UNIVERSITY OF SOUTHERN MINDANAO

COLLEGE OF BUSINESS, DEVELOPMENT ECONOMICS AND MANAGEMENT

ACCOUNTANCY DEPARTMENT

BACHELOR OF SCIENCE IN MANAGEMENT ACCOUNTING





AACCUP LEVEL 1 ACCREDITATION

AREA X
ADMINISTRATION

S.1. The institution has an approved procurement management system in consonance with the Revised IRR of RA 9184 (Government Procurement Reform Act).

UNIVERSITY OF SOUTHERN MINDANAO

PURCHASING PROCEDURE

Document No.	USM- PRO-003-Rev.5.2020.11.18	Rev. No.	5	Page 1 of 5

EFFECTIVE DATE	REV. NO.	REVISION TYPE	CHANGE DESCRIPTION	PAGE AFFECTED	ORIGINATOR
November 18, 2020	5	Partial	Insertion of Suppliers Evaluation Forms	4	SHIRLY J. MONDIA
June 18, 2020	4	Partial	Revision of the Procedure Details in accordance with Republic Act 9184 and Quality Management System requirements	3	SHIRLY J. MONDIA
February 18, 2020	3	Partial	Insertion of providing feedback mechanism and assignment of responsibilities of providing feedback	ALL	SHIRLY J. MONDIA
September 05, 2019	2	Partial	Revision of the Procedure Details in accordance with Republic Act 9184 and Quality Management System requirements	3, 4 and 5	SHIRLY J. MONDIA
February 15, 2018	1	Total	Revision of the Procedure Details in accordance with Republic Act 9184 requirements	ALL	SHIRLY J. MONDIA
August 22, 2016	0	New	Newly established in accordance to the Quality Management System requirements	ALL	CEFERINO A. BRAVO

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1. **PURPOSE**
The Purchasing Procedure is established to have a system in acquisition of products, materials and services needed by the organization to have an effective operation, and comply with the standards and requirements set forth by the Implementing Rules and Regulations (IRR of RA 9184).

2. **SCOPE**
This procedure shall cover the process of requisition of products, materials and services, receipt of quotation from the suppliers, preparation and issuance of purchase orders, receiving, checking and monitoring of purchased items and their issuance to the requisitioning party/end user. All colleges and offices in this university shall have a copy of this procedure.

3. **RESPONSIBILITY AND ACCOUNTABILITY**
3.1 **Requisitioning Unit/End User** shall be responsible for the formulation of the specification(s) of the item(s) to be requested/incorporated in their Project Procurement Management Plan (PPMP).
3.2 The **President** as the Head of Procuring Entity (HOPE), shall be the one to approve all Purchase Request and Purchase Orders.
3.3 The **BAC Secretariat and Technical Working Group** (TWG) shall expedite the procurement process.
3.4 **University Canvasser** shall be responsible for the canvassing of the item(s)/product(s)/good(s) requested to the prospected suppliers.
3.5 **University Purchaser** shall be responsible for the facilitation and acquisition of the requested item(s)/product(s)/good(s) from the approved Purchase Order.
3.6 **Property Officer** and **Requisitioning Party/End User** shall be responsible for the receipt of the delivered item(s)/product(s) in conformance with the specification(s) set.
3.7 **University Finance Management Service (FMS)** shall take responsibility for the management of all financial matters of the University.
3.8 **The Internal Audit Service Team** (IAS) shall ensure the accuracy of the quality and quantity of the delivered item(s)/product(s) by the suppliers as set forth in the Purchase Order.
3.9 The **Supply Personnel** shall be responsible for the payment preparation, distribution and control of the product(s)/item(s) purchased by the requisitioning party/end user.

