations of the Observers? | | | |
| | the invitations to the Observers with evidence of receipt, compare the date of receipt with the 3-day minimum requirement. 22. Based on the BAC's Minutes on the Post Qualification and the report of the Observers check whether a deliberation was made on the comments /observations of the | 21. From certified copies of the invitations to the Observers with evidence of receipt, compare the date of receipt with the 3-day minimum requirement. 22. Based on the BAC's Minutes on the Post Oualification and the report of the Observers check whether a deliberation was made on the icomments / observations of the Observers? Did the BAC invite the Observers at least 3 days from the date of the pre-bid conference? Did the Procuring Entity consider the comments / observations of the Observers? | 21. From certified copies of the invitations to the Observers with evidence of receipt, compare the date of receipt with the 3-day minimum requirement. 22. Based on the BAC's Minutes on the Post Qualification and the report of the Observers check whether a deliberation was made on the comments / observations of the Did the BAC invite the Observers at least 3 days from the date of the pre-bid conference? bid conference? Did the Procuring Entity consider the comments / observations of the Observers? | 21. From certified copies of the invitations to the Observers with evidence of receipt, compare the date of receipt with the 3-day minimum requirement. 22. Based on the BAC's Minutes on the Post Qualification and the report of the Observers check whether a deliberation was made on the comments / observations of the |

| Audit Sub-objective | | Suggested A | Audit W | orking | Paper |
|---|---|----------------------|-------------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| their observations made on the procurement activities conducted by the BAC for submission to the Head of the Procuring Entity, copy furnished the BAC Chairman. The report shall assess the extent of the BAC's compliance with the provisions of this IRR and areas of improvement in the BAC's proceedings; b) To submit their report to the procuring entity and furnish a copy to the GPPB and Office of the Ombudsman/Resident Ombudsman. If no report is submitted by the observer, then it is understood that the bidding activity conducted by the BAC followed the correct procedure; and c) To immediately inhibit and notify in writing the procuring entity concerned of any actual or potential interest in the contract to be bid. 13.5. Observers shall be allowed access to the following documents upon their request, subject to signing of a confidentiality agreement: (a) minutes of BAC meetings; (b) abstract of Bids; (c) post-qualification summary report; (d) APP and related PPMP; and (e) opened proposals. | | | | | the Answer |
| EVALUATING AUDIT EVIDENCI | L Es gathered and comm | I MUNICATING THE | L RESULT | S OF | AUDIT |
| 1. To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in | Appropriate Audit Wo | | | |
| b. validity of any payment to be made on the basis of the contract;c. etc.and develop appropriate audit recommendations | regard to instances of non-compliance. NOTE: Also refer to the | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | | Suggested Audit Working F | | | | |
|--|--|------------------------------------|----------|--------|---------------------------|--|---------------------------|--|--|--|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | the Answer | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | h Appropriate Audit Working Papers | | | | | | | | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | | | | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | | | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Me applicable | emorandu | m (AOI | M), if | | | | | | |

VII. ISSUANCE OF BIDDING DOCUMENTS TO SHORT LISTED CONSULTANTS

The bidding documents must be made available from the determination of the short list until the deadline for the submission and receipt of bids.

A. AUDIT OBJECTIVE:

To determine whether the prescribed <u>procedures</u> and <u>timelines</u> in the issuance of bidding documents were followed

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Request for Expression of Interest;
- 2. Printout of the web pages where the Request for Expression of Interest was posted in the PhilGEPS website, the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable for the first day of posting;
- 3. Records of the BAC on issued bidding documents (with information on Official Receipt numbers) for the procurement at hand.

| Audit Sub-objective | | Suggested A | Audit Wo | orking | Paper |
|---|--|--|----------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| 1. To verify if the BAC observed the time required in making the Bidding Documents available, that is, from the time of the | Based on the <u>approved</u> BAC <u>Resolution</u> on the short listed consultants and the <u>Request for Expression of Interest</u> , establish the period (dates) from the short listing | Did the BAC make the bidding documents available from the time of the determination of | | | the Answer |
| determination of the short list until the deadline for the submission and receipt of bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 17.3. To provide prospective bidders ample time to examine the Bidding Documents and to prepare their respective bids, the concerned BAC shall make the Bidding Documents for the contract to be bid available for the following period: | to the deadline for the submission and receipt of bids. Compare these dates with the dates of actual posting of the bidding documents at the PhilGEPS and the procuring entity's websites. | the short list until the deadline for the submission and receipt of bids? | | | |
| a) b) For the procurement of consulting services, the Bidding Documents, from the determination of the short list until the deadline for the submission and receipt of bids. 17.5 Prospective bidders may download the Bidding Documents from any of the said websites; Provided that, bidders shall pay the fee for | | | | | |



| Audit Sub-objective | | Suggested | Audit W | orking | |
|--|---|--|---------|--------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| the Bidding Documents upon submission of their bids. | | | | | |
| 2. To verify if the BAC posted the Bidding Documents at the website of the procuring entity and at the PhilGEPS website from the time that the Request for Expression of Interest was advertised up to the deadline for the submission and receipt of bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • Section 17.5 – The procuring entity shall also post the Bidding Documents at its website and at the PhilGEPS website from the time that the Request for Expression of Interest is advertised. Prospective Bidders may download the Bidding Documents from any of the said websites; Provided that, bidders shall pay the fee for the Bidding Documents upon submission of their Bids. | 2. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting of Bidding Documents. 3. On the first day of posting access the PhilGEPS website, the website of the procuring entity concerned, if available. Print the page where the notice was posted (to form part of the audit evidences). 4. Access the websites at random from the first day of posting up to the deadline for the submission and receipt of bids to verify the postings. | Did the BAC post the Bidding Documents at the: e. PhilGEPS website starting on the first day of advertisement f. website of the procuring entity concerned, if available, starting on the first day of advertisement | | | |
| 3. To verify if all bidders that secured Bidding Documents paid to the authorized collecting officer of the procuring entity Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 17.4. Bidders may be asked to pay for the Bidding documents to recover the cost of its preparation and development. The BAC shall issue the Bidding Documents upon payment of the collecting/ disbursing officer of the procuring entity concerned. 17.5 Prospective bidders may download the Bidding Documents from any of the said websites; Provided that, bidders shall pay the fee for the Bidding Documents upon submission of their bids. | 5. Compare the records of the BAC Secretariat on issued bidding documents (with information on Official Receipt numbers) for the subject consulting services with copies of Official Receipts (ORs) issued by authorized collecting officers for the sale of bidding documents. 6. After submission of bids, for bidders that downloaded bidding documents, compare the OR numbers indicated in the records of the BAC Secretariat with copies of the ORs or Report of Collection of authorized collecting officers. | Did all the bidders who submitted bids pay the correct amount for the bidding documents to the authorized collecting officer of the procuring entity? | | | |

| Audit Sub-objective | | Suggested | Audit Wo | orkina | Paper |
|--|---|-------------------------------|------------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| EVALUATING AUDIT EVIDENCE | C CATHEDED AND COMM | ILINIA CATINIC THE | DECLUT | | the Answer |
| 1. To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. and develop appropriate audit recommendations | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. NOTE: Also refer to the OFFENSES AND | Appropriate Audit W | | AUDIT | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | PENALTIES portion of this <i>Audit Guide</i> . | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit W | orking Pap | pers | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mapplicable | emorandu | ım (AO | M), if |



VIII. PRE-BID CONFERENCE (For procurement of consulting services costing P1 million or more)

The pre-bid conference is the initial forum where the Procuring Entity's representatives and the prospective bidders discuss the different aspects of the procurement at hand.

A pre-bid conference must be held for contracts with ABCs of at least One Million Pesos (P 1 Million). For contracts with ABCs of less than P 1 million, pre-bid conferences may or may not be held at the discretion of the BAC. The BAC may also decide to hold a pre-bid conference upon the written request of a prospective bidder.

A. AUDIT OBJECTIVES:

- 1. To verify if the Pre-Bid Conference was conducted within the required time;
- 2. To verify if the attendees to the Conference are as required;
- 3. To verify if the participants, led by the BAC, performed the required tasks and attained the objectives of the Conference.

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Minutes of Pre-Bid Conference approved by the BAC;
- 2. Request for Expression of Interest;
- 3. Copy of the Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 4. Invitation Letters to observers and the documents (Office Orders, contracts, Organizational/Functional Charts, List of observers, etc) which it used as bases for identifying and notifying the participants to the Pre-Bid Conference, including duly certified copies of the letters / notices issued with evidence of receipt by the participants;
- 5. Reports of the BAC Observers.

| Audit Sub-objective | | Suggested Au | ıdit Wo | orking | Paper |
|--|--|--|---------|--------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the Pre-Bid Conference was conducted by the BAC at least twelve (12) calendar days before the deadline for the submission and receipt of bids or thirty (30) calendar days, if a longer period is necessary | 1. Secure from the BAC Secretariat a duly certified copy of the <i>Minutes of Pre-Bid Conference</i> and compare the date of the Conference with the deadline for the submission of and receipt of bids. | Did the BAC conduct the pre-bid conference at least twelve (12) calendar days before the deadline for the submission and receipt of bids? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 22.2. The pre-bid conference shall be held at least twelve (12) calendar days before the deadline for the submission and receipt of bids. If the procuring entity determines that, by reason of the method, nature, or complexity of the contract to be bid or when | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|---|---|-----|----|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| international participation will be more advantageous to the GOP, a longer period for the preparation of bids is necessary, the pre-bid conference shall be held at least thirty (30) calendar days before the deadline for the submission and receipt of bids. | | | | | the years. |
| 2. To verify if during the Pre-Bid Conference the participants, led by the BAC, discussed relevant information and confirmed the technical and financial components of the contract to be bid. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.3. The pre-bid conference shall discuss, among other things, the eligibility requirements and the technical and financial components of the contract to be bid. Attendance of the bidders shall not be mandatory. However, at the option of the procuring entity, only those who have purchased the Bidding Documents shall be allowed to participate in the pre-bid conference and raise or submit written queries or clarifications. [AS AMENDED BY GPPB RESOLUTION NO. 06-2009 DATED 30 SEPT 2009] | 2. From the Minutes of Pre-Bid Conference look for information on the presentation of the technical and financial components of the contract to be bid, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the technical and financial components of the contract to be bid. | Did the participants during the Pre-Bid Conference led by the BAC, discuss relevant information and confirmed the technical and financial components of the contract to be bid? | | | |
| 3. To verify if the BAC Secretariat prepared the Minutes of the Conference and made it available to the participants not later than three (3) calendar days after the conference Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.4 The minutes of the pre-bid conference shall be recorded and made available to all participants not later than three (3) calendar days after the pre-bid conference. | 3. Count the number of days from the date of the pre-bid conference and the date of approval of the Minutes of Pre-Bid Conference and compare with the 3-day maximum period. | Did the BAC Secretariat prepare the Minutes of Pre- Bid Conference and made it available to the participants not later than three (3) calendar days after the Pre-Bid Conference? | | | |
| 4. To verify if the BAC invited Observers: a. representing the COA, the | 4. From the Minutes of the BAC meeting on the selection of the Observer from the "pool", check for | Did the BAC choose the Observers considering: | | | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | orking | Paper |
|--|--|---|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| project-related professional organization accredited or duly recognized by the Professional Regulation Commission or the Supreme Court, and a non-government organization (NGO) from the procuring entity's Pool of Observers; b. that have: b.1. knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b.2. no actual or potential conflict of interest in the contract to be bid; and b.3. conformed with other relevant criteria determined by the BAC; c. at least 3 calendar days prior to the pre-bid conference Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Section 13. Observers 13.1. To enhance the transparency of the process, the BAC shall, in all stages of the procurement process, invite, in addition to the representative of the COA, at least two (2) observers, who shall not have the right to vote, to sit in its proceedings where: a) At least one (1) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hand, for example: i) ii) iii) For consulting services, a project-related professional organization accredited or duly recognized by the Professional Regulation Commission or the Supreme Court, such as, but not limited to: (1) PICE; (2) Philippine Institute of Certified Public Accountants (PICPA); and (3) Confederation of Filipino Consulting Organizations; and b) The other observer shall come from a non-government organization (NGO). | information on the BAC's evaluation in regard to: • the selection of the organization from which the Observer will be invited; • knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; • no actual or potential conflict of interest in the contract to be bid; and • conformed with other relevant criteria determined by the BAC. | a. One representing the COA? b. One representing the project-related professional organization accredited or duly recognized by the Professional Regulation Commission or the Supreme Court? c. One representing a non-government organization? d. With knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid? e. With no actual or potential conflict of interest in the contract to be bid? f. Conformed with other relevant criteria determined by the BAC? Did the BAC invite the Observers at least 3 days from the date of the pre-bid conference? | | | the Answer |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|---|--|-----|----|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 5. To verify if the Procuring Entity considered the comments/observations of the Observers Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 13.4. The observers shall have the following responsibilities: a) To prepare the report either jointly or separately indicating their observations made on the procurement activities conducted by the BAC for submission to the Head of the Procuring Entity, copy furnished the BAC's compliance with the provisions of this IRR and areas of improvement in the BAC's proceedings; b) To submit their report to the procuring entity and furnish a copy to the GPPB and Office of the Ombudsman. If no report is submitted by the observer, then it is understood that the bidding activity conducted by the BAC followed the correct | 6. Based on the BAC's Minutes on the pre-bid conference and the report of the Observers check whether a deliberation was made on the comments /observations of the observers. | Did the Procuring Entity consider the comments/ observations of the Observers? | | | |

| Audit Sub-objective | | Suggested Au | ıdit \Ma | orkina | Danor |
|--|---|------------------------|----------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| - riddit orneria | , i | Addit Question | 103 | 110 | the Answer |
| c) To immediately inhibit and notify in writing the procuring entity concerned of any actual or potential interest in the contract to be bid. 13.5. Observers shall be allowed access to the following documents upon their request, subject to signing of a confidentiality agreement: (a) minutes of BAC meetings; (b) abstract of Bids; (c) postqualification summary report; (d) APP and related PPMP; and (e) opened proposals. | | | | | |
| Speried proposals. | | | | | |
| EVALUATING AUDIT EVIDENC | S GATHERED AND COMM | UNICATING THE RE | ESULT | S OF | AUDIT |
| To verify the effects of instances of non-compliance | Analyze the instances of non-compliance to establish the effects and develop | Appropriate Audit Work | ing Pap | oers | |
| on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Work | ing Pap | pers | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | orking | Paper |
|---|--|----------------|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management | Prepare the appropriate audit/ validation document reflecting the results of the applicable Audit Observation Memorandum (AOM) | | | | M), if |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | audit/validation and transmit to Management | | | | |

IX. SUPPLEMENTAL / BID BULLETINS FOR THE PROCUREMENT OF CONSULTING SERVICES

Supplemental/Bid Bulletins may be issued upon the procuring entity's initiative for purposes of clarifying or modifying any provision of the Bidding Documents at least seven (7) calendar days before the deadline for the submission and receipt of bids. Any modification to the Bidding Documents shall be identified as an amendment.

A. AUDIT OBJECTIVE:

To verify if Supplemental / Bid Bulletins were issued as required

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Minutes of the Pre-Bid Conference approved by the BAC;
- 2. Copy of the Supplemental/Bid Bulletin;
- Copies of Requests for Clarification submitted by bidders with evidence of receipt by the BAC Secretariat;
- 4. Printouts of PhilGEPS web page evidencing posting of the Supplemental/Bid Bulletin;
- 5. Printout of the procuring entity's web page evidencing posting of the Supplemental/Bid Bulletin.

| Audit Sub-objective | | Suggested Auc | dit Wor | kina F | Paner |
|--|--|--|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| 2. To verify if: a. requests for clarification(s) on any part of the Bidding Documents or for an interpretation were in writing and submitted to the BAC of the procuring entity at least ten (10) calendar days before the deadline set for the | 3. Obtain copy/ies of Requests for Clarification and check (date of receipt stamped on the letters) whether these were submitted at least ten (10) calendar days before the deadline set for the submission and receipt of bids. | Were Requests for Clarification submitted at least ten (10) calendar days before the deadline set for the submission and receipt of bids? | | | the Answer |
| submission and receipt of bids; b. the Supplemental/ Bid Bulletin was duly signed by the BAC Chairman; | 4. Obtain duly certified copies of Supplemental/Bid Bulletins and check for the signature of the BAC Chairman. | Did the BAC Chairman sign the Supplemental / Bid Bulletin? | | | |
| c. the Supplemental/ Bid Bulletin was issued at least seven (7) calendar days before the deadline for the submission and receipt of bid. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.5.1 Requests for clarification(s) on any part of the Bidding Documents or for an interpretation must be in writing and submitted to the BAC of the procuring entity at least ten (10) calendar days before the deadline set for the submission and receipt of bids. The BAC shall respond to the said request by issuing a Supplemental/Bid Bulletin, duly signed by the BAC Chairman, to be made available to all those who have properly secured the Bidding Documents, at least seven (7) calendar days before the deadline for the submission and receipt of bids. | 5. From the records of the BAC (copies of Supplemental/Bid Bulletins with evidence of the date of issuance) count the number of days from said issuance and the deadline for the submission and receipt of bids; compare with the 7-day requirement. | Did the BAC issue Supplemental/ Bid Bulletins at least seven (7) calendar days before the deadline for the submission and receipt of bid? | | | |
| 3. To verify if: a. Supplemental/Bid Bulletins initiated by the procuring entity for purposes of clarifying or modifying any provision of the Bidding Documents were issued at | 6. From the records of the BAC (copies of Supplemental/Bid Bulletins with evidence of the date of issuance) count the number of days from said issuance and the deadline for the submission and receipt of | Did the BAC issue Supplemental/ Bid Bulletins at least seven (7) calendar days before the deadline for the submission and receipt of bid? | | | |

| Audit Sub-objective | | Suggested Aud | dit Wor | king f | Paper |
|---|--|---|---------|--------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| least seven (7) calendar days before the deadline for the submission and | bids; compare with the 7-day requirement. | | | | |
| b. Modifications to the Bidding Documents were identified as amendments; | 7. Go through the contents of Supplemental/Bid Bulletins and check if amendments were identified as such. | Did the BAC identify modifications to the Bidding Documents as amendments? | | | |
| c. the Supplemental/Bid Bulletin was duly signed by the BAC Chairman | 8. Go through the Supplemental/Bid | Did the BAC Chairman sign the Supplemental / | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.5.1 issuing a Supplemental/Bid Bulletin, duly signed by the BAC Chairman | Bulletins and check for the signature of the BAC Chairman. | Bid Bulletin? | | | |
| 22.5.2 Supplemental/Bid Bulletins may be issued upon the procuring entity's initiative for purposes of clarifying or modifying any provision of the Bidding Documents at least seven (7) calendar days before the deadline for the submission and receipt of bids. Any modification to the Bidding Documents shall be identified as an amendment. | | | | | |
| 4. To verify if the BAC posted Supplemental/Bid Bulletins it issued on the PhilGEPS and the website of the procuring entity concerned, if available | 9. In advance of the posting, request the BAC Secretariat for print-outs (printed on the day of the posting) of <i>Supplemental/Bid Bulletins</i> as posted on | Did the BAC post Supplemental/Bid Bulletins: a. on the PhilGEPS? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.5.3 Any Supplemental/ Bid Bulletin issued by the BAC shall also be posted on the PhilGEPS or ["OR" was changed to "AND" per Annex "A" of GPPB Resolution No. 06-2009 dated September 30, 2009] the website of the procuring entity concerned, if available. It shall be the responsibility of all those who have properly secured the Bidding Documents to inquire and secure Supplemental/Bid Bulletins that may be issued by the BAC. However, bidders who have submitted bids before the issuance of the Supplemental/Bid Bulletin must be informed and allowed to | the PhilGEPS and at their website. 10. Obtain the printouts requested as evidence of the posting. | and b. the website of the procuring entity concerned? | | | |

| Audit Sub-objective | | Suggested Auc | dit Wor | Working Paper | | | |
|--|---|---|---------|---------------|---------------------------|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| modify or withdraw their bids in accordance with Section 26.1 of the IRR. | | | | | | | |
| 5. To verify if the BAC informed and allowed to modify or withdraw their bids those bidders who have submitted bids before the issuance of the Supplemental/Bid Bulletin Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 22.5.3 However, bidders who have submitted bids before the issuance of the Supplemental/ Bid Bulletin must be informed and allowed to modify or withdraw their bids in accordance with Section 26.1 of the IRR. | 11. From the BAC records on submission of bids, identify the bidders who have submitted bids before the issuance of <i>Supplemental/Bid Bulletins</i> . 12. Go through copies of letters sent by the BAC to these bidders and check if they were informed and allowed to modify or withdraw their bids in accordance with Section 26.1 of the IRR. | Did the BAC inform and allow to modify or withdraw their bids in accordance with Section 26.1 of the IRR the bidders who have submitted bids before the issuance of Supplemental/Bid Bulletins? | | | | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COM | MUNICATING THE RE | SULTS | OF A | AUDIT | | |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Working | | | | | |
| c. etc. | | | | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the | | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | | |

| Audit Sub-objective | | Suggested Auc | lit Wor | king f | Paper |
|---|--|---------------------------|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Working | g Paper | S | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memor | andum | (AOM) |), if applicable |

X-A. SUBMISSION, RECEIPT, OPENING AND EVALUATION OF BIDS FOR THE PROCUREMENT OF CONSULTING SERVICES

(Using Quality-Based Evaluation Procedures)

Bids shall be submitted simultaneously in two (2) separate sealed envelopes and received by the procuring entity on or before the deadline specified in the Request for Expression of Interest.

Opening of Bids shall be on the date, time and place specified in the Request for Expression of Interest.

Quality Based Evaluation Procedure considers only the Technical Proposals in the ranking of consultants based on the numerical ratings from the highest to the lowest. The purpose of bid evaluation is to determine the Highest Rated Bid.

A. AUDIT OBJECTIVES:

- 1. To verify if bids were submitted and received at the required date, time, and place;
- 2. To verify if the BAC opened the bids at the required date, time, place and adopted the prescribed procedures;
- 3. To verify if the BAC and the Procuring Entity as a whole performed the evaluation of bids according to the prescribed procedures and timelines.

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for evaluation:

- 1. Request for Expression of Interest;
- 2. Receiving logbook of the BAC Secretariat with information on the receipt of bids;
- 3. Copy of the Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 4. Minutes of the Bid Opening:
- 5. Customized Bidding Documents for the Procurement of Consulting Services;
- 6. Bidding Documents for the specific procurement;
- 7. Checklists for Technical Envelope of Consulting Services accomplished by the BAC;
- 8. TWG report, as reviewed by the BAC, on the evaluation of technical proposals
- 9. Documentation of oral presentations made by consultants, if any;
- 10. Rating Sheets for technical proposals;
- 11. Ranking List approved by the HOPE;
- 12. Letters of invitation to consultant(s) for opening of financial proposals and negotiations;
- 13. TWG report, as reviewed by the BAC, on the evaluation of financial proposals
- 14. Minutes of deliberations/meeting on the negotiation and evaluation of financial proposals;
- 15. BAC Resolution declaring HRB HOPE;
- 16. Copy of reports of BAC Observers.

| Audit Sub-objective | | Suggested Aud | dit Wor | king P | aper |
|------------------------------------|-----------------------------|------------------------|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| SUBMISSION OF BIDS FOR CO | NSULTING SERVICES | | | | |
| 1. To verify if the BAC | 1. From the Minutes of Bid | Did the BAC determine | | | |
| determined that all bidders | Opening, look for | that all bidders | | | |
| submitted bids: | information evidencing | submitted bids through | | | |
| a. through their duly | that the BAC compared | their duly authorized | | | |
| authorized | the signatory of the letter | representatives? | | | |
| | submitting the bid with | | | I | l |

| Audit Sub-objective | | Suggested Auc | lit Wor | rkina P | aper |
|--|--|---|---------|---------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| representatives, b. using the forms specified in the Bidding Documents, c. in two (2) separate sealed envelopes submitted | the person named in the sworn statement as the duly authorized representative. | | | | |
| simultaneously, d. with the first envelope containing the technical component and e. the second envelope containing the financial component of the bid Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 25.1. Bidders shall submit their bids through their duly authorized representative using the forms specified in the Bidding Documents in two (2) separate sealed bid envelopes, and which shall be submitted | 2. From the Minutes of Bid Opening, look for information where the BAC mentioned opening the outer sealed envelope of each bidder with two (2) sealed envelopes inside marked "ORIGINAL – TECHNICAL PROPOSAL" and "ORIGINAL – FINANCIAL PROPOSAL" and also mentioned already opened envelopes. | Did the BAC determine that all bidders submitted bids: a. in two (2) separate sealed envelopes submitted simultaneously? b. with the first envelope containing the technical component? | | | |
| simultaneously. The first shall contain the technical component of the bid and the second shall contain the financial component of the bid. | | c. the second containing the financial component of the bid? | | | |
| Philippine Bidding Documents for Consulting Services, 3 rd edition (October 2009) approved per GPPB Resolution No. 05-2009 dated September 30, 2009: Section II. INSTRUCTIONS TO BIDDERS, ITB Clause 17. Sealing and Marking of Bids. 17.1. Unless otherwise indicated in the BDS, consultants shall enclose their original technical proposal described in ITB Clause 10, in one sealed envelope marked "ORIGINAL – TECHNICAL PROPOSAL", and the original of their financial proposal in another sealed envelope marked "ORIGINAL – FINANCIAL PROPOSAL", sealing them all in an outer envelope marked "ORIGINAL BID". 17.2 | 3. Go through the <i>Minutes</i> of the Bid Opening and look for information on the BAC's validation if each bidder adopted the forms specified in the Bidding Documents. | Did the BAC validate if the bidders submitted their bids using the forms specified in the Bidding Documents? | | | |
| 17.5. If bids are not sealed and marked as required, the Procuring Entity will assume no responsibility for the misplacement or premature opening of the bid. | | | | | |

| Audit Sub-objective | | Suggested Aud | dit Wor | kina F | aper |
|--|---|--|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | 2000.0 | | | the Answer |
| 2. To verify if the BAC validated that in modifying a bid: a. it was done before the deadline for the submission and receipt of bids, b. the original bid was not retrieved but another bid equally sealed, properly identified, was submitted | 4. Go through the records of the BAC pertaining to the submission of bids of each bidder and check if the submission of modifications were done before the deadline for the submission and receipt. | Did the bidders concerned submit their bid modifications before the deadline for the submission and receipt? Was the original bid not retrieved? | | | |
| and linked to the original bid and marked as a "modification," thereof, and stamped "received" by the BAC | 5. Go through the <i>Minutes</i> of the Bid Opening and look for information on the BAC's activities validating if: | Did the BAC validate if the bidders concerned: a. did not retrieve the original bid? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 26.1. A bidder may modify its bid, provided that this is done before the deadline for the submission and receipt of bids. Where a bidder modifies its bid, it shall not be allowed to retrieve its original bid, but shall only be allowed to send another bid equally sealed, properly identified, linked to its original bid and marked as a "modification," thereof, and stamped "received" by the BAC. Bid modifications received after the applicable deadline shall not be considered and shall be returned to the bidder unopened. • 26.2. A bidder may, through a letter, withdraw its bid before the deadline for the receipt of bids. Withdrawal of bids after the applicable deadline shall be subject to appropriate sanctions as prescribed in this IRR. A bidder may also express its intention not to participate in the bidding through a letter which should reach and be stamped received by the BAC before the deadline for the receipt of bids. A bidder that withdraws its bid shall not be permitted to submit another bid, directly or indirectly, for the same contract. | a. modifications were marked as "modification" and stamped "received" by the BAC; and b. linked to the original bid (not withdrawn). | b. but merely submitted another bid equally sealed, properly identified, and linked to the original bid and marked as a "modification," thereof? AND c. stamped "received" by the BAC? | | | |
| RECEIPT OF BIDS FOR THE PR | | | 1 | | <u> </u> |
| 1. To verify if the bids were | 1. Check the receiving | Did the BAC receive | | | |
| received by the BAC on the: | logbook of the BAC on the date, time, and place of | bids on the date and time specified in the | | | |

| Audit Sub-objective | | Suggested Aud | lit Working Paper | | |
|---|--|--|-------------------|----|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| a. date, b. time, and c. place specified in the <i>Request for</i> | receipt of bids and compare these with those in the Invitation to Bid | Request for Expression of Interest? | | | ane yanswer |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | Did the BAC receive bids at the place specified in the Expression of Interest? | | | |
| 25.4. Bids shall be received by the BAC on the date, time, and place specified in the Invitation to Bid. 25.5. Bids, including the eligibility requirements under Section 23.1 of this IRR, submitted after the deadline shall not be accepted by the BAC. | | Did the BAC not accept bids submitted on or before the deadline for submission of bids not accepted? | | | |
| 2. To verify if the BAC observed the maximum of 75 calendar days from the last day of posting of the Request for Expression of Interest up to the deadline for submission and receipt of bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 25.4. Bids shall be received by the BAC on the date, time, and place specified in theRequest for Expression of Interest. The following periods from the last day of posting of the/Request for Expression of Interest up to the submission and receipt of bids shall be observed: a) b) c) For consulting services, a maximum period of seventy five (75) calendar days. | 2. Count the number of days from the last day of posting of the <i>Request for Expression of Interest</i> up to the deadline for submission and receipt of bids and compare with the 75-calendar-day maximum period. | Did the BAC observe the maximum of 75-calendar days from the last day of posting of the <i>Request for Expression of Interest</i> up to the deadline for submission and receipt of bids? | | | |
| OPENING & PRELIMINARY EX CONSULTING SERVICES | | | NT OF | | |
| 1. To verify if the BAC observed quorum. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 12.3 Quorum A majority of the total BAC | From the Office Order creating the BAC, determine the number of BAC members and identify the Chairman or Vice-Chairman. From the <i>Minutes of</i> | Was there a quorum? | | | |

| Audit Sub-objective | | Suggested Aud | dit Wor | kina F | 'aper |
|--|---|--|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| composition as designated by the Head of the Procuring Entity shall constitute a quorum for the transaction of business, provided that the presence of the Chairman or Vice-Chairman shall be required. 2. To verify if the BAC opened the bids immediately after the deadline for the | Opening of Bids, check for the presence of the Chairman or Vice-Chairman and if majority of the BAC members or representatives/alternates attended the proceedings. 3. Compare the date and time of the opening of bids indicated in the | Did the BAC open the bids immediately after the deadline for the | | | the Answer |
| submission and receipt of bids and at the: a. date, b. time, and c. place | Minutes of the Opening of Bids with the deadline for submission and receipt of bids stated in the Bidding Documents. | submission and receipt of bids? Did the BAC open the | | | |
| specified in the Request for Expression of Interest Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 29. Bid Opening | 4. Compare the date, time and place of the opening of bids indicated in the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest. | bids on the date specified in the Request for Expression of Interest? | | | |
| The BAC shall open the bids immediately after the deadline for the submission and receipt of bids. [GPPB Resolution No. 13-2009, dated 16 December 2009] The time, date, and place of the opening of bids shall be specified in the Bidding Documents. The | | Did the BAC open the bids on the time specified in the Request for Expression of Interest? | | | |
| bidders or their duly authorized representatives may attend the opening of bids. The BAC shall adopt a procedure for ensuring the integrity, security, and confidentiality of all submitted bids. The minutes of the bid opening shall be made available to the public upon written request and payment of a specified fee to recover cost of materials. | | Did the BAC open the bids at the place specified in the Request for Expression of Interest? | | | |
| 3. To verify if the BAC/BAC Secretariat read out and recorded during bid opening letters of withdrawal and returned to the bidder the envelope containing the | 5. From the Minutes of Bid Opening, check for information on the BAC's reading out and recording of withdrawn bids during the bid opening; checking of the date of submission | Did the BAC read out and record during bid opening letters of withdrawal of bids? | | | |
| corresponding withdrawn bid unopened, either to the bidder's representative if he is present or by registered mail | of the withdrawal letter; and returning the withdrawn bid unopened. Also check for evidence of the return of the withdrawn bids from | If the withdrawal of bid was made before the deadline for submission and receipt of bids, return the bids unopened to representatives of the | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|---|---|-----|----|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Philippine Bidding Documents for the Procurement of Consulting Services, 3 rd edition (October 2009) approved per GPPB Resolution No. 05-2009 dated 30 September 2009: • 20. Modification and Withdrawal | acknowledged registered mails. | bidders concerned present during the bid opening? | | | |
| of Bids 20.1 20.2. A Consultant may, through a letter of withdrawal, withdraw its bid,after it has been submitted, for valid and justifiable reason; provided that the letter of withdrawal is received by the Procuring | | Did the BAC eturn withdrawn bids unopened by registered mail if the withdrawal of bid was made before the deadline for submission and receipt of bids? | | | |
| Entity prior to the deadline prescribed for submission and receipt of bids. 20.3. Bids requested to be withdrawn in accordance with ITB Clause 20.1, shall be returned unopened to the Consultants. A Consultant may also express its intention not to participate in the bidding through a letter which should reach and be stamped by the BAC before the deadline for submission and receipt of bids. A Consultant that withdraws its bid shall not be permitted to submit another bid, directly or indirectly, for the same contract. 20.4. No bid may be modified after the deadline for submission of bids. No bid may be withdrawn in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Consultant on the Financial Bid Form. Withdrawal of a bid during this interval shall result in the forfeiture of the Consultant's bid security, | 6. From the Minutes of the Bid Opening, check for information on withdrawals of bids made after the deadline for submission and receipt of bids up to the expiration of the period of bid validity specified by the bidder in the financial bid form; and for information on forfeiture of bid security and imposition of sanctions on these bidders. | Did the BAC forfeit the bid security and recommend the imposition of sanctions on bidders who withdrew their bids during the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Bidder on the Financial Bid Form? | | | |
| pursuant to ITB Clause 15.5, and the imposition of administrative, civil, and criminal sanctions as prescribed by RA 9184 and its IRR. | | | | | |

| Audit Sub-objective | | Suggested Au | dit Woı | | | |
|--|--|--|---------|----|---------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| 4. To verify if the BAC opened the <u>first bid</u> envelopes of the bidders in <u>public</u> | 7. From the Attendance Record/Minutes of the Opening of Bids check if the participants included bidders and observers. | Did the BAC open the first bid envelopes of the bidders in public? | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 30.1. The BAC shall open the first bid envelopes of prospective bidders in <u>public</u> to determine each bidder's compliance with the documents required to be submitted for eligibility and for the technical requirements, as prescribed in this IRR. For this purpose, the BAC shall check the submitted documents of each bidder against a checklist of required documents to ascertain if they are all present, using a nondiscretionary "pass/fail" criterion, as stated in the Instructions to Bidders. If a bidder submits the required document, it shall be rated "passed" for that particular requirement. In this regard, bids that fail to include any requirement or are incomplete or patently insufficient shall be considered as "failed". Otherwise, the BAC shall rate the said first bid envelope as "passed" | | | | | | |
| 5. To verify if the BAC opened <u>first</u> the technical envelopes and <u>ascertained compliance</u> of each bidder with the <u>documents required</u> to be submitted in the <u>first envelope</u> by checking the submitted documents of | 8. From the Minutes of the Bid Opening, look for information evidencing that the BAC opened first each bidder's technical envelope. | Did the BAC open first the technical envelopes? | | | | |
| each bidder against a checklist of required documents to ascertain if they are all present, using a nondiscretionary "pass/fail" criterion, as stated in the Instructions to Bidders Implementing Rules and Regulations (IRR) of RA 9184, as amended on | 9. Compare the list of documents in the <i>Checklist</i> with the list of documents required to be submitted per the Bidding Documents. | Are the contents of the Checklist for Technical Envelope of Consulting Services accomplished by the BAC those that are required to be submitted in the technical envelope per Bidding Documents? | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|---|--|-----|----|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| September 2, 2009: • 30.1. The BAC shall open the first bid envelopes of prospective bidders in public to determine each bidder's compliance with the documents required to be | 10. Determine if the BAC's entries in the Checklist are complete. | Did the BAC ascertain the presence of the following documents in the technical envelope of each bidder: | | | |
| submitted for eligibility and for the technical requirements, as prescribed in this IRR. For this purpose, the BAC shall check the submitted documents of each | | a. The bid security in the prescribed form, amount and validity period? | | | |
| bidder against a checklist of required documents to ascertain if they are all present, using a nondiscretionary "pass/fail" criterion, as stated in the | | b. Organizational chart for the contract to be bid? | | | |
| Instructions to Bidders. If a bidder submits the required document, it shall be rated "passed" for that particular requirement. In this | | c. List of completed and on-going projects? | | | |
| regard, bids that fail to include any requirement or are incomplete or patently insufficient shall be considered as "failed". Otherwise, | | d. Approach, work plan, and schedule? | | | |
| the BAC shall rate the said first bid envelope as "passed". • 25.2. The first envelope shall | | e. List of key personnel to be assigned to the contract to be bid, with their complete | | | |
| contain the following technical information/ documents, at the least: | | qualification and experience data? | | | |
| c. For the procurement of consulting services i) The bid security in the prescribed form, amount and validity period; ii) Organizational chart for the contract to be bid; iii) List of completed and on- | | f. Sworn statement by the prospective bidder or its duly authorized representative in the form prescribed by the GPPB as to the following: | | | |
| going projects; iv) Approach, work plan, and schedule: Provided, however, That for architectural design, submission of architectural plans and designs shall not be required during the consultant's | | f.1. It is not "blacklisted" or barred from bidding by the GOP or any of its agencies, offices, corporations, or LGUs, including foreign | | | |
| selection process; v) List of key personnel to be assigned to the contract to be bid, with their complete qualification and experience data; and | | government/ foreign or international financing institution whose blacklisting rules have been recognized by the | | | |
| vi) Sworn statement by the prospective bidder or its duly authorized representative in the form prescribed by the GPPB as | | GPPB? f.2. Each of the | | | |
| to the following: (1) It is not "blacklisted" or barred from bidding by the | | documents submitted in satisfaction of the bidding requirements is an authentic copy of | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|------------------|---|-----|----|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| GOP or any of its agencies, | | the original, complete, | | | |
| offices, corporations, or LGUs, | | and all statements and | | | |
| including foreign | | information provided | | | |
| government/foreign or | | therein are true and | | | |
| international financing | | correct? | | | |
| institution whose blacklisting | | | | | |
| rules have been recognized by | | | | | |
| the GPPB; | | f.3. It is authorizing | | | |
| (2) Each of the documents | | the Head of the | | | |
| submitted in satisfaction of the | | Procuring Entity or his | | | |
| bidding requirements is an | | duly authorized | | | |
| authentic copy of the original, | | representative/s to | | | |
| complete, and all statements | | verify all the | | | |
| and information provided | | documents submitted? | | | |
| therein are true and correct; | | documents submitted. | | | |
| (3) It is authorizing the Head of | | | | | |
| the Procuring Entity or his duly | | f / The signatory is | | | |
| authorized representative/s to | | f.4. The signatory is the duly authorized | | | |
| verify all the documents | | representative of the | | | |
| submitted; | | prospective bidder, and | | | |
| · · | | | | | |
| (4) The signatory is the duly | | granted full power and authority to do, | | | |
| authorized representative of | | execute and perform | | | |
| the prospective bidder, and | | • | | | |
| granted full power and | | any and all acts | | | |
| authority to do, execute and | | necessary and/or to | | | |
| perform any and all acts | | represent the | | | |
| necessary and/or to represent | | prospective bidder in | | | |
| the prospective bidder in the | | the bidding, with the | | | |
| bidding, with the duly notarized | | duly notarized | | | |
| Secretary's Certificate attesting | | Secretary's Certificate | | | |
| to such fact, if the prospective | | attesting to such fact, | | | |
| bidder is a corporation, | | if the prospective | | | |
| partnership, cooperative, or | | bidder is a corporation, | | | |
| joint venture; | | partnership, | | | |
| (5) It complies with the | | cooperative, or joint | | | |
| disclosure provision under | | venture? | | | |
| Section 47 of the Act in relation | | | | | |
| to other provisions of R.A. | | 6 F. It consulted with | | | |
| 3019; | | f.5. It complies with | | | |
| (6) It complies with the | | the disclosure provision | | | |
| responsibilities of a prospective | | under Section 47 of the | | | |
| or eligible bidder provided in | | Act in relation to other | | | |
| the PBDs; and | | provisions of R.A. | | | |
| (7) It complies with existing labor | | 3019? | | | |
| laws and standards, in the case | | | | | |
| of procurement of services. | | f 4 It compiles with | | | |
| 22.2.1 The BAC shall and all a | | f.6. It complies with | | | |
| 33.2.1 The BAC shall conduct a | | the responsibilities of a | | | |
| detailed evaluation of bids using | | prospective or eligible | | | |
| either of the following evaluation | | bidder provided in the | | | |
| procedures as specified in the | | PBDs? | | | |
| Bidding Documents: | | | | | |
| Quality-Based Evaluation | | | | | |
| rocedure | | f.7. It complies with | | | |
| <i>i)</i> | | existing labor laws and | | | |
| ii) After receipt of bids, the | | standards? | | | |
| | | | | | |
| technical proposals shall first be opened and evaluated, in | | | | | |

| Audit Sub-objective | | Suggested Aud | | king P | • |
|---|---|--|------|--------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| accordance with Section 33.2.2. of this IRR. The BAC shall rank the consultants in descending order based on the numerical ratings of their technical proposals and identify the Highest Rated Bid: Provided, however, that the Highest Rated Bid shall pass the minimum score indicated in the Bidding Documents. | 11. From the Minutes of the Bid Opening look for information indicating that the BAC declared as "failed" in the first envelope bids that failed to include any requirement or are incomplete or patently insufficient; otherwise, that the BAC rated the first bid envelope as | Did the BAC rate as "failed" in the first envelope bids that failed to include any requirement or are incomplete or patently insufficient? | | | |
| Per SAMPLE FORMS FOR PROCUREMENT OF CONSULTING SERVICES published by the GPPB: SF-CONS-41 revised 9 May 04 (Checklist for Technical Envelope Requirements) | first bid envelope as "passed". | Did the BAC rate as "passed" the first envelope that passed all the requirements? | | | |
| EVALUATION OF TECHNICAL | PROPOSALS SUBMITTE | D BY SHORT LISTED (| CONS | JLTAN | ITS |
| 1. To verify if the BAC evaluated the technical proposals only of the bidders who were rated "passed" Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 30.1. The BAC shall open the first bid envelopes of prospective bidders in public to determine each bidder's compliance with the documents required to be submitted for eligibility and for the technical requirements, as prescribed in this IRR. For this purpose, the BAC shall check the submitted documents of each bidder against a checklist of required documents to ascertain if they are all present, using a nondiscretionary "pass/fail" criterion, as stated in the Instructions to Bidders. If a bidder submits the required document, it shall be rated "passed" for that particular requirement. In this regard, bids that fail to include any requirement or are incomplete or patently insufficient shall be considered as "failed". Otherwise, the BAC shall rate the said first bid envelope as "passed". • Philippine Bidding Documents for the Procurement of Consulting Services, 3 rd edition (October 2009) approved per GPPB Resolution No. 05-2009 dated | 1. From the Minutes of the Bid Opening, the accomplished Checklist for the technical envelopes, the TWG report duly reviewed by the BAC compare the names of the consultants whose technical proposals were evaluated against those rated "passed" in the first (technical) envelope. | Did the BAC evaluate the technical proposals only of the bidders who were rated "passed"? | | | |

