

Republic of the Philippines
Department of Public Highways
OFFICE OF THE SECRETARY
M a n i l a

August 5, 1977

DEPARTMENT ORDER NO. 36-D

36-D

TO: All Heads of Bureaus, Regional Offices, Equipment Depots, District Offices, Area Shops and Department Proper Services

DPH Department Orders Nos. 36 and 36-B dated January 21, 1977 and March 2, 1977, respectively, governing procurement of supplies and non-personal services, are hereby amended to delete entirely Rules 2 and 14 and instead include the pertinent provisions of Budget Memorandum Circular No. 194 dated April 2, 1977 and Letter of Instruction No. 565 dated June 30, 1977, viz.:

" 2 PROCUREMENT PROGRAMS

" 2.1 Types of Procurement Programs - All Bureaus, Regional Offices Equipment Depots, District Offices, Area Shops and Department Proper Services, having appropriations against which a procurement contract can create a charge, shall file the procurement programs required hereunder.

" 2.1.1 Executive Order No. 274 dated November 24, 1970 (Appendix A)
- for expendable and semi-expendable supplies only.

(i) Annual Supplies Procurement Program - An itemized list showing quantity, description and estimated cost of supplies required for a budget year planned for procurement out of funds to be allotted to them.

(ii) Supplementary Supplies Procurement Program - An itemized list showing quantity, description and estimated cost of additional supply requirements out of additional funds allotted to them and which are not covered by the funds of the Annual Supplies Procurement Program.

(iii) Amendatory Supplies Procurement Program - An itemized list showing the required supplies for a budget year in lieu of those deleted, or cancelled or authorized from the approved Annual Supplies Procurement Program, but in no case shall the amendment by deletion, cancellation and/or substitution amount to more than 15% of the ap-

proved Annual Supplies Procurement Program.

" 2.1.2 Budget Memorandum Circular No. 194 dated April 2, 1977 (Appendix PP) - for non-expendable supplies only.

- (i) Agency Annual Equipment Procurement Program - This program, supportive of the initial Work and Financial Plan, is a comprehensive listing of the equipment requirements of each budgetary project to be procured during the budget year through a comprehensive release of allotments.

" 2.2 Preparation and submission of Procurement Programs -

" 2.2.1 Prescribed Forms - The following prescribed forms shall be used in the accomplishment of the Procurement Programs:

- (i) BSC Form No. 3 - Annual Supplies Procurement Program (Appendix B)
- (ii) BSC Form No. 3-A - Supplementary Supplies Procurement Program (Appendix C)
- (iii) BSC Form No. 3-B - Amendatory Supplies Procurement Program (Appendix D)
- (iv) BC Form No. ____ - Agency Annual Equipment Procurement Program (Appendix QQ)

" 2.2.2 Procurement Objectives - All Procurement Programs shall be in accordance with the procurement objectives of the Department.

" 2.2.3 Commodity Grouping - All items in the Procurement Programs shall be listed in accordance with the commodity grouping which the Bureau of Supply Coordination will publish from time to time (Appendix E). Expendable supplies shall be listed separately from non-expendable supplies. Expendable supplies are those items carried in the Appropriations Act as object class 07, while non-expendable supplies are those items carried under object class 21.

" 2.2.4 Approval - All Procurement Programs, submitted in the required copies, are subject to approval in the following manner:

- (i) Annual Supplies Procurement Program - to be submitted in five (5) copies to the Department for approval. The copies shall be distributed as follows: The original and a carbon copy to the Department; and a carbon copy each for

the Accounting Unit of the office concerned, the Regional Office or Bureau, and the office concerned.

- (ii) Agency Annual Equipment Procurement Program - to be submitted in six (6) copies. thru the Department, to the Budget Commission for review and approval.

" 2.2.5 Dates of Submission - All heads of District Offices, Equipment Depots and Area Shops shall submit to the Regional Director concerned their Procurement Programs on the dates specified hereunder. Bureau Directors and Regional Directors shall submit direct to the Department in the same manner and time.

- (i) The Annual Supplies Procurement Program for the next budget year shall be submitted to the Department not later than October 1 of the current year; the Supplementary Supplies Procurement Program may be prepared and submitted at any time during the current year as occasion demands.
- (ii) The Agency Annual Equipment Procurement Program shall be submitted to the Budget Commission not later than December 1 or thirty (30) days before the start of the budget year.