4. **DEFINITION OF TERMS**
4.1 **Procurement** is the process of selecting and acquiring goods and services on the basis of the Implementing Rules and Regulation (IRR) of Republic Act 9184.
4.2 **Republic Act 9184** is an act regulating the entire procurement process.
4.3 **HOPE** stands for Head of the Procuring Entity which is the University President.
4.4 **BAC** refers to Bids and Awards Committee with the following composition: BAC Chairman, BAC Members, BAC Secretariat and Technical Working Group (TWG).
4.5 **TWG** refers to the Technical Working Group appointed by the BAC Chairman.
4.6 **Public/Competitive Bidding** refers to a method of procurement which is open to participation by any interested party.
4.7 **Negotiated Procurement** is a method of procurement of Goods, Infrastructure Projects and Consulting Services, whereby the Procuring Entity directly negotiates a contract with a technical, legally and financially capable supplier, contractor or consultant.
4.8 **Direct Contracting** 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.
4.9 **Repeat Order** is a method of procurement of Goods from the previous winning bidder.
4.10 **Shopping** is a method of procurement of Goods whereby the Procuring Entity simply request for the submission of price quotations for readily available good(s)/equipment(s) to be procured directly from suppliers of known qualification.
4.11 **Small Value Procurement** is a procurement of Goods, Infrastructure Projects and Consulting Services, where the amount involved does not exceed the threshold prescribed in the IRR of RA 9184.
4.12 **Agency to Agency** procurement of Goods, Infrastructure Projects and Consulting Services from another agency of the Government of the Philippines.

5. **REFERENCES**
5.1. USM Quality Management System Manual (USM-QMS-002-Rev.3.2020.02.28)
5.2. RA 9184
5.3. USM Code
5.4. Internal Audit Service Manual
5.5. COA Regulations Manual

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6. **PROCEDURE DETAILS**

6.1 Requisition of Products/Materials/Services – 15 days (Consolidation – 10, PR – 5)

6.1.1 The End User shall submit their PPMP before the deadline set by the management.

6.1.2 The BAC Secretariat shall prepare the consolidated Purchase Request (USM-SYS-Fag-Rev.1.2020.03.02) for commonly used office supplies and the End-User for highly technical item(s)/product(s) to be purchased based on the PPMP submitted.

6.1.3 Prepared Purchase Request will be submitted to the Records Office for barcoding and shall be forwarded to the BAC Office for verification against the PPMP.

6.1.4 Verified Purchase Request shall then be forwarded to the Property Office for numbering and signature of the Head certifying as to the non-availability of the item(s), justifying the need for procurement.

6.1.5 The Budget Officer shall certify the budget allocation for the requested item(s)/product(s).

6.1.6 The Head of the Finance & Management Services (FMS) shall recommends the approval of the item(s)/product(s) to be purchased.

6.1.7 The President, as the Head of Procuring Entity (HOPE) approves the Purchase Request.

6.2 Upon approval of the Purchase Request, the BAC Secretariat shall prepare Request for Quotation (RFQ) and post the approved Purchase Request together with the Request for Quotation in the PhilGEPS Website within three (3) working days.

6.3 As a general rule all procurement must undergo open and competitive bidding.

6.3.1 For procurement subject to public/competitive bidding (ABC of ₱50,000.00 and above) the following procedures and timeline are to be undertaken as stated below:

6.3.1.1 Pre-procurement Conference - (Day 1 after posting @ PhilGEPS)

6.3.1.2 Advertisement/Posting of Invitation to Bid – (Day 1 to 7)

6.3.1.3 Pre-Bid Conference – (Day 8 to 40)

6.3.1.4 Deadline of Submission and Receipts of Bids/Opening of Bids – (Day 52)

6.3.1.5 Bid Evaluation – (Day 53 to 59)

6.3.1.6 Post-Qualification by TWG – (Day 60 to 104)

6.3.1.7 Approval of Resolution/Issuance of Notice of Award – (Day 105 to 119)

6.3.1.9 Contract Preparation and Signing – (Day 120 to 129)

6.3.1.10 Issuance of Notice to Proceed – (Day 130 to 136)

6.3.2 For Alternative Methods of Procurement:

6.3.2.1 Direct Contracting – the following steps are to be undertaken:

6.3.2.1.1 The BAC shall prepare the RFQ or pro-forma invoice together with the terms and conditions of sale, and shall send the same to the identified direct supplier.

6.3.2.1.2 Simplified negotiations on the terms and conditions of the contract may be conducted by the BAC to ensure that the supplier is technically, legally and financially capable to deliver the goods at the most advantageous price and contract for the Government.

6.3.2.1.3 The BAC shall recommend to the HOPE that the Procurement Contract be awarded in favor of the winning bidders.

6.3.2.2 Repeat Order - (not to exceed 25% of the quantity of each item in the original contract), the following procedures are to be undertaken:

6.3.2.2.1 Upon determination of the need to replenish the goods earlier procured through competitive bidding, the End-User shall prepare the necessary Purchase Request for the procurement of additional goods, after a careful study and confirmation of the prevailing market price of the goods to be re-ordered and comparing this with the price of the goods in the original contract, accompanied by the appropriate justification why the re-ordering is being pursued.