| Audit Sub-objective | | Suggested Aud | lit Wor | rkina F | aner |
|---|--|--|---------|---------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| 2 4 4 22 222 | | | | | the Answer |
| Instructions to Bidders No. 24. Opening and Evaluation of Technical Proposals. 24.4. Technical proposals shall not be considered for evaluation in any of the following cases: a b. Failure to submit any of the technical requirements provided under this ITB and TOR, c 2. To verify if the BAC, through its Secretariat, put in writing requests for clarification of bids from the bidders concerned Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 33.1. From submission and receipt of bids until the approval by the Head of the Procuring Entity of the ranking of short listed bidders, those that have submitted their bids are prohibited from making any communication with any BAC member, including its staff and personnel, as well as its Secretariat and TWG, regarding matters connected to their bids. However, the BAC, through its Secretariat, may ask in writing the bidder for a clarification of its bid. All responses to requests for clarification shall be in writing. | 2. From the TWG reports duly reviewed by the BAC, look for information used in the bid evaluation which were requested from the bidders concerned. Look for the letter request for said information duly received by the bidder and the response of the bidder concerned. | Did the BAC, through its Secretariat, put in writing requests for clarification of bids from the bidders concerned? Were the clarifications made by the bidders concerned in writing? | | | |
| 3. To verify if the BAC evaluated the technical proposals of consultants based on the <u>criteria and numerical weights</u> for bid evaluation as specified in the Bidding Documents Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 33.2.2 The technical proposals of consultants shall be evaluated based on the following criteria and using the corresponding numerical weights indicated in the bidding documents: | 3. From the relevant report(s) of the Technical Working Group (e.g. Rating Sheet for Technical Proposal with supporting information and detailed evaluation), duly reviewed by the BAC; and Minutes of Meeting(s) of the BAC, look for information on the evaluation conducted on the technical proposals. | Were the criteria and numerical weights used by the BAC those specified in the Bidding Documents: a. Quality of personnel to be assigned to the project? b. Experience and capability of the consultant? c. Plan of approach and methodology? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|--|--|-----|----|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| a) Quality of personnel to be assigned to the project which covers suitability of key staff to perform the duties of the particular assignments and general qualifications and competence including education and training of the key staff; b) Experience and capability of the consultant which include records of previous engagement and quality of performance in similar and in other projects; relationship with previous and current clients; and, overall work commitments, geographical distribution of current/impending projects and attention to be given by the consultant. The experience of the consultant to the project shall consider both the overall experiences of the firm and the | 4. Compare the criteria and numerical weights used by the TWG/BAC in their evaluation (per TWG reports and supporting documents) with those specified in the Bidding Documents. | Did the BAC use the criteria and numerical weights for each consultant? | Yes | No | Particulars of the Answer |
| individual experiences of the principal and key staff including the times when employed by other consultants; and c) Plan of approach and methodology with emphasis on the clarity, feasibility, innovativeness and comprehensiveness of the plan approach, and the quality of interpretation of project problems, risks, and suggested solutions. | | | | | |
| 4. For complex or unique undertakings, to verify if the BAC required bidders concerned to make an oral presentation within 15 calendar days after the deadline for submission of technical proposals | 5. From the records of the oral presentation, count the number of days from said presentation to the deadline for submission of technical proposals and compare with the 15-day maximum. | For complex or unique undertakings, did the BAC require bidders concerned to make an oral presentation within 15 calendar days after the deadline for submission of technical proposals? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 33.2.2 For complex or unique undertakings, such as those involving new concepts/ technology or financial advisory services, participating short listed consultants may be required, at the option of the agency concerned, to make an oral presentation to be presented by each consultant, or its nominated | | | | | |

| Audit Sub-objective | | Suggested Aud | dit Wor | king P | aper |
|--|---|---|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Project Manager or head, in case of firms, within fifteen (15) calendar days after the deadline for submission of technical proposals. | | | | | the Answer |
| 5. To verify if the BAC excluded the highest and lowest scores for each consultant for each criterion in determining the average scores of the consultants, (except when the evaluation was conducted in a collegial manner) Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 33.2.3. In order to eliminate bias in evaluating the technical proposals, it is recommended that the highest and lowest scores for each consultant for each criterion shall not be considered in determining the average scores of the consultants, except when the evaluation is conducted in a collegial manner. | 6. From the Rating Sheets and the Ranking List, perform re-computations to check if the average score for each consultant for each criterion was computed to exclude the highest and lowest scores for each consultant for each criterion. | To verify if the BAC excluded the highest and lowest scores for each consultant for each criterion in determining the average scores of the consultants, (except when the evaluation was conducted in a collegial manner)? | | | |
| 6. To verify if the BAC identified the proposal with the highest score as the Highest Rated Bid (HRB) by ranking the consultants in descending order based on the numerical ratings, with consideration of the minimum score indicated in the bidding documents Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 33.2.1 The BAC shall conduct a detailed evaluation of bids using either of the following evaluation procedures as specified in the Bidding Documents: a) Quality-Based Evaluation Procedure i) ii) The BAC shall rank the consultants in descending order based on the numerical ratings of their technical proposals and identify the Highest Rated Bid: Provided, however, that the | 7. Go over the names of consultant and their numerical ratings indicated in the Report on the ranking of consultants and compare with those indicated in the Rating Sheet for Technical Proposal. 8. Compare the numerical ratings of the consultants with the minimum score indicated in the bidding documents. | Did the BAC identify the Highest Rated Bid (HRB) by: a. ranking the consultants in descending order based on the numerical ratings and declaring the consultant with the highest score as the HRB? and b. with consideration of the minimum score indicated in the bidding documents? | | | |

| Audit Sub-objective | | Suggested Aud | tit Wor | kina P | laner |
|--|---|---|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Highest Rated Bid shall pass the minimum score indicated in the Bidding Documents. • 33.4 The proposal with the highest score shall be identified as the Highest Rated Bid. | | | | | the Answer |
| 7. To verify if the BAC recommended the consultant with the HRB to the HOPE for approval Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 33.2.1 a) i) ii) The Head of the Procuring Entity shall approve or disapprove the recommendations of the BAC within two (2) calendar days after receipt of the results of the evaluation from the BAC. | 9. Based on the letter of the BAC and the BAC Resolution, determine if the HRB was recommended by the BAC to the HOPE for approval. | Did the BAC recommend the consultant with the HRB to the HOPE for approval? | | | |
| 8. To verify if the Highest Rated Bid (HRB) recommended by the BAC was approved/disapproved by the Head of the Procuring Entity (HOPE) within two (2) calendar days after receipt of the results of evaluation Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 33.2.1 i) ii) iii) The Head of the Procuring Entity shall approve or disapprove the recommendations of the BAC within two (2) calendar days after receipt of the results of the evaluation from the BAC. | 10. Count the number of days from the date of receipt by the HOPE of the letter of the BAC submitting the BAC recommendation to the date of approval by the HOPE of the BAC Resolution declaring and recommending the consultant with the HRB and compare with the 2-day maximum. | Was the HRB recommended by the BAC approved by the HOPE within two (2) calendar days after receipt of the results of evaluation? | | | |
| 9. To verify if the BAC: a. furnished all participating short listed consultants of the results of evaluation (ranking and total scores only) after the approval by | 11. Compare the names of the participating consultants (from the Minutes of the Opening of Bids) with those furnished by the BAC with the results of the bid | Did the BAC: a. furnished all participating short listed consultants of the results of evaluation (ranking and total scores only) | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|--|--|-------|-------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| the HOPE of the ranking, and b. posted the ranking and total scores in the PhilGEPS and the Procuring | evaluation (based on the copies of the letters duly received by them). | after the approval by the HOPE of the ranking? and | | | |
| Entity's websites for a period of not less than 7 calendar days Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 33.2.4. All participating short listed consultants shall be furnished the results (ranking and total scores only) of the evaluation after the approval by the Head of the Procuring Entity of the ranking. Said results shall also be posted in the PhilGEPS and the website of the procuring entity, whenever available, for a period of not less than seven (7) calendar days. | 12. Using print-outs of the web page (PhilGEPS and the Procuring Entity's websites) with the posted results of evaluation, count the number of days from the first to the last day of said posting and compare with the 7-day requirement. | b. posted the ranking and total scores in the PhilGEPS website for a period of not less than 7 calendar days? and c. posted the ranking and total scores in the Procuring Entity's website for a period of not less than 7 calendar days? | | | |
| OPENING OF THE FINANCIAL F (HRB) AND NEGOTIATIONS 1. To verify if the BAC, within | PROPOSAL OF THE CON 1. From the notice to the | SULTANT WITH THE H | HIGHE | ST RA | ATED BID |
| three (3) calendar days after approval by the HOPE of the HRB: a. notified and invited the consultant with the Highest Rated Bid (HRB) | consultant with the HRB, look for information: on the date of receipt of the notice by the consultant; and that the BAC: | consultant with the HRB within 3 calendar days after approval by the HOPE? | | | |
| for the opening of financial proposal for the purpose of conducting negotiations with the said consultant; and b. informed the consultant of the issues in the technical proposal for clarification during the negotiation | a. invited the consultant for the opening of the financial proposal for the purpose of conducting negotiations, b. informed the consultant of the issues in the technical proposal which the BAC may wish to clarify during the negotiation. | Did the notice indicate that the BAC invited the consultant with the HRB for the opening of the financial proposal for the purpose of conducting negotiations? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 33.2.1. The BAC shall conduct a detailed evaluation of bids using either of the following evaluation procedures as specified in the Bidding Documents: | | Did the notice indicate that the BAC informed the consultant of the issues in the technical proposal which the BAC may wish to clarify during the negotiation? | | | |
| a) Quality-Based Evaluation Procedure | | | | | |

| Audit Sub-objective | | Suggested Audit Working Pa | | | aper | | |
|--|---|--|-----|-----|----------------|--|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | | |
| - Hadit officia | , iddi. i , idi. i i i i i | Addit Question | 103 | 140 | the Answer | | |
| iv) After approval by the Head of | | | | | | | |
| the Procuring Entity of the | | | | | | | |
| Highest Rated Bid, its financial | | | | | | | |
| proposal shall then be opened. | | | | | | | |
| The <u>BAC shall, within three (3)</u> | | | | | | | |
| calendar days, notify and invite | | | | | | | |
| the consultant with the Highest | | | | | | | |
| Rated Bid for the opening of | | | | | | | |
| financial proposal for the | | | | | | | |
| purpose of conducting | | | | | | | |
| negotiations with the said | | | | | | | |
| consultant. In the letter of | | | | | | | |
| notification, the BAC shall | | | | | | | |
| inform the consultant of the | | | | | | | |
| issues in the technical proposal | | | | | | | |
| the BAC may wish to clarify | | | | | | | |
| during negotiations. | | | | | | | |
| 2. To verify if the BAC's | 2. From the Minutes of | Did the BAC's | | | | | |
| negotiation with the | the negotiations, look for | negotiation with the | | | | | |
| consultant with the HRB | information on the | consultant with the HRB | | | | | |
| covered the following: | discussion of: | cover: | | | | | |
| a. Discussion and | a. Discussion and | B'an arta a ant | | | | | |
| clarification of the Terms | clarification of the | a. Discussion and | | | | | |
| Of Reference (TOR) and | Terms Of Reference | clarification of the Terms Of Reference | | | | | |
| Scope of Services; | (TOR) and Scope of Services: | (TOR) and Scope of | | | | | |
| b. Discussion and finalization | b. Discussion and | Services? | | | | | |
| of the methodology and | finalization of the | Services. | | | | | |
| work program proposed by | methodology and work | | | | | | |
| the consultant; | program proposed by | b. Discussion and | | | | | |
| c. Consideration of the | the consultant; | finalization of the | | | | | |
| | c. Consideration of the | methodology and | | | | | |
| appropriateness of | appropriateness of | work program | | | | | |
| qualifications and | qualifications and | proposed by the | | | | | |
| pertinent compensation, | pertinent compensation, | consultant? | | | | | |
| number of man-months | number of man-months | | | | | | |
| and the personnel to be | and the personnel to be | - Completenative of the | | | | | |
| assigned to the job, taking | assigned to the job, | c. Consideration of the: | | | | | |
| note of over-qualified | taking note of over- | c.1. appropriateness | | | | | |
| personnel, to be | qualified personnel, to be commensurate with | of qualifications and | | | | | |
| commensurate with the | the compensation of | pertinent | | | | | |
| compensation of personnel | personnel with the | compensation? | | | | | |
| with the appropriate | appropriate | | | | | | |
| qualifications, number of | qualifications, number | c.2. number of man- | | | | | |
| man-months and schedule | of man-months and | months and the | | | | | |
| of activities (manning | schedule of activities | personnel to be | | | | | |
| schedule); | (manning schedule); | assigned to the job, | | | | | |
| d. Discussion on the services, | d. Discussion on the | taking note of over- | | | | | |
| facilities and data, if any, | services, facilities and | qualified personnel, | | | | | |
| to be provided by | data, if any, to be | to be commensurate | | | | | |
| procuring entity; | provided by procuring | with the | | | | | |
| e. Discussion on the financial | entity; e. Discussion on the | compensation of personnel with the | | | | | |
| proposal submitted by the | financial proposal | appropriate | | | | | |
| consultant; and | submitted by the | qualifications? | | | | | |
| f. Provisions of the contract | consultant; and | quaniounons: | | | | | |
| | f. Provisions of the | c.3. number of | | | | | |
| Implementing Rules and Regulations | contract | man-months and | | | | | |

| Audit Sub-objective | | Suggested Auc | dit Wor | king P | aper |
|--|---|---|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| (IRR) of RA 9184, as amended on September 2, 2009: • 33.2.5 Negotiations shall cover the following: a) Discussion and clarification of the TOR and Scope of Services; b) Discussion and finalization of the methodology and work program proposed by the consultant; c) Consideration of appropriateness of qualifications and pertinent compensation, number of man-months and the personnel to be assigned to the job, taking note of overqualified personnel, to be commensurate with the compensation of personnel with the appropriate qualifications, number of man-months and schedule of activities (manning schedule); d) Discussion on the services, facilities and data, if any, to be provided by procuring entity; e) Discussion on the financial proposal submitted by the consultant; and f) Provisions of the contract. | | schedule of activities (manning schedule)? d. Discussion on the services, facilities and data, if any, to be provided by procuring entity? e. Discussion on the financial proposal submitted by the consultant? f. Provisions of the contract? | | | the Answer |
| 3. To verify if the BAC used the amount indicated in the financial envelope of the consultant with the HRB as the basis for negotiations, with the ABC as stated in the Bidding Documents as the ceiling • 33.2.1 a) i) v) Negotiations shall be in | 3. From the Minutes of the negotiations, look for information on the discussion where the amount indicated in the financial envelope was used as basis for the negotiations and with the ABC as stated in the Bidding Documents as the ceiling. | Did the BAC use the amount indicated in the financial envelope of the consultant with the HRB as the basis for negotiations, with the ABC as stated in the Bidding Documents as the ceiling? | | | |
| accordance with Section 33.2.5 of this IRR, provided that the amount indicated in the financial envelope shall be made as basis for negotiations and the total contract amount shall not exceed the amount indicated in the envelope and the approved budget for the contract as stated in the Bidding Documents. • 33.2.6. Total calculated bid prices, as evaluated and corrected for minor arithmetical corrections, such as computational errors, which exceed the ABC shall not be considered | 4. From the TWG report with supporting documents duly reviewed by the BAC and the Minutes of the negotiations, look for information on the results of calculation and correction of bid prices and the decision made when such evaluation resulted in the total calculated bid price exceeding the ABC. | Did the BAC disqualify the consultant with a calculated bid price exceeding the ABC? | | | |

| Audit Sub-objective | | Suggested Aud | dit Wor | kina P | aner |
|---|---|--|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 4. To verify if the BAC completed negotiations with any one consultant within 10 calendar days Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 5. From the minutes of the negotiations with individual consultants, count the number of days from the start to the end of the negotiations and compare with the 10-day period. | Did the BAC complete the negotiations with any one consultant within 10 calendar days? | | | |
| • 33.2.5. Negotiations a) f) Except for meritorious reasons, negotiations with anyone consultant shall be completed within ten (10) calendar days. | | | | | |
| 5. To verify if the BAC submitted their Resolution on the results of the negotiation and their recommendations to the HOPE for approval and if the HOPE approved the said results and recommendations | 6. From the BAC Resolution check for the approval of the HOPE. | Did the BAC submit the BAC Resolution on the results of the negotiation and their recommendations to the HOPE for approval? Did the HOPE approve the results of the BAC | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 33.2.1 a) ii) The Head of the Procuring Entity shall approve or disapprove the recommendations of the BAC | | the results of the BAC negotiations and their recommendations? | | | |
| 6. To verify if the BAC completed the entire evaluation process including submission of the results thereof to the HOPE for approval within twenty one (21) calendar days after the deadline for receipt of proposals | 7. Count the number of days from the deadline for receipt of proposals to the date of submission of the results of bid evaluation to the HOPE and compare with the 21-day period. | Did the BAC complete the bid evaluation process within twenty one (21) calendar days after the deadline for receipt of proposals? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 33.4. The entire evaluation process, including submission of the results thereof to the Head of the Procuring Entity for approval, shall be completed in not more than twenty one (21) | | | | | |

| Audit Sub objective | | Suggested Aug | 4i+ \/\/\o\ | rkina F | lanor |
|---|---|--|-------------|---------|----------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Suggested Audit Question | Yes | | Particulars of |
| • Audit Criteria | Addit Activities | Audit Question | res | No | the Answer |
| calendar days after the deadline | | | | | the Answer |
| for receipt of proposals. | | | | | |
| | | | | | |
| IN CASE OF FAILURE OF THE N | IEGOTIATION WITH TH | E CONSULTANT WITH | THE | HIGH | EST RATED |
| BID (HRB) | | 1 | | 1 | 1 |
| 1. To verify if the BAC | 1. From the minutes of | Did the BAC terminate | | | |
| terminated negotiations with | the negotiation, look for information on the official | negotiations with the | | | |
| the consultant with the HRB | termination of the | consultant with the HRB when no agreement on | | | |
| when no agreement on all | negotiations as a result of | all items discussed was | | | |
| items discussed was possible | non-agreement in all of | possible? | | | |
| | the items discussed with | 1 | | | |
| Implementing Rules and Regulations | the consultant with the | | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: | HRB. | | | | |
| • 6.2. Once issued by the GPPB, | | | | | |
| the use of the Generic | | | | | |
| Procurement Manuals (GPMs), | | | | | |
| Philippine Bidding Documents | | | | | |
| (PBDs), and other standard forms | | | | | |
| shall be mandatory upon all | | | | | |
| Procuring Entities. However, whenever necessary, to suit the | | | | | |
| particular needs of the procuring | | | | | |
| entity, modifications may be | | | | | |
| made, particularly for major and | | | | | |
| specialized procurement, subject | | | | | |
| to the approval of the GPPB. | | | | | |
| Generic Procurement Manual of | | | | | |
| Procedures for the Procurement of | | | | | |
| Consulting Services Volume 4 (June | | | | | |
| 2006) published by the GPPB: | | | | | |
| Step 1 Step 8. Negatiate with the | | | | | |
| Step 8. Negotiate with the consultant with the Highest | | | | | |
| Rated Bid. | | | | | |
| nated 2.a. | | | | | |
| What happens if negotiations | | | | | |
| with the bidder with the HRB | | | | | |
| fail? | | | | | |
| If agreement on all items discussed during negotiations is | | | | | |
| not possible between the BAC | | | | | |
| and the first-in-rank consultant, | | | | | |
| the BAC would have to | | | | | |
| terminate negotiations and | | | | | |
| invite the next-rank consultant | | | | | |
| for negotiations. The procedure for negotiations, as described | | | | | |
| above, shall be repeated until | | | | | |
| negotiation with the consultant | | | | | |
| is successfully completed. | | | | | |
| 2. To verify if the BAC | NOTE: | Did the BAC invite the | | | |
| invited the next-rank | For each failure of | next-rank consultant for | | | |
| consultant for negotiations | negotiations with | negotiations and | | | |
| and adopted the same | the next-rank | adopted the same | | | |
| conditions and procedures | bidder, the BAC is | conditions and | | | |
| used with the HRB | to repeat the | procedures used with | | | |
| | | 1 | 1 | | 1 |



| Audit Sub-objective • Audit Criteria | Audit Activities | Suggested Aud | | | ~ ~ ∨ ı |
|---|---|---------------------------------|-------|------|----------------|
| | Addit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| Landan Maria Balanca A Bara Artica | process until the | the HRB? | | | |
| Implementing Rules and Regulations | negotiation is | | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: | completed. | | | | |
| • 6.2. Once issued by the GPPB, | 773 1 . 1 1 . 1 | | | | |
| the use of the Generic | The related audit | | | | |
| Procurement Manuals (GPMs), | activities are | | | | |
| Philippine Bidding Documents | likewise to be | | | | |
| (PBDs), and other standard forms | repeated. | | | | |
| shall be mandatory upon all | | | | | |
| Procuring Entities. However, | | | | | |
| whenever necessary, to suit the particular needs of the procuring | | | | | |
| entity, modifications may be | | | | | |
| made, particularly for major and | | | | | |
| specialized procurement, subject | | | | | |
| to the approval of the GPPB. | | | | | |
| | | | | | |
| Generic Procurement Manual of Procedures for the Procurement of | | | | | |
| Consulting Services Volume 4 (June | | | | | |
| 2006) published by the GPPB: | | | | | |
| • Step 1 | | | | | |
| Step 8. Negotiate with the | | | | | |
| consultant with the Highest | | | | | |
| Rated Bid. | | | | | |
| What happens if negotiations | | | | | |
| with the bidder with the HRB | | | | | |
| fail? | | | | | |
| If agreement on all items | | | | | |
| discussed during negotiations is | | | | | |
| not possible between the BAC | | | | | |
| and the first-in-rank consultant, the BAC would have to | | | | | |
| terminate negotiations and | | | | | |
| invite the next-rank consultant | | | | | |
| for negotiations. The procedure | | | | | |
| for negotiations, as described | | | | | |
| above, shall be repeated until | | | | | |
| negotiation with the consultant is successfully completed. | | | | | |
| is successivily completed. | | | | | |
| INVOLVEMENT OF THE BAC OB | SERVERS IN THE OPEN | ING OF THE FINANCI | AL PR | OPOS | AL(S) AND |
| NEGOTIATIONS WITH THE COI | | | | | |
| 1. To verify if the BAC | 1. From the Minutes of the | Did the BAC choose the | | | |
| invited Observers: | BAC meeting on the | Observers considering: | | | |
| a. representing the COA, the | selection of the Observer from the "pool", check for | | | | |
| project-related professional | information on the BAC's | a. One representing the | | | |
| organization accredited or duly recognized by the | evaluation in regard to: | COA? | | | |
| Professional Regulation | the selection of the | | | | |
| Commission or the Supreme | organization from | | | | |
| Court, and a non-government | which the Observer will | b. One representing the | | | |
| organization (NGO) from the | be invited;knowledge, experience | project-related professional | | | |
| procuring entity's Pool of | or expertise in | organization | | | |
| Observers; | procurement or in the | accredited or duly | | | |
| b. that have: | subject matter of the | recognized by the | | | |

| Audit Sub-objective | | Suggested Aug | dit Wor | Working Paper | | |
|--|--|--|---------|---------------|---------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| b.1. knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; | contract to be bid; no actual or potential conflict of interest in the contract to be bid; and | Professional Regulation Commission or the Supreme Court? | | | | |
| b.2. no actual or potential conflict of interest in the contract to be bid; and b.3. conformed with other relevant criteria | conformed with other relevant criteria determined by the BAC. | c. One representing a non-government organization? | | | | |
| determined by the BAC; c. at least 3 calendar days prior to the opening of financial proposal Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | d. With knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid? | | | | |
| Section 13. Observers 13.1. To enhance the transparency of the process, the BAC shall, in all stages of the procurement process, invite, in addition to the representative of the COA, at least two (2) observers, who shall not have the right to vote, to sit in its proceedings where: | | e. With no actual or potential conflict of interest in the contract to be bid? f. Conformed with other relevant criteria determined | | | | |
| a) At least one (1) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hand, for example: i) ii) iii) For consulting services, a project-related professional organization accredited or duly recognized by the Professional Regulation Commission or the Supreme Court, such as, but not limited to: (1) PICE; (2) Philippine Institute of Certified Public Accountants (PICPA); and (3) Confederation of Filipino Consulting Organizations; and b) The other observer shall come from a non-government organization (NGO). | 2. From certified copies of the invitations to the Observers with evidence of receipt, compare the date of receipt with the 3-day minimum requiremen | by the BAC? Did the BAC invite the Observers at least 3 days from the date of the opening of the financial proposal and negotiations? | | | | |
| 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the | | | | | | |

| Audit Sub-objective | | Suggested Auc | dit Wor | king P | aper |
|--|---|--|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | the Answer |
| 2. To verify if the Procuring Entity considered the comments/observations of the Observers Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 13.4. The observers shall have the following responsibilities: a) To prepare the report either jointly or separately indicating their observations made on the procurement activities conducted by the BAC for submission to the Head of the Procuring Entity, copy furnished the BAC Chairman. The report shall assess the extent of the BAC's compliance with the provisions of this IRR and areas of improvement in the BAC's proceedings; b) To submit their report to the +procuring entity and furnish a copy to the GPPB and Office of the Ombudsman. If no report is submitted by the observer, then it is understood that the bidding activity conducted by the BAC followed the correct procedure; and c) To immediately inhibit and notify in writing the procuring entity concerned of any actual or potential interest in the contract to be bid. | 3. Based on the BAC's Minutes on the Negotiations and the report of the Observers check whether a deliberation was made on the comments /observations of the observers. | Did the Procuring Entity consider the comments/ observations of the Observers? | | | |

| Audit Sub-objective | | Suggested Au | dit Wor | kina F | aner |
|---|---|--------------------------|--------------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Audit Citteria | Addit Activities | Addit Question | 163 | INO | the Answer |
| 13.5. Observers shall be allowed access to the following documents upon their request, subject to signing of a confidentiality agreement: (a) minutes of BAC meetings; (b) abstract of Bids; (c) post-qualification summary report; (d) APP and related PPMP; and (e) opened proposals. | | | | | |
| EVALUATING AUDIT EVIDENCE | ES GATHERED AND COM | MUNICATING THE RI | ESULT | S OF | AUDIT |
| 1. To verify the effects of instances of non-compliance | Analyze the instances of non-compliance to establish the effects and | Appropriate Audit Workin | | | |
| on the: | develop appropriate audit | | | | |
| a. validity of the | recommendations. | | | | |
| procurement activities and | recommendations. | | | | |
| outputs including the | Also determine if | | | | |
| validity of the resulting | appropriate actions were | | | | |
| contract; | taken by the auditee in | | | | |
| b. validity of any payment to be made on the basis of the contract; | regard to instances of non-compliance. | | | | |
| c. etc. | | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the OFFENSES AND | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | PENALTIES portion of this <i>Audit Guide</i> . | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of | Analyze the instances of | | | | |
| instances of non-compliance and develop appropriate audit recommendations | non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Workin | g Paper | rs . | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|-------------------------------|-------|-------|---------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| 3. To communicate the results of the audit with the auditee's Management | Prepare the appropriate audit/ validation document reflecting the results of | Audit Observation Memor | andum | (AOM) | , if applicable | |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | the audit/validation and transmit to Management | | | | | |

X-B. SUBMISSION, RECEIPT, OPENING AND EVALUATION OF BIDS FOR THE PROCUREMENT OF CONSULTING SERVICES

(Using Quality-Cost Based Evaluation Procedure)

Bids shall be submitted simultaneously in two (2) separate sealed envelopes and received by the procuring entity on or before the deadline specified in the Request for Expression of Interest.

Opening of Bids shall be on the date, time and place specified in the Request for Expression of Interest. Quality Based Evaluation Procedure considers only the Technical Proposals in the ranking of consultants based on the numerical ratings from the highest to the lowest. The purpose of bid evaluation is to determine the Highest Rated Bid.

A. AUDIT OBJECTIVES:

- 1. To verify if bids were submitted and received at the required date, time, and place;
- 2. To verify if the BAC opened the bids at the required date, time, place and adopted the prescribed procedures;
- 3. To verify if the BAC and the Procuring Entity as a whole performed the evaluation of bids according to the prescribed procedures and timelines.

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for evaluation:

- 1. Copy of the Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 2. Invitation letters for the Observers, duly received by them;
- 3. Reports of the BAC Observers;
- Request for Expression of Interest;
- 5. Receiving logbook of the BAC Secretariat with information on the receipt of bids;
- 6. Minutes of the Bid Opening;
- 7. Customized Bidding Documents for the Procurement of Consulting Services;
- 8. Bidding Documents for the specific procurement;
- 9. Checklists for Technical Envelope of Consulting Services accomplished by the BAC;
- 10. TWG report, as reviewed by the BAC, on the evaluation of technical proposals;
- 11. Documentation of oral presentations made by consultants, if any;
- 12. Rating Sheets for technical proposals;
- 13. Minutes of meetings on the evaluation of the technical proposals;
- 14. BAC Resolution on the evaluation and results of the technical proposals, duly approved by the HOPE:
- 15. Letters of notification to consultants on the results of the evaluation (rejection);
- 16. Letters of notification to consultants on the results of the evaluation of their technical proposal and invitation for the opening of financial proposals, duly received by them;
- 17. Minutes of the meetings on the opening of the financial proposals;
- 18. Checklists for Financial Envelope of Consulting Services accomplished by the BAC;
- 19. Minutes of the meetings on the evaluation of the financial proposals:
- 20. TWG report, as reviewed by the BAC, on the evaluation of financial proposals;
- 21. BAC Resolution, duly approved by the HOPE, on the results of the evaluation of financial proposals;
- 22. TWG report with supporting documents, as reviewed by the BAC, on the evaluation of the combination of the technical and financial proposals and ranking;
- 23. Ranking List of consultants;
- 24. BAC Resolution declaring and recommending the HRB/SRB to the HOPE for approval;

- 25. Invitation letter for negotiation with the HRB/SRB duly received by the consultant concerned;
- 26. Minutes of meetings on the negotiations with the HRB/SRB;
- 27. TWG report with supporting documents, as reviewed by the BAC, on the evaluation of the information pertaining to negotiations;
- 28. BAC Resolution, duly approved by the HOPE, on the results of the negotiations with the HRB and recommending the conduct of post-qualification evaluation.

| Audit Sub-objective | | Suggested Aud | lit Wor | king Pa | iper |
|--|--|---|---------|---------|-------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars |
| | Addit Activities | | | | of the |
| | | | | | Answer |
| SUBMISSION OF BIDS FOR CONSUL | | I 5 | 1 | ı | |
| 1. To verify if the BAC | 1. From the Minutes of | Did the BAC determine | | | |
| determined that all bidders | Bid Opening, look for information evidencing | that all bidders submitted bids: | | | |
| submitted bids: | that the BAC | Submitted blus. | | | |
| a. through their duly authorized | compared the | | | | |
| representatives, | signatory of the letter | a. through their duly | | | |
| b. using the forms specified in the | submitting the bid with | authorized | | | |
| Bidding Documents, | the person named in | representatives? | | | |
| c. in two (2) separate sealed | the sworn statement | | | | |
| envelopes submitted | as the duly authorized | | | | |
| simultaneously, | representative. | b. in two (2) separate | | | |
| c. with the first envelope | | sealed envelopes submitted | | | |
| containing the technical | 2. From the Minutes | simultaneously? | | | |
| component and | of Bid Opening, look | Simultaneously: | | | |
| d. the second containing the | for information where | | | | |
| financial component of the bid | the BAC mentioned | c. with the first | | | |
| | opening the outer | envelope containing | | | |
| Implementing Rules and Regulations (IRR) | sealed envelope of | the technical | | | |
| of RA 9184, as amended on September 2, 2009: | each bidder with two | component? | | | |
| • 25.1. Bidders shall <u>submit</u> their bids | (2) sealed envelopes | | | | |
| through their duly authorized | inside marked "ORIGINAL – | and | | | |
| representative <u>using the forms</u> | TECHNICAL | anu | | | |
| specified in the Bidding Documents in | PROPOSAL" and | | | | |
| two (2) separate sealed bid envelopes, | "ORIGINAL - | d. the second | | | |
| and which shall be submitted | FINANCIAL | containing the financial | | | |
| simultaneously. The first shall contain | PROPOSAL" and also | component of the bid? | | | |
| the technical component of the bid and the second shall contain the financial | mentioned already | | | | |
| component of the bid. | opened envelopes. | | | | |
| Component of the blu. | 2 Co through the | Did the DAC velidate if | 1 | | |
| Philippine Bidding Documents for | 3. Go through the Minutes of the Bid | Did the BAC validate if the bidders submitted | | | |
| Consulting Services, 3 rd edition (October | Opening and look for | their bids using the | | | |
| 2009) approved per GPPB Resolution No. | information on the | forms specified in the | | | |
| 05-2009 dated September 30, 2009: | BAC's validation if | Bidding Documents? | | | |
| Section II. INSTRUCTIONS TO | each bidder adopted | | | | |
| BIDDERS, ITB Clause 17. Sealing and | the forms specified in | | | | |
| Marking of Bids. | the Bidding Documents. | | | | |
| 17.1. Unless otherwise indicated in the BDS, consultants shall enclose their | Docamento. | | | | |
| original technical proposal described in | | | | | |
| ITB Clause 10, in one sealed envelope | | | | | |
| marked "ORIGINAL – TECHNICAL | | | | | |
| PROPOSAL", and the original of their | | | | | |
| financial proposal in another sealed | | | | | |
| envelope marked "ORIGINAL – | | | | | |
| FINANCIAL PROPOSAL", sealing them all | | | | | |
| in an outer envelope marked "ORIGINAL | | | | | |

| Audit Sub-objective | | Suggested Aud | it Wor | kina Pa | aper |
|--|---|--|--------|---------|---------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| BID". 17.2 17.5. If bids are not sealed and marked as required, the Procuring Entity will assume no responsibility for the misplacement or premature opening of the bid. | | | | | |
| 2. To verify if in modifying a bid: a. it was done before the deadline for the submission and receipt of bids, b. the original bid was not retrieved but another bid equally sealed, properly identified, was submitted and linked to the original bid and marked as a "modification," thereof, and stamped "received" by the BAC | 4. Go through the records of the BAC pertaining to the submission of bids of each bidder and check if the submission of modifications were done before the deadline for the submission and receipt. | Did the bidders concerned submit their bid modifications before the deadline for the submission and receipt? Was the original bid not retrieved? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 26.1. A bidder may modify its bid, provided that this is done before the deadline for the submission and receipt of bids. Where a bidder modifies its bid, it shall not be allowed to retrieve its original bid, but shall only be allowed to send another bid equally sealed, properly identified, linked to its original bid and marked as a "modification," thereof, and stamped "received" by the BAC. Bid modifications received after the applicable deadline shall not be considered and shall be returned to the bidder unopened. • 26.2. A bidder may, through a letter, withdraw its bid before the deadline for the receipt of bids. Withdrawal of bids after the applicable deadline shall be subject to appropriate sanctions as prescribed in this IRR. A bidder may also express its intention not to participate in the bidding through a letter which should reach and be stamped received by the BAC before the deadline for the receipt of bids. A bidder that withdraws its bid shall not be permitted to submit another bid, directly or indirectly, for the same contract. | 5. Go through the Minutes of the Bid Opening and look for information on the BAC's activities validating if: a. modifications were marked as "modification" and stamped "received" by the BAC; and b. linked to the original bid (not withdrawn). | Did the BAC validate if modification were properly identified and linked to the original marked as a "modification" and stamped "received" by the BAC? | | | |

| A 111 O 1 1 1 11 | | | | | |
|--|---|---------------------------------|-------|-------|-------------|
| Audit Sub-objective | | Suggested Aud | | | |
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars |
| | riddit riotivities | | | | of the |
| | | | | | Answer |
| RECEIPT OF BIDS FOR THE PROCUR | REMENT OF CONSULT | ING SERVICES | | | |
| To verify if the bids were | 1. Check the receiving | Were the bids received | | | |
| | logbook of the BAC on | by the BAC on the date | | | |
| received by the BAC on the: | the date, time, and | and time specified in | | | |
| a. date, | | the Invitation to Bid? | | | |
| b. time, and | place of receipt of bids | the invitation to biu? | | | |
| c. place | and compare these | | | | |
| specified in the Invitation to Bid | with those in the | Were the bids received | | | |
| Specifica in the invitation to bia | Invitation to Bid | by the BAC at the place | | | |
| Implementing Pules and Pagulations (IDD) | | specified in the | | | |
| Implementing Rules and Regulations (IRR) | | Invitation to Bid? | | | |
| of RA 9184, as amended on September 2, | | | | | |
| 2009: | | | | | |
| | | Were bids submitted on | | | |
| • 25.4. Bids shall be received by the BAC | | or before the deadline | | | |
| on the date, time, and place specified in | | for submission of bids | | | |
| the Invitation to Bid. | | not accepted? | | | |
| | | not accepted. | | | |
| • 25.5. Bids, submitted after the | | | | | |
| deadline shall not be accepted by the | | | | | |
| BAC. | | | | | |
| | | | | | |
| 2. To verify if the BAC observed | 2. Count the number | Did the BAC observe the | | | |
| the maximum of 75 calendar days | of days from the last | maximum of 75- | | | |
| | day of posting of the | calendar days from the | | | |
| from the last day of posting of the | Request for Expression | last day of posting of | | | |
| Request for Expression of Interest | of Interest up to the | the <i>Request for</i> | | | |
| up to the deadline for submission | deadline for | Expression of Interest | | | |
| and receipt of bids | submission and receipt | up to the deadline for | | | |
| • | | | | | |
| Implementing Rules and Regulations (IRR) | of bids and compare with the 75-calendar- | submission and receipt of bids? | | | |
| of RA 9184, as amended on September 2, | | of blus? | | | |
| 2009: | day maximum period. | | | | |
| • 25.4. Bids shall be received by the BAC | | | | | |
| on the date, time, and place specified in | | | | | |
| | | | | | |
| theRequest for Expression of Interest. | | | | | |
| The following periods from the last day | | | | | |
| of posting of the/Request for | | | | | |
| Expression of Interest up to the | | | | | |
| submission and receipt of bids shall be | | | | | |
| observed: | | | | | |
| a) | | | | | |
| b) | | | | | |
| c) For consulting services, a maximum | | | | | |
| period of seventy five (75) calendar | | | | | |
| days. | | | | | |
| - | | | | | |
| OPENING & PRELIMINARY EXAMIN | ATION OF BIDS FOR | THE PROCUREMENT | OF CC | ONSUL | TING |
| SERVICES | | | | | |
| 1. To verify if the BAC observed | From the Office | Was there a quorum? | | | |
| | Order creating the | was there a quorum: | | | |
| quorum. | <u>o</u> | | | | |
| | BAC, determine the | | | | |
| Implementing Rules and Regulations (IRR) | number of BAC | | | | |
| of RA 9184, as amended on September 2, | members and identify | | | | |
| 2009: | the Chairman or Vice- | | | | |
| • 12.3 Quorum | Chairman. | | | | |
| A majority of the total BAC composition | | | | | |
| as designated by the Head of the Procuring | 2. From the <i>Minutes</i> | | | | |
| Entity shall constitute a quorum for the | of Opening of Bids, | | | | |
| transaction of husiness provided that the | check for the presence | | | | |

| Audit Activities | Suggested Aud Audit Question | | | 1001 |
|---|---|--|--|--|
| | Addit 2405tion | Yes | No | Particulars of the Answer |
| of the Chairman or Vice-Chairman and if majority of the BAC members or representatives/alterna tes attended the proceedings. | | | | |
| 3. Compare the date and time of the opening of bids indicated in the Minutes of the Opening of Bids with the deadline for submission and receipt of bids stated in the Bidding Documents. 4. Compare the date, time and place of the opening of bids indicated in the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest. | Did the BAC open the bids immediately after the deadline for the submission and receipt of bids? Did the BAC open the bids on the date specified in the Request for Expression of Interest? Did the BAC open the bids on the time specified in the Request for Expression of Interest? Did the BAC open the bids on the time specified in the Request for Expression of Interest? Did the BAC open the bids at the place specified in the Request for Expression of Interest? | | | |
| of the Bid Opening, look for information evidencing that the BAC opened first each bidder's technical envelope. | Did the BAC open first the technical envelopes? | | | |
| 6. Compare the Checklist for Technical Envelope of Consulting Services with the required form (SF-CONS-41: Checklist for Technical Envelope Requirements). | Is the Checklist for Technical Envelope of Consulting Services used by the BAC in accordance with the required form? | | | |
| | Vice-Chairman and if majority of the BAC members or representatives/alterna tes attended the proceedings. 3. Compare the date and time of the opening of bids indicated in the Minutes of the Opening of Bids with the deadline for submission and receipt of bids stated in the Bidding Documents. 4. Compare the date, time and place of the opening of bids indicated in the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest. 5. From the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest. 6. Compare the Checklist for Technical Envelope of Consulting Services with the required form (SF-CONS-41: Checklist for Technical Envelope | Vice-Chairman and if majority of the BAC members or representatives/alternates attended the proceedings. 3. Compare the date and time of the opening of bids indicated in the Minutes of the Opening of Bids with the deadline for submission and receipt of bids stated in the Bidding Documents. 4. Compare the date, time and place of the opening of bids indicated in the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest? 5. From the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest? 5. From the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest? 5. From the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest? 5. From the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest? 5. From the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest? 5. From the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest? 5. From the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest? 5. From the Minutes of the Did the BAC open the bids at the place specified in the Request for Expression of Interest? 5. From the Minutes of the Did the BAC open first the technical envelopes? 5. From the Minutes of the Did the BAC open first the technical envelope of Consulting Services with the required form (SF-Consulting Services) used by the BAC in accordance with the required form? | Vice-Chairman and if majority of the BAC members or representatives/alterna tes attended the proceedings. 3. Compare the date and time of the opening of bids indicated in the Minutes of the Opening of Bids with the deadline for submission and receipt of bids stated in the Bidding Documents. 4. Compare the date, time and place of the opening of bids indicated in the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest. 5. From the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest. 5. From the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest? 5. From the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest? 5. From the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest? 5. From the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest? 5. From the Minutes of the Opening of Bids with the Request for Expression of Interest? 5. From the Minutes of the Opening of Bids with the BAC open the bids at the place specified in the Request for Expression of Interest? 6. Compare the Checklist for Technical Envelope of Consulting Services with the required form (SF-CONS-41: Checklist for Technical Envelope of Consulting Services used by the BAC in accordance with the required form? | Vice-Chairman and if majority of the BAC members or representatives/alternates attended the proceedings. 3. Compare the date and time of the opening of bids indicated in the Minutes of the Opening of Bids with the deadline for submission and receipt of bids stated in the Bidding Documents. 4. Compare the date, time and place of the opening of Bids with those specified in the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest? 5. From the Minutes of the Opening of Bids with those specified in the Request for Expression of Interest? 5. From the Minutes of the Did the BAC open the bids on the time specified in the Request for Expression of Interest? 5. From the Minutes of the BAC open the bids at the place specified in the Request for Expression of Interest? 5. From the Minutes of the BAC open the bids at the place specified in the Request for Expression of Interest? 5. From the Minutes of the BAC open first the technical envelope. 5. From the Minutes of the BAC open first the technical envelope of Consulting Services with the required form (SF-CONS-41: Checklist for Technical Envelope of Consulting Services with the required form (SF-CONS-41: Checklist for Technical Envelope |