" 2.3 Consolidation of Procurement Programs - The Regional Office concerned, upon receipt of these programs, shall draw its own program of procurement to find out the overall needs of the offices under it and determine the system of procurement that will be most effective. It may group the items into the following:

- (i) Those that will be placed under the Direct Order and Payment System.
- (ii) Those that may be procured thru the normal bidding procedure (public Bidding) by the Regional Office concerned upon submission of proper requisition.
- (iii) Those that may be recommended for delegation or assignment to the District Offices concerned if it is found that it will be more advantageous for those offices to procure, including items peculiar to their needs.
- (iv) Those that may be recommended for procurement by negotia-

tion under existing regulations, including those obtainable from government agencies and foreign governments.

(v) Those that may be carried in the stores of the Regional Offices.

(vi) Those that may be filled from surplus or excess items.

" 2.3.1 The region's consolidated Programs of Procurement shall be forwarded for approval by the Department or the Budget Commission as the case may be. When approved, the Department shall issue the necessary implementing instructions. The region shall advise all offices under it of the action taken on their programs for their information and guidance.

"14 RESTRICTIONS AND LIMITATIONS

"14.1 Restrictions - Purchases of expendable and non-expendable supplies shall be restricted as follows:

- (i) The purchase of transport and construction equipment, books, drugs and medicines, and other items as may be specified from time to time shall be made only after approval by the Office of the President as required in Letter of Implementation No. 29 dated December 5, 1975 and reiterated in Letter of Instruction No. 565 dated June 30, 1977 (Appendix RR).
- (ii) Purchase of steel bars from the linkage agreement and other sources are hereby prohibited except when the prices offered are lower than the price of the National Steel Corporation or in the event that the needed steel bars are not available in stock and provided the price does not exceed the manufacturers' price fixed for reinforcing steel bars by the Iron and Steel Authority in accordance with the Memorandum dated November 8, 1974 of the Office of the President (Appendix KK).
- (iii) Purchase of delineator posts, road paints, reflectorized paints, traffic signs and markers, and reflectors shall be made only after prior consultation with and approval by the Secretary.

"14.2 Limitations - Approval of all requisitions, purchase orders and

contracts for all supplies and non-personal services by Bureau and Regional Directors shall be limited to ₱5,000.00 each, notwithstanding the provisions of Executive Order No. 284 dated January 19, 1971 except in the following cases:

- (i) Purchase of expendable supplies and non-personal services by public bidding under Rule 5.1 (iii) hereon, which are exclusively the growth of the locality, such as sand, gravel, adobe, lumber, etc.;
- (ii) Transfer of excess supplies from one office to another within the Department;
- (iii) Direct purchase of all expendable supplies from stores of government agencies under Rule 3.1 (iii) hereon;
- (iv) Direct purchase of cement thru the DBP linkage agreement; and
- (v) Direct purchase of steel bars from the National Steel Corporation.

"14.2.1 Pursuant to Letter of Instruction No. 565 dated June 30, 1977 (Appendix RR), authority to purchase non-expendable supplies is delegated to the Secretary/Bureau Director/Regional Director in the following cases and subject to actual availability of funds released by allotment or sub-allotment:

- (i) when the equipment purchases are in implementation of an Agency Annual Equipment Procurement Program approved by the Budget Commission;
- (ii) when the equipment to be purchased are intended to replace those that have either been lost or destroyed by fire, earthquake, floods or other calamity provided, that such agency action is based on an Inventory and Inspection Report duly certified by its Resident Auditor;
- (iii) when the equipment to be purchased are specifically called for in an existing international commitment;
- (iv) in times of emergency and upon declaration by the President of a state of calamity, when the equipment are directly supportive of relief and rehabilitation efforts of the appropriate agencies;

(v) when equipment are purchased from a special fund purposely set up for the purchase of specific items.

"14.2.2 Equipment funds may be used to fabricate necessary furniture and other equipment, provided that such fabricated furniture follow acceptable standards as may be approved by the agency head.

"14.2.3 All existing blanket authorizations for agency purchase of equipment are hereby modified as necessary to be consistent with Rules 14.2.1 to 14.2.3.

"14.2.4 Nothing in the aforecited rules shall be construed as authorizing the purchase of equipment in the absence of budgetary allotments or out of prior years' invalid certifications to accounts payable."

For the purpose of having a current procurement program, it is directed that the equipment requirements for the 3rd and 4th quarters of Calendar Year 1977 be listed according to the instructions at the back of the Agency Annual Equipment Procurement Program (Appendix QQ), to be submitted within this month thru this Department (Attn.: Financial and Management Service) for appropriate action prior to transmittal to the Budget Commission for approval.

The foregoing amendments are effective immediately and strict compliance is enjoined. Any equipment purchase in violation of the above provisions shall subject the office head concerned to administrative discipline and court action if warranted.

BALTAZAR AQUINO
Secretary

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