6.3.2.2.2 When all the conditions are present, the BAC shall recommend to the HOPE to award the Procurement Contract to the supplier through a Repeat Order.

6.3.2.3 Shopping - (ABC of below 50,000.00) the following procedures and timeline are to be undertaken as stated below:

6.3.2.3.1 Distribution and Retrieval of Request for Quotation/Canvass – 10 days

6.3.2.3.2 Opening of Canvass/RFQ (USM-SYS-F40-Rev.1.2020.03.02) – 1 day

6.3.2.3.3 Preparation and Approval of Abstract of Bids and Quotation (USM-BAC-F07-Rev 1.2020.03.02)- 5 days

6.3.2.3.4 Preparation and Approval of Purchase Order (USM-SYS-F30-Rev.1.2020.03.02) – 13 days

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6.3.2.4 Negotiated Procurement

6.3.2.4.1 For Small Value Procurement the following procedures and timeline are to be undertaken as stated below:

6.3.2.4.1.1 Distribution and Retrieval of Request for Quotation/Canvass – 10 days

6.3.2.4.1.2 Opening of Canvass/RFQ (USM-SYS-F40-Rev.1.2020.03.02) – 1 day

6.3.2.4.1.3 Preparation and Approval of Abstract of Bids & Quotation (USM-BAC-Fo7 -Rev.1.2020.03.02) – 5 days

6.3.2.4.1.4 Preparation and Approval of BAC Resolution (USM-BAC-Fo7-Rev.1.2020.03.02) – 7 days

6.3.2.4.1.5 TWG Report or Post-Qualification – 5 days

6.3.2.4.1.6 Preparation and Issuance of Notice of Award – 5 days

6.3.2.4.1.7 Preparation and Approval of Purchase Order (USM-SYS-F30-Rev.1.2020.03.02) – 13 days

6.3.2.4.1.8 Preparation and Approval of Notice to Proceed – 5 days

6.3.2.4.2 Agency to Agency – Procurement of Goods, Infrastructure Projects and Consulting Services from another agency of the GoP, such as DBM-PS, which is tasked with a centralized procurement of common-Use Supplies for GoP in accordance with Letters of Instruction No. 755 and E.O. 359, s. 1989.

6.4 Issuance of Purchase Order

6.4.1 The University Purchaser, within 10 days after receipt of the Purchase Order, shall serve all approved Purchase Orders to the concerned supplier for confirmation of the item to be delivered with full understanding of the specified terms and conditions stated in the said order.

6.4.2 The University Purchaser shall facilitate the purchasing of items/products from the winning suppliers/bidders to be delivered or to be picked up.

6.5 Checking, Receiving and Distribution of purchased items (within 5 days after delivery)

6.5.1 Concerned Property Personnel shall receive all items concerned stated in the Purchase Order.

6.5.2 The Internal Audit Service (IAS) Team along with the Property Personnel shall check and inspect the conformity and/or compliance of the purchased item based on the approved Purchase Order.

6.5.3 The concerned Property Personnel based on the consolidated guide given by the BAC Office shall be responsible for the distribution of the purchased items to the end user.

6.6 Payment Procedure

6.6.1 The Property Personnel shall prepare the Disbursement Voucher (DV) supported by the entire pertinent document(s) for the payment of the item(s) purchased and forward the same to the Records Office.

6.6.2 The Record's Office shall forward the DV to the end user for signature, after which it will be forwarded to the Accounting Office.

6.6.3 The Journal Entry Voucher (JEV) shall be prepared by the concerned accounting personnel approved by the Head of the FMS/Accountant and shall be submitted to the Head of the Procuring Entity (HOPE) for approval.

6.6.4 Approved DV shall be returned to the Accounting Office for release and to the Cashier's Office for the payment.

6.7 Supplier's Performance Evaluation

6.7.1 The University Purchaser shall facilitate the issuance of Supplier's Performance Evaluation Sheet – External Provider (USM-PRO-F09-Rev.2.2020.11.18), Supplier's Performance Evaluation Sheet – Calibration (USM-PRO-F11-Rev.1.2020.11.18), Supplier's Performance Evaluation Sheet – Printing Job (USM-PRO-F14-Rev.1.2020.11.18), Supplier's Performance Evaluation Sheet – Car Aircon (USM-PRO-F15-Rev.1.2020.11.18), Consultancy Services Evaluation Sheet (USM-PRO-F16-Rev.1.2020.11.18) to the end- user for them to rate the performance of the supplier specifically on the quality of the products, time and duration of the delivery and after sales services.