| Audit Sub-objective | | Suggested Aud | it Wor | king Pa | aper |
|--|---|--|--------|---------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| of RA 9184, as amended on September 2, 2009: 30.1. The BAC shall open the first bid envelopes of prospective bidders in public to determine each bidder's compliance with the documents required to be submitted for eligibility and for the technical requirements, as prescribed in this IRR. For this purpose, the BAC shall check the submitted documents of each bidder against a checklist of required documents to ascertain if they are all present, using a nondiscretionary | 7. Compare the list of documents in the <i>Checklist</i> with the list of documents required to be submitted per the Bidding Documents. | Are the contents of the Checklist for Technical Envelope of Consulting Services accomplished by the BAC those that are required to be submitted in the technical envelope per Bidding Documents? | | | |
| "pass/fail" criterion, as stated in the Instructions to Bidders. If a bidder submits the required document, it shall be rated "passed" for that particular requirement. In this regard, bids that fail to include any requirement or are incomplete or patently | 8. Determine if the BAC's entries in the Checklist are complete. | Did the BAC ascertain the presence of the following documents in the technical envelope of each bidder: | | | |
| insufficient shall be considered as "failed". Otherwise, the BAC shall rate the said first bid envelope as "passed". • 25.2. The first envelope shall contain the | | a. The bid security in the prescribed form, amount and validity period? | | | |
| following technical information/ documents, at the least: c. For the procurement of consulting services | | b. Organizational chart for the contract to be bid? | | | |
| i) The bid security in the prescribed form, amount and validity period; ii) Organizational chart for the contract to be bid; | | c. List of completed and on-going projects? d. Approach, work plan, | | | |
| iii) List of completed and on-going projects; | | and schedule? | | | |
| iv) Approach, work plan, and schedule: Provided, however, That for architectural design, submission of architectural plans and designs shall not be required during the consultant's selection process; v) List of key personnel to be assigned to | | e. List of key personnel to be assigned to the contract to be bid, with their complete qualification and experience data? | | | |
| the contract to be bid, with their complete qualification and experience data; and vi) Sworn statement by the prospective bidder or its duly authorized | | f. Sworn statement by the prospective bidder or its duly authorized representative in the form prescribed by the | | | |
| representative in the form prescribed by the GPPB as to the following: (1) It is not "blacklisted" or barred from bidding by the GOP or any of its agencies, offices, corporations, or | | GPPB as to the following: f.1. It is not "blacklisted" or barred from bidding by the | | | |
| LGUs, including foreign government/foreign or international financing institution whose blacklisting rules have been recognized by the GPPB; | | GOP or any of its agencies, offices, corporations, or LGUs, including foreign government/ foreign or | | | |
| (2) Each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of | | international financing institution whose blacklisting rules have | | | |

| Audit Sub-objective | | Suggested Audi | it Wor | orking Paper | | |
|---|------------------|---|--------|--------------|---------------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| the original, complete, and all statements and information provided therein are true and correct; (3) It is authorizing the Head of the Procuring Entity or his duly authorized representative/s to verify all the documents submitted; (4) The signatory is the duly authorized representative of the prospective bidder, and granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the prospective bidder in the bidding, with the duly notarized Secretary's Certificate attesting to such fact, if the prospective bidder is a corporation, partnership, cooperative, or joint venture; (5) It complies with the disclosure provision under Section 47 of the Act in relation to other provisions of R.A. 3019; (6) It complies with the responsibilities of a prospective or eligible bidder provided in the PBDs; and (7) It complies with existing labor laws and standards, in the case of procurement of services. • 33.2.1 The BAC shall conduct a detailed evaluation of bids using either of the following evaluation procedures as specified in the Bidding Documents: a) Quality-Based Evaluation Procedure i) ii) After receipt of bids, the technical proposals shall first be opened and evaluated, in accordance with Section 33.2.2 of this IRR. The BAC shall rank the consultants in descending order based on the numerical ratings of their technical proposals and identify the Highest Rated Bid: Provided, however, that the Highest Rated Bid: Provided, however, that the Highest Rated Bid: Provided, however, that the Highest Rated Bid: Provided, however, that the Highest Rated Bid: Provided in the Bidding Documents. • Per SAMPLE FORMS FOR PROCUREMENT OF CONSULTING SERVICES published by the GPPB: SF-CONS-41 revised 9 May 04 (Checklist for Technical Envelope Requirements) | | been recognized by the GPPB? f.2. Each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct? f.3. It is authorizing the Head of the Procuring Entity or his duly authorized representative/s to verify all the documents submitted? f.4. The signatory is the duly authorized representative of the prospective bidder, and granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the prospective bidder in the bidding, with the duly notarized Secretary's Certificate attesting to such fact, if the prospective bidder is a corporation, partnership, cooperative, or joint venture? f.5. It complies with the disclosure provision under Section 47 of the Act in relation to other provisions of R.A. 3019? f.6. It complies with the responsibilities of a prospective or eligible bidder provided in the PBDs? | | | Answer | |
| | | existing labor laws and standards? | | | | |

| Audit Sub-objective | | Suggested Aud | it Worl | king Pa | per |
|---|---|--|-------------------|---------|------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars |
| | Audit Activities | | | | of the Answer |
| | 9. From the Minutes of | Did the BAC rate as | | | Aliswei |
| | the Bid Opening look | "failed" in the first | | | |
| | for information | envelope bids that | | | |
| | indicating that the BAC | failed to include any requirement or are | | | |
| | declared as <u>"failed" in</u> the first envelope bids | incomplete or patently | | | |
| | that failed to include | insufficient? | | | |
| | any requirement or | | | | |
| | are incomplete or | Did the BAC rate as | | | |
| | patently insufficient; otherwise, that the | "passed" in the first | | | |
| | BAC rated the first bid | envelope bids that | | | |
| | envelope as "passed". | passed all the | | | |
| | | requirements in the | | | |
| | | technical envelope? | | | |
| EVALUATION OF TECHNICAL PROP | I | | NSUL [*] | TANTS | <u> </u> |
| 1. To verify if the BAC evaluated the technical proposals only of the | 1. From the Minutes of the Bid Opening, the | Did the BAC evaluate the technical proposals | | | |
| bidders who were rated "passed" | accomplished Checklist | only of the bidders who | | | |
| in the preliminary examination of | for the technical | were rated "passed" in | | | |
| bids | envelopes, the TWG report duly reviewed | the preliminary examination of bids? | | | |
| Philippine Bidding Documents for the | by the BAC compare | examination of bids: | | | |
| Procurement of Consulting Services, 3 rd | the names of the | | | | |
| edition (October 2009) approved per | consultants whose | | | | |
| GPPB Resolution No. 05-2009 dated | technical proposals were evaluated | | | | |
| September 30, 2009: Instructions to Bidders No. 24. Opening | against those rated | | | | |
| and Evaluation of Technical Proposals. | "passed" in the first | | | | |
| 24.4. Technical proposals shall not be | (technical) envelope. | | | | |
| considered for evaluation in any of the | | | | | |
| following cases: a | | | | | |
| b. Failure to submit any of the technical | | | | | |
| requirements provided under this ITB and | | | | | |
| TOR, | | | | | |
| C | | | | | |
| 2. To verify if the BAC, through its | 2. From the TWG | Did the BAC, through its | | | |
| Secretariat, put in writing | reports duly reviewed by the BAC, look for | Secretariat, put in writing requests for | | | |
| requests for clarification of bids | information used in | clarification of bids from | | | |
| from the bidders concerned | the bid evaluation | the bidders concerned? | | | |
| Implementing Rules and Regulations (IRR) | which were requested | | | | |
| of RA 9184, as amended on September 2, | from the bidders concerned. Look for | Were the clarifications | | | |
| 2009: | the letter request for | made by the bidders | | | |
| 33.1. From submission and receipt of bids until the approval by the Head of | said information duly | concerned in writing? | | | |
| the Procuring Entity of the ranking of | received by the bidder and the response of | | | | |
| short listed bidders, those that have | the bidder concerned. | | | | |
| submitted their bids are <u>prohibited</u> from | 30.100.1104. | | | | |
| making any <u>communication with any BAC</u> member, including its staff and | | | | | |
| personnel, as well as its Secretariat and | | | | | |
| TWG, regarding matters connected to | | | | | |
| their bids. However, the BAC, through its Secretariat, may ask in writing the bidder | | | | | |
| <u> Secretariat, may ask in whiling the bidder</u> | <u> </u> | <u> </u> | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|---|--|-----|----|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| for a clarification of its bid. All responses to requests for clarification shall be in | | | | | |
| writing. | | | | | |
| 3. To verify if the BAC evaluated first the technical proposals | 3. From the TWG report and supporting | Did the BAC evaluate first the technical | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 33.2. The purpose of bid evaluation is to determine the Highest Rated Bid using the following steps: | documents, duly reviewed by the BAC, look for information on the evaluation of the technical proposal ahead of the opening of the financial proposal. | proposals of short listed consultants? | | | |
| 33.2.1. The BAC shall conduct a detailed evaluation of bids using either of the following evaluation procedures as specified in the Bidding Documents: a) Quality-Based Evaluation Procedure i) b) Quality-Cost Based Evaluation | p. opessa. | | | | |
| Procedure i) The technical proposal together with the financial proposal shall be considered in the evaluation of consultants. The technical proposals shall be evaluated first using the criteria in Section 33.2.2 of this IRR. | | | | | |
| 4. To verify if the BAC evaluated the technical proposals of consultants based on the <u>criteria</u> and numerical weights for bid evaluation as specified in the Bidding Documents | 4. From the relevant report(s) of the Technical Working Group (e.g. Rating Sheet for Technical Proposal with supporting information | Were the criteria and numerical weights used by the BAC those specified in the Bidding Documents: a. Quality of personnel | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | and detailed evaluation), duly reviewed by the BAC; and Minutes of | to be assigned to the project? b. Experience and | | | |
| 33.2.2 The technical proposals of consultants shall be evaluated based on the following criteria and using the corresponding numerical weights indicated in the bidding documents: | Meeting(s) of the BAC, look for information on the evaluation conducted on the technical proposals. | capability of the consultant? c. Plan of approach and methodology? | | | |
| a) Quality of personnel to be assigned to the project which covers suitability of key staff to perform the duties of the particular assignments and general | 5. Compare the criteria and numerical | Did the BAC use the criteria and numerical | | | |
| qualifications and competence including education and training of the key staff; | weights used by the TWG/BAC in their | weights for each consultant? | | | |
| b) Experience and capability of the consultant which include records of previous engagement and quality of performance in similar and in other projects; relationship with previous and current clients; and, overall work | evaluation for each consultant (per TWG reports and supporting documents) with those specified in the Bidding Documents. | | | | |



| Audit Sub-objective | T | Suggested Aud | it Wor | kina Da | nor |
|---|--|--|--------|---------|------------------|
| Audit Sub-objective Audit Criteria | | Suggested Aud Audit Question | Yes | No | Particulars |
| • Auun Cinena | Audit Activities | Audit Question | res | NO | of the Answer |
| commitments, geographical distribution of current/ impending projects and attention to be given by the consultant. The experience of the consultant to the project shall consider both the overall experiences of the firm and the individual experiences of the principal and key staff including the times when employed by other consultants; and c) Plan of approach and methodology with emphasis on the clarity, feasibility, innovativeness and comprehensiveness of the plan approach, and the quality of interpretation of project problems, risks, and suggested solutions. | | | | | |
| 5. For complex or unique undertakings, to verify if the BAC required bidders concerned to make an oral presentation within 15 calendar days after the deadline for submission of technical proposals Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 33.2.2 For complex or unique undertakings, such as those involving new concepts/ technology or financial advisory services, participating short listed consultants may be required, at the option of the agency concerned, to make an oral presentation to be presented by each consultant, or its nominated Project Manager or head, in case of firms, within fifteen (15) calendar days after the deadline for submission of technical proposals. | 6. From the records of the oral presentation, count the number of days from said presentation to the deadline for submission of technical proposals and compare with the 15-day maximum. | For complex or unique undertakings, did the BAC require bidders concerned to make an oral presentation within 15 calendar days after the deadline for submission of technical proposals? | | | |
| 6. To verify if the BAC excluded the highest and lowest scores for each consultant for each criterion in determining the average scores of the consultants, (except when the evaluation was conducted in a collegial manner) Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 33.2.3. In order to eliminate bias in evaluating the technical proposals, it is recommended that the highest and lowest scores for each consultant for each criterion shall not be considered in determining the average scores of the consultants, except when the evaluation | 7. From the TWG evaluation report with supporting documents, duly reviewed by the BAC, perform recomputations to check if the average score for each consultant for each criterion was computed to exclude the highest and lowest scores for each criterion. | Did the BAC exclude the highest and lowest scores for each consultant for each criterion in determining the average scores of the consultants, (except when the evaluation was conducted in a collegial manner)? | | | |

| Audit Sub-objective | | Suggested Aud | udit Working Paper | | | | |
|---|---|---|--------------------|----|-------------|--|--|
| Audit Criteria | Λ., di+ Λ., .;;; | Audit Question | Yes | No | Particulars | | |
| , and officers | Audit Activities | riddit Quostion | 100 | '' | of the | | |
| | | | | | Answer | | |
| is conducted in a collegial manner. | | | | | | | |
| | | | | | | | |
| 7. To verify if the HOPE approved | 8. From the copy of | Did the HOPE approve | | | | | |
| or disapproved the | the BAC Resolution on | or disapprove the | | | | | |
| recommendation of the BAC | the technical bid | recommendation of the | | | | | |
| within two (2) calendar days after | evaluation approved | BAC within two (2) | | | | | |
| receipt of the results of the | by the HOPE, count the number of days | calendar days after receipt of the results of | | | | | |
| evaluation from the BAC | from receipt to | the evaluation from the | | | | | |
| | approval of the BAC's | BAC? | | | | | |
| Implementing Rules and Regulations (IRR) | recommendation. | | | | | | |
| of RA 9184, as amended on September 2, | | | | | | | |
| 2009: | | | | | | | |
| • 33.2. The purpose of bid evaluation is to determine the Highest Rated Bid using | | | | | | | |
| the following steps: | | | | | | | |
| and ronowing steps. | | | | | | | |
| 33.2.1. The BAC shall conduct a detailed | | | | | | | |
| evaluation of bids using either of the | | | | | | | |
| following evaluation procedures as | | | | | | | |
| specified in the Bidding Documents: | | | | | | | |
| a) Quality-Based Evaluation Procedure | | | | | | | |
| i) b) Quality-Cost Based Evaluation | | | | | | | |
| Procedure | | | | | | | |
| i) The technical proposal together with | | | | | | | |
| the financial proposal shall be | | | | | | | |
| considered in the evaluation of | | | | | | | |
| consultants. The <u>technical proposals</u> | | | | | | | |
| shall be evaluated first using the criteria in Section 33.2.2 of this IRR. | | | | | | | |
| The financial proposals of the | | | | | | | |
| consultants who meet the minimum | | | | | | | |
| technical score shall then be opened. | | | | | | | |
| ii) | | | | | | | |
| iii) The Head of the Procuring Entity | | | | | | | |
| shall <u>approve or disapprove the</u> | | | | | | | |
| recommendations of the BAC within | | | | | | | |
| two (2) calendar days after receipt of the results of the evaluation from | | | | | | | |
| the BAC. | | | | | | | |
| | | | | | | | |
| 8. To verify if the Procuring Entity: | 9. From copies of the | Did the Procuring | | | | | |
| a. notified those Consultants | notification letters, | Entity: | | | | | |
| whose Bids did not meet the | with evidence of | | | | | | |
| minimum qualifying mark or | receipt (registered | a. notify those Consultants whose | | | | | |
| were considered non- | letter, facsimile, or electronic mail), | Bids did not meet | | | | | |
| responsive to the Bidding | compare the names of | the minimum | | | | | |
| Documents and TOR, indicating | the consultants rated | qualifying mark or | | | | | |
| that their Financial Proposals | "passed" with those in | were considered | | | | | |
| shall be returned unopened | the letters. | non-responsive to | | | | | |
| after completing the selection; | 0 | the Bidding | | | | | |
| b. simultaneously notified the | Compare the dates of | Documents and | | | | | |
| Consultants that have secured | the receipt of the letters. | TOR, indicating that their Financial | | | | | |
| the minimum qualifying mark, | iottors. | Proposals shall be | | | | | |
| indicating the date and time set | Also look for the | returned unopened | | | | | |
| for opening the Financial | statements that the | after completing the | | | | | |



| Audit Sub-objective | | Suggested Aud | | king Pa | |
|---|--|---|------|---------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Proposals Philippine Bidding Documents for the Procurement of Consulting Services 3 rd Edition (October 2009) approved through GPPB Resolution No. 05-2009 dated 30 September 2009: • Part II, Section III. Bid Data Sheet ITB Clause 25.2 If the Fund Source is GOP For Quality Cost Based Evaluation (QCBE): After the evaluation of quality is completed, the Procuring Entity shall notify those Consultants whose Bids did not meet the minimum qualifying mark or were considered non-responsive to the Bids their Financial Procupals the bid by the state of the sta | bid did not meet the minimum qualifying mark or were considered non-responsive to the Bidding Documents and TOR, and that their Financial Proposals shall be returned unopened after completing the selection; or that they have obtained the minimum qualifying mark with the date and time set for opening the Financial | selection? b. simultaneously notify the Consultants that have secured the minimum qualifying mark, indicating the date and time set for opening the Financial Proposals? | | | Answer |
| that their <u>Financial Proposals shall be</u> returned unopened after completing the selection process. The <u>Procuring Entity</u> shall <u>simultaneously notify the</u> Consultants that have secured the minimum qualifying mark, indicating the date and time set for opening the <u>Financial Proposals</u> . The opening date shall <u>not be sooner than two weeks after</u> the notification date unless otherwise specified in ITB Clause 25.1. The notification may be sent by registered letter, facsimile, or electronic mail. | Proposals. 10. Count the number of days from the notification to the opening date of the Financial Proposals indicated in the letters and compare with the 2-week minimum requirement. | Was the opening date of Financial Proposals indicated in the letter not sooner than 2 weeks after the date of notification? | | | |
| OPENING AND EVALUATION OF FIN MINIMUM TECHNICAL SCORE | ANCIAL PROPOSALS | OF CONSULTANTS W | но м | ET TH | E |
| 1. To verify if the BAC opened the Financial Proposals in public in the presence of the Consultants' representatives who chose to attend Philippine Bidding Documents for the Procurement of Consulting Services 3rd Edition (October 2009) approved through GPPB Resolution No. 05-2009 dated 30 September 2009: Part II, Section III. Bid Data Sheet ITB Clause 25.2 If the Fund Source is GOP For Quality Cost Based Evaluation (QCBE): The Financial Proposals shall be opened publicly in the presence of the Consultant's representatives who choose to attend. The name of the Consultant, the quality scores, and the proposed prices shall be read aloud and recorded when the Financial Proposals are opened. The Procuring Entity shall prepare minutes of the public opening. | From the Minutes of the opening of the Financial Proposals look for information on the public opening of the Proposals. | Did the BAC open the Financial Proposals in public in the presence of the Consultants' representatives who chose to attend? | | | |



| Audit Sub-objective | | Suggested Aud | it Wor | king Pa | aper |
|--|---|--|--------|---------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify if the BAC a. read aloud and recorded the name of the Consultant, the quality scores, and the proposed prices when the Financial Proposals were opened and b. prepared Minutes of the public opening of the Financial Proposals Philippine Bidding Documents for the Procurement of Consulting Services 3 rd Edition (October 2009) approved through GPPB Resolution No. 05-2009 dated 30 September 2009: Part II, Section III. Bid Data Sheet ITB Clause 25.2If the Fund Source is GOP For Quality Cost Based Evaluation (QCBE): The Financial Proposals shall be opened publicly in the presence of the Consultant's representatives who choose to attend. The name of the Consultant, the quality scores, and the proposed prices shall be read aloud and recorded when the Financial Proposals are opened. The Procuring Entity shall prepare minutes of the public opening. | 2. From the Minutes of the opening of the Financial Proposals, look for information on reading out loud of the name of the Consultant, the quality scores, and the proposed prices | Did the BAC: a. read aloud and record the name of the Consultant, the quality scores, and the proposed prices when the Financial Proposals were opened? and b. prepare Minutes of the public opening of the Financial Proposals? | | | Answer |
| 3. To verify if the BAC opened only the financial proposals of the consultants who met the minimum technical score Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 33.2. The purpose of bid evaluation is to determine the Highest Rated Bid using the following steps: 33.2.1. The BAC shall conduct a detailed evaluation of bids using either of the following evaluation procedures as specified in the Bidding Documents: a) Quality-Based Evaluation Procedure i) b) Quality-Cost Based Evaluation Procedure i) The technical proposal together with the financial proposal shall be considered in the evaluation of consultants. The technical proposals | 3. From the TWG report and supporting documents, duly reviewed by the BAC, look for information on the opening of the financial proposals of consultants who met the minimum technical score and compare with the names of those whose technical proposals met the minimum technical score. | Did the BAC open only the financial proposals of the consultants who met the minimum technical score? | | | |

| Audit Sub-objective | | Suggested Audi | t Mor | kina Da | nor |
|---|------------------------------------|---------------------------------|-------|---------|-------------|
| Audit Sub-objective Audit Criteria | | Audit Question | Yes | No | Particulars |
| Audit Citteria | Audit Activities | Audit Question | 162 | INO | of the |
| | | | | | Answer |
| shall be evaluated first using the | | | | | Allower |
| criteria in Section 33.2.2 of this IRR. | | | | | |
| The financial proposals of the | | | | | |
| consultants who meet the minimum | | | | | |
| technical score shall then be opened. | | | | | |
| lecrifical score shall then be opened. | | | | | |
| 4. To verify if the BAC evaluated | 4. From the TWG | Did the BAC evaluate | | | |
| the financial proposals | report duly reviewed | the financial proposals | | | |
| | by the BAC, look for | considering: | | | |
| considering: | information on the | g | | | |
| a. Financial Proposals are | evaluation of financial | a. Financial Proposals | | | |
| complete: | proposals as to: | are complete: | | | |
| a.1. all the documents | | | | | |
| mentioned in ITB Clause 11 | a. completeness of | a.1. all the | | | |
| were present: | documents | documents mentioned in | | | |
| FPF 1. Financial Proposal | | ITB Clause 11 were | | | |
| Submission Form should form the | b. computational | present: | | | |
| covering letter of the Financial | errors were | a.1.1 FPF 1. | | | |
| Proposal. | corrected, | Financial Proposal | | | |
| • Form FPF 2. Summary of | | Submission Form | | | |
| Costs, | c. prices in various | should form the | | | |
| FPF 3. Breakdown of Price | currencies were | covering letter of | | | |
| per Activity, | converted to the | the Financial | | | |
| • FPF 4. Breakdown of | Philippine peso at | Proposal? | | | |
| Remuneration per Activity, | the rate indicated | 1 0 EDE 0 | | | |
| • FPF 5. Reimbursables per | in ITB Clause 13, | a.1.2 FPF 2. | | | |
| Activity, and | I took to the control | Summary of Costs? | | | |
| • FPF 6. Miscellaneous | d. include the cost of | 0 1 2 EDE 2 | | | |
| Expenses. Relate to the cost of consulting services under two | all taxes, duties, | a.1.3 FPF 3. Breakdown of Price | | | |
| distinct categories, namely: (a) | fees, levies, and other charges | per Activity? | | | |
| Remuneration; and (b) | imposed under the | per Activity: | | | |
| Reimbursable Expenditures. | applicable laws, | a.1.4 FPF 4. | | | |
| a.2. all items of the Technical | applicable laws, | Breakdown of | | | |
| Proposals that are required to | e. special tax | Remuneration per | | | |
| be priced are so priced, | privileges are | Activity? | | | |
| <u> </u> | granted to a | | | | |
| otherwise rejected the | particular class or | a.1.5 FPF 5. | | | |
| Proposal, | nationality of | Reimbursables per | | | |
| b. computational errors were | Consultants by | Activity? | | | |
| corrected, | virtue of the GOP's | | | | |
| C. prices in various currencies were | international | a.1.6 FPF 6. | | | |
| converted to the Philippine peso at | commitments, the | Miscellaneous | | | |
| the rate indicated in ITB Clause 13, | amount of such tax | Expenses. Related | | | |
| d. include the cost of all taxes, | privileges shall be | to the cost of | | | |
| duties, fees, levies, and other | included in the | consulting services | | | |
| charges imposed under the | Financial Proposal | under two distinct | | | |
| applicable laws, | for purposes of | categories, namely: | | | |
| e. special tax privileges are | comparative evaluation of bids, | (a) Remuneration; and (b) | | | |
| granted to a particular class or | evaluation of blus, | Reimbursable | | | |
| nationality of Consultants by | f. Financial Proposal | Expenditures? | | | |
| virtue of the GOP's | did not exceed the | Experiuitures: | | | |
| international commitments, the | ABC, | | | | |
| amount of such tax privileges | g. lowest Financial | a.2. all items of the | | | |
| shall be included in the | Proposal (Fm) shall | Technical Proposals that | | | |
| Financial Proposal for purposes | be given a Financial | are required to be priced | | | |
| of comparative evaluation of | Score (Sf) of 100 | are so priced, otherwise | | | |
| - | points, | rejected the Proposal? | | | |
| bids, | F | , | | l | |

| Audit Cub objective | | Cuggostod Aud | :+ \ <i>\</i> /or | lda a Da | |
|---|---|---|-------------------|----------|--------------------|
| , | | | | | |
| • Audit Criteria | Audit Activities | Audit Question | Yes | INO | of the Answer |
| f. Financial Proposal did not exceed the ABC, g. lowest Financial Proposal (Fm) shall be given a Financial Score (Sf) of 100 points, h. The Sf of other Financial Proposals were computed based on the formula indicated below: Sf = 100 x FI/F Philippine Bidding Documents for the Procurement of Consulting Services 3rd Edition (October 2009) approved through GPPB Resolution No. 05-2009 dated 30 September 2009: Part II, Section III. Bid Data Sheet ITB Clause 25.2If the Fund Source is GOP For Quality Cost Based Evaluation (QCBE) The BAC shall determine whether the Financial Proposals are complete, i.e., all the documents mentioned in ITB Clause 11 are present and all items of the corresponding Technical Proposals that are required to be priced are so priced. If not the Procuring Entity shall reject the Proposal. The BAC shall correct any computational errors and convert prices into various currencies to the Philippine peso at the rate indicated in ITB Clause 13. The Financial Proposal shall not exceed the ABC and shall be deemed to include the cost of all taxes, duties, fees, levies, and other charges imposed under the applicable laws: The evaluation shall include all such taxes, duties, fees, levies, and other charges imposed under the applicable laws; where special tax privileges are granted to a particular class or nationality of Consultants by virtue of the GOP's international commitments, the amount of such tax privileges shall be included in the Financial Proposal for purposes of comparative evaluation of bids. The lowest Financial Proposal (Fm) shall be diven a Financial Proposal (Fm) | Audit Activities h. The Sf of other Financial Proposals were computed based on the formula: Sf = 100 x FI/F. | Suggested Audi Audit Question b. computational errors were corrected? c. prices in various currencies were converted to the Philippine peso at the rate indicated in ITB Clause 13? d. include the cost of all taxes, duties, fees, levies, and other charges imposed under the applicable laws? e. special tax privileges are granted to a particular class or nationality of Consultants by virtue of the GOP's international commitments, the amount of such tax privileges shall be included in the Financial Proposal for purposes of comparative evaluation of bids? f. Financial Proposal did not exceed the ABC? g. Lowest Financial Proposal did not exceed the ABC? f. Financial Proposal did not exceed the ABC? h. The Sf of other Financial Proposals were computed based on the formula: Sf = 100 x FI/F? | Yes | king Pa | Particulars of the |
| shall be given a Financial Score (Sf) of 100 points. The Sf of other Financial Proposals shall be computed based on the formula indicated below: | | | | | |
| Sf = 100 x FI/F Where: Sf is the financial score of the Financial | | | | | |
| Proposal under consideration, | | | | | |

| Audit Sub-objective | | Suggested Audi | it Wor | king Pa | nper |
|---|--|---|--------|---------|---------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Fl is the price of the Fm, F is the price of the Financial Proposal under consideration ITB Clause 11 ITB Clause 11.2 The Financial Proposal requires completion of six (6) forms, particularly, FPF 1, FPF 2, FPF 3, FPF 4, FPF 5, FPF 6. FPF 1. Financial Proposal Submission Form should form the covering letter of the Financial Proposal. Form FPF 2. Summary of Costs, FPF 3. Breakdown of Price per Activity, FPF 4. Breakdown of Remuneration per Activity, FPF 5. Reimbursables per Activity, and FPF 6. Miscellaneous Expenses. Relate to the cost of consulting services under two distinct categories, namely: (a) Remuneration; and (b) Reimbursable | | | | | |
| Expenditures. 5. To verify if the BAC rejected for reasons of: a. incomplete Proposals (there were items of the Technical Proposals that were required to be priced but not so priced); b. incomplete documents; | 5. From the TWG report and supporting documents, duly reviewed by the BAC, look for information on the evaluation of the financial proposals and the results indicating thereof the consultants with | Did the BAC reject incomplete Proposals (there were items of the Technical Proposals that were required to be priced but not so priced)? | | | |
| c. Financial Proposals exceeded the ABC Philippine Bidding Documents for the Procurement of Consulting Services 3 rd Edition (October 2000) expected through | incomplete proposals/documents and whose bid price exceeded ABC. | Did the BAC reject proposals with incomplete documents? | | | |
| Edition (October 2009) approved through GPPB Resolution No. 05-2009 dated 30 September 2009: • Part II, Section III. Bid Data Sheet ITB Clause 25.2 If the Fund Source is GOP The BAC shall determine whether the Financial Proposals are complete, i.e., all the documents mentioned in ITB Clause 11 are present and all items of the corresponding Technical Proposals that are required to be priced are so priced. If not the Procuring Entity shall reject the Proposal The Financial Proposal shall not exceed the ABC | | Did the BAC <u>not</u> consider Financial Proposals that exceeded the ABC? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 33.2.6. Total calculated bid prices, as evaluated and corrected for minor arithmetical corrections, such as | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|---|--|-----|----|---------------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| computational errors, which exceed the ABC shall not be considered | | | | | | |
| 6. To verify if the BAC: a. determined the Total Score of each consultant according to their combined Technical and Financial Scores using the assigned weights as indicated in the Bidding Document; b. ranked the consultants in descending order according to their Total Score; c. identified Rank 1 as the consultant with the Highest Rated Bid (HRB); and d. recommended the HRB to the HOPE for approval Philippine Bidding Documents for the Procurement of Consulting Services 3rd Edition (October 2009) approved through GPPB Resolution No. 05-2009 dated 30 September 2009: Part II, Section III. Bid Data Sheet ITB Clause 25.2If the Fund Source is GOP The lowest Financial Proposal (Fm) shall be given a Financial Proposal (Fm) shall be given a Financial Score (Sf) of 100 points. The Sf of other Financial Proposals shall be computed based on the formula indicated below: Sf = 100 x FI/F Where: Sf is the financial score of the Financial Proposal under consideration, FI is the price of the Fm, F is the price of the Financial Proposal under consideration Using the formula S = St x T% + Sf x p%, the Bids shall then be ranked according to their combined St and SF using the weight (T = the weight given to the Technical Proposal; F = the weight given to the Financial Proposal; F = the weight given to the Financial Proposal; F = the weight given to the Financial Proposal; T + F = 1) indicated below: T - [Normally between 0.6 and 0.85]; and P. [Normally between 0.15 and 0.4]; | 6. From the TWG report and supporting documents (Score Sheets and computations, Ranking List), duly reviewed by the BAC; Minutes of BAC deliberations; and BAC Resolution declaring and recommending to the HOPE for approval, letter submitting the results of the bid evaluation to the HOPE, look for information on the determination of the Total Score of each consultant, ranking of the consultants in descending order, declaring and recommending the HRB for approval. | Did the BAC: a. determine the Total Score of each consultant according to their combined Technical and Financial Scores using the assigned weights as indicated in the Bidding Document? b. rank the consultants in descending order according to their Total Score? c. identify Rank 1 as the consultant with the Highest Rated Bid (HRB)? d. recommend the HRB to the HOPE for approval? | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|------------------|-------------------------------|-----|----|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| provided that the total weights given to the Technical and Financial Proposals shall add up to 1.0. | | | | | |
| NOTE: | | | | | |
| Something is wrong with the | | | | | |
| formula! Perhaps F should be P? | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | |
| 33.2. The purpose of bid evaluation is to determine the Highest Rated Bid using the following steps: | | | | | |
| 33.2.1. The BAC shall conduct a detailed evaluation of bids using either of the following evaluation procedures as | | | | | |
| specified in the Bidding Documents: a) | | | | | |
| b) Quality-Cost Based Evaluation Procedure i) The technical proposal together with | | | | | |
| the financial proposal shall be considered in the evaluation of | | | | | |
| consultants. The <u>technical proposals</u> <u>shall be evaluated first</u> using the | | | | | |
| criteria in Section 33.2.2 of this IRR. The financial proposals of the | | | | | |
| consultants who meet the minimum | | | | | |
| technical score shall then be opened. ii) The financial and technical proposals | | | | | |
| shall be given corresponding weights | | | | | |
| with the financial proposal given a | | | | | |
| minimum weight of fifteen percent | | | | | |
| (15%) up to a maximum of forty | | | | | |
| percent (40%). The weight of the | | | | | |
| technical criteria shall be adjusted | | | | | |
| accordingly such that their total weight in percent together with the | | | | | |
| weight in percent together with the weight given to the financial | | | | | |
| proposal shall add to one hundred | | | | | |
| percent (100%). | | | | | |
| The exact weights shall be approved | | | | | |
| by the Head of the Procuring Entity | | | | | |
| upon the recommendation of the | | | | | |
| BAC and indicated in the Bidding Documents. The BAC shall rank the | | | | | |
| consultants in descending order | | | | | |
| based on the combined numerical | | | | | |
| ratings of their technical and | | | | | |
| financial proposals and identify the | | | | | |
| <u>Highest Rated Bid</u> . | | | | | |
| iii) The Head of the Procuring Entity | | | | | |
| shall <u>approve or disapprove the</u> | | | | | |
| recommendations of the BAC within | | | | | |
| two (2) calendar days after receipt | | | | | |
| of the results of the evaluation from the BAC. | | | | | |

| Audit Sub-objective | | Suggested Aud | it Wor | king Pa | aper |
|--|---|--|--------|---------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| iv) After approval by the Head of the Procuring Entity of the Highest Rated Bid, the BAC shall, within three (3) calendar days, notify and invite the consultant with the Highest Rated Bid for negotiation in accordance with Section 33.2.5 of this IRR, except for item (e) thereof. | | | | | |
| 7. To verify if the Highest Rated Bid (HRB) recommended by the BAC was approved/disapproved by the Head of the Procuring Entity (HOPE) within two (2) calendar days after receipt of the results of evaluation Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 33.2. The purpose of bid evaluation is to determine the Highest Rated Bid using the following steps: 33.2.1. The BAC shall conduct a detailed evaluation of bids using either of the following evaluation procedures as specified in the Bidding Documents: a) b) Quality-Cost Based Evaluation Procedure iii) The Head of the Procuring Entity shall approve or disapprove the recommendations of the BAC within two (2) calendar days after receipt of the results of the evaluation from the BAC. iv) After approval by the Head of the Procuring Entity of the Highest Rated Bid, the BAC shall, within three (3) calendar days, notify and invite the consultant with the Highest Rated Bid for negotiation in accordance with Section 33.2.5 of this IRR, except for item (e) thereof. | 7. From the copy of the BAC's letter for the HOPE count the number of days from receipt to the date of approval of the BAC Resolution and compare with the 2-day maximum. | Did the HOPE approve the HRB recommended by the BAC within two (2) calendar days after receipt of the results of evaluation? | | | |
| 8. To verify if the BAC: a. furnished all participating short listed consultants of the results of evaluation (ranking and total scores only) after the approval by the HOPE of the ranking, and b. posted the ranking and total scores in the PhilGEPS and the Procuring Entity's websites for a | 8. Compare the names of the participating consultants (from the Minutes of the Opening of Bids) with those furnished by the BAC with the results of the bid evaluation (based on the copies of the letters duly | Did the BAC: a. furnish all participating short listed consultants of the results of evaluation (ranking and total scores only) after the approval by the HOPE of the ranking? | | | |

| Audit Sub-objective | | Suggested Audi | it Wor | kina Pa | aper |
|---|---|--|--------|---------|------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars |
| | Audit Activities | | | | of the Answer |
| period of not less than 7 | received by them). | | | | Allowel |
| calendar days | | and | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 33.2.4. All participating short listed consultants shall be furnished the results (ranking and total scores only) of the evaluation after the approval by the Head of the Procuring Entity of the ranking. Said results shall also be posted in the PhilGEPS and the website of the procuring entity, whenever available, for a period of not less than seven (7) calendar days. | 9. Using print-outs of the web page (PhilGEPS and the Procuring Entity's websites) with the posted results of evaluation, count the number of days from the first to the last day of said posting and compare with the 7-day requirement. | b. post the ranking and total scores in the PhilGEPS website for a period of not less than 7 calendar days? and c. post the ranking and total scores in the Procuring Entity's website for a period of not less than 7 calendar days? | | | |
| 9. To verify if the BAC, within three (3) calendar days after approval by the HOPE of the HRB notified and invited the consultant with the Highest Rated Bid (HRB) for the purpose of conducting negotiations with the said consultant Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 33.2. The purpose of bid evaluation is to determine the Highest Rated Bid using the following steps: 33.2.1. The BAC shall conduct a detailed evaluation of bids using either of the following evaluation procedures as specified in the Bidding Documents: a) b) Quality-Cost Based Evaluation Procedure iii) iv) After approval by the Head of the Procuring Entity of the Highest Rated Bid, the BAC shall, within three (3) calendar days, notify and invite the consultant with the Highest Rated Bid for negotiation in accordance with Section 33.2.5 of this IRR, except for item (e) | 10. From the notice to the consultant with the HRB, look for information: • on the date of receipt of the notice by the consultant; and • that the BAC invited the consultant for the purpose of conducting negotiations. | Did the BAC, within three (3) calendar days after approval by the HOPE of the HRB notify and invite the consultant with the Highest Rated Bid (HRB) for the purpose of conducting negotiations with the said consultant? | | | |
| thereof. 10. To verify if the BAC's negotiation with the consultant with the HRB covered the following: a. Discussion and clarification of the Terms Of Reference (TOR) | 11. From the Minutes of the negotiations, look for information on the discussion of: a. Discussion and clarification of the | Did the BAC's negotiations with the consultant with the HRB cover the following: | | | |

| Audit Sub-objective | | Suggested Aud | it Wor | king Pa | nper |
|--|---|--|--------|---------|------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars |
| | Addit Activities | | | | of the Answer |
| and Scope of Services; | Terms Of Reference | a. Discussion and | | | |
| b. Discussion and finalization of | (TOR) and Scope of | clarification of the | | | |
| the methodology and work | Services; b. Discussion and | Terms Of Reference (TOR) and Scope of | | | |
| program proposed by the | finalization of the | Services? | | | |
| consultant; | methodology and | 00.110001 | | | |
| c. Consideration of the | work program | | | | |
| appropriateness of qualifications | proposed by the | b. Discussion and | | | |
| and pertinent compensation, number of man-months and the | consultant; c. Consideration of the | finalization of the | | | |
| personnel to be assigned to the | appropriateness of | methodology and work program | | | |
| job, taking note of over- | qualifications and | proposed by the | | | |
| qualified personnel, to be | pertinent | consultant? | | | |
| commensurate with the | compensation, | | | | |
| compensation of personnel with | number of man- | a Canaldanathan City | | | |
| the appropriate qualifications, | months and the personnel to be | c. Consideration of the appropriateness of | | | |
| number of man-months and | assigned to the job, | qualifications and | | | |
| schedule of activities (manning | taking note of over- | pertinent | | | |
| schedule); | qualified personnel, | compensation, | | | |
| d. Discussion on the services, | to be commensurate | number of man- | | | |
| facilities and data, if any, to be | with the | months and the | | | |
| provided by procuring entity; | compensation of personnel with the | personnel to be assigned to the job, | | | |
| and | appropriate | taking note of over- | | | |
| e. Provisions of the contract | qualifications, | qualified personnel, | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 33.2.5 Negotiations shall cover the following: a) Discussion and clarification of the TOR and Scope of Services; b) Discussion and finalization of the methodology and work program proposed by the consultant; c) Consideration of appropriateness of qualifications and pertinent compensation, number of man-months and the personnel to be assigned to the job, taking note of over-qualified personnel, to be commensurate with the compensation of personnel with the appropriate qualifications, number of man-months and schedule of activities (manning schedule); d) Discussion on the services, facilities and data, if any, to be provided by procuring entity; e); and f) Provisions of the contract. | number of manmonths and schedule of activities (manning schedule); d. Discussion on the services, facilities and data, if any, to be provided by procuring entity; e. Discussion on the financial proposal submitted by the consultant; and f. Provisions of the contract | to be commensurate with the compensation of personnel with the appropriate qualifications, number of man-months and schedule of activities (manning schedule)? d. Discussion on the services, facilities and data, if any, to be provided by procuring entity? and e. Provisions of the contract? | | | |
| 11. To verify if the BAC completed negotiations with any one consultant within 10 calendar days | 12. From the minutes of the negotiations with individual consultants, count the number of days from | Did the BAC complete negotiations with any one consultant within 10 calendar days? | | | |

Republic of the Philippines

| Audit Sub-objective | | Suggested Audi | it War | kina Pa | iner |
|--|--|--|----------|-------------------|------------------|
| Audit Sub-objective Audit Criteria | | Audit Question | Yes | No | Particulars |
| ▼ Audit Unteria | Audit Activities | Audit Question | 162 | INO | of the Answer |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, | the start to the end of the negotiations and | | | | |
| 2009: | compare with the 10- day period. | | | | |
| • 33.2.5. Negotiations a) · | | | | | |
| f) Except for meritorious reasons, negotiations with anyone consultant shall be completed within ten (10) calendar days. | | | | | |
| 12. To verify if the BAC submitted | 13. From the BAC | Did the BAC submit | | | |
| their Resolution on the results of | Resolution check for | their Resolution on the | | | |
| the negotiation and their | the approval of the | results of the | | | |
| recommendations to the HOPE for | HOPE. | negotiation and their recommendations to the | | | |
| approval | | HOPE for approval? | | | |
| and | | | | | |
| if the HOPE approved the said results and recommendations | | | | | |
| | | Did the HOPE approve | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | the said results and recommendations? | | | |
| • 33.2.1 | | | | | |
| a) i) | | | | | |
| iii) The Head of the Procuring Entity shall approve or disapprove the recommendations of the BAC | | | | | |
| 13. To verify if the BAC | 14. Count the number | Did the BAC complete | | | |
| completed the entire evaluation | of days from the | the entire evaluation | | | |
| process including submission of | deadline for receipt of | process including | | | |
| the results thereof to the HOPE for | proposals to the date of submission | submission of the results thereof to the | | | |
| approval within twenty one (21) | of the results of bid | HOPE for approval | | | |
| calendar days after the deadline | evaluation to the | within twenty one (21) | | | |
| for receipt of proposals | HOPE and compare | calendar days after the | | | |
| Implementing Rules and Regulations (IRR) | with the 21-day period. | deadline for receipt of proposals? | | | |
| of RA 9184, as amended on September 2, 2009: | poriou. | Proposais: | | | |
| 33.4. The <u>entire evaluation process</u> , | | | | | |
| including submission of the results thereof to the Head of the Procuring | | | | | |
| Entity for approval, <u>shall be completed</u> | | | | | |
| in not more than twenty one (21) | | | | | |
| <u>calendar days after the deadline for</u> | | | | | |
| receipt of proposals. | | | <u> </u> | 011-5- | |
| IN CASE OF FAILURE OF THE NEGO BID (HRB) | ITATION WITH THE C | CONSULTANT WITH TH | HE HI | GHES ⁻ | I RATED |
| 1. To verify if the BAC terminated | 1. From the minutes | Did the BAC terminate | | | |
| negotiations with the consultant | of the negotiation, | negotiations with the | | | |
| with the HRB when no agreement | look for information on the official termination | consultant with the HRB when no agreement on | | | |
| on all items discussed was | of the negotiations as | all items discussed was | | | |
| possible | a result of non- | possible? | | | |

| Audit Sub-objective | | Suggested Aud | it Wor | king Pa | aper |
|--|--|--|--------|---------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 6.2. Once issued by the GPPB, the use of the Generic Procurement Manuals (GPMs), Philippine Bidding Documents (PBDs), and other standard forms shall be mandatory upon all Procuring Entities. However, whenever necessary, to suit the particular needs of the procuring entity, modifications may be made, particularly for major and specialized procurement, subject to the approval of the GPPB. Generic Procurement Manual of Procedures for the Procurement of Consulting Services Volume 4 (June 2006) published by the GPPB: • Step 1 Step 8. Negotiate with the consultant with the Highest Rated Bid. What happens if negotiations with the bidder with the HRB fail? If agreement on all items discussed during negotiations is not possible between the BAC and the first-in-rank consultant, the BAC would have to terminate negotiations and invite the next-rank consultant for negotiations. The procedure for negotiations, as described above, shall be repeated until negotiation with the consultant is successfully completed. | agreement in all of the items discussed with the consultant with the HRB. | | | | |
| 2. To verify if the BAC invited the next-rank consultant for negotiations and adopted the same conditions and procedures used with the HRB Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 6.2. Once issued by the GPPB, the use of the Generic Procurement Manuals (GPMs), Philippine Bidding Documents (PBDs), and other standard forms shall be mandatory upon all Procuring Entities. However, whenever necessary, to suit the particular needs of the procuring entity, modifications may be made, particularly for major and specialized procurement, subject to the approval of the GPPB. | NOTE: For each failure of negotiations with the next- rank bidder, the BAC is to repeat the process until the negotiation is completed. The related audit activities are likewise to be repeated. | Did the BAC invite the next-rank consultant for negotiations and adopted the same conditions and procedures used with the HRB? | | | |

| Audit Sub-objective | Suggested Audit Working Pa | | | aper | |
|--|---------------------------------------|--|-----|-------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Generic Procurement Manual of Procedures for the Procurement of Consulting Services Volume 4 (June 2006) published by the GPPB: Step 1 Step 8. Negotiate with the consultant with the Highest Rated Bid. What happens if negotiations with the bidder with the HRB fail? If agreement on all items discussed during negotiations is not possible between the BAC and the first-in-rank consultant, the BAC would have to terminate negotiations and invite the next-rank consultant for negotiations. The procedure for negotiations, as described above, shall be repeated until negotiation with the consultant is successfully completed. | | | | | |
| INVOLVEMENT OF THE BAC OBSERNING OF THE CONSUL | | | | POSAL | (S) AND |
| 1. To verify if the BAC invited | 1. From the Minutes of | Did the BAC choose the | | | 1 |
| Observers: | the BAC meeting on | Observers considering: | | | |
| a. representing the COA, the | the selection of the | | | | |
| project-related professional | Observer from the | g. One representing the | | | |
| organization accredited or duly | "pool", check for information on the | COA? | | | |
| recognized by the Professional | BAC's evaluation in | h. One representing the | | | |
| Regulation Commission or the | regard to: | project-related | | | |
| Supreme Court, and a non- | the selection of the | professional | | | |
| government organization (NGO) | organization from | organization | | | |
| from the procuring entity's Pool | which the Observer will be invited; | accredited or duly | | | |
| of Observers; | knowledge, | recognized by the Professional | | | |
| b. that have: b.1. knowledge, experience or | experience or | Regulation | | | |
| expertise in procurement | expertise in | Commission or the | | | |
| or in the subject matter of | procurement or in | Supreme Court? | | | |
| the contract to be bid; | the subject matter of the contract to | i. One representing a | | | |
| b.2. no actual or potential | be bid; | non-government | | | |
| conflict of interest in the | no actual or | organization? | | | |
| contract to be bid; and | potential conflict of | | | | |
| b.3. conformed with other | interest in the | j. With knowledge, | | | |
| relevant criteria | contract to be bid; | experience or expertise in | | | |
| determined by the BAC; c. at least 3 calendar days prior to | conformed with | procurement or in | | | |
| the opening of the financial | other relevant | the subject matter of | | | |
| proposal | criteria determined by the BAC. | the contract to be bid? | | | |
| Insulance atting D. Lee and D. L. W. (200) | | | | | |
| Implementing Rules and Regulations (IRR) | | k. With no actual or | | | |
| of RA 9184, as amended on September 2, 2009: | | potential conflict of interest in the | | | |
| Section 13. Observers | | contract to be bid? | | | |
| 13.1. To enhance the transparency of the | | | | | |
| process, the BAC shall, in all stages of | | I. Conformed with | | | |
| | 1 | other relevant | 1 | I | 1 |

Republic of the Philippines

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|--|---|-----|----|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| the procurement process, invite, in addition to the representative of the COA, at least two (2) observers, who | | criteria determined by the BAC? | | | |
| shall not have the right to vote, to sit in its proceedings where: a) At least one (1) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hand, for example: i) ii) iii) For consulting services, a project-related professional organization accredited or duly recognized by the Professional Regulation Commission or the Supreme Court, such as, but not limited to: (1) PICE; (2) Philippine Institute of Certified Public Accountants (PICPA); and (3) Confederation of Filipino Consulting Organizations; and b) The other observer shall come from a non-government organization (NGO). | 2. From certified copies of the invitations to the Observers with evidence of receipt, compare the date of receipt with the 3-day minimum requirement. | Did the BAC invite the Observers at least 3 days from the date of the opening of the financial proposal and negotiations? | | | |
| 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. | | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify if the Procuring Entity considered the comments/observations of the Observers Implementing Rules and Regulations (IRR) | 3. Based on the BAC's Minutes on the Negotiations and the report of the Observers check whether a deliberation was made on the | Did the Procuring Entity consider the comments/ observations of the Observers? | | | |
| of RA 9184, as amended on September 2, 2009: 13.4. The observers shall have the following responsibilities: a) To prepare the report either jointly or separately indicating their observations | comments /observations of the observers. | | | | |

| Audit Sub-objective | | Suggested Aud | it Wor | kina Pa | aper |
|--|-----------------------|---------------------------|---------|---------|-------------|
| Audit Criteria | Aalit A.atiiti.a.a | Audit Question | Yes | No | Particulars |
| | Audit Activities | riddir 2doorion | | | of the |
| | | | | | Answer |
| made on the procurement activities | | | | | |
| conducted by the BAC for submission to | | | | | |
| the Head of the Procuring Entity, copy | | | | | |
| furnished the BAC Chairman. The report shall <u>assess</u> the extent of the BAC's | | | | | |
| compliance with the provisions of this | | | | | |
| IRR and areas of improvement in the | | | | | |
| BAC's proceedings; | | | | | |
| b) To submit their report to the procuring | | | | | |
| entity and furnish a copy to the GPPB | | | | | |
| and Office of the Ombudsman/Resident | | | | | |
| Ombudsman. If no report is | | | | | |
| submitted by the observer, then it | | | | | |
| is understood that the bidding activity conducted by the BAC | | | | | |
| followed the correct procedure; and | | | | | |
| c) To immediately inhibit and notify in | | | | | |
| writing the procuring entity concerned | | | | | |
| of any actual or potential interest in the | | | | | |
| contract to be bid. | | | | | |
| 12 E. Observers shall be allowed assess | | | | | |
| • 13.5. Observers shall be allowed access to the following documents upon their | | | | | |
| request, subject to signing of a | | | | | |
| confidentiality agreement: (a) minutes | | | | | |
| of BAC meetings; (b) abstract of Bids; | | | | | |
| (c) post-qualification summary report; | | | | | |
| (d) APP and related PPMP; and (e) | | | | | |
| opened proposals. | | | | | |
| EVALUATING AUDIT EVIDENCES GA | L THERED AND COMM | UNICATING THE RES | JLTS (| OF AU | DIT |
| 1. To verify the effects of | Analyze the instances | | | | |
| instances of non-compliance on | of non-compliance to | Appropriate Audit Working | g Papei | rs | |
| the: | establish the effects | | | | |
| a. validity of the procurement | and develop | | | | |
| activities and outputs including | appropriate audit | | | | |
| the validity of the resulting | recommendations. | | | | |
| contract; | Also determine if | | | | |
| | appropriate actions | | | | |
| b. validity of any payment to be | were taken by the | | | | |
| made on the basis of the | auditee in regard to | | | | |
| contract; | instances of non- | | | | |
| c. etc. | compliance. | | | | |
| and develop appropriate audit recommendations | | | | | |
| Implementing Rules and Regulations | NOTE: | | | | |
| (IRR) of RA 9184, as amended on | Also refer to the | | | | |
| September 2, 2009: | OFFENSES AND | | | | |
| Observers shall be invited at least three | PENALTIES | | | | |
| (3) calendar days before the date of the | portion of this | | | | |
| procurement stage/activity. The absence | Audit Guide. | | | | |
| of observers will not nullify the BAC | | | | | |
| proceedings, provided that they | | | | | |
| have been duly invited in writing. | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|---|-------------------------------|----------|--------|------------------|
| Audit Sub-objective Audit Criteria | | | | | Particulars |
| | Audit Activities | Addit Question | 103 | NO | of the Answer |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to | Appropriate Audit Workir | ng Paper | S | |
| | instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this | | | | |
| EVALUATING AUDIT EVIDENCES GA | Audit Guide. | INICATING THE DES | III TC / | 7E A11 | DIT |
| 1. To verify the effects of | Analyze the instances | UNICATING THE RES | UL13 | JF AU | ווט |
| instances of non-compliance on the: | of non-compliance to establish the effects and develop | Appropriate Audit Workir | ng Paper | rs . | |
| a. validity of the procurement activities and outputs including the validity of the resulting contract; | appropriate audit recommendations. Also determine if | | | | |
| b. validity of any payment to be made on the basis of the contract; | appropriate actions were taken by the auditee in regard to instances of non- | | | | |
| c. etc. | compliance. | | | | |
| and develop appropriate audit recommendations | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Workir | ng Paper | rs | |
| | Also determine if appropriate actions were taken by the auditee in regard to | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|---|-------------------------------------|-------|-------|-------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars | |
| | | | | | of the | |
| | instances of non-compliance. NOTE: | | | | Answer | |
| | Also refer to the OFFENSES AND | | | | | |
| | PENALTIES | | | | | |
| | portion of this | | | | | |
| | Audit Guide. | | | | | |
| 3. To communicate the results of | Prepare the | | | | | |
| the audit with the auditee's Management | appropriate audit/ validation document reflecting the results | Audit Observation Memora applicable | andum | (AOM) | , if | |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | of the audit/validation and transmit to Management | | | | | |

XII. POST-QUALIFICATION FOR THE PROCUREMENT OF CONSULTING SERVICES

The Highest Rated Bid (HRB) or Single Rated Bid (SRB), if lone, shall undergo post-qualification in order to determine whether the bidder concerned complies with and is responsive to all the requirements and conditions as specified in the Bidding Documents.

A. AUDIT OBJECTIVES:

- 1. To verify if the BAC performed the post-qualification according the prescribed procedures
- 2. To verify if the BAC performed the prescribed procedures for post-qualification within the required time

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for evaluation:

- 1. BAC Resolution, duly approved by the BAC, on the results of the negotiations with the HRB with recommendations for approval by the HOPE;
- 2. Copy of the BAC Secretariat's Receiving logbook indicating information on receipt of the:
 a) Tax clearance, b) Latest income and business tax returns, c) Certificate of PhilGEPS
 Registration; and d) Other appropriate licenses and permits required by law and stated in
 the Bidding Documents, submitted by the bidder with the HRB/SRB;
- 3. Copy each of the documents submitted by the bidder with the HRB/SRB for eligibility screening, documents comprising the Technical Proposal, documents comprising the Financial Proposal, documents submitted for post-qualification;
- 4. TWG report on the post-qualification conducted, including supporting documents as reviewed by the BAC; evidencing:
- 5. validation of the authenticity of the documents submitted and information thereon;
- 6. validation of compliance with the legal, technical, and financial requirements of the Bidding Documents;
- 7. conduct of analysis and concluding on the post-qualification or disqualification of the bidder, as the case may be;
- 8. BAC Resolutions on post-qualification/post-disqualification, declaration of HRRB/SRRB, and recommendation to the HOPE;
- TWG report(s) on the evaluation of the post-disqualified bidder(s)' request for reconsideration, as reviewed by the BAC;
- 10. Minutes of the post-qualification activities;
- 11. Copy of the document approved by the HOPE extending the period for the postqualification process, if applicable;
- 12. Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 13. Copies of invitation letters for the BAC Observers, duly received by them;
- 14. Reports of the BAC Observers.

| Audit Sub-objective | Suggested Audit \ | | | | aper |
|---|--|---|-----|----|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the BAC conducted post-qualification of the Highest Rated Bid (HRB) | Match the HRB as indicated in the Notice from the BAC with the HRB as indicated in the report on post-qualification. | Did the BAC conduct post-qualification of the Highest Rated Bid (HRB)? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on | | | | | |



| Audit Sub-objective | | Suggested Aud | dit Woı | rkina P | Paper |
|---|---|---|---------|---------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| September 2, 2009: • 34.1 The Highest Rated Bid shall undergo post-qualification in order to determine whether the bidder concerned complies with and is responsive to all the requirements and conditions as specified in the Bidding Documents. | | | | | |
| 2. To verify if the BAC required the bidder whose bid was declared as HRB /SRB to submit the following documents within 3 calendar days from the bidder's receipt of the notice: a) Tax clearance; b) Latest income and business tax returns; c) Certificate of PhilGEPS Registration; and d) Other appropriate licenses and permits required by law and stated in the Bidding Documents and whether the bidder submitted the documents as required | 2. From the records of the BAC, check the date when the bidder with the HRB submitted the: a) Tax clearance, b) Latest income and business tax returns, c) Certificate of PhilGEPS Registration; and d) Other appropriate licenses and permits required by law and stated in the Bidding Documents and compare this with the date of receipt of the notice that the bidder has the HRB. | Did the BAC require the bidder whose bid was declared by the BAC as HRB /SRB to submit the following documents within 3 calendar days from its receipt of the notice: a) Tax clearance? b) Latest income and business tax returns? c) Certificate of PhilGEPS Registration? and d) Other appropriate licenses and permits required by law and stated in the Bidding Documents? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 34.2. Within three (3) calendar days from receipt by the bidder of the notice from the BAC that the bidder has the Lowest Calculated Bid or Highest Rated Bid, the bidder shall submit the following documentary requirements to the BAC: a) Tax clearance; b) Latest income and business tax returns; c) Certificate of PhilGEPS Registration; and d) Other appropriate licenses and permits required by law and stated in the Bidding Documents. | | Did the bidder with the HRB submit within 3 calendar days from receipt of the notice as HRB: a. Tax Clearance? b. Latest income and business tax returns? c. Certificate of PhilGEPS Registration? d. Other appropriate licenses and permits required by law and stated in the Bidding Documents? | | | |

| Audit Sub-objective | | Suggested Aug | dit Wor | kina P | aper |
|--|--|---|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 3. To verify if the BAC: 3.1. determined the veracity of the documents submitted and 3.2. forfeited the bid security and disqualified the bidder for award for reason that; a. the bidder failed to | 3. If based on the validation conducted in 2. above, the submissions were found to be incomplete and/or not on time, obtain a copy of the BAC Resolution disqualifying the bidder and forfeiting its bid security. | Did the BAC forfeit the bid security and disqualify the bidder for award because of failure to submit the required documents on time? | | | |
| submit the required documents on time, and/or b. there was a finding against the veracity of the documents/information | 4. Obtain from the BAC Secretariat documents evidencing the BAC's validation of the veracity of the documents submitted and the information thereon and check the results of such | Did the BAC forfeit the bid security and disqualify the bidder for award because of a finding against the veracity of the documents/ | | | |
| | validation. | information? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.2.Within three (3) calendar days from receipt by the bidder of the notice from the BAC that the bidder has the Lowest Calculated Bid or Highest Rated Bid, the bidder shall submit the following documentary requirements to the BAC: a) Tax clearance; b) Latest income and business tax returns; c) Certificate of PhilGEPS Registration; and d) Other appropriate licenses and permits required by law and stated in the Bidding Documents. Failure to submit the above requirements on time or a finding against the veracity of such shall be ground for the forfeiture of the bid security and disqualify the bidder for award. | If the BAC had a finding against the veracity of the documents/ information thereon, obtain a copy of the BAC Resolution disqualifying the bidder and forfeiting its bid security. | Did the DAG calidate the | | | |
| 4. To verify if the BAC verified, validated, and ascertained that the bidder with the HRB/SRB was: | 5. From the TWG report, as reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, look for information evidencing validation of the | Did the BAC validate the authenticity of the Registration documents submitted by the bidder? | | | |
| a. a duly <u>licensed Filipino</u> <u>citizen</u> /sole proprietor, or | authenticity of the: a. DTI Registration | | | | |
| b. a Partnerships duly organized under the <u>laws</u> of the Philippines and of | Certificate, duly supported with: • the DTI-certified copy of | | | | |
| which <u>at sixty percent</u> (60%) of the interest | the <i>Registration Certificate</i> and DTI certificate that the | | | | |
| belongs to citizens of the Philippines, | sole proprietor is a Filipino citizen (based on | | | | |

| Audit Sub-objective | | Suggested Au | dit Wor | rkina P | aper |
|--|---|----------------|---------|---------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| or | the application for | | | | |
| | registration filed by the | | | | |
| c. a Corporation duly | bidder with the DTI), | | | | |
| organized under the <u>laws</u> | if the bidder is a sole | | | | |
| of the Philippines, and of | proprietorship; | | | | |
| which at least sixty | | | | | |
| percent (60%) of the | b. SEC registration and of the | | | | |
| outstanding capital stock | 60% Filipino ownership, | | | | |
| belongs to citizens of the | duly supported with:the SEC-certified copy | | | | |
| Philippines, or | of the Registration | | | | |
| Prinippines, or | Certificate, | | | | |
| d Cooperatives duly | if the bidder is a | | | | |
| d. Cooperatives duly | partnership; | | | | |
| organized under the laws | | | | | |
| of the Philippines, and of | c. SEC registration and of | | | | |
| which at least sixty | the 60% Filipino | | | | |
| percent (60%) belongs to | ownership, duly supported | | | | |
| citizens of the Philippines, | with: | | | | |
| or | SEC-certified copy of | | | | |
| | the Registration | | | | |
| e. Joint Venture - that | Certificate and | | | | |
| Filipino ownership or | SEC-certified copy of | | | | |
| interest of the joint | the Articles of Incorporation | | | | |
| venture concerned shall | if the bidder is a | | | | |
| be at least sixty percent | corporation. | | | | |
| <u>(60%)</u> | corporation. | | | | |
| | d. CDA registration and of | | | | |
| Implementing Rules and Regulations | the 60% Filipino | | | | |
| (IRR) of RA 9184, as amended on | ownership, duly supported | | | | |
| September 2, 2009: | with: | | | | |
| • 34.3. The post-qualification shall verify, validate, and ascertain all | CDA-certified copy of | | | | |
| statements made and documents | the Registration | | | | |
| submitted by the bidder with the | Certificate and | | | | |
| Highest Rated Bid, using non- | CDA certificate that at least sixty percent | | | | |
| discretionary criteria, as stated in | (60%) belongs to | | | | |
| the Bidding Documents. These | citizens of the | | | | |
| criteria shall consider, but shall | Philippines | | | | |
| not be limited to, the following: | if the bidder is a | | | | |
| | cooperative | | | | |
| a) <u>Legal Requirements.</u> To verify, | | | | | |
| validate, and ascertain licenses, | e. Joint Venture individual | | | | |
| certificates, permits, and | partner's: | | | | |
| agreements submitted by the bidder, and the fact that it is not | • DTI, SEC, or CDA | | | | |
| included in any "blacklist" as | registrations and | | | | |
| provided in Section 25.2 of this | of the 60% Filipino ownership | | | | |
| IRR. For this purpose, the GPPB | duly supported with the | | | | |
| shall maintain a consolidated file | DTI-, SEC-, or CDA- | | | | |
| of all "blacklisted" suppliers, | certified Certificate, as the | | | | |
| contractors, and consultants. | case may be and DTI-, | | | | |
| | SEC-, or CDA-certified | | | | |
| b) <u>Technical Requirements.</u> To | documents evidencing | | | | |
| determine compliance of goods, | ownership. | | | | |
| infrastructure projects, or | | | 1 | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|------------------|-------------------------------|-----|----|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| under the laws of the | | | | | |
| Philippines and of which at | | | | | |
| least sixty percent (60%) of | | | | | |
| the outstanding capital stock | | | | | |
| belongs to citizens of the | | | | | |
| Philippines; | | | | | |
| d) Cooperatives duly organized | | | | | |
| under the laws of the | | | | | |
| Philippines, and of which at | | | | | |
| least sixty percent (60%) belongs to citizens of the | | | | | |
| Philippines; or | | | | | |
| e) Persons/entities forming | | | | | |
| themselves into a joint venture, | | | | | |
| i.e., a group of two (2) or more | | | | | |
| persons/entities that intend to | | | | | |
| be jointly and severally | | | | | |
| responsible or liable for a | | | | | |
| particular contract: Provided, | | | | | |
| however, That Filipino | | | | | |
| ownership or interest thereof | | | | | |
| shall be at least sixty percent | | | | | |
| (60%). For this purpose, | | | | | |
| Filipino ownership or interest | | | | | |
| shall be based on the contributions of each of the | | | | | |
| members of the joint venture | | | | | |
| as specified in their JVA. | | | | | |
| as specified in their SVA. | | | | | |
| • 24.3.2. When the types and fields | | | | | |
| of consulting services in which the | | | | | |
| foregoing persons/entities wish to | | | | | |
| engage involve the practice of | | | | | |
| professions regulated by law, those | | | | | |
| who will actually perform the | | | | | |
| services shall be Filipino citizens | | | | | |
| and registered professionals | | | | | |
| authorized by the appropriate | | | | | |
| regulatory body to practice those professions and allied professions. | | | | | |
| professions and affect professions. | | | | | |
| • 24.3.3. In order to manifest trust | | | | | |
| and confidence in and promote the | | | | | |
| development of Filipino | | | | | |
| consultancy, foreign consultants | | | | | |
| may be hired in the event Filipino | | | | | |
| consultants do not have the | | | | | |
| sufficient expertise and capability to | | | | | 1 |
| render the services required under | | | | | |
| the project, as determined by the | | | | | 1 |
| Head of the Procuring Entity. Foreign consultants may be eligible | | | | | |
| to participate in the procurement of | | | | | 1 |
| consulting services, subject to the | | | | | |
| following qualifications: | | | | | |
| a) must be registered with the SEC | | | | | |
| and/or any agency authorized by | | | | | 1 |
| the laws of the Philippines; and | | | | | |

| Audit Sub-objective | | Suggested Aud | king F | | | |
|--|--|--|--------|----|----------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | |
| b) when the types and fields of consulting services in which the foreign consultant wishes to engage involve the practice of regulated professions, the foreign consultant must be authorized by the appropriate GOP professional regulatory body to engage in the practice of those professions and allied professions: Provided, however, That the limits of such authority shall be strictly observed. 5. To verify if the BAC verified, validated, and ascertained that the when the types and fields of consulting services involve the practice of professions regulated by law, those who will actually perform the services shall be Filipino citizens and registered professional authorized by the appropriate regulatory body to practice those professions and allied profession Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 24.3.2. When the types and fields of consulting services in which the foregoing persons/entities wish to engage involve the practice of professions regulated by law, those who will actually perform the services shall be Filipino citizens and registered professional authorized by the appropriate regulatory body to | 7. From the TWG report, as reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, look for information evidencing validation of the authenticity of the: a. Document attesting to the Filipino citizenship of the persons who will actually perform the services, b. Authorization document issued by the appropriate GOP professional regulatory body to engage in the practice of those professions and allied professions | Did the BAC verify, validate, and ascertain that the when the types and fields of consulting services involve the practice of professions regulated by law, those who will actually perform the services shall be Filipino citizens and registered professional authorized by the appropriate regulatory body to practice those professions and allied profession? | | | the Answer | |
| practice those professions and allied professions. | | | | | | |
| 6. To verify if the BAC verified, validated, and ascertained that the Foreign consultant with the HRB/SRB was: a. registered with the SEC and/or any agency authorized by the laws of | 8. From the TWG report with supporting documents and duly reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, look for information evidencing validation of the authenticity of the: a. SEC registration of the | Did the BAC verify, validate, and ascertain the authenticity of the following documents submitted by the Foreign consultant with the HRB/SRB was: a. SEC registration of | | | | |

| Audit Sub-objective | | Suggested Aud | dit Woı | rking F | Paper |
|--|--|---|---------|---------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| the Philippines; and b. when the types and fields of consulting services in which the foreign consultant wishes to engage involve the practice of regulated professions, the foreign consultant was authorized by the appropriate GOP professional regulatory body to engage in the practice of those professions observing the limits of such authority Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 24.3.3. In order to manifest trust and confidence in and promote the development of Filipino consultancy, foreign consultants may be hired in the event Filipino consultants do not have the sufficient expertise and capability to render the services required under the project, as determined by the Head of the Procuring Entity. Foreign consultants may be eligible to participate in the procurement of consulting services, subject to the following qualifications: a) must be registered with the SEC and/or any agency authorized by the laws of the Philippines; and b) when the types and fields of consulting services in which the foreign consultant wishes to engage involve the practice of regulated professions, the foreign consultant must be authorized by the appropriate GOP professional regulatory body to engage in the practice of those professions and allied professions: Provided, however, That the limits of such authority shall be strictly | foreign consultant, b. Authorization document issued by the appropriate GOP professional regulatory body to engage in the practice of those professions and allied professions and stating the limits of such authority. 9. From the TWG report with supporting documents and duly reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, look for information evidencing validation of the: • registration with the SEC and/or any agency authorized by the laws of the Philippines, • authorization by the appropriate GOP professional regulatory body to engage in the practice of those professions and allied professions observing the limits of such authority, when the types and fields of consulting services in which the foreign consultant wishes to engage involve the practice of regulated professions. | the foreign consultant? b. Authorization document issued by the appropriate GOP professional regulatory body to engage in the practice of those professions and allied professions and stating the limits of such authority. Did the BAC verify, validate, and ascertain that the Foreign consultant with the HRB/SRB was: a. registered with the SEC and/or any agency authorized by the laws of the Philippines? and b. when the types and fields of consulting services in which the foreign consultant wishes to engage involve the practice of regulated professions foreign consultant was authorized by the appropriate GOP professional regulatory body to engage in the practice of those professions and allied professions observing the limits of such authority? | | | the Answer |
| 7. To verify if the BAC verified, validated, and ascertained that the Mayor's | 10. From the TWG report, as reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, | Did the BAC verify, validate, and ascertain that the Mayor's Permit | | | |

| Audit Sub-objective | | Suggested Aug | dit Woi | rkina F | Paper |
|---|--|--|---------|---------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | riddit Quostion | .03 | '' | the Answer |
| Permit submitted by the | look for information | submitted by the bidder | | | |
| bidder with the HRB/SRB | evidencing validation of | is authentic? | | | |
| was issued by the city or | authenticity of the Mayor's | | | | |
| municipality where the | Permit and whether it was | | | | |
| principal place of business of | issued by the city or | Did the BAC verify, | | | |
| the prospective bidder is | municipality where the | validate, and ascertain | | | |
| located | principal place of the | that the Mayor's Permit | | | |
| located | business of the bidder is | submitted by the bidder | | | |
| Implementing Rules and Regulations | located, duly supported with:The LGU-certified copy | was issued by the city or municipality where | | | |
| (IRR) of RA 9184, as amended on | of the Mayor's permit, | the <u>principal place of</u> | | | |
| September 2, 2009: | and | business of the bidder is | | | |
| • 34.3. The post-qualification shall | DTI-, SEC-, or CDA- | located? | | | |
| verify, validate, and ascertain all | certified Registration | locatou. | | | |
| statements made and documents | Certificate showing the | | | | |
| submitted by the bidder with the | bidder's principal place | | | | |
| Lowest Calculated Bid/Highest | of business | | | | |
| Rated Bid, using non- | | | | | |
| discretionary criteria, as stated in | | | | | |
| the Bidding Documents. These | | | | | |
| criteria shall consider, but shall | | | | | |
| not be limited to, the following: a) Legal Requirements. To verify, | | | | | |
| validate, and ascertain licenses, | | | | | |
| certificates, permits , and | | | | | |
| agreements submitted by the | | | | | |
| bidder, and the fact that it is | | | | | |
| not included in any "blacklist" | | | | | |
| as provided in Section 25.2 of | | | | | |
| this IRR. For this purpose, the | | | | | |
| GPPB shall maintain a | | | | | |
| consolidated file of all | | | | | |
| "blacklisted" suppliers, | | | | | |
| contractors, and consultants. | | | | | |
| | | | | | |
| • 23.1. For purposes of | | | | | |
| determining the eligibility of | | | | | |
| bidders using the criteria stated | | | | | |
| in Section 23.5 of this IRR, only the following documents shall | | | | | |
| be required by the BAC, using | | | | | |
| the forms prescribed in the | | | | | |
| Bidding Documents,: | | | | | |
| a) Class "A" Documents | | | | | |
| <u>Legal Documents</u> | | | | | |
| <i>i)</i> | | | | | |
| ii) Mayor's permit issued by the | | | | | |
| city or municipality where | | | | | |
| the principal place of | | | | | |
| business of the prospective | | | | | |
| bidder is located. | | | | | |
| 9. To varify if the PAC | 11. From the TWG report | Did the BAC verify, | | | |
| 8. To verify if the BAC | with supporting documents, | validate, and ascertain | | | |
| verified, validated, and | duly reviewed by the BAC, | that the bidder is not | | | |
| ascertained that the bidder | and the <i>Minutes</i> of BAC | included in any | | | |
| is not included in any | meetings, look for | "blacklist"? | | | |
| "blacklist" | information evidencing | | | | |
| | | | | | |

| Audit Sub-objective | | Suggested Audit Working Pape | | | Paper |
|---|-------------------------------|------------------------------|-----|----|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| Implementing Rules and Regulations | validation by the BAC that | | | | |
| (IRR) of RA 9184, as amended on | the bidder is not included in | | | | |
| September 2, 2009: | any "blacklist" . | | | | |
| 34.3. The post-qualification shall | | | | | |
| verify, validate, and ascertain all | | | | | |
| statements made and documents | | | | | |
| submitted by the bidder with the | | | | | |
| Highest Rated Bid, using non- discretionary criteria, as stated in | | | | | |
| the Bidding Documents. These | | | | | |
| criteria shall consider, but shall | | | | | |
| not be limited to, the following: | | | | | |
| a) Legal Requirements. To verify, | | | | | |
| validate, and ascertain licenses, | | | | | |
| certificates, permits, and | | | | | |
| agreements submitted by the | | | | | |
| bidder, and the fact that it is | | | | | |
| not included in any | | | | | |
| "blacklist" as provided in | | | | | |
| Section 25.2 of this IRR. For | | | | | |
| this purpose, the GPPB shall | | | | | |
| maintain a consolidated file of | | | | | |
| all "blacklisted" suppliers, | | | | | |
| contractors, and consultants | | | | | |
| • 25.2. The first envelope shall | | | | | |
| contain the following technical | | | | | |
| information/documents, at the | | | | | |
| least: | | | | | |
| | | | | | |
| c) For the procurement of consulting | | | | | |
| <u>services</u> | | | | | |
| vi) Sworn statement by the | | | | | |
| prospective bidder or its duly | | | | | |
| authorized representative in the | | | | | |
| form prescribed by the GPPB as to | | | | | |
| the following: (1) It is not "blacklisted" or | | | | | |
| barred from bidding by the GOP | | | | | |
| or any of its agencies, offices, | | | | | |
| corporations, or LGUs, foreign | | | | | |
| government/foreign or | | | | | |
| international financing institution | | | | | |
| whose blacklisting rules have | | | | | |
| been recognized by the GPPB; | | | | | |
| (2) Each of the documents | | | | | |
| submitted in satisfaction of the | | | | | |
| bidding requirements is an | | | | | |
| authentic copy of the original, | | | | | |
| complete, and all statements and | | | | | 1 |
| information provided therein are true and correct: | | | | | 1 |
| (3) It is authorizing the Head | | | | | |
| of the Procuring Entity or his duly | | | | | |
| authorized representative/s to | | | | | |
| verify all the documents | | | | | |
| submitted; | | | | | |
| (4) The signatory is the duly | | | | | |

| Audit Sub-objective | | Suggested Aud | dit Wor | king P | aper |
|---|--|---|--|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| authorized and designated | | | | | |
| representative of the prospective | | | | | |
| bidder, and granted full power | | | | | |
| and authority to do, execute and | | | | | |
| perform any and all acts | | | | | |
| necessary and/or to represent | | | | | |
| the prospective bidder in the | | | | | |
| bidding, with the duly notarized | | | | | |
| Secretary's Certificate attesting to | | | | | |
| such fact, if the prospective | | | | | |
| bidder is a corporation, | | | | | |
| partnership or joint venture; | | | | | |
| (5) It complies with the | | | | | |
| disclosure provision under Section 47 of the Act in relation | | | | | |
| to other provisions of R.A. 3019; | | | | | |
| (6) It complies with the | | | | | |
| responsibilities of a prospective | | | | | |
| or eligible bidder provided in the | | | | | |
| PBDs; and | | | | | |
| (7) It complies with existing | | | | | |
| labor laws and standards. | | | | | |
| 9. To verify if the BAC | 12. From the TWG report | Did the BAC validate the | | | |
| validated the bidder's | with supporting documents, | relationship of the | | | |
| compliance with the "no | duly reviewed by the BAC, | bidder with the: | | | |
| relationship" provision | the Minutes of BAC | | | | |
| embodied in Section 47 of | meetings/deliberations and | a. HOPE? | | | |
| the Revised IRR of RA No. | BAC Resolution, check for | b. members of the BAC? | | | |
| 9184, i.e., that the bidder is | information showing the BAC's validation that: | b. Members of the BAC: | | | |
| not related by consanguinity | a. the individual bidder in an | c. members of the | | | |
| or affinity up to the 3 rd civil | individual or a sole | TWG? | | | |
| degree to the: | proprietorship, is not | | | | |
| a. HOPE, | related to the persons | d. members of the BAC | | | |
| b. members of the BAC, | mentioned in Sec. 47, | Secretariat? | | | |
| c. members of the TWG, | Amended IRR of RA 9184; | | | | |
| d. members of the BAC | b. all the officers and | e. head of the Project | | | |
| Secretariat. | members of the bidder | Management Office | | | |
| e. head of the Project | partnership are not | (PMO)? | | | |
| Management Office | related to the persons mentioned in Sec. 47, | f. head of the end-user | | | |
| (PMO), | Amended IRR of RA 9184; | unit? | | | |
| f. head of the end-user unit, | c. all the officers, directors, | | | | |
| g. project consultants | and controlling | g. project consultants? | | | |
| g. project consultants | stockholders of the bidder | | | | |
| Section 47. Disclosure of | corporation are not | | | | |
| Relations | related to the persons | | | | |
| All bids shall be accompanied by a | mentioned in Sec. 47, | | | | |
| sworn affidavit of the bidder that it | Amended IRR of RA 9184. | | | | |
| is not related to the Head of the | | | | | |
| Procuring Entity, members of the BAC, the TWG, and the BAC | 12 From the TMO | Did the DAC | | | |
| Secretariat, the head of the PMO or | 13. From the TWG report, as | Did the BAC | | | |
| the end-user unit, and the project | reviewed by the BAC, the Minutes of BAC | automatically disqualify the bidder found to be | | | |
| consultants, by consanguinity or | meetings/deliberations and | related within the 3 rd | | | |
| affinity up to the third civil degree. | BAC Resolution, check for | civil degree of | | | |
| Failure to comply with the | information showing the | consanguinity or affinity | | | |
| таните то соттрту with the | miormation snowing the | consanguinity or attinity | | | <u> </u> |

| Audit Sub-objective | | Suggested Aud | dit Wor | rking P | |
|---|--|--|---------|---------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| aforementioned provision shall be a ground for the automatic disqualification of the bid in consonance with Section 30 of this IRR. For this reason, relation to the aforementioned persons within the third civil degree of consanguinity or affinity shall automatically disqualify the bidder from participating in the procurement of contracts of the procuring entity. On the part of the bidder, this provision shall apply to the following persons: a) If the bidder is an individual or a sole proprietorship, to the bidder himself; b) If the bidder is a partnership, to all its officers and members; c) If the bidder is a corporation, to all its officers, directors, and controlling stockholders; and d) If the bidder is a joint venture, the provisions of items (a), (b), or (c) of this Section shall correspondingly apply to each of the members of the said joint venture, as may be appropriate | BAC's decision/action in case of violation with the "no relationship" provision. | with the persons listed in Section 47 of the Revised IRR of RA 9184? | | | |
| 10. To verify if the BAC validated the bidder's stated competence and experience Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid/Highest Rated Bid, using non-discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: b) Technical Requirements. To determine compliance of the goods, infrastructure projects, or consulting services offered with the requirements specified in the Bidding Documents, including, where applicable: i) Verification and validation of the bidder's stated competence | 14. From the TWG report with supporting documents, duly reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, check for information showing the BAC's validation of the From the TWG report, as reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, check for information showing the BAC's validation of the stated competence and experience of the consulting firm/consultant himself compared to the competence and experience required as stated in the Bidding Documents | Did the BAC validate the bidder's stated competence and experience against the requirements stated in the Bidding Documents? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|---|---|-----|----|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| and experience, and the competence and experience of the bidder's key personnel to be assigned to the project, for the procurement of infrastructure projects and consulting services; | 15. From the TWG report | Did the BAC validate the | | | the Answer |
| 11. To verify if the BAC validated the stated competence and experience of the bidder's key personnel to be assigned to the project Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid/Highest Rated Bid, using non-discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: b) Technical Requirements. To determine compliance of the goods, infrastructure projects, or consulting services offered with the requirements specified in the Bidding Documents, including, where applicable: i) Verification and validation of the bidder's stated competence and experience of the bidder's key personnel to be assigned to the project, for the procurement of infrastructure projects and consulting services. | with supporting documents, duly reviewed by the BAC, and the <i>Minutes</i> of BAC meetings, check for information showing the BAC's validation of the competence and experience of the bidder's key personnel to be assigned to the project. | stated competence and experience of the bidder's key personnel to be assigned to the project? | | | |
| 12. To verify if the BAC verified, validated, and ascertained authenticity of the bid security and its | 16. From the TWG report, as reviewed by the BAC, the Minutes of BAC meetings/deliberations and BAC Posculation, check for | Did the BAC ascertain the sufficiency of the bid security as to: | | | |
| sufficiency as to: a. type, b. amount, | BAC Resolution, check for information showing the BAC's validation of the | a. type? b. amount? | | | |
| c. form and wording, and d. validity period. | authenticity of the bid security and its sufficiency as to type, amount, form and | c. form and wording? | | | |

| Audit Sub-objective | | Suggested Aud | tit Wor | rkina F | Paner |
|---|---|---|---------|---------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid, using non-discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: b. Legal Requirements b) Technical Requirements. i) ii) ii) ii) iv) Ascertainment of the sufficiency of the bid security as to type, amount, form and wording, and validity period. | wording, and validity period. | d. validity period? | | | |
| 13. To verify if the BAC verified, validated, and ascertained if the Net Financial Contracting Capacity (NFCC) is at least equal to the ABC or the Credit Line Certificate (CLC) in favor of the prospective bidder if awarded the contract is at least 10% of the ABC Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 34.3. The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid, using non- discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following: a) Legal Requirements b) Technical Requirements To verify, validate and ascertain the bid price proposal of the bidder and, whenever applicable, the required CLC in the amount specified and over the period stipulated in the | 17. From the TWG report, as reviewed by the BAC, the Minutes of BAC meetings/deliberations and BAC Resolution, check for information showing the BAC's: a. validation of the authenticity of the CLC or the financial statements used as basis for computing the NFCC, b. validation of the accuracy of the computation for NFCC, c. validation of the Statement of the prospective bidder of all its ongoing and completed government and private contracts, including contracts awarded but not yet started, and d. comparison with the requirements. | Did the BAC verify, validate, and ascertain that the: a. NFCC is at least equal to the ABC? or b. CLC is at least 10% of the ABC? | | | |

| Audit Sub-objective | Suggested Audit Working Pa | | | | |
|--------------------------------------|----------------------------|----------------|-----|----|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| Bidding Documents, or the | | | | | |
| bidder's NFCC to ensure that | | | | | |
| the bidder can sustain the | | | | | |
| operating cash flow of the | | | | | |
| transaction. | | | | | |
| | | | | | |
| • 23.5.1.4. If the prospective | | | | | |
| bidder submits a computation of | | | | | |
| its NFCC, the NFCC must be at | | | | | |
| least equal to the ABC to be bid, | | | | | |
| calculated as follows: | | | | | |
| | | | | | |
| NFCC = [(Current assets minus | | | | | |
| current liabilities) (K)] minus the | | | | | |
| value of all outstanding or | | | | | |
| uncompleted portions of the | | | | | |
| projects under ongoing contracts, | | | | | |
| including awarded contracts yet | | | | | |
| to be started coinciding with the | | | | | |
| contract to be bid. | | | | | |
| Where: | | | | | |
| K = 10 for a contract duration | | | | | |
| of one year or less, 15 for a | | | | | |
| contract duration of more than | | | | | |
| one year up to two years, and | | | | | |
| 20 for a contract duration of | | | | | |
| more than two years. | | | | | |
| If the prospective bidder | | | | | |
| submits a CLC, the CLC must | | | | | |
| be at least equal to ten percent | | | | | |
| (10%) of the ABC to be bid. If | | | | | |
| the CLC is issued by a foreign | | | | | |
| Universal or Commercial Bank, | | | | | |
| it shall be confirmed or | | | | | |
| authenticated by a Universal or | | | | | |
| Commercial Bank. For biddings | | | | | |
| conducted by LGUs, the | | | | | |
| prospective bidder may also | | | | | |
| submit CLC from other banks | | | | | |
| certified by the BSP as | | | | | |
| authorized to issue such | | | | | |
| financial instrument. | | | | | |
| • 23.1 | | | | | |
| Technical Documents | | | | | |
| iii) Statement of the prospective | | | | | |
| bidder of all its ongoing and | | | | | |
| completed government and private | | | | | |
| contracts, including contracts | | | | | |
| awarded but not yet started, if any, | | | | | |
| whether similar or not similar in | | | | | |
| nature and complexity to the | | | | | |
| contract to be bid, within the | | | | | |
| relevant period as provided in the | | | | | |
| Bidding Documents. The statement | | | | | |
| shall include all information | | | | | |
| required in the PBDs prescribed by | | | | | |
| the GPPB. | | | | | |