6.7.2 The end-user shall immediately return the accomplished evaluation sheet or shall be due for retrieval one (1) day after the receipt of the evaluation form.

6.7.3 The purchaser shall consolidate and analyze all SPES and SES received from end-user every quarter and make a report out of them.

6.7.4 Summarized report shall be submitted to the HOPE for final evaluation, comments and suggestions.

6.7.5 Feedback Mechanism

6.7.5.1 Provide external service providers with the results of the SPES.

6.7.5.2 For providers with Satisfactory or Needs Improvement results, require action to improve services within 5 working days.

6.7.5.3 Forward the reply of the service providers to the HOPE for appropriate action.

7. **RECORDS RETENTION AND DISPOSAL**

7.1 Records of this procedure shall be retained for a period of three years for possible review and recall.

7.2 Disposal shall be done through shredding/tearing or burning with permission and authorization of the higher authorities.

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8. **FORMS AND RECORDS**
   - 8.1 Purchase Request (USM-SYS-F29-Rev.1.2020.03.02)
   - 8.2 Purchase Order (USM-SYS-F30-Rev.1.2020.03.02)
   - 8.3 RFQ/Canvass Form (USM-SYS-F40-Rev.1.2020.03.02)
   - 8.4 Abstract of Bids and Quotation (USM-BAC-F07-Rev.1.2020.03.02)
   - 8.5 Supplier Performance Evaluation Sheet- External Provider (USM-PRO-F09-Rev.2.2020.11.18)
   - 8.6 Supplier Performance Evaluation Sheet - Calibration (USM-PRO-F11-Rev.1.2020.11.18)
   - 8.7 Supplier Performance Evaluation Sheet -Printing Job (USM-PRO-F14-Rev.1.2020.11.18)
   - 8.8 Supplier Performance Evaluation Sheet- Car Aircon) (USM-PRO-F15-Rev.1.2020.11.18)
   - 8.9 Consultancy Services Evaluation Sheet (USM-PRO-F16-Rev.1.2020.11.18)

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THE 2016 REVISED IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 9184, OTHERWISE KNOWN AS THE GOVERNMENT PROCUREMENT REFORM ACT

RULE I – GENERAL PROVISIONS

Section 1. Short Title and Purpose

This 2016 Revised Implementing Rules and Regulations, hereinafter called the IRR, is promulgated pursuant to Section 75 of Republic Act No. (R.A.) 9184, otherwise known as the "Government Procurement Reform Act," for the purpose of prescribing the necessary rules and regulations for the modernization, standardization, and regulation of the procurement activities of the Government of the Philippines (GoP).(a)

Section 2. Declaration of Policy

The provisions of this IRR are in line with the commitment of the GoP to promote good governance and its effort to adhere to the principles of transparency, accountability, equity, efficiency, and economy in its procurement process. It is the policy of the GoP that procurement of Goods, Infrastructure Projects and Consulting Services shall be competitive and transparent, and therefore shall undergo competitive bidding, except as provided in Rule XVI of this IRR.(b)

Section 3. Governing Principles on Government Procurement

The procurement of the GoP shall be governed by these principles:

a) Transparency in the procurement process and in the implementation of procurement contracts through wide dissemination of bid opportunities and participation of pertinent non-government organizations.

b) Competitiveness by extending equal opportunity to enable private contracting parties who are eligible and qualified to participate in competitive bidding.

c) Streamlined procurement process that will uniformly apply to all government procurement. The procurement process shall be simple and made adaptable to advances in modern technology in order to ensure an effective and efficient method.

d) System of accountability where both the public officials directly or indirectly involved in the procurement process as well as in the implementation of procurement contracts and the private parties that deal with GoP are, when warranted by circumstances, investigated and held liable for their actions relative thereto.

e) Public monitoring of the procurement process and the implementation of awarded contracts with the end in view of guaranteeing that these contracts are awarded pursuant to the provisions of the Act and this IRR, and that all these contracts are performed strictly according to specifications.

Section 4. Scope and Application of the IRR

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Full content of IRR of RA 9184 accessible at:

(https://www.gppb.gov.ph/wp-content/uploads/2024/07/Updated-2016-Revised-IRR-of-RA-No.-9184-as-of-19-July-2024.pdf)