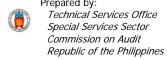
| Audit Sub-objective | | Suggested Auc | dit Woı | rking P | aper |
|--|---|---|---------|---------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 14. To verify if the BAC declared the post-qualified HRB/SRB as the Highest RAted Responsive Bid (HRRB/SRRB) Implementing Rules and Regulations (IRR) of RA 9184, as amended on | 18. From the post qualification report of the TWG, as reviewed by the BAC, check if the HRB/SRB passed all the criteria for post qualification. 19. Match the name of the HRRB/SRRB as approved by | Did the HRB/SRB pass post-qualification? Did the BAC declare the HRB/SRB as the Highest rated Responsive Bid/ | | | |
| September 2, 2009: • 34.4. If the BAC determines that the bidder with the Highest Rated Bid passes all the criteria for post-qualification, it shall declare the said bid as the Highest Rated | the HOPE with the name of bidder as indicated in the BAC resolution recommending HRRB/SRRB | Single Rated Responsive Bid (HRRB/SRRB)? | | | |
| Responsive Bid, and recommend to the Head of the Procuring Entity the award of contract to the said bidder at its submitted bid price or its calculated bid price, | | If Yes, proceed to: AWARD OF CONTRACT. | | | |
| whichever is lower, or in the case of quality-based evaluation procedure, submitted bid price or its negotiated price, whichever is lower. | | If No, proceed to the Sub-Objectives in case of post-disqualification of the bidder with the HRB/SRB. | | | |
| IN CASE OF POST-DISQUALIFITHE PROCUREMENT OF CONSU | | WITH THE HIGHEST R | ATED | BID (| HRB) -FOR |
| 1. To verify if the BAC, in case of post-disqualification of the HRB/SRB immediately notified the HRB/SRB in writing of the post-disqualification with the grounds for it. | 1. From the records of the BAC Secretariat, check for information on the date of receipt by the post-disqualified bidder of the notice and for the grounds for disqualification indicated thereon. | Did the BAC immediately notify the HRB/SRB of the post-disqualification? Did the BAC indicate in the notice the grounds for post-disqualification? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.5. If, however, the BAC determines that the bidder with the Highest Rated Bid fails the criteria for post-qualification, it shall immediately notify the said bidder in writing of its post-disqualification and grounds for it. | NOTE: If the motion for reconsideration of the SRB is denied, proceed to the audit matrix on Failure of Bidding. | | | | |
| 2. To verify if the BAC conducted and completed the post-qualification of the second rank bidder using the same post-qualification process adopted for the HRB | 2. Look for the TWG report on the post-qualification of the second rank bidder as reviewed by the BAC. | Did the BAC conduct and complete the post- qualification of the second rank bidder? | | | |



| Audit Sub-objective | | Suggested Aud | dit Woı | rking F | | | |
|--|---|---|---------|---------|---------------------------|--|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.6 the BAC shall initiate and complete the same post-qualification process on the bidder | 3. Repeat the audit activities on the sub-objectives for the post-qualification for the second rank bidder. | | | | THE ALLSWEI | | |
| with the second Highest Rated Bid. | 4. Analyze the post- qualification reports of the TWG, as reviewed by the BAC, for the HRB and the second rank bidder to check whether the TWG adopted the same process of verifying, validating and ascertaining all statements made and documents submitted by the HRB and the second rank bidder. | Did the BAC adopt the same process of verifying, validating and ascertaining all statements made and documents submitted by the HRB and the second rank bidder? | | | | | |
| | 5. From the post qualification report of the TWG, as reviewed by the BAC, check if the second rank bidder passed the post qualification. | Did the second rank bidder pass the post- qualification? | | | | | |
| | NOTE: For each post- disqualification of the next-rank bidder, the BAC is to repeat the | If NO, go back to the sub-objectives for the post-qualification process. | | | | | |
| | post-qualification process until the HRRB is declared for award. | If Yes, proceed to Sub-objective when the motion for | | | | | |
| | The related audit activities are likewise to be repeated. | reconsideration of the post- disqualified HRB is denied | | | | | |
| 3. To verify if the BAC declared the HRB as the HRRB after its request for reconsideration was granted and it was declared post-qualified | 6. From the Minutes of the BAC meeting, analyze if the BAC declared the HRB as the HRRB after its request for reconsideration has been granted and it was declared post-qualified. | Did the BAC declare the HRB as the HRRB after its request for reconsideration was granted and it was declared post-qualified? | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 3, 2009: | 7. Match the name of the HRRB as approved by the HOPE with the name of bidder as indicated in the BAC Resolution recommending the HRRB. | | | | | | |

| Audit Sub-objective | | Suggested Aud | oW tik | rking P | aper |
|--|---|--|--------|---------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| o 34.4. If the BAC determines that the bidder with the Highest Rated Bid passes all the criteria for post-qualification, it shall declare the said bid as the Highest Rated Responsive Bid, and recommend to the Head of the Procuring Entity the award of contract to the said bidder at its submitted bid price or its calculated bid price, whichever is lower, or in the case of quality-based evaluation procedure, submitted bid price or its negotiated price, whichever is lower. • 34.6. Immediately after the BAC has notified the first bidder of its post-disqualification, and notwithstanding any pending request for reconsideration thereof, the BAC shall initiate and complete the same post-qualification process on the bidder with the second Highest Rated Bid. If the second bidder passes the post-qualification, and provided that the request for reconsideration of the first bidder has been denied, the second bidder shall be post-qualified as the bidder with the Highest Rated Responsive Bid. | DNSIDEDATION OF THE PO | OCT DISCHALIFIED III | | DENI | |
| To verify if the BAC declared the post-qualified | 1. From the Minutes of the BAC meeting, analyze if the | Did the BAC declare the post-qualified second- | | | |
| second-rank bidder as the HRRB after a request for | BAC declared the post- qualified <i>second-rank</i> bidder as the HRRB after a request | rank bidder as the HRRB after a request for reconsideration of | | | |
| reconsideration of the HRB (first-rank) has been denied | for reconsideration of the HRB (first-rank) has been | the HRB (first-rank) has been denied? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | denied. 2 Match the name of the | | | | |
| 34.6 If the second bidder passes the post-qualification, and provided that the request for reconsideration of the first bidder has been denied, the second bidder shall be post-qualified as | 2. Match the name of the HRRB as approved by the HOPE with the name of bidder as indicated in the BAC Resolution recommending the HRRB. | | | | |

| Audit Sub-objective | | Suggested Audit Working Pape | | | |
|--|--|---|-----|----|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify if the BAC completed the post-qualification process in not more than seven (7) calendar days Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 34.8. The post-qualification process shall be completed in not more than seven (7) calendar days from the determination of the Highest Rated Bid. In exceptional cases, the post-qualification period may be extended by the Head of the Procuring Entity, but in no case shall the aggregate period exceed thirty (30) calendar days. | 3. Look for the date the post-qualification was started by the BAC and the date the HRRB was declared and determine the number of days between said dates. | Did the BAC complete the post-qualification process in not more than seven (7) calendar days? If BAC completed post- qualification in more than seven (7) calendar days, was the extension approved by the HOPE? | | | |
| INVOLVEMENT OF BAC OBSER INCLUDING THE ACTION ON N. 1. To verify if the BAC invited Observers: a. representing the COA, the duly recognized private group in a sector or discipline relevant to the procurement at hand, and a nongovernment organization (NGO) from the procuring entity's Pool of Observers; b. that have: b.1. knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b.2. no actual or potential conflict of interest in the contract to be bid; and b.3. conformed with other relevant criteria determined by the BAC; c. at least 3 calendar days prior to the Postqualification Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | |
| • 13. Observers 13.1. To enhance the transparency of the process, the BAC shall, in all stages of the procurement process, invite, in addition to the | | e. With no actual or potential conflict of interest in the | | | |



| Audit Activities Audit Activities Audit Activities Audit Coestion Yes No Particulars of Pearliculars of the Cook, at least representative of the COA, at least to the light to vote, to st in its proceedings where: a) At least one (1) shall come from a sector or discipline relevant to the procurement at hand, for example: 1) 2) From consulting services, a project-halted professional organization accredited or duly recognized by the Professional organization accredited or duly recognized by the Professional Regulation Commission or the Supreme Court such as, but not limited to: (1) Proc. (2) Philippine Institute of Cortificed Public Accountants (PICPA); and (3) Confederation at Filipino Consulting Organization and Filipino Consulting Organization and Filipino Consulting Organization and Public Accountants (PICPA); and sould meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The existence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. 2. To verify if the Procuring Entity considered the comments/observations of the Observers. | Audit Sub-objective | | Suggested Aug | dit Woı | rking P | aper |
|--|---------------------------------------|----------------------------|--------------------------|---------|---------|------------|
| representative of the COA, at least two (2) obsorvers, who shall not have the right to vote, to sit in its proceedings where: a) At least one (1) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hard, for example: (i) (ii) (iii) For consulting services a project-notated professional organization accredited or duly recognized by the Professional organization accredited are duly recognized by the Professional Regulation Commission or the Supreme Court, such as, but not limited to: (ii) BIGE: (i) BRIGE: (i) BRIGE: (i) BRIGE: (i) BRIGE: (ii) BRIGE: (iii) From the date of receipt, compared the received with the Securities and Exchange Commission (SEC) or the Compared with the Securities and Exchange Commission (SEC) or the Compared with the Securities and Exchange Commission (SEC) or the Compared with the Securities and Exchange Commission (SEC) or the Procurement of the contract to be bid. 2. To verify if the Procuring Entity considered the comments/observations of the Observers (buildication and the report of the Deservers). | _ | Audit Activities | | | | |
| two (2) observers, who shall not list proceedings where: a) Al least one (1) shall come from a duly recognized private group in a sector or disclinic relevant to the procurement at hand, for example: a) ii) For consulting services a project-related prolessional recognization accredited or duly recognized by the Professional Regulation Commission or the Supreme Count such as, but not limited to: (1) Proc. (2) Philippine Institute of Cartified Public Accountants (PCPA); and (3) Confederation of Filipino Consulting Organizations: and b) The other observer shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. 3.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of Secretars will not nullify the BAC proceedings provided that they have been duly invited in writing. 2. To verify if the Procuring Entity considered the comments/observations of the Observers heck of the Comments/observations of the Conservers will not nullify the BAC proceedings provided that they have been duly invited in writing. | | | | | | the Answer |
| have the right to vote, to st in its proceedings where: a) At least one (f) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hard, for example: i) ii) For consulting services a project-related professional organization accredited or duly recognized by the Professional organization accredited or duly recognized by the Professional Regulation Commission or the Supreme Caurt, such as, but not limited to: (f) PICE: (g) Philippine Institute of Cartified Public Accountants (PICPA): and (g) Confederations: and b) The other observers shall come from an organization duly registered with the Securities and Exchange Commission (SCQ) or the Cooperative Development Authority (CDA), and should meet the Bollowing criteria: a) Annowledge, experience or expertise in procurement or in the subject matter of the contract to be bit and a conflict of interest in the contract to be b | representative of the COA, at least | | contract to be bid? | | | |
| JA It least one (1) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hand, for example: J | two (2) observers, who shall not | | | | | |
| a) All least one (1) shall come from a sector or discipline relevant to the procurement at hand, for example: b) ii) For consulting services, a project-related professional argunization carcelled or duly recognized by the Professional Regulation Commission or the Supreme Court, such as, but not limited to: (i) PICE: (i) PICE: (i) Philippine Institute of Certified Public Accountants (PICPA) and (ii) Concloderation of Filipino Consulting Organizations; and b) The other observers shall come from an experiment organization (NGO). 13.2 The observers shall come from an experiment of the contract to be bid; and conflict of interest in the contract to be bid; and 2) Any other relevant criteria that may be determined by the BAC. 2. From certified copies of the invitations to the Observers at least 3 days from the discovers at least 3 days from the discovers and the service of the post-qualification? The observers shall come from a non-powerment organization (NGO). 13.2 The observers shall come from an experiment of the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to the bid; and conflict of interest in the contract to the bid; and conflict of interest in the contract to the bid; and conflict of interest in the contract to the bid; and conflict of interest in the contract to the co | have the right to vote, to sit in its | | | | | |
| aduly recognized private group in a sector or discloiline relevant to the procurement at hand, for example:) | proceedings where: | | f. Conformed with | | | |
| sector or discipline releviant to the procurement at hand, for example: i) ii) For consulting services, a project-telated professional organization accredited or duly recognized by the Professional Regulation Commission or the Supreme Court, such as, but not limited to: (i) PICE: (i) PICE: (i) Pince in stitute of Certified Public Accountants (PICPA): and illiption Consulting Organizations: and b) The other observer shall come from an angapization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (DDA), and should meet the following criteria: a) Knowledge: experience or expertise in procurement or in the subject matter of the contract to be bid: and the set three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nutlify the BAC proceedings, provided that they have been duly invited in writing. 2. To verify if the Procuring Entity considered the Comments/observations of the Observers. | a) At least one (1) shall come from a | | other relevant | | | |
| 2. From certified copies of the invitations to the Observers at least 3 days from the date of receipt, compare the date of the post-qualification? regulation Commission or the Supreme Court, such as, but not limited to: (1) PICE; (2) Philippine Institute of Certified Public Accountants (PICPA); and (3) Confederation of Filippino Consulting Organizations; and b) The other observers shall come from an organization (NGO). 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Colorative Development Authority (CDA), and should meet the following criteria: 3) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; and at least three (3) calendar days before the date of the Procuring Intity considered the comments/observations of the Observers will now with Consensition of the Procuring Entity considered the comments/observations of the Observers observations of the Observers. | duly recognized private group in a | | criteria determined | | | |
| 1) 1) 1) 1) 1) 1) 1) 1) 1) 1) 1) 1) 1) 1) 10 | sector or discipline relevant to the | | by the BAC? | | | |
| ill) For consulting services, a project-related professional organization accredited or duly recognized by the Professional Regulation Commission or the Supreme Count, such as, but not limited to: (1) PICE: (2) Philippine Institute of Certified Public Accountants (PICPA); and (3) Confederation of Filipino Consulting Organizations; and b) The other observer shall come from an on-government organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nutlify the BAC proceedings, provided that they have been duly invited in writing. 2. To verify if the Procuring Entity considered the comments/observations of the Observers check of the comments of the comments of the Observers of the Observers of the Observers. | procurement at hand, for example: | | | | | |
| the invitations to the project-leded professional organization accredited or duly recognized by the Professional Regulation Commission or the Supreme Court, such as, but not limited to: (1) PICE: (2) Philippine Institute of Certified Public Accountants (PICPA): and (3) Confederation of Filippin Consulting Organizations: and b) The other observers shall come from an organization (NCO). 13.2. The observers shall come from an organization (NCO). 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid: b) Absence of actual or potential conflict of interest in the contract to be bid: and c) Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nutlify the BAC proceedings, provided that they have been duly invited in writing. 2. To verify if the Procuring Entity considered the comments/observations of the Observers's | | | | | | |
| Discrers with evidence of receipt, compare the date of the post-qualification? Regulation Commission or the Supreme Court, such as, but not limited to: (1) PICE: (2) Philippine Institute of Certified Public Accountants (PICPA): and (3) Confederation of Filipino Consulting Organizations: and b) The other observer shall come from a non-government organization (NGO). 13.2. The observers shall come from an organization (NGO). 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid: b) Absence of actual or potential conflict of interest in the contract to be bid: a) Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. 2. To verify if the Procuring Entity considered the comments/observations of the Observers? 3. Based on the BAC's Minutes on the Post Qualification and the report of the Observers? | | From certified copies of | Did the BAC invite the | | | |
| receptive by the Professional Regulation Commission or the Supreme Court, such as, but not limited to: (1) PICE: (2) Philippine Institute of Certified Public Accountants (PICPA): and (3) Confederation of Filipino Consulting Organizations: and b) The other observer shall come from a non-government organization (NGC). 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; and (Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nutliffy the BAC proceedings, provided that they have been duly invited in writing. 2. To verify if the Procuring Entity considered the comments/observations of the Observers? 3. Based on the BAC's Minutes on the Post Observers? | | the invitations to the | observers at least 3 | | | |
| receipt with the 3-day Regulation Commission or the Supreme Court, such as, but not limited to: (1) PICE; (2) Philippine Institute of Certified Public Accountants (PICPA), and (3) Conteadration of Filipino Consulting Organizations: and b) The other observer shall come from a non-government organization (NGO). 13.2. The observers shall come from an organization of superistered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDN), and should meet the Cooperative Development Authority (CDN), and should meet the Sollowing criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid: b) Absence of actual or potential conflict of interest in the contract to be bid: and c) Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. 2. To verify if the Procuring Entity considered the comments/observations of the Observers? 3. Based on the BAC's Minutes on the Post Qualification and the report observers? | | Observers with evidence of | days from the date of | | | |
| Regulation Commission or the Supreme Court, such as, but not limited to: (1) PICE: (2) Philippine Institute of Certified Public Accountants (PICPA); and (3) Confederation of Filipino Consulting Organizations: and b) The other observer shall come from an organization (NGO). 13.2. The observers shall come from an organization (NGO). 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; and conflict of interest in the contract to be bid; bid interest in the contract to be bid; bid interest in the contract to be bid; bid interest in the contract to be bid; bid interest in the contract to be bid; bid interest in the contract to be bid; bid interest in the contract to be bid; bid interest in the contract to be bid; bid interest in the contract to be bid; bid interest in the contract to be bid; bid interest in the contract to be bid; bid interest in the contract to be bid; bid interest in the contract to be bid; bid interest in the contract to be bid; bid interest in the contract to be bid; bid interest in the contract to be bid; bid interest in the | | | the post-qualification? | | | |
| Supreme Court, such as, but not limited to: (1) PICE; (2) Philippine Institute of Certified Public Accountants (PICPA): and (3) Confederation of Filipino Consulting Organizations: and b) The other observer shall come from a non-government organization (NGO). 13.2 The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative and Exchange Commission (SEC) or the Cooperative Bovelopment Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid: b) Absence of actual or potential conflict of interest in the contract to be bid: a) Any other relevant criteria that may be determined by the BAC. 13.3 Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nutlify the BAC proceedings, provided that they have been duly invited in writing. 2. To verify if the Procuring Entity considered the comments/observations of the Observers check | | | | | | |
| Ilmited to: (1) PICE: (2) Philippine Institute of Certified Public Accountants (PICPA): and (3) Confederation of Filipino Consulting Organizations: and b) The other observer shall come from a non-government organization (NGO). 13.2. The observers shall come from an organization (NGO). 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid: b) Absence of actual or potential conflict of interest in the contract to be bid: and c) Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. 2. To verify if the Procuring Entity considered the comments/observations of the Observers check | | minimum requirement. | | | | |
| (2) Prillippine Institute of Certified Public Accountants (PICPA): and (3) Confederation of Filipino Consulting Organizations: and b) The other observer shall come from a non-government organization (MGO). 1.3.2 The observers shall come from an organization (MGO). 1.3.2 The observers shall come from an organization (WGO). 1.3.2 The observers shall come from an organization (WGO) and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid: b) Absence of actual or potential conflict of interest in the contract to be bid: and (2) Any other relevant criteria that may be determined by the BAC. 1.3.3 Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. 2. To verify if the Procuring Entity considered the comments/observations of the Observers of the Observers of the Observers. | | | | | | |
| Certified Public Accountants (PICPA): and (3) Confederation of Filipino Consulting Organizations: and b) The other observer shall come from a non-government organization (NCO). 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. 3. Based on the BAC's Minutes on the Post Oualification and the report of the Observers. | | | | | | |
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| comments/observations of the Observers check Qualification and the report of the Observers check Observations of the Observers? | | | | | | |
| the Observers of the Observers? Observers? | | | | | | |
| The Observers | | | | | | |
| | the Observers | whether a deliberation was | 0.000110101 | | | |

| Audit Sub-objective | Audit Sub-objective Suggested Audit Working F | | | Paner | |
|--|---|--|---------|-------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| - riddit oriteria | riadit riotivities | Addit Question | 163 | INO | the Answer |
| | made on the comments | | | | |
| Implementing Rules and Regulations | /observations of the | | | | |
| (IRR) of RA 9184, as amended on | observers. | | | | |
| September 2, 2009: | | | | | |
| • 13.4. The observers shall have | | | | | |
| the following responsibilities: | | | | | |
| a) To prepare the report either | | | | | |
| jointly or separately indicating | | | | | |
| their observations made on the | | | | | |
| procurement activities conducted | | | | | |
| by the BAC for submission to the | | | | | |
| Head of the Procuring Entity, | | | | | |
| copy furnished the BAC | | | | | |
| Chairman. The report shall <u>assess</u> | | | | | |
| the extent of the BAC's | | | | | |
| compliance with the provisions of | | | | | |
| this IRR and areas of | | | | | |
| improvement in the BAC's | | | | | |
| proceedings; | | | | | |
| b) To submit their report to the | | | | | |
| procuring entity and furnish a | | | | | |
| copy to the GPPB and Office of | | | | | |
| the Ombudsman/Resident | | | | | |
| Ombudsman. If no report is | | | | | |
| submitted by the observer, then it is understood that the | | | | | |
| bidding activity conducted by | | | | | |
| the BAC followed the correct | | | | | |
| procedure; and | | | | | |
| c) To immediately inhibit and notify | | | | | |
| in writing the procuring entity | | | | | |
| concerned of any actual or | | | | | |
| potential interest in the contract | | | | | |
| to be bid. | | | | | |
| | | | | | |
| • 13.5. Observers shall be allowed | | | | | |
| access to the following | | | | | |
| documents upon their request, | | | | | |
| subject to signing of a | | | | | |
| confidentiality agreement: (a) | | | | | |
| minutes of BAC meetings; (b) | | | | | |
| abstract of Bids; (c) post- | | | | | |
| qualification summary report; (d) APP and related PPMP; | | | | | |
| and (e) opened proposals. | | | | | |
| and (c) opened proposais. | | | | | |
| EVALUATING AUDIT EVIDENCE | ES GATHERED AND COMM | UNICATING THE RESI | JI TS (| OF AL | IDIT |
| To verify the effects of | Analyze the instances of non- | The state of the s | | | = |
| instances of non-compliance | compliance to establish the | Appropriate Audit Workin | g Paper | rs | |
| on the: | effects and develop | | - ' | | |
| | appropriate audit | | | | |
| a. validity of the | recommendations. | | | | |
| procurement activities and | | | | | |
| outputs including the | Also determine if appropriate | | | | |
| validity of the resulting | actions were taken by the | | | | |
| contract; | auditee in regard to instances | | | | |
| b. validity of any payment to | of non-compliance. | | | | |
| a. randity of any payment to | | | | | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|---|-------------------------------|---------|-------|---------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| be made on the basis of the contract; c. etc. and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit Workin | g Papei | rs | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memor | randum | (AOM) | , if applicable | |

XII. AWARD OF CONTRACT FOR THE PROCUREMENT OF CONSULTING SERVICES

A. AUDIT OBJECTIVES:

- To verify if the conditions/requirements and procedures for the award of contract were adhered to by the procuring entity;
- 2. To verify if the award was made within the prescribed period;
- 3. To verify if the conditions/requirements, procedures and timelines for entering into and approval of the contract were adhered to by the procuring entity.

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for the evaluation:

- 1. Minutes of the BAC meetings on post-qualification;
- 2. BAC Resolution declaring the HRRB/SRRB and recommending award, approved by the HOPE, with the following supporting documents:
 - a. Abstract of Bids,
 - b. Duly approved program of work and Cost Estimates,
 - c. Document issued by appropriate entity authorizing the procuring entity to incur obligations for a specified amount,
 - d. Other pertinent documents required by existing laws, rules and/or the procuring entity concerned.
- 3. Notice of Award signed by the HOPE, with date of release to and receipt by the winning bidder;
- Copy of the bid security of the winning bidder stamped received by the BAC Secretariat;
- 5. Copy of the portions of the receiving records of the BAC, with information on the date of submission of the Joint Venture Agreement (JVA), if the winning bidder is a Joint Venture; and the date of posting of the performance security;
- 6. Copy of the performance security posted by the winning bidder;
- Copy of the complete set of contract documents duly signed and approved by higher authorities;
- 8. Copy of the policy and schedule of approving authorities;
- 9. Evidences of postings at the PhilGEPS and the procuring entity's websites;
- 10. Evidences of postings at the conspicuous place at the premises of the procuring entity;
- 11. Copy of the Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 12. Copy of reports of the BAC Observers;
- 13. Copy of the document with the HOPE's disapproval of the award and the justifications thereto, duly received by the BAC;
- 14. In case of disapproval of the BAC's recommendation for award, copy of the document with the HOPE's instructions on the steps to be adopted by the BAC.

| Audit Sub-objective | | Suggested Audit Working Paper | | | aper |
|--------------------------|-----------------------------|-------------------------------|-----|----|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the BAC | 1. Compare the HRRB/ SRRB | Did the BAC | | | |
| recommended the bidder | determined by the BAC | recommend to the | | | |
| with the Highest Rated | indicated in the Minutes of | HOPE the award of | | | |
| Responsive Bid (HRRB) or | BAC meeting on post- | contract to the bidder | | | |

| Audit Sub-objective | | Suggested Au | dit Wor | king P | aper |
|---|---|--|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Single Rated Responsive Bid (SRRB), if lone, to the HOPE for award of contract | qualification with the HRRB/ SRRB recommended for award in the BAC Resolution | with the HRRB/SRRB? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 37.1.1. The BAC shall recommend to the Head of the Procuring Entity the award of contract to the bidder with the Highest Rated Responsive Bid or the Single Rated Responsive Bid after the post qualification process has been completed. | | | | | |
| 2. To verify if the BAC recommended to the HOPE | From the TWG evaluation report with supporting | Did the BAC recommend award of | | | |
| the award of the contract to | documents and duly reviewed by the BAC, and BAC | the contract to the bidder with the | | | |
| the bidder with the HRRB/SRRB at its: | Resolution declaring the | HRRB/SRRB at its: | | | |
| | HRRB/SRRB and recommending award, look | a. submitted bid price | | | |
| a. submitted bid price or its calculated bid price, | for information on the contract amount | or its calculated bid price, whichever is | | | |
| whichever is lower, or | recommended by the BAC for award. | lower? | | | |
| b. in the case of quality- | | or | | | |
| based evaluation procedure, submitted bid | Then compare the recommended contract price | b. in the case of | | | |
| price or its negotiated | with the submitted bid price and calculated bid price OR | quality-based evaluation | | | |
| price, whichever is lower. | the negotiated price, in case | procedure, | | | |
| Implementing Rules and Regulations | of quality based evaluation. | submitted bid price or its negotiated | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: | | price, whichever is lower? | | | |
| • 34.4. If the BAC determines that the bidder with the Highest Rated | | | | | |
| Bid passes all the criteria for post- | | | | | |
| qualification, it shall declare the said bid as the Highest Rated | | | | | |
| Responsive Bid, and recommend to the Head of the Procuring | | | | | |
| Entity the award of contract to the | | | | | |
| said bidder at <u>its submitted bid</u> price or its calculated bid price, | | | | | |
| whichever is lower, or in the case of quality-based evaluation | | | | | |
| procedure, submitted bid price or | | | | | |
| <u>its negotiated price, whichever is</u> <u>lower.</u> | | | | | |
| Philippine Bidding Documents (PBDs) | | | | | |
| for the Procurement of Consulting Services, 3 rd Edition, (October 2009) | | | | | |
| approved by the GPPB per GPPB | | | | | |
| Resolution No. 06-2009 dated | | | | | |

| Audit Sub-objective | | Suggested Aud | dit Woı | king P | aper |
|--|--|--------------------------------------|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| September 30, 2009: • 27.4. If the BAC determines that the Consultant with the HRB passes all the criteria for post-qualification, it shall declare the said bid as the consultant with the Highest Rated and Responsive Bid (HRRB), and recommend to the Head of the Procuring Entity the award of contract to the said Consultant at its submitted price or its calculated bid price, whichever is lower, subject to ITB Clause 29.3. | | | | | |
| 3. To verify if the BAC | 3. From the BAC Chairman's | Did the BAC submit the | | | |
| submitted the following | letter for the HOPE | following documents to | | | |
| documents to the HOPE with | submitting the results and | the HOPE with the | | | |
| the recommendation for | the documents pertaining to | recommendation for | | | |
| award: | the recommendation, duly received by the Office of the | award: | | | |
| a. Resolution of the BAC | HOPE, look for information | | | | |
| recommending award; | on the documents submitted. | a. Resolution of the | | | |
| b. Abstract of Bids; | | BAC recommending | | | |
| c. Duly approved program | | award? | | | |
| of work and Cost Estimates; | | | | | |
| d. Document issued by | | b. Abstract of Bids? | | | |
| appropriate entity | | | | | |
| authorizing the procuring | | a. Dudy amount | | | |
| entity to incur | | c. Duly approved program of work | | | |
| obligations for a specified | | and Cost | | | |
| amount; and | | Estimates? | | | |
| e. Other pertinent | | | | | |
| documents required by | | d. Document issued by | | | |
| existing laws, rules and/ or the procuring entity | | appropriate entity | | | |
| concerned | | authorizing the | | | |
| Concerned | | procuring entity to | | | |
| Implementing Rules and Regulations | | incur obligations for | | | |
| (IRR) of RA 9184, as amended on | | a specified amount? | | | |
| September 2, 2009: | | aniount. | | | |
| • 37.1.1. The BAC shall recommend to the Head of the Procuring | | | | | |
| Entity the award of contract to the | | e. Other pertinent | | | |
| bidder with the Highest Rated | | documents required by existing laws, | | | |
| Responsive Bid or the Single | | rules and/or the | | | |
| Rated Responsive Bid after the post qualification process has | | procuring entity | | | |
| been completed. | | concerned? | | | |
| To facilitate the approval of the award, the BAC <u>shall</u> submit the following supporting documents to the Head of the Procuring Entity: | | | | | |
| a) Resolution of the BAC | | | 1 | | |

| Audit Sub-objective | | Suggested Aug | dit Wor | king F | Paper |
|---|---|--|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| recommending award; b) Abstract of Bids; c) Duly approved program of work or delivery schedule, and Cost Estimates; d) Document issued by appropriate entity authorizing the procuring entity to incur obligations for a specified amount; and e) Other pertinent documents required by existing laws, rules and/ or the procuring entity concerned. | | | | | THE ATISWEI |
| 4. To verify if the HOPE, or his/her duly authorized official, approved the HRRB/SRRB recommended by the BAC for award within 7 calendar days from the date of receipt of the recommendation from the BAC (15 calendar days for GOCCs/GFIs) | 4. Determine the number of days from the date of receipt by the HOPE of the recommendation for award to the date of approval and compare with the 7-day or 15-day period. | Did the HOPE approve the BAC recommendation for award within the 7- calendar-day period (or 15-calendar-day period for GOCCs/ GFIs)? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 37.1.2. Within a period not exceeding seven (7) calendar days from the date of receipt of the recommendation of the BAC, the Head of the Procuring Entity shall approve or disapprove the said recommendation In the case of GOCCs and GFIs, the period provided herein shall be fifteen (15) calendar days. | | | | | |
| 5. In case of approval, to verify if the Notice of Award was issued to the winning bidder immediately and within the validity period of the bid security | 5. Compare the name of the bidder appearing in the Notice of Award with the winning bidder per approved BAC Resolution. | Was the Notice of Award issued to the winning bidder as recommended by the BAC and approved by the HOPE? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 37.1.3. In case of approval, the Head of the Procuring Entity shall immediately issue the Notice of Award to the bidder with the Highest Rated Responsive Bid. In the event the Head of the | 6. Compare the date of release of the Notice of Award with the date of approval of the BAC Resolution recommending the award. | Was the Notice of Award as recommended by the BAC and approved by the HOPE immediately issued to the winning bidder? | | | |

| Audit Sub-objective | | Suggested Aud | noW tib | rkina F | Paper |
|---|---|--|---------|---------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Procuring Entity shall disapprove such recommendation, such disapproval shall be based only on valid, reasonable, and justifiable grounds to be expressed in writing, a copy furnished the BAC. • Annex "C" PERIOD OF ACTION ON PROCUREMENT ACTIVITIES Stage 10 | 6. Compare the date of the release of the Notice of Award with the expiry date of the bid validity period. | Was the Notice of Award as recommended by the BAC and approved by the HOPE issued to the winning bidder within the bid validity period of the bid security? | | | THE Allswei |
| 37.1.5. Contract award shall be made within the bid validity period provided in Section 28 of this IRR. | | | | | |
| 6. To verify if the BAC notified all the losing bidders within the 7 or 15 calendar day period (same period provided for the HOPE to approve/ disapprove the BAC's Resolution) Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 37.1.2. Within a period not exceeding seven (7) calendar days from the date of receipt of the recommendation of the BAC, the Head of the Procuring Entity shall approve or disapprove the said recommendation In the case of GOCCs and GFIs, the period provided herein shall be fifteen (15) calendar days. Within the same period provided herein the BAC shall notify all losing bidders of its decision. | 7. From the notices to the losing bidders, look for the date of its receipt and compare with the 7-day or 15-day requirement. 8. Also compare the names of the losing bidders notified with those appearing in the Abstract of Bids as Read. | Did the BAC notify all the losing bidders within the 7 or 15 calendar day period (same period provided for the HOPE to approve/ disapprove the BAC's Resolution)? | | | |
| 7. To verify if the BAC posted the Notice of Award within 3 days from its issuance at the: a. PhilGEPS website, b. website of the procuring entity, and c. any conspicuous place in the premises of the procuring entity. | 9. Access the PhilGEPS website and the website of the procuring entity, and conduct inspection of the area where the Notice of Award is to be posted on the 3 rd day from the issuance of the Notice of Award to the winning bidder. | Did the BAC post the Notice of Award within 3 days from its issuance at the: a. PhilGEPS website? b. website of the procuring entity? And | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 37.1.6. The BAC, through the Secretariat, shall post, within | | c. any conspicuous place in the premises of the procuring entity? | | | |

| Audit Sub-objective | | Suggested Aud | tit Wo | rkina F | Paner |
|---|--|---|--------|---------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| three (3) calendar days from its issuance, the Notice of Award in the PhilGEPS, the website of the procuring entity, if any, and any conspicuous place in the premises of the procuring entity. | | | | | the Answer |
| 7. To verify if the procuring entity observed the following conditions for the execution of the contract: a) Submission of valid joint venture agreement, if applicable, within 10 days from receipt of the Notice of Award by the | 10. From the receiving records of the BAC, compare the date of submission of the Joint Venture Agreement (JVA) with the required 10 days from receipt of the Notice of Award. | Did the bidder submit the JVA within ten (10) calendar days from receipt of the notice of award? | | | |
| winning Joint Venture bidder, b) Posting of performance security within ten (10) calendar days from receipt by the winning bidder of the Notice of Award & prior to the signing of the contract in the required amount, | 11. From the receiving records of the BAC, compare the date of posting of the performance security with the required 10 days from receipt of the Notice of Award; also compare with the date of the signing of the contract. | Was the performance security posted within ten (10) calendar days from receipt by the winning bidder of the Notice of Award & prior to the signing of the contract? | | | |
| currency, form, issuing entity, and valid until the issuance by the procuring entity of the final certificate of acceptance, c) Signing of the contract within the same ten (10) day period provided that all the documentary requirements are | 12. Compare the amount, currency, form, issuing entity, and validity period of the performance security posted by the winning bidder with the requirements of Sec 39.2 of the Revised IRR of RA 9184. | Was the performance security posted in the: a. right amount? b. right currency? c. right form? d. right issuing entity? e. right validity period? | | | |
| complied with, d) Approval by higher authority, if required, within 15 days from receipt (25 days for GOCCs) Implementing Rules and Regulations | 13. Compare the date of signing of the contract with the required 10-day period from receipt of the Notice of Award. | Was the contract signed within 10 calendar days from receipt of the Notice of Award by the winning bidder? | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: • 37.1.4. Notwithstanding the issuance of the Notice of Award, award of contract shall be subject to the following conditions: a) Submission of the following documents within the prescribed period: i) Valid JVA, if applicable, | 14. Compare the signatory (approval) in the contract with the authorized signatory as required by relevant regulations/policies and as shown by a copy of a valid appointment or office order. | If further approval by higher authority is required, was the contract approved by appropriate approving authority or his/her duly authorized representative? | | | |

| Audit Sub-objective | | Suggested Au | ıdit Wor | rkina P | aper |
|---|---|---|----------|---------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Audit Sub-objective • Audit Criteria within ten (10) calendar days from receipt by the bidder of the notice from the BAC that the bidder has the Lowest Calculated Responsive Bid, as the case may be; or ii) In case of infrastructure projects, valid PCAB license and registration for the type and cost of the contract to be bid for foreign bidders, within 30 calendar days from receipt by the bidder of the notice from the BAC that the bidder has the LCRB, when the treaty or international or executive agreement expressly allows submission of the PCAB license and registration for the type and cost of the contract to be (sic) as a pre-condition to the notice of award. h) Posting of performance security in accordance with Section 39 of this IRR; i) Signing of the contract as provided in Section 37.2 of this IRR; j) Approval by higher authority, if required, as provided in Section 37.3 of this IRR. • 39. Performance Security 39.1. To guarantee the faithful performance by the winning bidder of its obligations under the contract in accordance with the Bidding Documents, it shall post a performance security prior to the signing of the contract. 39.2. The performance security shall be in an amount equal to a percentage of the total contract price in accordance with the following schedule: [AS AMENDED UNDER GPPB RESOLUTION NO. 06-2009 DATED 30 SEPTEMBER 2009] | Audit Activities 15. Compare the date of approval of the contract by higher authority with the 15-day-period from receipt (25 days for GOCCs). | Suggested Au Audit Question Was the contract approved by higher authority within 15 calendar days? (25 calendar days for GOCCs)? | | | |

| Audit Sub-c | Audit Sub-objective Suggested Audit Working Paper | | | | Paper | |
|--|--|------------------|----------------|-----|-------|---------------------------|
| • Audit C | Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| issued by a Universal or Commercial Bank b) Bank draft/ guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank; Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a | Two percent (2%) | | | | | the Allswer |
| foreign bank. c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security. | Five percent (5%) | | | | | |
| d) Any combination of the foregoing. | Proportionate to share of form with respect to total amount of security | | | | | |
| • 37.2. Contract S 37.2.1. The winning post the required Security and enter with the procuring ten (10) calendar receipt by the win the Notice of Awa 37.2.2. The procuring enter into contract winning bidder with ten (10) day periodall the documental are complied with | g bidder shall Performance Ir into contract If entity within If days from Ining bidder of Irid. If entity shall If with the If thin the same If of provided that If y requirements | | | | | |
| 37.3. Contract A Higher Authority When further app, authority is required approving authoric contract or his durepresentative shamaximum of fifteed days from receipt approve or disapped However, for infraprojects with an Alexandra projects with an Alexandra Authority approver | y roval of higher red, the ity for the ly authorized all be given en (15) calendar thereof to prove it. astructure | | | | | |

| Audit Sub-objective | | Suggested Aud | dit Woı | rking P | aper |
|---|--|--|---------|---------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Million Pesos (P50,000,000) and below, the maximum period is five (5) calendar days. In the case of GOCCs, the concerned board or its duly authorized representative shall be given a maximum of twenty-five (25) calendar days from receipt thereof to approve or disapprove it. | | | | | the Allswei |
| 8. To verify if the contract is | 16. Obtain from the BAC | Are the contract | | | |
| complete Implementing Rules and Regulations | Secretariat or the Project Management Office or the Office responsible for project | documents complete, consisting of the following: | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: • 37.2.3. The following documents | implementation/ contract execution for a copy of the complete set of documents | a) Contract Agreement; | | | |
| shall form part of the contract: a) Contract Agreement; b) Bidding Documents; | comprising the contract and compare with the requirements. | b) Bidding Documents; | | | |
| c) Winning bidder's bid, including the Eligibility requirements, Technical and Financial Proposals, and all other documents/statements submitted; d) Performance Security; e) Credit line in accordance with the provisions of this IRR, if applicable; f) Notice of Award of Contract; and g) Other contract documents that may be required by existing laws and/or the procuring entity concerned in the Bidding Documents, | | c) Winning bidder's bid, including the Eligibility requirements, Technical and Financial Proposals, and all other documents/statements submitted; d) Performance Security; e) Credit line in accordance with the provisions of this IRR, if applicable; f) Notice of Award of Contract; and g) Other contract documents that may be required by existing | | | |
| | | laws and/or the procuring entity concerned in the Bidding Documents? | | | |

| Audit Sub-objective | | Suggested Aud | dit Wor | kina P | aper |
|---|--|--------------------------------------|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| INVOLVEMENT OF THE BAC OF | | T = | | | Т |
| 1. To verify if the BAC | 1. From the Minutes of the | Did the BAC choose the | | | |
| invited Observers: | BAC meeting on the selection | Observers considering: | | | |
| | of the Observer from the "pool", check for information | one representing the | | | |
| a. representing the COA, the | on the BAC's evaluation in | COA? | | | |
| duly recognized private | regard to: | | | | |
| group in a sector or discipline relevant to the procurement | the selection of the | 2. One representing the | | | |
| at hand, and a non- | organization from which | duly recognized | | | |
| government organization | the Observer will be | private group in a | | | |
| (NGO) from the procuring | invited;knowledge, experience or | sector or discipline relevant to the | | | |
| entity's Pool of Observers; | expertise in procurement | procurement at | | | |
| b. that have: | or in the subject matter of | hand? | | | |
| h 4 l | the contract to be bid; | | | | |
| b.1. knowledge, experience or expertise in procurement or | no actual or potential | 3. One representing a | | | |
| in the subject matter of the | conflict of interest in the | non-government | | | |
| contract to be bid; | contract to be bid; andconformed with other | organization? | | | |
| | conformed with other relevant criteria | 4. With knowledge, | | | |
| b.2. no actual or potential | determined by the BAC. | experience or | | | |
| conflict of interest in the | | expertise in | | | |
| contract to be bid; and | | procurement or in | | | |
| b.3. conformed with other | | the subject matter of | | | |
| relevant criteria determined | | the contract to be bid? | | | |
| by the BAC; | | biu: | | | |
| | | 5. With no actual or | | | |
| c. at least 3 calendar days | | potential conflict of | | | |
| prior to the start of the | | interest in the | | | |
| activity | | contract to be bid? | | | |
| | | 6. Conformed with | | | |
| Implementing Rules and Regulations | | other relevant | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: | | criteria determined | | | |
| September 2, 2007. | | by the BAC? | | | |
| Section 13. Observers | | | | | |
| 13.1. To enhance the transparency | 2. From certified copies of | Did the BAC invite the | | | |
| of the process, the BAC shall, in all | the invitations to the | observers at least 3 | | | |
| stages of the procurement process, invite, in addition to the | Observers with evidence of | days prior to the date of | | | |
| representative of the COA, at least | receipt, compare the date of | the meetings? | | | |
| two (2) observers, who shall not | receipt with the 3-day | | | | |
| have the right to vote, to sit in its | minimum requirement. | | | | |
| proceedings where: | | | | | |
| a) At least one (1) shall come from a | | | | | |
| duly recognized private group in a | | | | | |
| sector or discipline relevant to the | | | | | |
| procurement at hand, for example: | | | | | |
| <i>i)</i> | | | | | |
| (i) | | | | | |
| iii) For consulting services, a project-related professional | | | | | |
| organization accredited or duly | | | | | |
| recognized by the Professional | | | | | |
| Regulation Commission or the | | | | | |



| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|---|--|-----|----|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Supreme Court, such as, but not limited to: (1) PICE; (2) Philippine Institute of Certified Public Accountants (PICPA); and (3) Confederation of Filipino Consulting Organizations; and b) The other observer shall come from a non-government organization (NGO). | | | | | the Answer |
| 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. | | | | | |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify if the Procuring Entity considered the comments/observations of the Observers Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 13.4. The observers shall have the following responsibilities: a) To prepare the report either jointly or separately indicating their observations made on the procurement activities conducted by the BAC for submission to the Head of the Procuring Entity, copy furnished the BAC Chairman. The report shall assess the extent of the BAC's | 3. Based on the BAC's Minutes on the Post Qualification, the meetings on the award of contract, and the report of the Observers check whether a deliberation was made on the comments /observations of the observers. | Did the Procuring Entity consider the comments/ observations of the Observers? | | | |

| Audit Sub-objective | | Suggested Aud | dit Wo | rkina P | aner |
|--|---|--|--------|---------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| - Fladit Officia | riddit riottvittes | Addit Question | 163 | INO | the Answer |
| compliance with the provisions of | | | | | |
| this IRR and areas of | | | | | |
| improvement in the BAC's | | | | | |
| proceedings; | | | | | |
| b) To submit their report to the | | | | | |
| procuring entity and furnish a | | | | | |
| copy to the GPPB and Office of | | | | | |
| the Ombudsman/Resident | | | | | |
| Ombudsman. If no report is submitted by the observer, | | | | | |
| then it is understood that the | | | | | |
| bidding activity conducted by | | | | | |
| the BAC followed the correct | | | | | |
| procedure; and | | | | | |
| c) To immediately inhibit and notify | | | | | |
| in writing the procuring entity | | | | | |
| concerned of any actual or | | | | | |
| potential interest in the contract | | | | | |
| to be bid. | | | | | |
| 125 Observation to the transfer of | | | | | |
| 13.5. Observers shall be allowed aggrees to the following | | | | | |
| access to the following documents upon their request, | | | | | |
| subject to signing of a | | | | | |
| confidentiality agreement: (a) | | | | | |
| minutes of BAC meetings; (b) | | | | | |
| abstract of Bids; (c) post- | | | | | |
| qualification summary report; | | | | | |
| (d) APP and related PPMP; | | | | | |
| and (e) opened proposals. | | | | | |
| IN CACE OF DICAPPROVAL BY | THE HODE OF THE DACKS | DECOMMENDATION F | OD 41 | VADD | |
| IN CASE OF DISAPPROVAL BY FOR THE PROCUREMENT OF CO | | RECOMMENDATION FO | OR AV | VAKD | _ |
| 1. In case of disapproval by | 1. If the HOPE disapproved | In case of disapproval | | l | |
| the HOPE, verify if the: | the recommendation for | by the HOPE of the | | | |
| | award, look for the document | BAC's recommendation, | | | |
| a. grounds for such were | indicating the grounds for | did the HOPE express | | | |
| expressed in writing and | such with evidence of receipt | the grounds for such | | | |
| a copy furnished to the | of a copy thereof by the BAC. | and furnished a copy to | | | |
| BAC, and | | the BAC? | | | |
| b. written instructions on the | | | | | |
| subsequent steps to be | O Alas Isale faville de la contra | In and af all and all and all and all and all and all and all all and all and all all and all all all all all all all all all al | | | |
| adopted were given to | 2. Also look for the document | In case of disapproval | | | |
| the BAC | indicating the instructions | by the HOPE of the BAC's recommendation, | | | |
| Insulance atting Delivery of December 1 | given by the HOPE on the subsequent steps to be | did the HOPE give | | | |
| Implementing Rules and Regulations | adopted by the BAC. | instructions to the BAC | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: | adopted by the brief | on the subsequent | | | |
| • 37.1.3 In the event the Head | | actions to be adopted? | | | |
| of the Procuring Entity shall | | | | | |
| disapprove such recommendation, | | | | | |
| such disapproval shall be based | | | | | |
| only on valid, reasonable, and | | | | | |
| justifiable grounds to be | | | | | |
| expressed in writing, a copy | | | | | |
| furnished the BAC. | | | | | |
| | | | | | |

| Audit Sub-objective | | Suggested Aud | dit Woı | rking P | aper |
|--|---|---|---------|---------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Generic Procurement Procedures for the Procurement of Consulting Services Volume 4, June 2006, published by the GPPB: • How is a contract awarded? 5 In case of disapproval of the recommendation of award the HOPE shall state the reasons for disapproval and instruct the BAC on the subsequent actions to be adopted. | | | | | the Answer |
| | | | | | |
| IN CASE OF FAILURE, REFUSA | | | | | DCUMENTS |
| AND ENTER INTO CONTRACT - | | | RVICE | S | |
| 1. To verify if the BAC: | 1. From the records of the BAC: | Did the BAC <u>disqualify</u> | | | |
| a. disqualified, | documenting the fact- | the winning bidder who, through his fault, failed, | | | |
| b. forfeited the bid security | finding to establish if the | refused or was unable | | | |
| of and | winning bidder was | to: | | | |
| c. recommended the | responsible for his | | | | |
| imposition of sanctions to | failure, refusal, or | a. submit the | | | |
| the winning bidder who, | inability to: (a) to | documents required | | | |
| | submit the documents | under Section 37.1 | | | |
| through his fault, failed, | required under Section | of the Revised IRR | | | |
| refused or was unable: | 37.1 of the Revised IRR | of RA 9184? | | | |
| a. to submit the documents | of RA 9184, or (b) to | | | | |
| required under Section | make good its bid by | or | | | |
| 37.1 of the Revised IRR | entering into a contract | b to make good its bid | | | |
| of RA 9184, | with the procuring entity, or (c) post the required | b. to make good its bid by entering into a | | | |
| or | Performance Security | contract with the | | | |
| b. to make good its bid by | within the period | procuring entity? | | | |
| entering into a contract | stipulated in the Revised | producing ording. | | | |
| with the procuring entity, | IRR of RA 9184 or in the | or | | | |
| or | Bidding Documents; | | | | |
| c. post the required | documenting the | c. post the required | | | |
| Performance Security | deliberations/evaluation | Performance | | | |
| within the period | conducted and the | Security within the | | | |
| stipulated in the Revised | decisions arrived at; | period stipulated in | | | |
| IRR of RA 9184 or in the | documenting the recommendations made | the Revised IRR of RA 9184 or in the | | | |
| Bidding Documents | to the HOPE, | Bidding | | | |
| bluding bocuments | look for information on the: | Documents? | | | |
| Implementing Rules and Regulations | disqualification of the | Doodinonts. | | | |
| (IRR) of RA 9184, as amended on | said bidder, | | | | |
| | | | | | |

| Suggested Aud | | | |
|--|--|---|--|
| udit Question | Yes | No | Particulars o the Answer |
| ne BAC forfeit the ecurity of the ng bidder who, gh his fault, failed, ed or was unable abmit the documents required under Section 37.1 of the Revised IRR of RA 9184? make good its bid by entering into a contract with the procuring entity? st the required performance becurity within the period stipulated in the Revised IRR of RA 9184 or in the Bidding Documents? | | | |
| ne BAC nmend the sition of sanctions e winning bidder through his fault, , refused or was e to: lbmit the documents required under Section 37.1 of the Revised IRR | | | |
| of RA 9184? | | | |
| make good its bid by entering into a contract with the procuring entity? | | | |
| st the required Performance Security within the period stipulated in the Revised IRR of RA 9184 or in the | | | |
| | st the required erformance ecurity within the eriod stipulated in the Revised IRR of | st the required erformance ecurity within the eriod stipulated in the Revised IRR of the 9184 or in the eidding | st the required erformance ecurity within the eriod stipulated in the Revised IRR of PA 9184 or in the eidding |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|---|--|--|-----|----|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 2. To verify if the BAC, after disqualifying the winning bidder who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated, initiated and completed the post-qualification process on the bidder with the second Highest Rated Bid Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 40.2. In the case of the failure, and the bidder. | 2. From the records of the BAC, look for information on the disqualification of the winning bidder who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated. Look also for information on the conduct of post-qualification on the bidder with the second Lowest Calculated Bid. | Did the BAC, after disqualifying the winning bidder who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated, initiate and complete the post-qualification process on the bidder with the second Lowest Calculated Bid? | | | the Answer |
| refusal or inability of the bidder with the Lowest Calculated Responsive Bid to submit the documents required under Section 37.1 of this IRR or to enter into contract and post the required Performance Security, as provided in this Section, the BAC shall disqualify the said bidder, and shall initiate and complete the post-qualification process on the bidder with the second Lowest Calculated Bid/Highest Rated Bid: Provided, however, That in the case of consulting services, the second Highest Rated Bid has successfully undergone the negotiation stage in accordance with Section 33.2.5 of this IRR. This procedure shall be repeated until the Lowest Calculated Responsive Bid/Highest Rated Responsive Bid is determined for award. However, if no bidder passes post-qualification, the BAC shall declare the bidding a failure and conduct a re-bidding with readvertisement. Should there occur another failure of bidding after the conduct of the contract's rebidding, the procuring entity concerned may enter into a negotiated procurement. | NOTE: For the audit on the Post-Qualification for the Procurement of Consulting Services conducted by the BAC, perform the audit activities pertaining to these procurement activities in another part of this Guide. | | | | |

| Audit Sub-objective | | Audit Sub-objective Suggested Audit Working Paper | | | | |
|---|--|--|---------|-------|---------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| 3. To verify if the BAC, after disqualifying the winning bidder with the Single Rated Responsive Bid (SRRB) who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated, declared the bidding a failure and conducted a re-bidding with re-advertisement and/or posting, as provided for in Sections 21 and 25 of the Revised IRR of RA 9184 | 3. From the records of the BAC, look for information on the disqualification of the winning bidder with the SCRB who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated. Look also for information on the declaration of the bidding a failure and the conduct of a re-bidding with readvertisement. | Did the BAC, after disqualifying the winning bidder with the SRRB who, due to his fault, refused, failed, or was unable to enter into contract, post the required performance security, or submit other required documents within the time stipulated, a. declare the bidding a failure? and b. conduct a re-bidding with re-advertisement and/or posting? | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | unu/or posting: | | | | |
| 40.3. In the case of failure, refusal or inability of the bidder with the Single Calculated/Rated Responsive Bid to submit the documents required under Section 37.1 of this IRR or to enter into contract and post the required Performance Security, as provided in this Section, the BAC shall disqualify the said bidder, and shall declare the bidding a failure and conduct a re-bidding with readvertisement and/or posting, as provided for in Sections 21 and 25 of this IRR. Should there occur another failure of bidding after the conduct of the contract's rebidding, the procuring entity concerned may enter into a negotiated procurement. | NOTE: For the audit on the Failure of Bidding for the Procurement of Consulting Services and on the Competitive/ Public Bidding for the Procurement of Consulting Services, perform the audit activities pertaining to these procurement activities in other parts of this Guide. | | | | | |
| 1. To verify the effects of | Analyze the instances of non- | UNICATING THE RESU | JLTS (| OF AU | DIT | |
| instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of | compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Working | g Paper | S | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|---|-------------------------------|---------|-------|---------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| the contract; c. etc. and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit Working | g Papei | rs. | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memor | andum | (AOM) | , if applicable | |

XIII. FAILURE OF BIDDING DECLARED BY THE BIDS AND AWARDS COMMITTEE (BAC) FOR THE PROCUREMENT OF CONSULTING SERVICES

A. AUDIT OBJECTIVE:

To verify if the conditions/requirements, procedures for the declaration of failure of bidding were adhered to by the procuring entity

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for the evaluation:

- 1. Documentary evidences that no bids were received;
- 2. Documentary evidences that all prospective bidders were declared ineligible;
- 3. Documentary evidences that all bids failed to comply with all the bid requirements;
- 4. Documentary evidences that all bids failed post-qualification;
- 5. Documentary evidences that the bidder with the Highest Rated Responsive Bid refused, without justifiable cause, to accept the award of contract, and no award was made in accordance with Section 40 of the RA 9184 and Revised IRR;
- 6. Minutes of the BAC meetings on post-qualification;
- 7. BAC Resolution declaring the bidding a failure;
- 8. Minutes of the BAC meetings with information on the review and evaluation conducted on the:
 (a) terms, (b) conditions, (c) specifications, and (d) cost estimates and the recommendations/decisions made possible revisions/adjustments;
- 9. Approved revised Bidding Documents;
- 10. Revised Approved Budget for the Contract (ABC);
- 11. Records of the re-bidding;
- 12. Copy of the Minutes of the BAC meeting on the selection of the Observer from the "pool";
- 13. Copy of reports of the BAC Observers.

| Audit Sub-objective | | Suggested Aud | oW tib | king P | aper aper |
|-------------------------------|---|---------------------------------|--------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the BAC | 1. From the <i>Minutes</i> of BAC | Did the BAC declare a | | | |
| declared a failure of bidding | meetings and other records, | failure of bidding for | | | |
| for reason that: | look for information that: | reason that: | | | |
| a) No bids were received; or | a) No bids were received; | | | | |
| b) All prospective bidders | b) All prospective bidders | a) No bids were | | | |
| were declared ineligible; or | were declared ineligible; | received? | | | |
| c) All bids failed to comply | c) all bids failed to comply with all the bid | h) All prospective | | | |
| with all the bid | requirements, | b) All prospective bidders were | | | |
| requirements, or | d) all bids failed post- | declared ineligible? | | | |
| d) all bids failed post- | qualification, | decidi ed irieligible: | | | |
| qualification, or | d) the bidder with the | Or | | | |
| e) the bidder with the | Lowest Calculated | | | | |
| Highest Rated Responsive | Responsive Bid refused, | c) All bids failed to | | | |
| Bid refused, without | without justifiable cause, | comply with all the | | | |
| | to accept the award of | bid requirements? | | | |
| justifiable cause, to accept | contract, and no award | | | | |
| the award of contract, and | was made in accordance | Or | | | |
| no award was made in | with <u>Section 40</u> of the RA | | | | |
| accordance with Section 40 | 9184 and Revised IRR. | d) all bids failed post- | | | |
| of the RA 9184 and | | qualification? | | | |
| Revised IRR | | 0- | | | |
| | | Or | 1 | | |

| Audit Sub-objective | | Suggested Aud | dit Wor | kina F | Paper |
|---|--|---|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 35.1. The BAC shall declare the bidding a failure when: a) No bids are received; b) All prospective bidders are declared ineligible; c) All bids fail to comply with all the bid requirements or fail post-qualification, or, in the case of consulting services, there is no successful negotiation; or d) The bidder with the Lowest Calculated Responsive Bid/Highest Rated Responsive Bid refuses, without justifiable cause, to accept the award of contract, and no award is made in accordance with Section 40 of the Act and this IRR. | | e) the bidder with the Lowest Calculated Responsive Bid refused, without justifiable cause, to accept the award of contract, and no award was made in accordance with Section 40 of the RA 9184 and Revised IRR? | | | |
| 2. To verify if the BAC determined the reason for the failed bidding by conducting a mandatory review and evaluation of the: a. terms, b. conditions, c. specifications, d. cost estimates in the Bidding Documents Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 35.2. In order to determine the reason for the failed bidding, the BAC shall conduct a mandatory review and evaluation of the terms, conditions, and specifications in the Bidding Documents, including its cost estimates. | 2. From the minutes of the BAC meetings held for the purpose, look for information on the review and evaluation conducted on the: (a) terms, (b) conditions, (c) specifications, and (d) cost estimates and the recommendations/decisions made – possible revisions/adjustments. | Did the BAC determine the reason for the failed bidding by conducting a mandatory review and evaluation of the: a. terms in the Bidding Documents? b. conditions in the Bidding Documents? c. specifications in the Bidding Documents? d. cost estimates? | | | |
| 3. To verify if the BAC and the concerned units/officials of the procuring entity, revised the following as a result of the review and evaluation conducted: a. terms, b. conditions, c. specifications, | 3. From the minutes of the BAC meetings held for the purpose and other records of the procuring entity, look for information on the revisions/adjustments made on the (a) terms, (b) conditions, (c) specifications, (d) ABC and approvals made thereon. | Did the BAC and the concerned units/officials of the procuring entity, revised the following as a result of the review and evaluation conducted: a. terms in the Bidding Documents? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | aper |
|---|--|--|-----|----|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| d. Approved Budget for the Contract (ABC); had them approved; and conducted a re-bidding with re-advertisement and/or posting Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 35.2. In order to determine the reason for the failed bidding, the BAC shall conduct a mandatory review and evaluation of the terms, conditions, and specifications in the Bidding Documents, including its cost estimates. • 35.3. Based on its findings, the BAC shall revise the terms, conditions, and specifications, and if necessary, adjust the ABC, subject to the required approvals, and conduct a re-bidding with readvertisement and/or posting, as provided for in Section 21.2 of this IRR • 35.4. All bidders who have initially responded to the Invitation to Bid/Request for Expression of Interest and have been declared eligible or short listed in the previous biddings shall be allowed to submit new bids. The BAC shall observe the same process and set the new periods according to the same rules followed during the previous bidding(s). • 35.5. Should there occur a second failure of bidding, the procuring entity may resort to negotiated procurement, as provided for in Section 53.1 of this IRR. | 4. From the records of the BAC look for information on the re-bidding conducted. NOTE: For the audit on the re-bidding conducted perform the audit using the portion of this Guide on Competitive/Public Bidding for the Procurement of Consulting Services. | b. conditions in the Bidding Documents? c. specifications in the Bidding Documents? d. cost estimates? Did the BAC conduct a re-bidding? | | | the Answer |
| 4. To verify if the BAC invited Observers: a. representing the COA, the duly recognized private group in a sector or discipline relevant to the procurement at hand, and a nongovernment organization (NGO) from the procuring entity's Pool of Observers; | 5. From the Minutes of the BAC meeting on the selection of the Observer from the "pool", check for information on the BAC's evaluation in regard to: the selection of the organization from which the Observer will be invited; knowledge, experience or | Did the BAC choose the Observers considering: 1. one representing the COA? 2. One representing the specific relevant the duly recognized private group in a sector or discipline | | | |

| Audit Sub-objective | | Suggested Auc | lit Wor | king F | Paper |
|---|---|---|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| b. that have: b.1. knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b.2. no actual or potential conflict of interest in the contract to be bid; and b.3. conformed with other relevant criteria determined by the BAC; c. at least 3 calendar days prior to the start of the activity | expertise in procurement or in the subject matter of the contract to be bid; • no actual or potential conflict of interest in the contract to be bid; and • conformed with other relevant criteria determined by the BAC. | relevant to the procurement at hand? 3. One representing a non-government organization? 4. With knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Section 13. Observers 13.1. To enhance the transparency of the process, the BAC shall, in all stages of the procurement process, invite, in addition to the representative of the COA, at least two (2) observers, who shall not have the right to vote, to sit in its proceedings where: a) At least one (1) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hand, for example: i) ii) For consulting services, a project-related professional organization accredited or duly recognized by the Professional Regulation Commission or the Supreme Court, such as, but not limited to: (1) PICE; (2) Philippine Institute of Certified Public Accountants (PICPA); and (3) Confederation of Filipino Consulting Organizations; and b) The other observer shall come from a non-government organization (NGO). 13.2. The observers shall come from an organization duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA), and should meet the following criteria: | 6. From certified copies of the invitations to the Observers with evidence of receipt, compare the date of receipt with the 3-day minimum requirement. | 5. With no actual or potential conflict of interest in the contract to be bid? 6. Conformed with other relevant criteria determined by the BAC? Did the BAC invite the observers at least 3 days from the date of the bid evaluation? | | | |

| Audit Sub-objective | | Suggested Aud | dit Wor | king F | Paper |
|--|---|--------------------------|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| a) Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid; b) Absence of actual or potential conflict of interest in the contract to be bid; and c) Any other relevant criteria that may be determined by the BAC. | | | | | the Answer |
| 13.3. Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COMM | UNICATING THE RES | ULTS (| OF AU | JDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in | Appropriate Audit Workin | g Paper | rs | |
| b. validity of any payment to be made on the basis of the contract;c. etc. | regard to instances of non- compliance. | | | | |
| and develop appropriate audit recommendations | NOTE: | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly | Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| invited in writing. 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non- | Appropriate Audit Workin | g Paper | r's | |



| Audit Sub-objective | | Suggested Aud | lit Wor | king P | aper |
|---|--|--------------------------|---------|--------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memora | andum | (AOM) | , if applicable |

XIV. FAILURE OF BIDDING DECLARED BY THE HOPE FOR THE PROCUREMENT OF CONSULTING SERVICES

A. AUDIT OBJECTIVE:

To verify if the conditions/requirements for the declaration of failure of bidding were adhered to by the procuring entity

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for the evaluation:

- 1. Documents on the declaration of failure of bidding by the HOPE with supporting documents on the existence of the grounds used to justify the said declaration that:
- 2. there was prima facie evidence of collusion between appropriate public officers or employees of the procuring entity, or
- 3. there was prima facie evidence of collusion between appropriate public officers or employees of the procuring entity, or
- 4. there was prima facie evidence of collusion between or among the bidders themselves,
- 5. there was prima facie evidence of collusion between a bidder and a third party, or
- 6. there was prima facie evidence of any act which restricted, suppressed or nullified competition, or
- 7. the BAC was found to have failed in following the prescribed bidding procedures, or
- 8. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible, as determined by the Head of the Procuring Entity, or
- the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the project is no longer necessary as determined by the Head of the Procuring Entity, or
- 10. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the source of funds for the project has been withheld or reduced through no fault of the procuring entity.

| Audit Sub-objective | | Suggested Audit Working | | | | |
|--|---|--|-----|----|---------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| 1. To verify if the HOPE declared a failure of bidding for reason that: a. no funds available; b. there is prima facie evidence of collusion between: b.1. appropriate public officers or employees of the procuring entity, or b.2. between the BAC and any of the bidders, or b.3. among the bidders themselves, or b.4. a bidder and a third party, | From the documents on the declaration of failure of bidding by the HOPE, look for information on the reason for such declaration. | Did the HOPE declare a failure of bidding for reason that: a. no funds available? Or b. there was prima facie evidence of collusion between appropriate public officers or employees of the procuring entity? Or | | | | |



| Audit Sub-objective | | Suggested Audi | t Work | ing Pa | aper |
|--|------------------|---|--------|--------|---------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| including any act which restricts, suppresses or nullifies or tends to restrict, suppress or nullify competition; or c. the BAC is found to have failed in following the prescribed bidding procedures; or | | c. there was prima facie evidence of collusion between the BAC and any of the bidders? or d. there was prima facie evidence of collusion between | | | |
| d. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as: (i) if the physical and economic | | or among the bidders themselves? Or e. there was prima facie evidence of | | | |
| conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible, as determined by | | collusion between a bidder and a third party? Or | | | |
| the Head of the Procuring Entity; (ii) if the project is no longer necessary as determined by the Head of the Procuring Entity; and (iii) if the source of funds | | f. there was prima facie evidence of any act which restricted, suppressed or nullified competition? | | | |
| for the project has been withheld or reduced through no fault of the procuring entity. | | g. the BAC was found to have failed in following the prescribed bidding | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | procedures? | | | |
| • Section 41. The Head of the Procuring Entity reserves the right to reject any and all bids, declare a failure of bidding, or not award the contract in the following situations: a) If there is prima facie evidence of collusion between appropriate public officers or employees of the procuring entity, or between the BAC and any of the bidders, or if the collusion is between or among the bidders themselves, or between a bidder and a third party, including any act which restricts, suppresses or nullifies or | | h. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible, | | | |

| Audit Sub-objective | | Suggested Audi | t Work | king Pa | nper |
|---|--|---|---------|---------|-------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars |
| | Addit Activities | | | | of the |
| tends to restrict, suppress or nullify competition; b) If the BAC is found to have failed in following the prescribed bidding procedures; or c) For any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the GOP, as follows: (i) if the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible, as determined by the Head of the Procuring Entity; (ii) if the project is no longer necessary as determined by the Head of the Procuring Entity; and (iii) if the source of funds for the project has been withheld or reduced through no fault of the procuring entity. | Audit Activities | as determined by the Head of the Procuring Entity? Or i. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the project is no longer necessary as determined by the Head of the Procuring Entity? Or j. the award of the contract will not redound to the benefit of the GOP, for justifiable and reasonable grounds such as the source of funds for the project has been withheld or reduced through no fault of the procuring entity? | | NO | |
| EVALUATING AUDIT EVIDENCE | S CATHEDED AND COMM | INICATING THE DESI | II TS (| OE ALI | IDIT |
| 1. To verify the effects of | Analyze the instances of | ONICATING THE RESU | JEIJ | OF AU | ווטי |
| instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; | non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in | Appropriate Audit Working | g Papei | rs | |
| b. validity of any payment to be made on the basis of the contract;c. etc. | regard to instances of non- compliance. | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|---|---------------------------------------|---------|-------|---------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit Workin | g Papei | r'S | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memor applicable | andum | (AOM) | , if | |

ALTERNATIVE METHODS OF PROCUREMENT FOR CONSULTING SERVICES

On the Procurement Procedures:

LIMITED SOURCE BIDDING FOR CONSULTING SERVICES

Procurement Procedures: LIMITED SOURCE BIDDING FOR CONSULTING SERVICES

Limited Source Bidding, otherwise known as selective bidding, is a method of procurement of consulting services that involves direct invitation to bid by the procuring entity from the list of preselected consultants with known experience and proven capability on the requirements of the particular contract.

I. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Limited Source Bidding was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for evaluation:

- 1. copy of the approved Annual Procurement Plan (APP);
- 2. evidences to support the conclusion that public bidding cannot be ultimately pursued;
- 3. list of consultants who can undertake the highly specialized type of consulting service;
- 4. Minutes of BAC meetings on the deliberations made;
- 5. BAC Resolution recommending the alternative method of procurement: Limited Source Bidding, duly approved by the HOPE.

| | | Suggested Aud | lit Wor | king F | Paper |
|---|--|---|---------|--------|-----------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the |
| 1. To verify if the BAC validated: a. that the original mode of procurement per APP was public bidding but cannot be ultimately pursued; and, b. the existence of the conditions to justify Limited Source Bidding: b.1. Procurement of highly specialized type of consulting services where only a few consultants are known to be available, such that resorting to the public bidding method will not likely result in any additional consultants participating in the bidding; or | 1. From the evaluation report with supporting documents and minutes of the BAC's meetings and relevant BAC Resolution(s), look for information on the BAC's validation that the original mode of procurement per APP was public bidding but cannot be ultimately pursued and of the existence of the conditions to justify Limited Source Bidding. | Did the BAC validate that the original mode of procurement per APP was public bidding but cannot be ultimately pursued? Did the BAC validate the existence of the condition that only a few consultants are known to be available to justify Limited Source Bidding? | | | Answer |

| | | Suggested Aug | Suggested Audit Working Paper | | | |
|---|---|---|-------------------------------|----|-----------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | Answer | |
| 48.2. In accordance with Section 10 of this IRR, as a general rule, the Procuring Entities shall adopt public bidding as the general mode of procurement and shall see to it that the procurement program allows sufficient lead time for such public bidding. Alternative methods shall be resorted to only in the highly exceptional cases provided for in this Rule. | | | | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | | |
| 49.1. Limited Source Bidding, otherwise known as selective bidding, is a method of procurement of consulting services that involves direct invitation to bid by the procuring entity from the list of preselected consultants with known experience and proven capability of the requirements of the particular contract. This alternative method of procurement may be employed under the following condition: | | | | | | |
| a) Procurement of highly specialized types of consulting services only a few consultants are known to be available, such that resorting to the public bidding method will not likely result in any additional consultants participating in the bidding; | | | | | | |
| 2. To verify if the BAC: a. recommended the alternative mode of procurement: Limited Source Bidding to the HOPE, and b. the HOPE approved the | 3. From the BAC Resolution recommending Limited Source Bidding as the method of procurement, look for the approval of the HOPE. | Did the BAC recommend the alternative mode of procurement: Limited Source Bidding to the HOPE? | | | | |

| A 111 O I 111 11 | | Suggested Aud | dit Wor | king F | Paper |
|--|--|---|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| alternative method of procurement Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | Did the HOPE approve Limited Source Bidding as the method of procurement? | | | |
| 48.1. Subject to the <u>prior approval of</u> the <u>Head of the Procuring Entity</u> , and whenever justified by the conditions provided in this Act, the procuring entity may, in order to promote economy and efficiency, resort to any of the alternative methods of procurement provided in this Rule. In all instances, the procuring entity shall ensure that the most advantageous price for the Government is obtained. 48.3. The method of procurement to | | | | | |
| be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| EVALUATING AUDIT EVIDENCES G | L ATHERED AND COMMUI | L NICATING THE RESU | JLTS (| OF AL | JDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if | Appropriate Audit Work | | | |
| including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; | appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| c. etc. and develop appropriate audit recommendations | NOTE: Also refer to the | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the | | | | | |

| | | Suggested Au | dit Wor | king I | Paper | |
|--|---|---|---------|--------|---------------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | | | | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management | Prepare the appropriate audit/ validation document reflecting the results of | ent Audit Observation Memorandum (AOM), if applicable | | | | |
| COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | the audit/validation and transmit to Management | | | | | |

Limited Source Bidding for Consulting Services

II. BIDDING DOCUMENTS

NOTE:

Since the requirement of regulations is for the Procuring Entity to prepare the Bidding Documents including the *Request for Expression of Interest* (indicating therein the method of procurement to be used) and the technical specifications, in accordance with the procedures laid down in the IRR, the Generic Procurement Manual and the Philippine Bidding Documents (PBDs), the audit pertaining to Bidding Documents shall be as indicated in the *Audit Guide for Bidding Documents in Competitive/Public Bidding for Consulting Services*.

Audit Criteria:

• 49.4. The BAC of the concerned procuring entity shall directly invite <u>all the consultants</u> appearing in the pre-selected list. All other procedures for competitive bidding shall be undertaken, except for the advertisement Request for Expression of Interest under Section 21.2.1 of the Revised IRR of RA 9184.

III. PRE-PROCUREMENT CONFERENCE

NOTE:

Since the requirement of regulations is for the Procuring Entity to conduct Pre-Procurement Conference in accordance with the procedures laid down in the IRR, the Generic Procurement Manual and the Philippine Bidding Documents (PBDs), the audit pertaining to Pre-Procurement Conference shall be as indicated in the Audit Guide for Pre-Procurement Conference in Competitive/Public Bidding for Consulting Services.

Audit Criteria:

• 49.4. The BAC of the concerned procuring entity shall directly invite <u>all the consultants</u> appearing in the pre-selected list. All other procedures for competitive bidding shall be undertaken, except for the advertisement of Request for Expression of Interest under Section 21.2.1 of the Revised IRR of RA 9184.

IV. POSTING OF THE REQUEST FOR EXPRESSION OF INTEREST

NOTE:

Since the requirement of regulations is for the Procuring Entity to post the Request for Expression of Interest in accordance with the procedures laid down in the IRR, the Generic Procurement Manual and the Philippine Bidding Documents (PBDs), the audit pertaining to posting of the Request for Expression of Interest shall be as indicated in the Audit Guide for posting of the Request for Expression of Interest in Competitive/Public Bidding for Consulting Services.

$Audit\ Criteria:$

• 49.4. The BAC of the concerned procuring entity shall directly invite <u>all the consultants</u> appearing in the pre-selected list. All other procedures for competitive bidding shall be undertaken, except for the advertisement of Request for Expression of Interest under Section 21.2.1 of the Revised IRR of RA 9184.



Limited Source Bidding for Consulting Services

V. PRE-SELECTION AND INVITATION OF CONSULTANTS

A. AUDIT OBJECTIVES

- 1. To verify if the BAC conducted the pre-selection of consultants as required by regulations;
- 2. To verify if the BAC invited pre-selected consultants as required by regulations.

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. List maintained by the relevant government authority that has expertise in the type of consulting service;
- 2. BAC evaluation report with supporting documents on the pre-selection of consultants;
- 3. List of Pre-Selected Consultants;
- 4. Printout of the web pages where the Request for Expression of Interest was posted in the PhilGEPS website, the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable for the first day and at least the last day of posting;
- 5. Certification by the head of the BAC Secretariat of the procuring entity that the Request for Expression of Interest was posted at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days;
- 6. Request for Expression of Interest duly received by the consultants;

| Audit Sub-objective | | Suggested . | Audit \ | Norkir | ng Paper |
|------------------------------------|--|--------------------------|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the BAC: | From the BAC evaluation | Did the BAC in the | | | |
| a. used the list maintained by | report with supporting | pre-selection of | | | |
| the relevant government | documents (including a | consultant: | | | |
| authority, | copy of the list used by the | | | | |
| b. took into account | BAC in pre-selecting | a. use the list | | | |
| experience and past | consultants) on the pre- | maintained by | | | |
| performance on similar | selection of consultants, the | the relevant | | | |
| contracts, | minutes of BAC meetings conducted for the purpose, | government authority? | | | |
| c. took into account | look for information on the | authority? | | | |
| capabilities with respect to | use of the list and | b. took into | | | |
| personnel, | consideration of capabilities | account | | | |
| d. took into account | and experience in the pre- | experience and | | | |
| | selection process. | past | | | |
| capabilities with respect to | ' | performance on | | | |
| equipment | | similar | | | |
| e. took into account | | contracts? | | | |
| capabilities with respect to | | | | | |
| financial position | | c. took into | | | |
| in the pre-selection of | | account | | | |
| consultants | | capabilities with | | | |
| | | respect to | | | |
| Implementing Rules and Regulations | | personnel? | | | |

| Audit Sub-objective | | Suggested | Audit \ | Workii | ng Paper |
|---|--|---|---------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| (IRR) of RA 9184, as amended on September 2, 2009: • 49.2. The pre-selected consultants shall be those appearing in a list maintained by the relevant government authority that has expertise in the type of procurement concerned. The list of pre-selected consultants shall be updated periodically. A copy of the list shall be submitted to, and maintained updated with, the GPPB. • 49.3. The pre-selection shall be based upon the capability and resources of the bidders to perform the contract taking into account their experience and past performance on similar contracts, capabilities with respect to personnel, equipment or manufacturing facilities, and financial position. Pre-selection shall | | d. took into account capabilities with respect to equipment? e. took into account capabilities with respect to financial position? | | | |
| be done in accordance with the | | | | | |
| procedures provided in the GPMs. | | | | | |
| 2. To verify if the BAC sent invitations to bid to <u>all</u> the pre-selected consultants Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 49.4. The BAC of the concerned procuring entity shall directly invite <u>all the consultants appearing in the pre-selected list</u> . | 2. Compare the names of consultants per copies of Request for Expression of Interest duly received by them with the consultants in the list of pre-selected consultants. | Did the BAC send Request for Expression of Interest to <u>all</u> the pre-selected consultants? | | | |
| • 6.2. Once issued by the GPPB, the use of the Generic Procurement Manuals (GPMs), Philippine Bidding Documents (PBDs), and other standard forms shall be mandatory upon all Procuring Entities. However, whenever necessary, to suit the particular needs of the procuring entity, modifications may be made, particularly for major and specialized procurement, subject to the approval of the GPPB. Manual of Procedures for the Procurement of Consulting Services, Volume 4 How is limited source bidding conducted? • The following steps are undertaken in procuring through the | | | | | |

| Audit Sub-objective | | Suggested | Audit \ | Workii | ng Paper |
|---|--|---|---------|--------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| Iimited source bidding method: 7. The BAC Secretariat sends the Request for Expression of Interest to the pre-selected consultants. The Request for Expression of Interest is sent to ALL consultants in the list. 3. To verify if the BAC Secretariat post the Request for Expression of Interest in: a. The PhilGEPS, b. the website of the procuring entity, c. electronic procurement service provider, if any, for a period of 7 calendar days prior to the opening of the bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 6.2. Once issued by the GPPB, the use of the Generic Procurement Manuals (GPMs), Philippine Bidding Documents (PBDs), and other standard forms shall be mandatory upon all Procuring Entities. However, whenever necessary, to suit the particular needs of the procuring entity, modifications may be made, particularly for major and specialized procurement, subject to the approval of the GPPB. Manual of Procedures for the Procurement of Consulting Services, Volume 4 How is limited source bidding | 3. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. 4. On the first day of posting access the PhilGEPS website, the website of the procuring entity concerned, if available, and website prescribed by the foreign government/ foreign or international financing institution, if applicable. Print the page where the notice was posted (to form part of the audit evidences). 5. Access the websites at random during the 7-day period to verify the postings. | Did the BAC post the Request for Expression of Interest continuously in the: 1. PhilGEPS website for 7 calendar days starting on the date of advertisement? 2. website of the procuring entity concerned, if available, for 7 calendar days starting on the date of advertisement? 3. website prescribed by the foreign government/ foreign or international financing institution, if applicable, for 7 calendar days starting on the | | 1 | |
| conducted? • The following steps are undertaken in procuring through the limited source bidding method: | | date of advertisement? | | | |
| 6. The BAC, through the Secretariat, posts for information purposes the Request for Expression of Interest in a. The PhilGEPS; b. the website of the procuring entity and its electronic procurement service provider, if any, and c. any conspicuous place in the premises of the procuring | | | | | |

| Audit Sub-objective | | Suggested | Audit \ | Workir | |
|---|--|--|----------|--------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| entity; for a period of 7 calendar days prior to the opening of the bids. | | | | | the Answer |
| 4. To verify if the BAC Secretariat post the Request for Expression of Interest in any conspicuous place in the premises of the procuring entity for a period of 7 calendar days prior to the opening of the bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 6.2. Once issued by the GPPB, the use of the Generic Procurement Manuals (GPMs), Philippine Bidding Documents (PBDs), and other standard forms shall be mandatory upon all Procuring Entities. However, whenever necessary, to suit the particular needs of the procuring entity, modifications may be made, particularly for major and specialized procurement, subject to the approval of the GPPB. Manual of Procedures for the Procurement of Consulting Services, Volume 4 How is limited source bidding conducted? • The following steps are undertaken in procuring through the limited source bidding method: 6. The BAC, through the Secretariat, posts for information purposes the Request for Expression of Interest in a. The PhilGEPS; b. the website of the procuring entity and its electronic procurement service provider, if any, and c. any conspicuous place in the premises of the procuring entity; for a period of 7 calendar days prior to the opening of the bids. | 6. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. 7. Conduct ocular inspection on the first day of posting. 8. Repeat the ocular inspections (may be at random) during the 7-day period to verify the postings. 9. Request for the certification of the head of the BAC Secretariat | Did the BAC post the Request for Expression of Interest continuously at any conspicuous place reserved for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the BAC Secretariat of the procuring entity? | | | |
| EVALUATING AUDIT EVIDENCE | I | UNICATING THE F | RESUL | TS O | F AUDIT |
| 1. To verify the effects of instances of non-compliance on the: | Analyze the instances of non-compliance to establish the effects and develop | Appropriate Audit Wo | orking I | Papers | |



| Audit Sub-objective | | Suggested | Audit \ | Workin | g Paper |
|---|--|-----------------------------------|----------|-----------------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. | appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | |
| and develop appropriate audit recommendations | NOTE: | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit W | orking I | Papers | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation M applicable | emoran | idum (<i>F</i> | AOM), if |

NOTE:



Since the requirement of regulations is for the Procuring Entity to undertake all other procedures for competitive bidding shall be undertaken, except for the advertisement of Request for Expression of Interest, the audit pertaining to other phases/activities in Limited Source Bidding shall be as indicated in the Audit Guide for Competitive/Public Bidding for Consulting Services.

Audit Criteria:

- 49.4. The BAC of the concerned procuring entity shall directly invite <u>all the consultants</u> appearing in the pre-selected list. All other procedures for competitive bidding shall be <u>undertaken</u>, except for the advertisement of Request for Expression of Interest under Section 21.2.1 of the Revised IRR of RA 9184.
- 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement.
- 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.
- 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).

On the Procurement Procedures:

NEGOTIATED PROCUREMENT OF CONSULTING SERVICES

AFTER TWO (2) FAILED BIDDINGS

Procurement Procedures: NEGOTIATED PROCUREMENT OF CONSULTING SERVICES AFTER TWO (2) FAILED BIDDINGS

Negotiated Procurement is a method of procurement for consulting services whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable consultant in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Take-Over of Contracts, (4) Adjacent or Contiguous, (5) Agency-to-Agency, (6) Highly-Technical Consultants, (7) Small Value Procurement.

Two Failed Biddings – Where there has been failure of public bidding for the second time.

I. PREPARATORY ACTIVITY: REGISTRY OF CONSULTANTS

The Registry of Consultants is to be maintained and constantly updated by the Procuring Entity.

A. AUDIT OBJECTIVE

To determine if the Procuring Entity developed and maintained a Registry of Consultants

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for evaluation:

 Documentation of the System for the Registry of Consultants maintained by the Procuring Entity

| Audit Sub-objective | | Suggested A | udit W | orking | g Paper |
|--|----------------------------------|--|----------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the procuring | 1. Obtain a copy of the registry | Did the Procuring | | | |
| entity maintained a registry | of Consultants maintained by | Entity <u>maintain</u> a | | | |
| of Consultants as basis for | the Procuring Entity. | registry of | | | |
| selecting the Consultants for | | Consultants as | | | |
| negotiations | | basis for selecting the Consultants for | | | |
| | | negotiations? | | | |
| Implementing Rules and Regulations | | negotiations. | | | |
| (IRR) of RA 9184, as amended on | | | | | |
| September 2, 2009: | | | | | |
| 53.1.2.2. All Procuring Entities about maintain a registry of | | | | | |
| shall maintain a registry of Consultants as basis for | | | | | |
| | | | | | |
| selecting the Consultants for | | | | | |
| negotiations. | | | | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COMMUNI | CATING THE RESI | JLTS (| OF AL | JDIT |
| To verify the effects of | Analyze the instances of non- | | | | |
| instances of non-compliance | compliance to establish the | Appropriate Audit Wo | orking F | Papers | |
| on the: | effects and develop appropriate | | | | |
| a. validity of the procurement | audit recommendations. | | | | |
| activities and outputs | | | | | |
| • | Also determine if appropriate | | | | |
| including the validity of the | actions were taken by the | | | | |

| Audit Sub-objective | | Suggested A | Audit W | /orkin | g Paper |
|---|---|-----------------------------------|----------|--------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| b. validity of any payment to be made on the basis of the contract; | auditee in regard to instances of non-compliance. | | | | |
| c. etc. and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit W | orking F | Papers | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation M applicable | emoran | dum (| AOM), if |

Negotiated Procurement of Consulting Services After Two (2) Failed Biddings

II. BIDDING DOCUMENTS

Bidding documents are documents issued by the Procuring Entity to provide prospective bidders all the necessary information that they need to prepare their bids.

A. AUDIT OBJECTIVE:

To verify if after the Procuring Entity's conduct of mandatory review due to two (2) failed biddings, the Bidding Documents for the specific procurement **followed the standard forms and manuals** prescribed by the Government Procurement Policy Board (GPPB)

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. The procuring entity's Customized Bidding Documents for Consulting Services;
- 2. Bidding Documents for the specific procurement.

| Audit Sub-objective | | Suggested Audit V | Vorking | g Pape | er |
|---|--|---|---------|--------|---------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the procuring entity conducted a mandatory review of the terms, conditions, specifications, and cost estimates on the basis of which the BAC revised and agreed on the: a. minimum technical | 1. From the documentation of the earlier two (2) biddings conducted, look for information on the BAC's declaration that there have been two (2) failed biddings. | Did the BAC declare two (2) failed biddings? | | | |
| specifications, b. adjusted the ABC Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 53.1.1. After conduct of the mandatory review of the terms, conditions, specifications, and cost estimates, as prescribed in Section 35 of this IRR, the BAC shall revise and agree on the minimum technical | 2. From the TWG evaluation report with supporting documents and duly reviewed by the BAC, minutes of the meetings of the BAC, and BAC Resolutions, look for evidences of the conduct of the mandatory review of the terms, conditions, specifications and cost estimates by concerned Offices of the Procuring Entity. | Did the Procuring Entity conduct a mandatory review of the terms, conditions, specifications, and cost estimates after two failed biddings? | | | |
| specifications, and if necessary, adjust the ABC, subject to the required approvals. However the ABC cannot be increased by more than twenty percent (20%) of the ABC for the last failed bidding. | 3. From the minutes of the BAC's meetings and BAC Resolutions, look for information on the deliberation, revision and agreement on the minimum technical specifications and | Did the BAC revise and agree on the: a. minimum technical specifications? b. Revised ABC? | | | |

| Audit Sub-objective | | Suggested Audit V | Vorkino | g Pape | er |
|--|---|---|---------|--------|-----------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the |
| | adjusted ABC; and recommendation to the HOPE for approval. | Did the BAC submit the revised minimum technical specifications to the HOPE for approval? | | | Answer |
| | | Did the BAC submit the adjusted ABC to the HOPE for approval? | | | |
| | 4. From the minutes of the BAC's meetings and BAC Resolutions, look for information on the BAC's evaluation to ensure that the adjustment in the ABC was at a maximum of 20% of the ABC for the second failed bidding. | Did the BAC ensure that the adjustment in the ABC was at a maximum of 20% of the ABC for the second failed bidding? | | | |
| ON THE BIDDING DOCUMENT | rs . | | | | |
| 1. To verify if the Bidding Documents for the specific procurement include the information and are according to the forms indicated in the Customized Bidding Documents approved by the GPPB or the Philippine Bidding Documents for the Procurement of Consulting Services, 3 rd Edition (October 2009) issued by the GPPB and Section 17 of the Implementing Rules and Regulations of RA 9184 as amended on September 2, 2009: c. Approved Budget for the Contract; b. Request for Submission of Price Quotation; c. Eligibility Requirements; d. Instruction to Bidders, including scope of bid, documents comprising the price quotation, | 1. If the procuring entity adopted customized Bidding Documents and the results of the earlier validation of this element showed that these are compliant with the Philippine Bidding Documents for the Procurement of Goods and Section 17.1 of the Implementing Rules and Regulations of RA 9184, secure from the BAC Secretariat duly certified copies of the Bidding Documents for the specific procurement and compare these with the customized Bidding Documents of the procuring entity. If the customized Bidding Documents are not compliant, compare the procurement-specific Bidding Documents with the Philippine Bidding Documents with the Philippine Bidding Documents for the Procurement of Consulting | Are the Bidding Documents/ Information complete: a. Approved Budget for the Contract? b. Request for Submission of Price Quotation? c. Eligibility Requirements? d. Instruction to Bidders, including - scope of bid? - documents comprising the bid? - criteria for eligibility? - bid evaluation methodology/ criteria? - post-qualification methodology? - date of the pre-bid conference, if applicable? | | | |
| criteria for eligibility, price quotation | Services issued by the GPPB. | - time of the pre-bid | | | |

| Audit Sub-objective | | Suggested Audit V | Audit Working Paper | | | | |
|--|------------------|---|---------------------|----|---------------------------------|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| evaluation | | conference? | | | | | |
| methodology/criteria in | | | | | | | |
| accordance with the Act, | | - Place of the pre-bid | | | | | |
| and post-qualification, | | conference? | | | | | |
| as well as the date, time | | - Deadline for submission | | | | | |
| and place of the pre-bid | | of price quotations? | | | | | |
| conference (where | | or price quetament. | | | | | |
| applicable), submission | | - Place of submission of | | | | | |
| of price quotations and | | price quotations? | | | | | |
| opening of price | | | | | | | |
| quotations; | | - Date of opening of | | | | | |
| d.1. including: Following | | price quotations? | | | | | |
| completion of the | | - Time of opening of | | | | | |
| negotiations, the BAC | | price quotations? | | | | | |
| shall request all | | | | | | | |
| suppliers remaining | | Place of opening of | | | | | |
| in the proceedings to | | price quotations? | | | | | |
| submit on a specified | | following completion of | | | | | |
| date, a best and final | | following completion of the negotiations, | | | | | |
| offer with respect to | | requesting all suppliers | | | | | |
| all aspects of the | | remaining in the | | | | | |
| proposals, and | | proceedings to submit | | | | | |
| d.2. selection of the successful offer on | | on a specified date, a | | | | | |
| the basis of such best | | best and final offer with | | | | | |
| and final offers | | respect to all aspects | | | | | |
| meeting the minimum | | of the proposals? | | | | | |
| technical | | - selection of the | | | | | |
| requirements and not | | successful offer on the | | | | | |
| exceeding the ABC; | | basis of such best and | | | | | |
| e. Scope of work, where | | final offers meeting the | | | | | |
| applicable; | | minimum technical | | | | | |
| f. Form of Price Quotation; | | requirements and not | | | | | |
| h. Completion Schedule; | | exceeding the ABC? | | | | | |
| i. Form, Amount, and | | e. Scope of work? | | | | | |
| Validity of Performance | | S. Goope of Work. | | | | | |
| Security and Warranty; | | f. Form Price Quotation? | | | | | |
| 1. Form of Contract and | | | | | | | |
| General and Special | | g. Completion Schedule? | | | | | |
| Conditions of Contract; | | h Farm of Contract and | | | | | |
| | | h. Form of Contract and | | | | | |
| Implementing Rules and | | General and Special Conditions of Contract? | | | | | |
| Regulations (IRR) of RA 9184, as | | Conditions of Contract: | | | | | |

| Audit Sub-objective | | Suggested Audit \ | | | | | |
|--|------------------|------------------------------|-----|----|---------------------------------|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | |
| amended on September 2, 2009: | | Are the Bidding Documents | | | | | |
| • 17.1. The Bidding Documents | | in the required form: | | | | | |
| shall be prepared by the | | | | | | | |
| procuring entity following the | | a. Invitation to Bid? | | | | | |
| standard forms and manuals | | | | | | | |
| prescribed by the GPPB. | | b. Instructions to Bidders? | | | | | |
| a. Approved Budget for the | | | | | | | |
| Contract; | | c. Bid Data Sheet? | | | | | |
| b. Request for Submission of | | | | | | | |
| Price Quotation; | | d. General Conditions of the | | | | | |
| c. Eligibility Requirements; | | Contract? | | | | | |
| d. Instruction to Bidders, | | | | | | | |
| including scope of bid, | | e. Special Conditions of | | | | | |
| documents comprising the bid, | | Contract? | | | | | |
| criteria for eligibility, bid | | 001111 4011 | | | | | |
| evaluation | | f. Schedule of | | | | | |
| methodology/criteria in | | Requirements? | | | | | |
| accordance with the Act, and | | Requirements. | | | | | |
| post-qualification, as well as | | g. Technical Specifications? | | | | | |
| the date, time and place of the | | g. recrimed Specifications: | | | | | |
| pre-bid conference (where | | h. Bidding Forms? | | | | | |
| applicable), submission of bids | | 11. Blading Forms: | | | | | |
| | | | | | | | |
| and opening of bids; | | | | | | | |
| e. Scope of work, where | | | | | | | |
| applicable; f. Plans/Drawings and Technical | | | | | | | |
| ~ | | | | | | | |
| Specifications; | | | | | | | |
| g. Form of Bid, Price Form, and | | | | | | | |
| List of Goods; | | | | | | | |
| h. Completion Schedule; | | | | | | | |
| i. Form, Amount, and Validity | | | | | | | |
| Period of Bid Security; | | | | | | | |
| [REVISED BY the Revised IRR of | | | | | | | |
| RA 9184, item 54.4. Except for | | | | | | | |
| Limited Source Bidding under | | | | | | | |
| Section 49 of this IRR, | | | | | | | |
| submission of bid securities may | | | | | | | |
| be dispensed with.] | | | | | | | |
| j. Form, Amount, and Validity of | | | | | | | |
| Performance Security and | | | | | | | |
| Warranty; | | | | | | | |
| [Also per Revised IRR of RA | | | | | | | |
| 9184, Section 54.5. | | | | | | | |
| Performance and warranty | | | | | | | |
| securities, as prescribed in | | | | | | | |
| Sections 39 and 62 of this | | | | | | | |
| IRR, | | | | | | | |
| shall be submitted for | | | | | | | |
| contracts acquired through | | | | | | | |
| the alternative methods of | | | | | | | |
| procurement, except for | | | | | | | |
| Shopping under Section 52 | | | | | | | |
| and Negotiated Procurement | | | | | | | |
| under Sections 53.2 | | | | | | | |
| (emergency cases), 53.9 | | | | | | | |
| (small value procurement), | | | | | | | |
| 53.10 (lease of real property), | | | | | | | |

| and 53.13 (UN agencies).] and k. Form of Contract and General and Special Conditions of Contract. 53.1.4. Following completion of the negotiations, the procuring entity shall request all suppliers, contractors, or consultants remaining in the proceedings to submit, on a specified date, a best and final offer with respect to all aspects of their proposals. 53.1.5. The procuring entity shall select the successful offer on the basis of such best and final offers which should meet the procuring entity's minimum technical requirements and should not exceed the ABC. GPPB Resolution No. 05-2009 dated 30 September 2009: all branches, agencies, departments, bureaus, offices and instrumentalities of the Government, including government minancial institutions, state universities and college, and local government mits, are hereby mandated to use the Philippine Bidding Documents Third Edition for all of their procurement activities. EVALUATING AUDIT EVIDENCES GATHERED AND COMMUNICATING THE RESULTS OF AUDIT 1. To verify the effects of instances of non- compliance on the: | |
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| 1. To verify the effects of instances of non-compliance to establish the effects and Appropriate Audit Working Papers | |
| instances of non- compliance on the: non-compliance to establish the effects and | |
| compliance on the: establish the effects and | |
| develop appropriate audit | |
| a. validity of the develop appropriate audit recommendations. | |
| procurement activities | |
| and outputs including the Also determine if | |
| validity of the resulting appropriate actions were | |
| contract; taken by the auditee in | |
| b. validity of any payment regard to instances of non-compliance. | |
| to be made on the basis | |
| of the contract; | |
| c. etc. | |
| and develop appropriate | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|--|---|-------------------------------|--------|----------|---------------------------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| audit recommendations | NORTH | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit Working Pap | ers | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re-Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memorandu | m (AON | Л), if a | pplicable | |

Negotiated Procurement of Consulting Services After Two Failed Biddings

III. PRE-PROCUREMENT CONFERENCE

The pre-procurement conference is the forum where all officials involved in the procurement meet and discuss all aspects of a specific procurement activity, which includes the technical specifications, the Approved Budget for the Contract (ABC), the applicability and appropriateness of the recommended method of procurement and the related milestones, the bidding documents, and availability of the pertinent budget release for the project.

A. AUDIT OBJECTIVES:

- 1. To verify if the Pre-Procurement Conference was conducted within the required time;
- 2. To verify if the **participants** to the Pre-Procurement Conference were as required;
- 3. To verify if during the Pre-Procurement Conference the participants, led by the Bids and Awards Committee (BAC), performed the required tasks and attained the objectives of the Conference.
- B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- copy of the approved *Minutes of Pre-Procurement Conference* duly certified by the BAC Secretariat:
- 2. Request for Submission of Price Quotation;
- 3. Duly certified copies of the documents (Office Orders, contracts, Organizational/Functional Charts, etc) which the BAC Secretariat used as bases for identifying and notifying the participants to the Pre-Procurement Conference, including duly certified copies of the notices issued with evidence of receipt by the participants.

| A 111 O L L 1 1 | | Suggested Aud | lit Wor | king F | Paper |
|--|--|--|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC conducted the Pre-Procurement Conference prior to the posting or the issuance of the Invitation or Request for Submission of Price Quotation Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 20.1. Prior to the Advertisement or the issuance of the Invitation to Bid for each procurement undertaken through public bidding, the BAC, through its Secretariat shall call for a Pre-Procurement Conference. • 6.2. Once issued by the GPPB, the use of the Generic Procurement Manuals | 1. Secure from the BAC Secretariat a duly certified copy of the <i>Minutes of Pre-Procurement Conference</i> and compare the date the conference was held with the date indicated in the print-out of website pages where the <i>Invitation or Request for Submission of Price Quotation</i> was posted. | Did the BAC conduct the Pre-Procurement Conference prior to the posting or issuance of the Request for Submission of Price Quotation? | | | |

| Acadia Coda - Internation | Audit Cub objective | | | | Suggested Audit Working Paper | | | | |
|--|--|--|-----|----|---------------------------------|--|--|--|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | | | |
| (GPMs), Philippine Bidding Documents (PBDs), and other standard forms shall be mandatory upon all Procuring Entities. However, whenever necessary, to suit the particular needs of the procuring entity, modifications may be made, particularly for major and specialized procurement, subject to the approval of the GPPB. Manual of Procedures for the Procurement of Consulting Services, Vol 4 (June 2006) published by the GPPB: • How is Negotiated Procurement Conducted? 1. It is highly advisable for the BAC to conduct a pre-procurement conference to confirm the existence of the condition required by law for negotiated procurement. | | | | | | | | | |
| 2. To verify if the participants to the Pre-Procurement Conference included the BAC, the Secretariat, the unit or officials, including consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Request for Submission of Price Quotation Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 20.1 The pre-procurement conference shall be attended by the BAC, the Secretariat, the unit or officials, including consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Request for Submission of Price Quotation, for each procurement. | 2. Secure from the BAC Secretariat duly certified copies of the documents (Office Orders, contracts, Organizational/Functional Charts, etc) which it used as bases for identifying and notifying the participants to the Pre-Procurement Conference, including duly certified copies of the notices issued with evidence of receipt by the participants. 3. From the <i>Minutes of Pre-Procurement Conference</i> look for the names of the members of the BAC, the members of the Secretariat, the officials and/or consultants who prepared the Bidding Documents and the draft <i>Request for Submission of Price Quotation.</i> | Did the participants to the Pre-Procurement Conference include the: a. BAC? b. Secretariat? c. unit or officials who prepared the Bidding Documents and the draft Request for Submission of Price Quotation? d. consultants hired by the procuring entity, who prepared the Bidding Documents and the draft Request for Submission of Price Quotation? | | | | | | | |

| | | Suggested Auc | dit Wor | king F | Paper |
|---|---|---|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 3. To verify if during the Pre- Procurement Conference the participants, led by the BAC, performed the following tasks and attained the related objectives: a. Discussed relevant information and confirmed the description of the scope of the contract, the ABC, and contract duration; b. Discussed relevant information and confirmed that the procurement is in accordance with the project procurement management plan (PPMP) and | 4. From the Minutes of Pre-Procurement Conference look for information on the presentation of the scope of the contract, the ABC, and contract duration, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the description of the scope of the contract, that there was no splitting, the ABC, and the contract duration. | Did the participants led by the BAC discuss and confirm the: a. Description of the scope of the contract? b. That there was no splitting? c. ABC? d. Contract duration? | | | |
| annual procurement plan (APP); c. Discussed relevant information and confirmed readiness of the procurement at hand on the following: c.1. the availability of appropriations and programmed budget for contract; c.2. completeness of the Bidding Documents and their adherence to relevant general procurement guidelines; | 5. From the <i>Minutes of Pre-Procurement Conference</i> look for information on the presentation of the review of the PPMP and APP, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the procurement is in accordance with the PPMP and APP. | Did the participants led by the BAC discuss and confirm that the procurement is in accordance with the PPMP and APP? | | | |
| d. Reviewed, modified and agreed on the criteria for eligibility screening, evaluation, and post-qualification; e. Reviewed and adopted the procurement schedule, including deadlines and timeframes, for | 6. From the <i>Minutes of Pre-Procurement Conference</i> look for information on the presentation of information, the deliberation thereon, and | Did the participants led by the BAC discuss and confirm that the procurement at hand is ready as to: | | | |
| the different activities; f. Reiterated and emphasized the importance of confidentiality and the applicable sanctions and penalties, as well as agreed on measures to ensure compliance with the foregoing; g. Confirmed that there was no splitting; and | the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the readiness of the procurement at hand as to: a. availability of appropriations and programmed budget for the contract, | a. availability of appropriations and programmed budget for the contract? b. completeness of the Bidding Documents? | | | |

| | | Suggested Aud | lit Wor | kina l | Paper |
|--|---|---|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| h. identified the justification for the change in the mode of procurement from public bidding to Negotiated Procurement and agreed on the recommendations to the HOPE. | b. completeness of the Bidding Documents and their adherence to the Philippine Bidding Documents (PBDs)/ customized Bidding Documents. | c. adherence of the Bidding Documents with the PBDs/ customized Bidding Documents? | | | |
| Manual of Procedures for the Procurement of Consulting Services Vol 4 published by the GPPB: • Methodology: How is Negotiated Procurement undertaken? 7 The procedures for the conduct of public bidding should be observed. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | Did the participants led by the BAC discuss and confirm the justifications for the change in the mode of procurement from public bidding to Negotiated Procurement and agreed on the recommendations to the HOPE? | | | |
| 20.1 During the conference, the participants, led by the BAC, shall: a) Confirm the description and scope of the contract, the ABC, and contract duration; b) Ensure that the procurement is in accordance with the project and annual procurement plans; c) Determine the readiness of the procurement at hand, including, among other aspects, the following: i) availability of appropriations and programmed budget for the contract; ii) completeness of the Bidding Documents and their adherence to relevant general procurement guidelines; iii) | 7. From the Minutes of Pre-Procurement Conference look for information on the presentation of the criteria for eligibility screening, bid evaluation, and post-qualification, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the confirmation of the criteria for eligibility screening, bid evaluation. | Did the participants led by the BAC discuss and confirm the criteria for: a. Eligibility screening? b. Bid evaluation? c. Post-qualification? | | | |
| iv) d) Review, modify and agree on the criteria for eligibility screening, evaluation, and post-qualification; e) Review and adopt the procurement schedule, including deadlines and timeframes, for the different activities; and f) Reiterate and emphasize the importance of confidentiality and the applicable sanctions and penalties, as well as agree on measures to ensure compliance with the foregoing. | 8. From the <i>Minutes of Pre-Procurement Conference</i> look for information on the presentation of the procurement schedule, including deadlines and timeframes for the different activities, the nocontact rule, the deliberation thereon, and the conclusions reached as a result of the deliberation; and analyze if they led to the | Did the participants led by the BAC discuss and confirm the adoption of the procurement schedule including deadlines and timeframes for the different activities? | | | |



| A #10 A 11 #1 | Sub objective | | | Suggested Audit Working Paper | | | | |
|--|---|----------------|-----|-------------------------------|---------------------------------|--|--|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | | |
| 7.2. No procurement shall be undertaken unless it is in accordance with the approved APP of the procuring entity. The APP shall bear the approval of the Head of the Procuring Entity or second-ranking official designated by the Head of the Procuring Entity to act on his behalf, and must be consistent with its duly approved yearly budget. | adoption of the procurement schedule including deadlines and timeframes for the different activities. | | | | Allswei | | | |
| 48.2. In accordance with Section 10 of this IRR, as a general rule, the Procuring Entities shall adopt public bidding as the general mode of procurement and shall see to it that the procurement program allows sufficient lead time for such public bidding. Alternative methods shall be resorted to only in the highly exceptional cases provided for in this Rule. | | | | | | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | | | | |
| 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement. | | | | | | | | |
| GPPB Circular 01-2009 dated 20 January 2009: • 4.2. To facilitate the immediate implementation of projects even pending approval of the GAA, the | | | | | | | | |

| Avadit Coda alai astiva | | Suggested Audit Working Paper | | | | |
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| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| ABC shall be based on the budget levels under the National Expenditure Program (NEP) | | | | | THISWEI | |
| submitted to Congress. 4.3. For specifically appropriated projects, agencies can proceed with the procurement activities prior to | | | | | | |
| issuance of the notice of award using as basis the NEP figures. 4.4. For lump-sum appropriations and | | | | | | |
| Centrally Managed Items (CMIs) under the agency's budget, the head of the agency shall identify and | | | | | | |
| thereafter notify the implementing units (IUs) of the amount allocated for the projects they are to implement. On the basis of said | | | | | | |
| notification, the heads of the respective IUs, as procuring entities, can proceed with the procurement activities prior to issuance of the | | | | | | |
| notice of award. 4.5. For Multi-Year Projects (MYPs), for which the initial funding – sourced | | | | | | |
| from either the existing/current year's budget or the NEP – is not sufficient to cover the total cost of the project, it is required that a | | | | | | |
| Multi-Year Obligational Authority (MYOA) must already have been issued in accord with DBM Circular Letter 2004-012 prior to | | | | | | |
| commencement of any procurement activity. Thus, the MYOA shall be a pre- | | | | | | |
| requisite for procurement of a multi- year contract. All procurement activities should be within the total project cost and categories reflected | | | | | | |
| in the MYOA issued by DBP for the said MYP. | | | | | | |
| 4.6. As prescribed under Section 47, Chapter 8, Subtitle B, Title I, Book V of the Administrative Code of 1987, no contract involving the | | | | | | |
| expenditure of public funds shall be entered into unless the proper accounting official of the procuring entity shall have certified as to the | | | | | | |
| availability of funds and the allotment to which the expenditure or obligation may be properly | | | | | | |
| charged.Definition: | | | | | | |

| | | Suggested Audit Working Paper | | | | |
|--|------------------|-------------------------------|-----|----|---------------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| 3.1. Allotment - document issued by the Department of Budget and Management (DBM) which authorizes an agency to incur obligations for a specified amount as contained in a legislated appropriation. The allotment issued may either be trough the Agency Budget Matrix (ABM) which covers the comprehensive release of specifically appropriated items in the agency's budget or through the Special Allotment Release Order (SARO). | | | | | Answer | |
| 3.2. Annual Procurement Plan (APP) — the requisite document that the agency must prepare to reflect the entire procurement activity (i.e., goods, services, civil works to be procured) that it plans to undertake within the calendar year. This document contains the following information: 3.2.1. Name of the procurement program/project; 3.2.2. Project management office or end-user unit; 3.2.3. General description of the procurement; 3.2.4. Procurement method to be adopted; 3.2.5. Time schedule for each procurement activity; 3.2.6. Source of fund; and 3.2.7. Approved Budget for the Contract. | | | | | | |
| 3.3. Approved Budget for the Contract (ABC) – refers to the following: NGs including SUCs (referred to in Section 2.1) 3.3.1. For specifically appropriated items as reflected in the annual budget of the national government agency, the amount corresponding to either the full cost of a single year or multi-year program/project/activity. For multi-year projects, for which a Multi-Year Obligational Authority has been issued, the ABC shall be the amount reflected in the Multi-Year Obligational Authority. GOCCs and LGUs (referred to in Section 2.2) | | | | | | |

| | | Suggested Audit Working Paper | | | |
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| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the |
| 3.3.3. In the case of GOCCs, including government financial institutions as well as LGUs, the ABC represents the amount of fund transfers which they receive from a national government agency to implement a program/project/activity. 3.5. Lump-Sum Appropriations and Centrally Management Items (CMIs) – those itme in the budget of agencies for which the Implementing Units and the specific amounts allocated for each have not been identified in the National Expenditure | | | | | Answer |
| Program (NEP) or the General Appropriations Act (GAA). | | | | | |
| 3.8. Multi-Year Obligational Authority (MYOA) – a document issued by the DBM either for locally funded projects or foreign assisted projects implemented by agencies in order to authorize the latter to enter into multi-year contracts for the full project cost. A MYOA, which contains an annual breakdown of the full project cost, obligates agencies to include in their budget proposal for the ensuring years the amount programmed for the said year(s). | | | | | |
| 3.9. National Expenditure Program (NEP) – the proposed national budget submitted by the President to Congress in accord with Section 22, Article VII of the Constitution. The NEP shall be the basis of the general | | | | | |
| appropriations bill, which upon its enactment, becomes the General Appropriations Act (GAA). | 9. From the <i>Minutes of</i> Pre-Procurement Conference look for information on the reiteration and emphasis of the importance of confidentiality and the applicable sanctions and penalties, as well as the agreement on measures to ensure compliance. | Did the participants led by the BAC reiterate and emphasize the importance of confidentiality and the applicable sanctions and penalties, as well as the agreement on measures to ensure compliance? | | | |
| EVALUATING AUDIT EVIDENCES G | | NICATING THE RESI | JLTS (| OF AL | JDIT |
| 1. To verify the effects of instances of non-compliance on the: | Analyze the instances of non-compliance to establish the effects and develop appropriate audit | Appropriate Audit Work | ing Par | ers | |

| | | Suggested Audit Working Paper | | | |
|---|--|-------------------------------------|----------|-------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| a. validity of the procurement activities and outputs | recommendations. | | | | |
| including the validity of the resulting contract; | Also determine if appropriate actions were taken by the auditee in | | | | |
| b. validity of any payment to be made on the basis of the contract; | regard to instances of non-compliance. | | | | |
| c. etc. | | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Worl | king Pap | oers | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Men applicable | norandu | m (AO | M), if |

Negotiated Procurement of Consulting Services After Two Failed Biddings

IV. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Negotiated Procurement (Two-Failed Biddings) was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- copy of the approved Minutes of Pre-Procurement Conference duly certified by the BAC Secretariat;
- 2. BAC Resolution recommending negotiated procurement, duly approved by the HOPE.

| | | Suggested Audit Working Paper | | | | |
|---|--|--|-----|----|-----------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the | |
| 7.00.00 | | | | | Answer | |
| To verify if through a Resolution the BAC presented two (2) failed biddings as the justification for the negotiated procurement recommended to the HOPE for approval Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 35.5. Should there occur a second failure of bidding, the procuring entity may resort to negotiated procurement, as provided for in Section 53.1 of this IRR. 53.1. Two Failed Biddings. Where there has been failure of public bidding for the second time as provided in Section 35 of the Act and this IRR. 53.1.1. After conduct of the mandatory review of the terms, conditions, specifications, and cost estimates, as prescribed in Section 35 of this IRR, the BAC shall revise and agree on the minimum technical specifications, and if necessary, adjust the ABC, subject to the required approvals. However the ABC cannot be increased by more than twenty percent (20%) of the ABC for the last failed bidding. 48.3. The method of procurement to | 1. From the BAC Resolution, look for information on the BAC's justification and recommendation for the change in the mode of procurement to the HOPE for approval. | Did the BAC through a Resolution presented two (2) failed biddings as the justification for the negotiated procurement recommended to the HOPE for approval? | | | Allswei | |

| | | Suggested Au | dit Wor | king F | Paper |
|---|---|--|----------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| 2. To verify if the BAC: a. recommended the alternative mode of procurement: Negotiated Procurement to the HOPE, and b. the HOPE approved the alternative method of procurement | 2. From the BAC Resolution recommending Negotiated Procurement as the method of procurement, look for the approval of the HOPE. | Did the BAC recommend the alternative mode of procurement: Negotiated Procurement to the HOPE? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | Did the HOPE approve Negotiated Procurement as the method of | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | procurement? | | | |
| EVALUATING AUDIT EVIDENCES G | ATHERED AND COMMUI | NICATING THE RES | ULTS (| OF AL | JDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. | Appropriate Audit Worl | king Par | oers | |
| including the validity of the resulting contract; | Also determine if appropriate actions were taken by the auditee in | | | | |
| b. validity of any payment to be made on the basis of the contract; | regard to instances of non-compliance. | | | | |
| c. etc. | NOTE: | | | | |
| and develop appropriate audit recommendations | Also refer to the OFFENSES AND | | | | |
| Implementing Rules and Regulations | PENALTIES portion | | | | |



| | | Suggested Au | dit Wor | king F | Paper |
|---|--|-------------------------------------|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| (IRR) of RA 9184, as amended on September 2, 2009: | of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Wor | | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mer applicable | norandu | ım (AO | M), if |

Negotiated Procurement of Consulting Services After Two Failed Biddings

V. SELECTION OF CONSULTANTS AND REQUEST FOR SUBMISSION OF PRICE QUOTATIONS

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Negotiated Procurement (Two-Failed Biddings) was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. BAC Resolution recommending negotiated procurement, duly approved by the HOPE;
- 2. Minutes of the BAC's meetings on the selection and invitation of consultants;
- 3. List of selected consultants to be invited;
- 4. Copies of invitation letters.

| | | Suggested Audit Working Paper | | | |
|--|--|--|-----|----|------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC used the Procuring Entity's registry of Consultants as basis for selecting the consultants to be invited for the negotiations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 53.1.2. The BAC shall invite and engage in negotiations with a sufficient number of consultants to ensure effective competition. 53.1.2.1 53.1.2.2. All Procuring Entities shall maintain a registry of consultants as basis for selecting the consultants for negotiations. | 1. From the Minutes of the BAC meetings, TWG evaluation reports supported with copies of the Procuring Entity's Registry of consultants, look for information on the basis of identification of the consultants to be invited for the negotiations and the list of identified consultants based on the agreedupon basis. | Did the BAC use the Procuring Entity's registry of consultants who have been classified under the type of contract/project where the subject contract falls, as one of the bases for selecting the consultants to be invited for the negotiations? Did the BAC arrive at a list of consultants to be invited as agreed during the meetings conducted for the purpose? | | | |
| 2. To verify if the BAC invited all consultants identified from the Registry (ies) and other bases adopted by the BAC for the purpose Implementing Rules and Regulations | 2. Compare the names of the consultants to whom invitations have been sent by the BAC (with evidence of receipt) with the list of selected consultants. | Did the BAC invite and engage in negotiations with a sufficient number of consultants? | | | |

| | | Suggested | Audit | Work | ing Paper |
|--|---|--|-------|------|------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| (IRR) of RA 9184, as amended on September 2, 2009: • 53.1.2. The BAC shall invite and engage in negotiations with a sufficient number of consultants to ensure effective competition. 53.1.2.1 53.1.2.2. All Procuring Entities shall maintain a registry of consultants as basis for selecting the consultants for negotiations. | | | | | |
| 3. To verify if the BAC posted the Request for Submission of Price Quotations continuously in the PhilGEPS website and the website of the procuring entity | 3. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any posting. | Did the BAC post the <i>Request for</i> <i>Submission of Price</i> <i>Quotations</i> continuously in the: | | | |
| concerned, if available, for 7 calendar days starting on the date of posting | 4. On the first day of posting access the PhilGEPS website, the website of the procuring | PhilGEPS website for 7 calendar days starting on the | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 54.2. For alternative methods of | entity concerned, if available. Print the page where the notice was | date of advertisement? 2. website of the | | | |
| procurement, advertisement and posting as prescribed in Section 21.2.1 of this IRR may be dispensed with: Provided, however, That the BAC, through its Secretariat, shall post the invitation or request for | posted (to form part of the audit evidences). 5. Access the websites at random during the 7-day period to verify the postings. | procuring entity concerned, if available, for 7 calendar days starting on the date of advertisement? | | | |
| submission of price quotations for Shopping under Sections 52.1(b) and Negotiated Procurement under Sections 53.1 (two-failed biddings) and 53.9 (small value procurement) of this IRR in the PhilGEPS website, the website of the procuring entity concerned, if available, and at any conspicuous | OR From the printouts of the web pages indicating the dates of printing, obtained from and duly certified by the BAC Secretariat as true and correct, compare these dates with the required dates of posting. | | | | |
| place reserved for this purpose in the premises of the procuring entity for a period of seven (7) calendar days. | required dates of posting. | | | | |
| 4. To verify if the BAC posted the <i>Request for Submission of Price Quotation</i> continuously at any conspicuous place | 6. Ahead of any procurement, request the BAC Secretariat for advance information on the first day of any | Did the BAC post the <i>Invitation to</i> <i>Bid</i> : | | | |
| reserved for the purpose in the premises of the procuring entity for 7 calendar days, as certified by the head of the | posting. 7. Conduct ocular | continuously for seven (7) calendar days? | | | |



| | | Suggested | Audit | Work | ing Paper | |
|---|---|--|----------------------------------|-------|------------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| BAC Secretariat of the procuring entity | inspection on the first day of posting. | 2. at the | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 54.2. For alternative methods of procurement, advertisement and posting as prescribed in Section 21.2.1 of this IRR may be dispensed with: Provided, however, That the BAC, through its Secretariat, shall post the invitation or request for submission of price quotations for Shopping under Sections 52.1(b) and Negotiated Procurement under Sections 53.1 (two-failed biddings) and 53.9 (small value procurement) of this IRR in the PhilGEPS website, the website of the procuring entity concerned, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity for a period of seven (7) calendar days. | 8. Repeat the ocular inspections (may be at random) during the 7-day period to verify the postings. 9. Request for the certification of the head of the BAC Secretariat. | conspicuous place reserved for the purpose in the premises of the procuring entity? 3. as certified by the head of the BAC Secretariat of the procuring entity? | | | | |
| EVALUATING AUDIT EVIDENCE | S CATHEDED AND COM | MUNICATING THE | DECI | II TS | OF AUDIT | |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. | | Appropriate Audit Working Papers | | | |
| activities and outputs including the validity of the resulting contract; | Also determine if appropriate actions were | | | | | |
| b. validity of any payment to be made on the basis of the contract; c. etc. | taken by the auditee in regard to instances of non-compliance. | | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |



| | | Suggested Audit Working Paper | | | | |
|---|---|-------------------------------|----------|--------|------------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | Appropriate Audit Wo | orking F | Papers | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Me | emoran | dum (| AOM), if applicable | |

NOTES:

- 1. Based on the following requirement of the Manual of Procedures for the Procurement of Consulting Services Vol 4 published by the GPPB:
 - o How is Negotiated Procurement undertaken?

7. ...The procedures for the conduct of public bidding should be observed.

for the rest of the procurement procedures up to the award of the contract, the *Audit Guide on the Procedures: Competitive/Public Bidding* are to be observed with particular attention given to compliance by the BAC of the following provisions of the Revised IRR of RA 9184 during bid evaluation up to award:

- 53.1.4. Following completion of the negotiations, the procuring entity shall request all suppliers, contractors, or consultants remaining in the proceedings to submit, on a specified date, a best and final offer with respect to all aspects of their proposals.
- 53.1.5. The procuring entity shall select the successful offer on the basis of such best and final offers which should meet the procuring entity's minimum technical requirements and should not exceed the ABC.

and to the following provision of the Revised IRR of RA 9184:

• 53.1.6. In all stages of the negotiations, observers shall be invited



2. Other relevant criteria

Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009:

- 53.1.3. Any requirements, guidelines, documents, clarifications, or other information relative to the negotiations that are communicated by the procuring entity to a supplier, contractor, or consultant shall be communicated on an equal basis to all other suppliers, contractors, or consultants engaging in negotiations with the procuring entity relative to the procurement.
- 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement.
- 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.
- 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).

On the Procurement Procedures:

NEGOTIATED PROCUREMENT OF CONSULTING SERVICES

EMERGENCY CASES

Procurement Procedures: NEGOTIATED PROCUREMENT OF CONSULTING SERVICES EMERGENCY CASES

Negotiated Procurement is a method of procurement for consulting services whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable consultant in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Take-Over of Contracts, (4) Adjacent or Contiguous, (5) Agency-to-Agency, (6) Highly-Technical Consultants, (7) Small Value Procurement.

Emergency Cases - In case of imminent danger to life or property during a state of calamity, or when time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities.

I. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Negotiated Procurement in Emergency Cases was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the approved *Minutes of Pre-Procurement Conference* duly certified by the BAC Secretariat;
- 2. BAC Resolution recommending negotiated procurement, duly approved by the HOPE;

| Audit Sub-objective | | Suggested Au | dit Wo | rking | Paper |
|--|--|---|--------|-------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC validated the existence of an emergency as follows: a. imminent danger to life or property during a state of calamity, or b. time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 1. From the BAC Resolution, look for information on the BAC's validation of an emergency as follows: a. imminent danger to life or property during a state of calamity, or b. time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities | Did the BAC validation of an emergency as follows: a. imminent danger to life or property during a state of calamity? or b. time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to | | | |



| Audit Sub-objective | | Suggested Au | udit Wo | orking | Paper |
|---|---|--|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 53.2. Emergency Cases - In case of imminent danger to life or property during a state of calamity, or when time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities. | | or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities? | | | |
| 2. To verify if the BAC validated the justification for adoption of the alternative method of procurement: Negotiated Procurement and through a Resolution recommended said method to the HOPE for approval Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 48.1. Subject to the prior approval of the Head of the Procuring Entity, and whenever justified by the conditions provided in this Act, the procuring entity may, in order to promote economy and efficiency, resort to any of the alternative methods of procurement provided in this Rule. In all instances, the procuring entity shall ensure that the most advantageous price for the Government is obtained. • • 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | 2. From the BAC Resolution, look for information on the BAC's validation of the justification for adoption of the alternative method of procurement: Negotiated Procurement and recommended said method to the HOPE for approval. | Did the BAC validate the justification for adoption of the alternative method of procurement: Negotiated Procurement and recommended said method to the HOPE for approval? | | | |
| 3. To verify if the HOPE approved the alternative method of procurement: Negotiated Procurement Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 3. From the BAC Resolution recommending the negotiated procurement as an alternative method, look for the approval of the HOPE. | Did the HOPE approve Negotiated Procurement as the method of procurement? | | | |

| Audit Sub-objective | | Suggested A | Paper | | |
|---|--|-----------------------|----------|-------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| EVALUATING AUDIT EVIDENCES G | | NICATING THE RES | ULTS (| OF AL | TIDLT |
| 1. To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of | Appropriate Audit Wor | king Par | oers | |
| made on the basis of the contract; c. etc. | non-compliance. | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Wor | king Par | oers | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND | | | | |

| Audit Sub-objective | | Suggested Audit Working Pa | | | Paper |
|---|--|---|-----|----|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| | PENALTIES portion of this <i>Audit Guide</i> . | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memorandum (AOM), if applicable | | | |
| September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Ç | | | | |

NOTES:

- 1. Based on the following requirement of the Manual of Procedures for the Procurement of Consulting Services Vol. 4 (June 2006) published by the GPPB:
 - How is Negotiated Procurement conducted?

7. ...The procedures for the conduct of public bidding should be observed.

for the rest of the procurement procedures up to the award of the contract, the Audit Guide on the Procedures: Competitive/Public Bidding are to be observed.

2. Other relevant criteria

Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009:

- 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or sub-contracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement.
- 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.
- 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).

NEGOTIATED PROCUREMENT OF CONSULTING SERVICES

TAKE-OVER OF CONTRACTS

Procurement Procedures: NEGOTIATED PROCUREMENT OF CONSULTING SERVICES TAKE-OVER OF CONTRACTS

Negotiated Procurement is a method of procurement for consulting services whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable consultant in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Take-Over of Contracts, (4) Adjacent or Contiguous, (5) Agency-to-Agency, (6) Highly-Technical Consultants, (7) Small Value Procurement.

Take-over of contracts, which have been rescinded or terminated for causes provided for in the contract and existing laws, where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities.

I. PREPARATORY ACTIVITY: REGISTRY OF CONSULTANTS

The Registry of Consultants is to be maintained updated by the Procuring Entity.

A. AUDIT OBJECTIVE

To determine if the Procuring Entity developed and maintained a Registry of Consultants

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for evaluation:

 Documentation on the System of the Registry of Consultants maintained by the Procuring Entity

| Audit Sub-objective | | Suggested . | Audit \ | Vorkir | ng Paper |
|---|--|--|----------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| 1. To verify if the procuring entity <u>maintained</u> a registry of Consultants as basis for selecting the contractors for negotiations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 53.1.2.2. All Procuring Entities shall maintain a registry of Consultants as basis for selecting the contractors for | Obtain a copy of the registry of Consultants maintained by the Procuring Entity. | Did the Procuring Entity maintain a registry of Consultants as basis for selecting the Consultants for negotiations? | | | the Answer |
| negotiations. | | | | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COMM | UNICATING THE F | RESUL | TS O | FAUDIT |
| 1. To verify the effects of instances of non-compliance on the: | Analyze the instances of non-compliance to establish the effects and develop appropriate audit | Appropriate Audit Wo | orking F | Papers | |



| Audit Sub-objective | | Suggested | Audit \ | Workin | g Paper |
|---|--|------------------------------------|----------|---------|---------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. | recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Wo | orking I | Papers | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Ma applicable | emoran | ıdum (Æ | AOM), if |

Negotiated Procurement of Consulting Services Take-Over of Contracts

II. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Negotiated Procurement (Take-Over) was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the approved minutes of BAC meetings duly certified by the BAC Secretariat;
- 2. BAC Resolution recommending negotiated procurement, duly approved by the HOPE

| | | Suggested Aud | dit Wor | king F | Paper |
|---|---|---|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC validated: a. that the contract for the project has been terminated or rescinded; and b. there is a need for immediate action to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 53.3. Take-over of contracts, which have been rescinded or terminated for causes provided for in the contract and existing laws, where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities. | 1. From the minutes of BAC meetings look for information on the BAC's validation: a. that the contract for the project has been terminated or rescinded; and b. there is a need for immediate action to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities. | a. that the contract for the project has been terminated or rescinded? And b. there is a need for immediate action to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities? | | | |
| 2. To verify if the BAC validated the justification for adoption of the alternative method of procurement: Negotiated Procurement (Take-Over) and through a Resolution recommended said method to the HOPE for approval Implementing Rules and Regulations | 2. From the BAC Resolution, look for information on the BAC's validation of the justification for adoption of the alternative method of procurement: Negotiated Procurement (Take-Over) and recommended said method to the HOPE for approval. | Did the BAC validate the justification for adoption of the alternative method of procurement: Negotiated Procurement (Take- Over) and recommend said method to the HOPE for approval? | | | |

| | | Suggested Aud | dit Wor | king F | Paper |
|---|---|---|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| (IRR) of RA 9184, as amended on September 2, 2009: | | | | | |
| 48.1. Subject to the <u>prior approval of</u> the Head of the Procuring Entity. and whenever justified by the conditions provided in this Act, the procuring entity may, in order to promote economy and efficiency, resort to any of the alternative methods of procurement provided in this Rule. In all instances, the procuring entity shall ensure that the most advantageous price for the Government is obtained. 48.3. The method of procurement to | | | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| 3. To verify if the HOPE approved the alternative method of procurement: Negotiated Procurement (Take-Over) | 3. From the BAC Resolution recommending the negotiated procurement as an alternative method, look for the approval of the HOPE. | Did the HOPE approve <i>Negotiated</i> <i>Procurement</i> as the method of procurement? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| 53.3.3. Authority to negotiate contracts for projects under these exceptional cases shall be subject to prior approval by the Heads of the Procuring Entities concerned, within their respective limits of approving authority. | | | | | |

| Accepta Coulo allata data d | | Suggested Au | ıdit Wor | king F | Paper |
|---|--|-------------------------------------|----------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| EVALUATING AUDIT EVIDENCES G | | CATING THE RESU | LTS OF | AUD | |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Wor | king Pap | oers | |
| and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on | NOTE: Also refer to the OFFENSES AND PENALTIES portion of | | | | |
| September 2, 2009: Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | this Audit Guide. | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Wor | king Pap | oers | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mer applicable | morandu | ım (AO | M), if |



Negotiated Procurement of Consulting Services Take-Over of Contracts

III. NEGOTIATION

A. AUDIT OBJECTIVE:

To verify if the negotiation conducted were as required

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. BAC Resolution recommending negotiated procurement, duly approved by the HOPE;
- 2. Documentation preliminary to inviting the second HRB for negotiation, including the invitation;
- 3. Minutes of the BAC's meetings on the negotiations;
- 4. Minutes of the BAC's meetings on the selection of the BAC Observers;
- 5. Invitation letters for the BAC Observers, duly received by them;
- 6. Reports of the BAC Observers.

| | | Suggested Audit Working Paper | | | | | | | |
|--|--|---|-----|----|------------------------------|--|--|--|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | | | | |
| NEGOTIATION WITH THE SECOND HRB FOR THE PROJECT | | | | | | | | | |
| 1. To verify if the BAC negotiated the contract starting with the bidder with the second highest rated bid for the project under consideration at the bidder's original bid price | 1. From the Minutes of the BAC meetings, TWG evaluation reports with supporting documents duly reviewed by the BAC, look for information on the BAC's negotiations. | Did the BAC negotiate the contract starting with the second highest rated bid at the bidder's original price? | | | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 53.3 53.3.1. The contract may be negotiated starting with the second highest rated bidder for the project under consideration at the bidder's original bid price. 53.3.2 53.3.3. Authority to negotiate contracts for projects under these exceptional cases shall be subject to prior approval by the Heads of the Procuring Entities concerned, within their respective limits of approving authority. | NOTES: If negotiation prospered, proceed to Post-qualification then Award using the Audit Guide for Competitive/ Public Bidding for Consulting Services. If negotiation failed, proceed to the next audit Sub-objective. | | | | | | | | |

| | | Suggested | Audit | Work | ing Paper |
|--|---|--|-------|------|------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| WHEN NEGOTIATION WITH TH | E SECOND HRB FOR THE | PROJECT FAILED | | | |
| When the negotiation with the second HRB failed, to verify if the BAC negotiated the contract with the bidder with the third highest rated bid for the project under consideration at the bidder's original bid price Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 53.3 53.3.1. The contract may be negotiated starting with the second highest rated bidder for the project under consideration at the bidder's original bid price. 53.3.2. If negotiation fails, then negotiation shall be done with the third highest rated bidder at his original price. 53.3.3. Authority to negotiate contracts for projects under these exceptional cases shall be subject to prior approval by the Heads of the Procuring Entities concerned, within their respective limits of approving authority. | 1. From the Minutes of the BAC meetings, TWG evaluation reports with supporting documents duly reviewed by the BAC, look for information on the BAC's negotiations. NOTES: If negotiation prospered, proceed to Post-qualification then Award using the Audit Guide for Competitive/ Public Bidding for Consulting Services. If negotiation failed, proceed to the next audit Sub-objective. | When the negotiation with the second HRB failed, did the BAC negotiate the contract with the third highest rated bid at the bidder's original price? | | | |
| WHEN NEGOTIATION WITH TH | E THIRD HRB FOR THE P | ROJECT FAILED | | | |
| To verify if the BAC used the Procuring Entity's registry of consultants under the type of contract/project where the subject contract falls as basis for preparing the shortlist of consultants to be invited for the negotiations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 53.3 53.3.1 53.3.2. If negotiation fails, then negotiation shall be done with the third highest rated bidder at | 1. From the Minutes of the BAC meetings, TWG evaluation reports supported with copies of the Procuring Entity's Registry of Consultants, look for information on the basis of identification of the consultants to be invited for the negotiations and the shortlist of identified consultants. | Did the BAC use the Procuring Entity's registry of consultants who have been classified under the type of contract/project where the subject contract falls, as one of the bases for selecting the consultants to be invited for the negotiations? | | | |

| | | Suggested | Audit | Work | ing Paper |
|---|---|--|-------|------|------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| his original price. If the negotiation fails again, a short list of at least three (3) eligible contractors shall be invited to submit their bids, and negotiation shall be made starting with the highest rated bidder. • 53.1.2.2. All Procuring Entities shall maintain a registry of contractors as basis for selecting the consultants for negotiations. | | Did the BAC arrive at the shortlist of consultants to be invited using the criteria and procedures as agreed during the meetings conducted for the purpose? | | | |
| 2. To verify if the BAC invited the shortlisted consultants to submit their bids Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 53.3.2. If negotiation fails, then negotiation shall be done with the third lowest calculated/highest rated bidder at his original price. If the negotiation fails again, a short list of at least three (3) eligible contractors shall be invited to submit their bids, and negotiation shall be made starting with the highest rated bidder. | 2. Compare the names of the consultants to whom invitations have been sent by the BAC (with evidence of receipt) with the consultants in the shortlist. | Did the BAC invite the shortlisted consultants to submit their bids? | | | |
| 3. To verify if the BAC negotiated starting with the bidder with the highest rated bid (HRB) Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 53.3.2. If negotiation fails, then negotiation shall be done with the third lowest calculated/highest rated bidder at his original price. If the negotiation fails again, a short list of at least three (3) eligible contractors shall be invited to submit their bids, and negotiation shall be made starting with the highest rated bidder. | NOTE: Proceed to the Audit Guide on Bid Evaluation and onwards under Competitive/Public Bidding for Consulting Services. QUESTION: What will happen if after negotiation which prospered, the bidder was post- disqualified? | Did the BAC negotiate starting with the bidder with the highest rated bid? | | | |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COMM | UNICATING THE R | ESUL | TS O | F AUDIT |
| 1. To verify the effects of instances of non-compliance on the: | Analyze the instances of non-compliance to establish the effects and develop appropriate audit | Appropriate Audit Wo | | | |

| | | Suggested | l Audit | Work | ing Paper | |
|---|--|----------------------------------|---------|---------|------------------------------|--|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. | recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | | |
| and develop appropriate audit recommendations | NOTE: Also refer to the | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Working Papers | | | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mo | emoran | idum (/ | AOM), if applicable | |

NOTES:

- 1. Based on the following requirement of the Manual of Procedures for the Procurement of Consulting Services Vol. 4 (June 2006)published by the GPPB:
 - How is Negotiated Procurement conducted?
 - 7. The procedures for the conduct of public bidding should be observed.

for the rest of the procurement procedures up to the award of the contract, the Audit Guide on the *Procedures: Competitive/Public Bidding* are to be observed.

2. Other relevant criteria

Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009:

- 53.1.3. Any requirements, guidelines, documents, clarifications, or other information relative to the negotiations that are communicated by the procuring entity to a supplier, contractor, or consultant shall be communicated on an equal basis to all other suppliers, contractors, or consultants engaging in negotiations with the procuring entity relative to the procurement.
- 53.1.6. In all stages of the negotiations, observers shall be invited.
- 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or subcontracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement.
- 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.
- 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).

NEGOTIATED PROCUREMENT OF CONSULTING SERVICES

ADJACENT OR CONTIGUOUS

Procurement Procedures: NEGOTIATED PROCUREMENT OF CONSULTING SERVICES ADJACENT OR CONTIGUOUS

Negotiated Procurement is a method of procurement for consulting services whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable consultant in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Take-Over of Contracts, (4) Adjacent or Contiguous, (5) Agency-to-Agency, (6) Highly-Technical Consultants, (7) Small Value Procurement.

Adjacent or Contiguous - Where the subject contract is adjacent or contiguous to an ongoing Consulting Service where the consultants have unique experience and expertise to deliver the required service.

I. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Negotiated Procurement (Adjacent or Contiguous) was in accordance with rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the approved minutes of BAC meetings duly certified by the BAC Secretariat;
- 2. BAC Resolution recommending negotiated procurement, duly approved by the HOPE.

| Audit Sub-objective | | Suggested Au | ıdit Wo | rking | Paper |
|--|--|--|---------|-------|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| To verify if the BAC validated that: a. the project is adjacent or contiguous to an on-going Consulting Service; b. that the original contract is the result of a Competitive Bidding; c. the subject contract to be negotiated has similar or related scopes of work; d. it is within the contracting capacity of the consultant; e. the consultant uses the same prices or lower prices as in the original contract; f. the amount involved does not exceed the amount of the ongoing project; | 1. From the minutes of BAC meetings look for information on the BAC's validation that: a. adjacent or contiguous to an on-going project; b. that the original contract is the result of a Competitive Bidding; c. the subject contract to be negotiated has similar or related scopes of work; d. it is within the contracting capacity of the consultant: | Did the BAC validate that: a. the project is adjacent or contiguous to an on-going Consulting Service? b. that the original contract is the result of a Competitive Bidding? c. the subject contract to be negotiated has similar or related scopes of work;? | | | THE ATTIMET |



| Audit Sub-objective | | Suggested Au | ıdit Wo | rking | Paper |
|---|---|---|---------|-------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| g. the consultant has no negative slippage/delay; h. the negotiations for the procurement are commenced before the expiry of the original contract. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 53.4. Adjacent or Contiguous. Where the subject contract is adjacent or contiguous to an on-going Infrastructure Project or Consulting Service where the consultants have unique experience and expertise to deliver the required service: Provided, however, That (a) the original contract is the result of a Competitive Bidding; (b) the subject contract to be negotiated has similar or related scopes of work; (c) it is within the contracting capacity of the consultant; (d) the consultant uses the same prices or lower unit prices as in the original contract less mobilization cost; (e) the amount involved does not exceed the amount of the ongoing project; and (f) the consultant has no negative slippage/delay: Provided, further, That negotiations for the procurement are commenced before the expiry of the original contract. | e. the consultant uses the same prices or lower unit prices as in the original contract less mobilization cost; f. the amount involved does not exceed the amount of the ongoing project; g. the consultant has no negative slippage/delay, h. the negotiations for the procurement are commenced before the expiry of the original contract. | d. it is within the contracting capacity of the consultant? e. the consultant uses the same prices or lower prices as in the original contract? f. the amount involved does not exceed the amount of the ongoing project? g. the consultant has no negative slippage/delay? h. the negotiations for the procurement are commenced before the expiry of the original contract? | | | THE ATISWET |
| 2. To verify if the BAC: a. validated the justifications for adoption of the alternative method of procurement: Negotiated Procurement (Adjacent or Contiguous) and b. through a Resolution recommended said method to the HOPE for approval Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 48.1. Subject to the prior approval of the Head of the Procuring Entity, and whenever justified by the conditions provided in this Act, the procuring entity may, in order to promote economy and efficiency, resort to any | 2. From the BAC Resolution, look for information on the BAC's validation of the justification for adoption of the alternative method of procurement: Negotiated Procurement (Adjacent or Contiguous) and recommended said method to the HOPE for approval. | Did the BAC: a. validate the justification for adoption of the alternative method of procurement: Negotiated Procurement (Adjacent or Contiguous)? AND b. recommend said method to the HOPE for approval? | | | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | orking | Paper |
|--|---|--|----------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| of the alternative methods of procurement provided in this Rule. In all instances, the procuring entity shall ensure that the most advantageous price for the Government is obtained. • • 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| 3. To verify if the HOPE approved the alternative method of procurement: Negotiated Procurement (Adjacent or Contiguous) Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | 3. From the BAC Resolution recommending the negotiated procurement as an alternative method, look for the approval of the HOPE. | Did the HOPE approve Negotiated Procurement (Adjacent or Contiguous) as the method of procurement? | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| 53.3.3. Authority to negotiate contracts for projects under these exceptional cases shall be subject to prior approval by the Heads of the Procuring Entities concerned, within their respective limits of approving authority. | | | | | |
| EVALUATING AUDIT EVIDENCES G | | MUNICATING THE F | RESUL | TS O | F AUDIT |
| 1. To verify the effects of instances of non-compliance on the: | Analyze the instances of non-compliance to establish the effects and develop | Appropriate Audit Work | king Par | oers | |
| a. validity of the procurement activities and outputs including the validity of the | appropriate audit recommendations. | | | | |

| Audit Sub-objective | | Suggested Au | ıdit Wo | orking | Paper |
|---|---|----------------------------------|--------------------|--------|--------|
| Audit Criteria | Audit Activities | Audit Question | Audit Question Yes | | |
| resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | |
| and develop appropriate audit recommendations | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | NOTE: Also refer to the OFFENSES AND PENALTIES | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | portion of this Audit Guide. | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Work | king Par | oers | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mem applicable | orandu | ım (AO | M), if |

Negotiated Procurement of Consulting Services Adjacent or Contiguous II. NEGOTIATION

A. AUDIT OBJECTIVE:

To verify if the negotiations conducted were as required

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. BAC Resolution recommending negotiated procurement, duly approved by the HOPE;
- 2. Documentation preliminary to inviting the consultant with the on-going adjacent or contiguous project for negotiation, including the invitation;
- 3. Minutes of the BAC's meetings on the negotiations;
- 4. Minutes of the BAC's meetings on the selection of the BAC Observers;
- 5. Invitation letters for the BAC Observers, duly received by them;
- 6. Reports of the BAC Observers.

| | | Suggested Audit Working Paper | | | |
|---|---|--|-----|----|------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| 1. To verify if the BAC negotiated the contract with the consultant of the ongoing adjacent or contiguous project identified during the evaluation/deliberations and as approved by the HOPE Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | From the Minutes of the BAC meetings, TWG evaluation reports with supporting documents duly reviewed by the BAC, look for information on the BAC's negotiations. | Did the BAC negotiate the contract with the consultant of the on-going adjacent or contiguous project identified during the evaluation/delibera tions and as approved by the | | | the Answer |
| • 53.4. Adjacent or Contiguous. Where the subject contract is adjacent or contiguous to an on- going Infrastructure Project or Consulting Service where the consultants have unique experience and expertise to deliver the required service: Provided, however, That (a) the original contract is the result of a Competitive Bidding; (b) the subject contract to be negotiated has similar or related scopes of work; (c) it is within the contracting capacity of the consultant; (d) the consultant uses the same prices or lower unit prices as in the original contract less mobilization cost; (e) the amount involved does not exceed the amount of the ongoing project; and (f) the consultant has no negative slippage/delay: Provided, further, That negotiations for the procurement are commenced before the expiry of the original contract. | NOTES: If negotiations prospered, proceed to Award using the Audit Guide for Competitive/Public Bidding for Consulting Services. If negotiations failed, the project is to be subjected to competitive/public bidding. For the audit, adopt the Audit Guide for the Procurement of Consulting Services by Competitive/Public Bidding. | HOPE? | | | |

NOTES:

- 1. Based on the following requirement of the Manual of Procedures for the Procurement of Consulting Services Vol. 4 (June 2006) published by the GPPB:
 - How is Negotiated Procurement conducted?

7. ...The procedures for the conduct of public bidding should be observed.

for the rest of the procurement procedures, the Audit Guide on the *Procedures:* Competitive/Public Bidding are to be observed.

2. Other relevant criteria

Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009:

- 53.1.6. In all stages of the negotiations, observers shall be invited.
- 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or subcontracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement.
- 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.
- 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).

NEGOTIATED PROCUREMENT OF CONSUTING SERVICES

AGENCY-TO-AGENCY

Procurement Procedures: NEGOTIATED PROCUREMENT OF CONSULTING SERVICES AGENCY-TO-AGENCY

Negotiated Procurement is a method of procurement for consulting services whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable consultant in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Take-Over of Contracts, (4) Adjacent or Contiguous, (5) Agency-to-Agency, (6) Highly-Technical Consultants, (7) Small Value Procurement.

Agency-to-Agency - Procurement of consulting services from another agency of the GOP.

For purposes of this Section 53.5 of the Revised IRR of RA 9184, the term agency excludes GOCCs incorporated under Batas Pambansa Blg. 68, otherwise known as the "Corporation Code of the Philippines". The GPPB shall issue guidelines to implement this provision

NOTE: No Audit Guide has been developed for this method of procurement since this involves Government-to-Government transactions and in the absence of GPPB Guidelines.

NEGOTIATED PROCUREMENT OF CONSULTING SERVICES

HIGHLY TECHNICAL CONSULTANTS

Procurement Procedures: NEGOTIATED PROCUREMENT OF CONSULTING SERVICES HIGHLY TECHNICAL CONSULTANTS

Negotiated Procurement is a method of procurement for consulting services whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable consultant in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Take-Over of Contracts, (4) Adjacent or Contiguous, (5) Agency-to-Agency, (6) Highly-Technical Consultants, (7) Small Value Procurement.

Highly Technical Consultants - Individual consultants hired to do work that is (i) highly technical or proprietary; or (ii) primarily confidential or policy determining, where trust and confidence are the primary consideration for the hiring of the consultant: Provided, however, That the term of the individual consultants shall, at the most, be on a six month basis, renewable at the option of the appointing Head of the Procuring Entity, but in no case shall exceed the term of the latter. [AS AMENDED UNDER GPPB RESOLUTION NO. 06-2009 DATED 30 SEPTEMBER 2009]

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Negotiated Procurement (Highly Technical Consultants) was in accordance with rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. Justification for hiring of the highly technical consultant
- 2. Appointment/job order/contract of the highly technical consultant hired by the Procuring Entity
- 3. Appointment of the Head of the Procuring Entity

| Audit Sub-objective | | Suggested Au | dit Wo | rking | Paper |
|---|---|---|--------|-------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| To verify if the Procuring Entity validated that the work of individual consultant is: | From the documents justifying the hiring of highly technical consultant, look for | Did the Procuring Entity validate if the work is: | | | |
| a. highly technical orb. proprietary orc. primarily confidential ord. policy determining | information on the that the work is: a. highly technical or b. proprietary or c. primarily confidential | a. highly technical?orb. proprietary? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | or d. policy determining. | or c. primarily confidential? | | | |
| 53.7. Highly Technical Consultants. In the case of individual consultants hired to do work that is (i) highly technical or proprietary; or (ii) primarily confidential or policy determining, | | or d. policy determining | | | |



| Audit Sub-objective | A., alta A. attudat | Suggested Audit Working | | rking | Paper |
|--|--|--|---------|-------|------------------------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| where trust and confidence are the primary consideration for the hiring of the consultant: Provided, however, That the term of the individual consultants shall, at the most, be on a six month basis, renewable at the option of the appointing Head of the Procuring Entity, but in no case shall exceed the term of the latter. | | | | | |
| 2. To verify if the Head of the Procuring Entity hired the individual consultants for a term of at most six months, renewable at the option of the appointing Head of the Procuring Entity, and shall not exceed the term of the Head of the Procuring Entity | 2. From the appointment/job order/contract (including renewals, if any) of the individual consultant look if the term does not exceed six (6) months. 3. Compare the last day | Did the Head of the Procuring Entity hire the individual consultants for a term of at most six months? | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | of the term of the consultant with the last day of the term of the Head of the Procuring | consultant within the term of the Head of the Procuring Entity? | | | |
| • 53.7. Highly Technical Consultants. In the case of individual consultants hired to do work that is (i) highly technical or proprietary; or (ii) primarily confidential or policy determining, where trust and confidence are the primary consideration for the hiring of the consultant: Provided, however, That the term of the individual consultants shall, at the most, be on a six month basis, renewable at the option of the appointing Head of the Procuring Entity, but in no case shall exceed the term of the latter. | Entity. | | | | |
| EVALUATING AUDIT EVIDENCES G | | VICATING THE RESU | JLTS (| OF AL | JDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Work | ing Pap | pers | |

| Audit Sub-objective | | Suggested A | udit Wo | rking | Paper |
|---|---|-------------------------------------|---------|-------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| c. etc. | NOTE: | | | | |
| and develop appropriate audit recommendations Implementing Rules and Regulations | Also refer to the OFFENSES AND PENALTIES portion | | | | |
| (IRR) of RA 9184, as amended on September 2, 2009: | of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Working Papers | | | |
| | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Men applicable | norandu | m (AO | M), if |

NEGOTIATED PROCUREMENT OF CONSULTING SERVICES

SMALL-VALUE PROCUREMENT

Procurement Procedures: NEGOTIATED PROCUREMENT OF CONSULTING SERVICES SMALL-VALUE PROCUREMENT

Negotiated Procurement is a method of procurement for consulting services whereby the procuring entity directly negotiates a contract with a technically, legally, and financially capable consultant in any of the following cases: (1) Two Failed Biddings, (2) Emergency Cases, (3) Take-Over of Contracts, (4) Adjacent or Contiguous, (5) Agency-to-Agency, (6) Highly-Technical Consultants, (7) Small Value Procurement.

Small-Value Procurement - Where the amount of procurement does not exceed the thresholds prescribed in Annex "H" of the IRR, RA 984, the procuring entity shall draw up a list of at least three (3) consultants of known qualifications which will be invited to submit proposals.

The thresholds for this method of procurement are:

- a) For NGAs, GOCCs, GFIs, and SUCs, Five Hundred Thousand Pesos (P500,000).
- b) For LGUs, in accordance with the following schedule:

| | Maximum Amount (in Philippine Peso) | | | | | |
|----------------------------|-------------------------------------|---------|--------------|--|--|--|
| DOF Classification of LGUs | Province | City | Municipality | | | |
| 1st Class | 500,000 | 500,000 | 100,000 | | | |
| 2nd Class | 500,000 | 500,000 | 100,000 | | | |
| 3rd Class | 500,000 | 400,000 | 100,000 | | | |
| 4th Class | 400,000 | 300,000 | 50,000 | | | |
| 5th Class | 300,000 | 200,000 | 50,000 | | | |
| 6th Class | 200,000 | 100,000 | 50,000 | | | |

In the case of barangays, Fifty Thousand Pesos (P50,000).

I. APPROVAL OF THE ALTERNATIVE METHOD

A. AUDIT OBJECTIVE:

To verify if the adoption of the Alternative Method: Small-Value Procurement was in accordance with the rules and regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. copy of the approved Annual Procurement Plan (APP);
- 2. evidences to support the conclusion that public bidding cannot be ultimately pursued;
- 3. analysis leading to the conclusion that the amounts involved are within the threshold provided in Annex "H" of the Revised IRR of RA 9184;
- 4. Minutes of BAC meetings on the deliberations made;
- 5. BAC Resolution recommending the alternative method of procurement: Small-Value Procurement, duly approved by the HOPE.



| | | Suggested Aud | lit Wor | king F | Paper |
|--|---|--|---------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| To verify if the BAC validated: that the original mode of procurement per APP was public bidding but cannot be ultimately pursued; and, the existence of the conditions to justify Small-Value Procurement and the amount involved did not exceed the thresholds in Annex "H" of the Revised IRR of RA 9184. Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | 1. From the evaluation report with supporting documents and minutes of the BAC's meetings and relevant BAC Resolution(s), look for information on the BAC's validation that the original mode of procurement per APP was public bidding but cannot be ultimately pursued and of the existence of the conditions to justify Small-Value Procurement. | Did the BAC validate that the original mode of procurement per APP was public bidding but cannot be ultimately pursued? Did the BAC validate the existence of the conditions to justify Small-Value Procurement? Or b. the amount involved did not exceed the thresholds in Annex "H" of the Revised IRR of RA 9184? | | | |
| 53.9. Small Value Procurement. Where the procurement does the amount involved does not exceed the thresholds prescribed in Annex "H" of this IRR. Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution | | | | | |
| No. 09-2009, dated 23 November 2009: | | | | | |
| 1. SCOPE AND PURPOSE a b. Small Value Procurement of goods, infrastructure projects, and consulting services under 53.9 of the IRR. | | | | | |
| 2. To verify if the BAC: a. recommended the alternative mode of procurement: Small Value Procurement to the HOPE, and | 2. From the BAC Resolution recommending Small-Value Procurement as the method of procurement, look for the approval of the HOPE. | Did the BAC recommend the alternative mode of procurement: Small-Value Procurement to the HOPE? | | | |

| | | Suggested Aud | dit Wor | king F | Paper |
|---|--|--|----------|--------|---------------------------------|
| Audit Sub-objective • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| b. the HOPE approved the alternative method of procurement Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | Did the HOPE approve Small-Value Procurement as the method of procurement? | | | |
| 48.3. The method of procurement to be used shall be as indicated in the Approved Procurement Plan (APP). If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a Resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE. | | | | | |
| EVALUATING AUDIT EVIDENCES G | | CATING THE RESUL | TS OF | AUD | IT |
| 1. To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. | Analyze the instances of non-compliance to establish the effects and develop appropriate audit recommendations. Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. | Appropriate Audit Work | king Pap | pers | |
| and develop appropriate audit recommendations | NOTE: Also refer to the | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | OFFENSES AND PENALTIES portion of this Audit Guide. | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non-compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit Work | king Par | oers | |
| | Also determine if | | | | |



| | Audit Activities | Suggested Audit Working Paper | | | | | |
|---|--|----------------------------------|--------|-------|---------------------------------|--|--|
| Audit Sub-objective • Audit Criteria | | Audit Question | Yes | No | Particulars of the Answer | | |
| | appropriate actions were taken by the auditee in regard to instances of noncompliance. | | | | | | |
| | NOTE: Also refer to the OFFENSES AND PENALTIES portion of this Audit Guide. | | | | | | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Mem applicable | orandu | m (AO | M), if | | |

NEGOTIATED PROCUREMENT OF CONSULTING SERVICES SMALL-VALUE PROCUREMENT

II. PRICE QUOTATIONS AND ACCEPTANCE OF OFFER

A. AUDIT OBJECTIVE

To verify if the Procuring Entity conducted Small-Value Procurement as required by regulations

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

- 1. evidences that the consultants identified were bona fide;
- 2. copy of the requests for price quotations duly received by the consultants;
- 3. copy of the price quotations;
- 4. evidence of posting request for quotations (RFQ);
- 5. documentation of the analysis of the price quotations and the negotiation, leading to the conclusion of what was to be accepted/ compliance with the specifications and other terms and conditions stated in the RFQ:
- 6. documentation of the recommendation to the authorized official of the Procuring Entity;
- 7. documentation of the acceptance of the offer.
- 8. Abstract of Quotations;
- 9. notice of award;
- 10. evidence of posting notice of award

| Audit Sub-objective | | Suggested Audit Working Paper | | | ng Paper |
|--|---|---|-----|----|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| 1. To verify if the Procuring Entity obtained price quotations from at least 3 bona fide consultants Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: • 53.9.1. The procuring entity shall draw up a list of at least three (3) consultants, of known qualifications which will be invited to submit proposals, | From the documentation of the evaluation conducted by the procurement unit of the Procuring Entity, with supporting documents, look for information on whether price quotations were obtained from at least 3 bona fide consultants. | Did the procurement unit of the Procuring Entity obtain price quotations from at least 3 bona fide consultants? | | | the Answer |
| 2. For procurement with an ABC of more than Php 50,000.00, To verify if the procuring entity posted the RFQs in: a. the PhilGEPS, b. the website of the procuring entity, if available | Ahead of the procurement, request the procuring entity for advance information on the schedule of any posting. Access the PhilGEPS website, the website of the procuring entity concerned, if available and print the page where the notice was posted | Did the procurement unit of the Procuring Entity post the RFQ in: a. the PhilGEPS for a period of 7 calendar days? | | | |

| Audit Sub-objective | | Suggested | Audit \ | Norkii | ng Paper |
|--|---|--|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| c. any conspicuous place in the premises of the procuring entity for a period of 7 calendar days Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: 1 2 3. Procedural Guidelines d. RFOs shall also be posted for a period of seven (7) calendar days in the Philippine Government Electronic Procurement System (PhilG-EPS) website, website of the procuring entity, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity. However, in the following instances, the posting requirement shall not be applicable: i ii. RFQs with ABCs equal to Fifty Thousand Pesos (Php 50,000.00) and below. | (to form part of the audit evidences). 4. Conduct ocular inspection on the schedule of posting. | b. the website of the procuring entity for a period of 7 calendar days? c. any conspicuous place in the premises of the procuring entity for a period of 7 calendar days? | | | the Answer |
| 3. To verify if the procuring entity prepared an Abstract of Quotations after the deadline for submission of price quotations and determined the highest rated offer Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: 1 2 3. Procedural Guidelines e. After the deadline for submission of price quotations, an Abstract of Quotations shall be prepared setting forth the names of those who responded | 5. Look for the Abstract of Quotations and check for the indication of the highest rated offer. 6. Compare the date of the Abstract of Quotations with the deadline for submission of price quotations as indicated in the RFQs. | Did the procurement unit of the Procuring Entity prepare an Abstract of Quotations? Did the procurement unit of the Procuring Entity prepare an Abstract of Quotations after the deadline for submission of price quotations? | | | |

| Audit Sub-objective | Audit Sub-objective Suggested Audit Working Paper | | | | |
|--|--|---|-----|----|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| to the RFQ, their corresponding price quotations, and the highest rated offer submitted. | | Did the procurement unit of the Procuring Entity determine the highest rated offer? | | | the Answer |
| 4. To verify if the procuring entity made the award of contract to the consultant with the highest rated offer which complied with the specifications and other terms and conditions stated in the RFQ Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: 1 2 3. Procedural Guidelines h. Award of contract shall be made, after successful negotiations, to the highest rated offer which complies with the specifications and other terms and conditions stated in the RFQ. | 7. Compare the name of consultant with the <i>highest rated offer</i> as indicated in the Abstract of Quotation with the name of consultant who was awarded the contract. 8. From the documentation of the evaluation of price quotations and negotiations conducted by the procuring entity, look for the verification on the compliance with the specifications and other terms and conditions stated in the RFQ. | Did the procuring entity award the contract to the consultant with the highest rated offer which complied with the specifications and other terms and conditions stated in the RFQ? | | | |
| 5. For procurement with an ABC of more than Php 50,000.00, To verify if the procuring entity posted the award in: a. the PhilGEPS, b. the website of the procuring entity, if available c. any conspicuous place in the premises of the procuring entity Guidelines for Shopping and Small Value Procurement covered by GPPB Resolution No. 09-2009, dated 23 November 2009: 1 | 9. Ahead of the procurement, request the procuring entity for advance information on the schedule of any posting. 10. Access the PhilGEPS website, the website of the procuring entity concerned, if available and print the page where the award was posted (to form part of the audit evidences). 11. Conduct ocular inspection on the schedule of posting. | Did the procuring entity post the award in: a. the PhilGEPS? b. the website of the procuring entity? c. any conspicuous place in the premises of the procuring entity? | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | |
|--|---|-------------------------------|----------|--------|----------------|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| i. For information purposes, all awards shall be posted in the PhilG-EPS website, website of the procuring entity, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity except for those with ABCs equal to Fifty Thousand Pesos (Php 50,000.00) and below. EVALUATING AUDIT EVIDENCE 1. To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; b. validity of any payment to be made on the basis of the contract; c. etc. and develop appropriate audit recommendations Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the | | | SULT | S OF | the Answer |
| that they have been duly invited in writing. 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non- compliances to establish the cause(s) and develop appropriate audit | Appropriate Audit Wo | orking I | Papers | |
| audit recommendations | Also determine if appropriate actions were taken by the auditee in regard to instances of non-compliance. NOTE: Also refer to the OFFENSES AND | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|--|---|-----|----|----------------|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | |
| | | | | | the Answer | |
| | PENALTIES portion of this <i>Audit Guide</i> . | | | | | |
| 3. To communicate the results of the audit with the auditee's Management • COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation Memorandum (AOM), if applicable | | | | |

Other criteria:

- 54.1. Splitting of Government Contracts is not allowed. Splitting of Government Contracts means the division or breaking up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or subcontracts for the purpose of evading or circumventing the requirements of law and this IRR, specially the necessity of public bidding and the requirements for the alternative methods of procurement.
- 54.4. Except for Limited Source Bidding under Section 49 of this IRR, submission of bid securities may be dispensed with.
- 54.5. Performance and warranty securities, as prescribed in Sections 39 and 62 of this IRR, shall be submitted for contracts acquired through the alternative methods of procurement, except for Shopping under Section 52 and Negotiated Procurement under Sections 53.2 emergency cases), 53.9 (small value procurement), 53.10 (lease of real property), and 53.13 (UN agencies).

ON OFFENSES AND SANCTIONS / PENALTIES

ON OFFENSES AND SANCTIONS/PENALTIES

A. AUDIT OBJECTIVES

- 1. To verify if the Head of the Procuring Entity initiated the conduct of investigation and recommended the imposition of sanctions/ penalties to both the public officials and private individuals who did not comply with the provisions of the procurement law
- 2. To verify if the Head of the Procuring Entity exercised his power judiciously

B. SUB-OBJECTIVES, CRITERIA, VALIDATION PROCEDURES & SUGGESTED WORKING PAPER

Documents needed for evaluation:

- 1. Audit Observation Memoranda;
- 2. certified copy of project monitoring reports prepared by the BAC as approved and submitted by the HOPE to the GPPB;
- 3. reports / comments of observers.

| Audit Sub-objective | | Suggested A | Audit W | orkino | g Paper |
|--|--|--|--------------------|------------------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| | | | | | the Answer |
| 1. To verify if the Head of the Procuring Entity (HOPE) initiated the conduct of investigation and recommended the imposition of sanctions/ penalties to erring public officials who committed any of the following: | 1. Consolidate the offenses committed by officials of the Procuring Entity mentioned in: Audit Observation Memoranda, reports/comments of observers, certified copies of project monitoring reports prepared by the BAC as approved and submitted by the HOPE to the GPPB, relevant reports of the BAC, and monitoring reports of the TSO, GPPB. | Appropriate Audit the Consolidated L possible sanctions, information on the Procuring Entity Did the HOPE | ist of C penalt | Offens ies, w | es and ith |
| a. Opening any sealed bid or divulging their contents, prior to the appointed time for the public opening of Bids or other documents. b. Delaying, without | | initiate the conduct of investigation? Did the HOPE recommend the imposition of | | | |
| justifiable cause, the b.1 screening for eligibility, b.2 opening of bids, b.3 evaluation | 3. Obtain copies of documents showing the actions taken by the Procuring Entity in regard to the offenses and imposition of | penalty (ies)? | | | |
| b.4 post qualification of bids, b.5 and awarding of contracts c. Unduly influencing or exerting undue pressure on | sanctions/penalties. | | | | |

| Audit Sub-objective | | Suggested A | Audit W | /orkin | g Paper |
|--|------------------|----------------|---------|--------|---------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| c.1 any member of the BAC or c.2 any officer or employee of the procuring entity | | | | | |
| to take a particular action which favors, or tends to favor a particular bidder. | | | | | |
| d. Splitting of contracts | | | | | |
| Implementing Rules and Regulations (IRR) of to RA 9184, as amended on September 2, 2009: | | | | | |
| 65.1 Without prejudice to the provisions of R.A. 3019 and other penal laws, public officers who commit any of the following acts shall suffer the penalty of imprisonment of not less than six (6) years and one (1) day, but not more than fifteen (15) years: | | | | | |
| a) Opening any sealed bid including but not limited to Bids that may have been submitted through the electronic system and any and all documents required to be sealed or divulging their contents, prior to the appointed time for the public opening of Bids or other documents. | | | | | |
| b) Delaying, without justifiable cause, the screening for eligibility, opening of bids, evaluation and post evaluation of bids, and awarding of contracts beyond the prescribed periods of action provided for in this IRR. | | | | | |
| c) Unduly influencing or exerting undue pressure on any member of the BAC or any officer or employee of the procuring entity to take a particular action which favors, or tends to favor a particular bidder. | | | | | |
| d) Splitting of contracts which exceed procedural purchase limits to avoid competitive bidding or to circumvent the limits of approving or procurement authority. | | | | | |

| Audit Sub-objective | | Suggested A | Audit M | /orkin | n Paner | | | |
|--|---|--|--|---|--|--|--|--|
| • Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | | | |
| Tiddin orneria | | Addit Question | 103 | 140 | the Answer | | | |
| 2. To Verify if the HOPE conducted investigation and recommended the imposition of sanctions/ penalties to private individuals and any public officer conspiring with them, for any of the following violations: | Consolidate the offenses committed by private individuals with any official of the Procuring Entity mentioned in: Audit Observation Memoranda, reports/comments of observers, certified copies of project monitoring reports prepared | Appropriate Audit the Consolidated L possible sanctions, information on the Procuring Entity Did the HOPE | ist of 0. /penalt | Offens ies, w | es and ith | | | |
| a. submission of falsified eligibility documents, | by the BAC as approved and submitted by the HOPE to the GPPB, relevant reports of the BAC, and monitoring reports of the TSO, GPPB. | by the BAC as approved and submitted by the HOPE to the GPPB, relevant reports of the BAC, and monitoring reports of the TSO, GPPB. Identify the sanctions for the | by the BAC as approved and submitted by the HOPE to the GPPB, relevant reports of the BAC, and monitoring reports of the TSO, GPPB. Identify the sanctions for the | submitted by the HOPE to the GPPB, relevant reports of the BAC, and monitoring reports of the TSO, GPPB. Identify the sanctions for the | initiate the conduct of investigation? | | | |
| b. submission of bids that contained false information,c. participating in public bidding using the name of another, | | | | | relevant reports of the BAC, and monitoring reports of the TSO, GPPB. Identify the sanctions for the | relevant reports of the BAC, and monitoring reports of the TSO, GPPB. Identify the sanctions for the | and monitoring reports of the TSO, GPPB. 2. Identify the sanctions for the | Did the HOPE recommend the imposition of penalty (ies)? |
| d. allowing another to use one's name to participate in a public bidding, | 3. Obtain copies of documents showing the actions taken by the Procuring Entity in regard to the offenses and imposition of | | | | | | | |
| e. withdrawing a bid, after he had been adjudged as the LCB/HRB, | sanctions/penalties. | | | | | | | |
| f. refusing to accept an award and to enter into contract, after he had been adjudged as the LCRB/HRRB, | | | | | | | | |
| g. refusal or failure to post the required performance security, | | | | | | | | |
| h. termination of the contract, | | | | | | | | |
| i. refusal to clarify or validate in writing its bid during post qualification within a period of seven calendar days from receipt of the request for clarification, | | | | | | | | |
| j. withdrawing from bidding habitually, | | | | | | | | |
| k. submitting late Bids or patently insufficient bid for at | | | | | | | | |



| Audit Sub-objective | | Suggested A | Audit W | orkin | g Paper |
|--|------------------|----------------|---------|-------|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| least three (3) times within a year. | | | | | the Allawei |
| I. attempt by a bidder to unduly influence the outcome of the bidding in his favor. | | | | | |
| Implementing Rules and Regulations (IRR) of to RA 9184, as amended on September 2, 2009: | | | | | |
| 65.3. Private individuals who commit any of the following acts, and any public officer conspiring with them, shall upon conviction, suffer the penalty of imprisonment of not less than six (6) years and one (1) day but not more than fifteen (15) years: | | | | | |
| a) Submitting eligibility requirements of whatever kind and nature that contain false information or falsified documents calculated to influence the outcome of the eligibility screening process or conceal such information in the eligibility requirements when the information will lead to a declaration of ineligibility from participating in public bidding. | | | | | |
| b) Submitting Bidding Documents of whatever kind and nature that contain false information or falsified documents or conceal such information in the Bidding Documents, in order to influence the outcome of the public bidding. | | | | | |
| c) Participating in a public bidding using the name of another or allowing another to use one's name for the purpose of participating in a public bidding. | | | | | |
| d) Withdrawing a bid, after it shall have qualified as the Lowest Calculated Bid/Highest Rated Bid, or refusing to accept an award, without just cause or for the purpose of forcing the procuring entity to award the contract to another bidder. This shall include the non-submission within the prescribed time, or delaying the | | | | | |

| Audit Sub-objective | | Suggested A | Audit W | /orkin | g Paper |
|---|------------------|----------------|---------|--------|------------------------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer |
| submission of requirements such | | | | | 110 71134401 |
| as, but not limited to, | | | | | |
| performance security, preparatory | | | | | |
| to the final award of the contract. | | | | | |
| • 69.1 the Head of the Procuring | | | | | |
| Entity, subject to the authority | | | | | |
| delegated to the BAC, if any, shall | | | | | |
| impose on bidders or prospective | | | | | |
| bidders, the administrative penalty of suspension for one (1) year for | | | | | |
| the first offense, and suspension | | | | | |
| of two (2) years for the second | | | | | |
| offense from participating in the | | | | | |
| public bidding process, as well as | | | | | |
| disqualification from further | | | | | |
| participating in the public bidding being undertaken by the procuring | | | | | |
| entity concerned, where | | | | | |
| applicable, for the following | | | | | |
| violations: | | | | | |
| a) Submission of eligibility | | | | | |
| requirements containing false | | | | | |
| information or falsified documents. | | | | | |
| b) Submission of Bids that contain | | | | | |
| false information or falsified | | | | | |
| documents, or the concealment of | | | | | |
| such information in the Bids in | | | | | |
| order to influence the outcome of eligibility screening, or any other | | | | | |
| stage of the public bidding. | | | | | |
| c) Allowing the use of one's name, | | | | | |
| or using the name of another for | | | | | |
| purposes of public bidding. | | | | | |
| d) Withdrawal of a bid, or refusal | | | | | |
| to accept an award, or enter into | | | | | |
| contract with the Government | | | | | |
| without justifiable cause, after he | | | | | |
| had been adjudged as having submitted the Lowest Calculated | | | | | |
| Responsive Bid or Highest Rated | | | | | |
| Responsive Bid. | | | | | |
| e) Refusal or failure to post the | | | | | |
| required performance security | | | | | |
| within the prescribed time. | | | | | |
| f) Termination of the contract due | | | | | |
| to the default of the bidder. | | | | | |
| g) Refusal to clarify or validate in | | | | | |
| writing its bid during post- | | | | | |
| qualification within a period of | | | | | |
| seven (7) calendar days from | | | 1 | | |

| Audit Sub-objective | | Suggested A | Audit W | /orkin | g Paper |
|--|--|---|---------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| receipt of the request for clarification. | | | | | the Answer |
| h) Any documented attempt by a bidder to unduly influence the outcome of the bidding in his favor. | | | | | |
| i) All other acts that tend to defeat the purpose of the competitive bidding, such as habitually withdrawing from bidding, submitting late Bids or patently insufficient bid, for at least three (3) times within a year, except for valid reasons. | | | | | |
| 3. To verify if the HOPE | 3. Based on the Audit Observation Memorandum and | Was the ground or reason of the | | | |
| exercised his power judiciously in the | reports/ comments of | HOPE for any of | | | |
| performance of the following: | observers, if any, on | the following | | | |
| a. rejecting any and all bids | a. declaring failure of bidding | actions valid: | | | |
| b. declaring failure of bidding | b. not awarding the contract | a. declaration of failure of | | | |
| c. not awarding the contract | c. disapproving the results of bid evaluation/ HRB | bidding? | | | |
| d. disapproving the results of bid evaluation/ HRB | d. disapproving the short list of consultants | b. non-award of the contract? | | | |
| e. disapproving the short list of consultants | and documentation on the rejection of any and all bids, validate the grounds or reasons by the HOPE. | c. disapproval of the results of bid evaluation/ | | | |
| Implementing Rules and Regulations (IRR) of to RA 9184, as amended on September 2, 2009: | | HRB? | | | |
| • 65.1 | | d. disapproval of the short listed | | | |
| e) Abuse by the Head of the Procuring Entity of his power to reject any and all bids as mentioned under Section 41 of the Act and this IRR, with manifest | | e. rejection of any and all bids? | | | |
| preference to any bidder who is closely related to him in accordance with Section 47 of the | | NOTE: For "NO" | | | |
| • 41. Reservation Clause | | answers, the Auditor may conduct further | | | |
| The Head of the Procuring Entity reserves the right to reject any and all bids, declare a failure of bidding, or not award | | audit and enhance this Audit Guide by incorporating the identified additional audit | | | |

| Audit Sub-objective | | Suggested A | udit W | Working Paper | | |
|---|------------------|---|--------|---------------|----------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of | |
| the contract in the following situations: a) If there is prima facie evidence of collusion between appropriate public officers or employees of the procuring entity, or between the BAC and any of the bidders, or if the collusion is between or among the bidders themselves, or between a bidder and a third party, including any act which restricts, suppresses or nullifies or tends to restrict, suppress or nullify competition; b) If the BAC is found to have failed in following the prescribed bidding procedures; or c) For any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the GOP, as follows: (i) if the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible, as determined by the Head of the Procuring Entity; (ii) if the project is no longer necessary as determined by the Head of the Procuring Entity; and (iii) if the source of funds for the project has been withheld or reduced through no fault of the procuring entity. | | objectives and criteria. Otherwise, he/she may recommend a fraud or performance audit to the proper COA Office. | | | the Answer | |
| • 47. Disclosure of Relations All bids shall be accompanied by a sworn affidavit of the bidder that it is not related to the Head of the Procuring Entity, members of the BAC, the TWG, and the BAC Secretariat, the head of the PMO or the end-user unit, and the project consultants, by consanguinity or affinity up to the third civil degree. Failure to comply with the aforementioned provision shall be a ground for the automatic disqualification of the bid in consonance with Section 30 of this IRR. For this reason. | | | | | | |

| Audit Sub-objective | | Suggested Audit Working Paper | | | | |
|---|------------------|-------------------------------|-----|----|------------------------------|--|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of the Answer | |
| persons within the third civil degree of consanguinity or affinity shall automatically disqualify the bidder from participating in the procurement of contracts of the procuring entity. On the part of the bidder, this provision shall apply to the following persons: a) If the bidder is an individual or a sole proprietorship, to the bidder himself; b) If the bidder is a partnership, to all its officers and members; c) If the bidder is a corporation, to all its officers, directors, and controlling stockholders; and d) If the bidder is a joint venture, the provisions of items (a), (b), or (c) of this Section shall correspondingly apply to each of the members of the said joint venture, as may be appropriate. • 33.4. The entire evaluation process, including the submission of the results thereof to the Head of the Procuring Entity for approval, shall be completed in not more than twenty-one (21) calendar days after the deadline for receipt of proposals. The proposal with the highest score shall be identified as the Highest Rated Bid. | | | | | | |
| 24.5.4. The BAC shall recommend the short list of consultants to the Head of the Procuring Entity for consideration and approval. The entire process of eligibility check and short listing shall not exceed twenty (20) calendar days. | | | | | | |
| • 37.1.3 In the event the Head of the Procuring Entity shall disapprove such recommendation, such disapproval shall be based only on valid, reasonable, and justifiable grounds to be expressed in writing, a copy furnished the BAC. | | | | | | |
| Generic Procurement Procedures for the Procurement of Consulting | | | | | | |

| Audit Sub-objective | | Suggested A | Audit W | /orkin | g Paper |
|---|---|-----------------------------------|----------|--------|----------------|
| Audit Criteria | Audit Activities | Audit Question | Yes | No | Particulars of |
| Services Volume 4, June 2006, published by the GPPB: • How is a contract awarded? 5 In case of disapproval of the recommendation of award the HOPE shall state the reasons for disapproval and instruct the BAC on the subsequent actions to be adopted. | | | | | the Answer |
| EVALUATING AUDIT EVIDENCE | S GATHERED AND COMMUNI | CATING THE RES | ULTS (| OF AL | JDIT |
| To verify the effects of instances of non-compliance on the: a. validity of the procurement activities and outputs including the validity of the resulting contract; | Analyze the instances of non- compliance to establish the effects and develop appropriate audit recommendations. | Appropriate Audit W | orking F | Papers | |
| b. validity of any payment to be made on the basis of the contract;c. etc. | | | | | |
| and develop appropriate audit recommendations | | | | | |
| Implementing Rules and Regulations (IRR) of RA 9184, as amended on September 2, 2009: | | | | | |
| Observers shall be invited at least three (3) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings, provided that they have been duly invited in writing. | | | | | |
| 2. To verify the causes of instances of non-compliance and develop appropriate audit recommendations | Analyze the instances of non- compliances to establish the cause(s) and develop appropriate audit recommendations. | Appropriate Audit W | orking F | Papers | |
| 3. To communicate the results of the audit with the auditee's Management COA Circular No. 2009-006 dated September 15, 2009 re- Prescribing the Use of the Rules and Regulations on Settlement of Accounts | Prepare the appropriate audit/ validation document reflecting the results of the audit/validation and transmit to Management | Audit Observation M applicable | emoran | idum (| AOM), if |

