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Operational Guidelines for the School-Based Procurement Watch Project

PROCUREMENT WATCH INCORPORATED

Unit 2507, 25/F Medical Plaza Ortigas,
San Miguel Avenue, Pasig City

Telephone: (632) 687-42-51

Telefax (632) 633-96-01

Website: www.procurementwatch.org

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Glossary of Terms

Abstract of Bids/ Abstract of Canvass - It is a document that primarily contains the names of the participating bidders and their corresponding bids, as well as the time, date and place of the bid opening

Acceptance Report - It is a report signed by the end-user signifying the approval of the items delivered.

Advertisement - Invitation to Apply for Eligibility and to Bid should be advertised in a newspaper of general circulation, at the Phil-GEPS, agency website, and conspicuous places within the agency premises.

Annual Procurement Plan - It is the consolidation of the Project Procurement Management Plan. Under the GPRA, No government procurement shall be undertaken unless it is in accordance with the APP

Bid Documents - They are documents used as the basis for bids, furnishing all information necessary for a prospective bidder to prepare a bid for the goods, infrastructure projects, and consulting services to be provided

Contract - A copy of the agreement between the procuring entity and the winning bidder, specifying the terms and conditions of the project.

Delivery Receipt - A document used to obtain a signature from the consignee when a delivery is made

Delivery Schedule – This is a copy of the schedule of the supplier. This would indicate when the goods would be delivered.

Government Procurement Reform Act- It is the current procurement law followed for the government biddings.

Inspection Report - It is a report that would contain the findings of the Inspection Team i.e. whether or not the items delivered are the same as those ordered.

Notice to Proceed – This is the document issued by the procuring entity, giving the signal to the supplier that they could already start the work for the project awarded to it.

Purchase Order - The contractual agreement with a supplier of goods or services that specifies payment terms, delivery dates, item identification, quantities, freight terms and all other obligations and conditions

Purchase Request - It is the document submitted when requesting for supplies and materials and the like. It shall be duly signed by authorized official

Voucher - A written statement that bears witness or substantiates a transaction; for example providing evidence that services have been rendered, goods purchased, or some other expenditure has been made.

Background

Every year, at least one billion pesos is allocated on the procurement of school furniture alone. However, a recent study of the Commission on Audit state that at least P33.8 Million worth of substandard school furniture were delivered to the different public schools¹.

Given the said amount, this gives the public a million reasons to participate and monitor in order to ensure the delivery of quality armchairs to the public schools where they should be.

All National Government Agencies including the Department of Education ("DepEd"), shall be governed by the principles of transparency in the procurement process and in the implementation of procurement contracts:

This includes public monitoring of the procurement process and implementation of awarding contracts with the aim of guaranteeing that these contracts are awarded in accordance with law,² and its implementing rules and regulations performed strictly in accordance to specifications³.

How could we participate?

The Departments conducting their procurement are mandated to invite, in all stages of the procurement process, in addition to the representative of the Commission of Audit, at least two (2) observers, to sit in its proceedings.⁴ One could act as an observer to the proceedings and write an independent diagnostic report.

In addition to these provisions, the DepEd also issued Department Order No. 59, series of 2007 on August 29, 2007 institutionalizing non-government organization and private sector participation in the Department's procurement process.

However, this would require at least technical knowledge on the procurement process and the contract to be bid. This may require a special training and awareness program for several organizations. Concerned individual stakeholders can participate by monitoring the implementation of the said contracts or delivery of the goods.

Proper training and awareness program is also important to enable stakeholders to efficiently perform the task.

¹ COA Report

² Republic Act No. 9184, series of 2003

³ Section 3, Republic Act No. 9184, otherwise known as the Government Procurement Reform Act

⁴ Section 13, Republic Act No. 9184, otherwise known as the Government Procurement Reform

PROJECT: SCHOOL-BASED PROCUREMENT WATCH

We are all stakeholders in this society. One may be the student for whose benefit the chairs would be delivered, or the parents of the students enrolled in the schools who are recipients of the furniture. One may be a concerned organization fighting against graft and corruption or simply a member of the community where the beneficiary school is located. One could even simply argue that they are taxpayers and they have the right to know where they go.

The project is simple. DepEd procures, among others, armchairs for several public schools nationwide. During the procurement stage, the volunteers could act as observers. After the chairs have been delivered, the volunteers would then check if the chairs were delivered on time; with the correct quantity and specified quality vis a vis DepEd specifications.

This Operational Guideline aims to help organizations or groups of individuals, to participate in the procurement and monitoring of the delivery of the school furniture procured by the DepEd for respective public schools.

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STEP ONE: PREPARATORY PHASE

Getting Organized

Involve the Parent-Teachers Community Associations, family, friends, and student organizations by informing them the value of monitoring the delivery of these armchairs and ensuring that they are delivered to the schools. Remember, there is strength in numbers.

Initiating Contact

The first step is to introduce your group to DepEd by writing a formal Letter of Introduction (see Annex A). The Letter of Introduction should indicate your intent to partner with the DepEd, whether as observers during the bidding phase, or contract implementation monitors during the implementation phase. It is important to leave your contact details with the agency.

After sending the Letter of Introduction, it would be best to consistently follow up with DepEd. Establish a good working relationship with a point person from the agency that you can call and inquire for status.

Formalize the Partnership

Ideally, everything should be in writing. However, there are cases when the Agency does not want to enter into a formal agreement. This may result to difficulties accessing documents and data needed for observing and monitoring. Thus, it is encouraged that the monitoring group request for a Memorandum of Agreement between your group and the Agency. (see Annex B for sample MOA)

Identify Community Organizers

If your organization is from the community, selection of community organizers would be easier. It should be the parent-teachers association school head or chapter head. In case PTCA head is unavailable, the head of any other local civil society organizations (CSOs) present in the area.

It is important to identify the point person of the local CSOs (herein after referred to as the community volunteer coordinator or "CVC"). Having his contact details would be necessary.

Recruit Volunteers

The more the merrier! It would be best to have as many volunteers as you can. It will not only make more people aware of the effort, it would likewise make the effort itself easier!

In determining the number of volunteers that would be needed, it would highly depend on the number of chairs that your school have and the number of chairs that the school would be receiving.

Beginning Inventory

At an average, a person count and classify 320 chairs in a day.

To illustrate, if your school currently has 1000 chairs, and a volunteer could count and classify 320 in a day, then you would need at least four volunteers for the said school.

Hence, the formula would be:

$$N \text{ (number of chairs)} / 320 = \text{number of volunteers}$$

Actual Count

At an average, a person count and inspect 35 chairs per day.

To illustrate, if your school would be receiving 1000 chairs, and a volunteer could count and inspect 35 chairs, then you would be needing at least 29 volunteers.

Hence, the formula would be:

$$N \text{ (number of chairs)} / 35 = \text{number of volunteers}$$

Pre-delivery and Post-delivery inspection

During this stage, it would be enough to have the CVC and another volunteer present.

The stages would be explained further in this guideline.

Getting Started

If your organization is based in the community where the schools are located, it would be easier for you to **organize a small event**. It could be as simple as a meeting or a barangay/ town hall gathering.

If your organization is located outside the area where the school is located, then it would be best again to contact the parent-teachers association or any other local CSO present in the area. Coordinate with them in order to organize a small gathering.

It is encouraged to **invite students** enrolled in the school, **parent-teacher community associations, school organizations**, as they are the direct stakeholders, if not beneficiaries of the project.

During the Event

The objective of the event is to get more people involved. Give them a brief orientation of what the project is about, the main objectives of the project, and why they should join you in this undertaking.

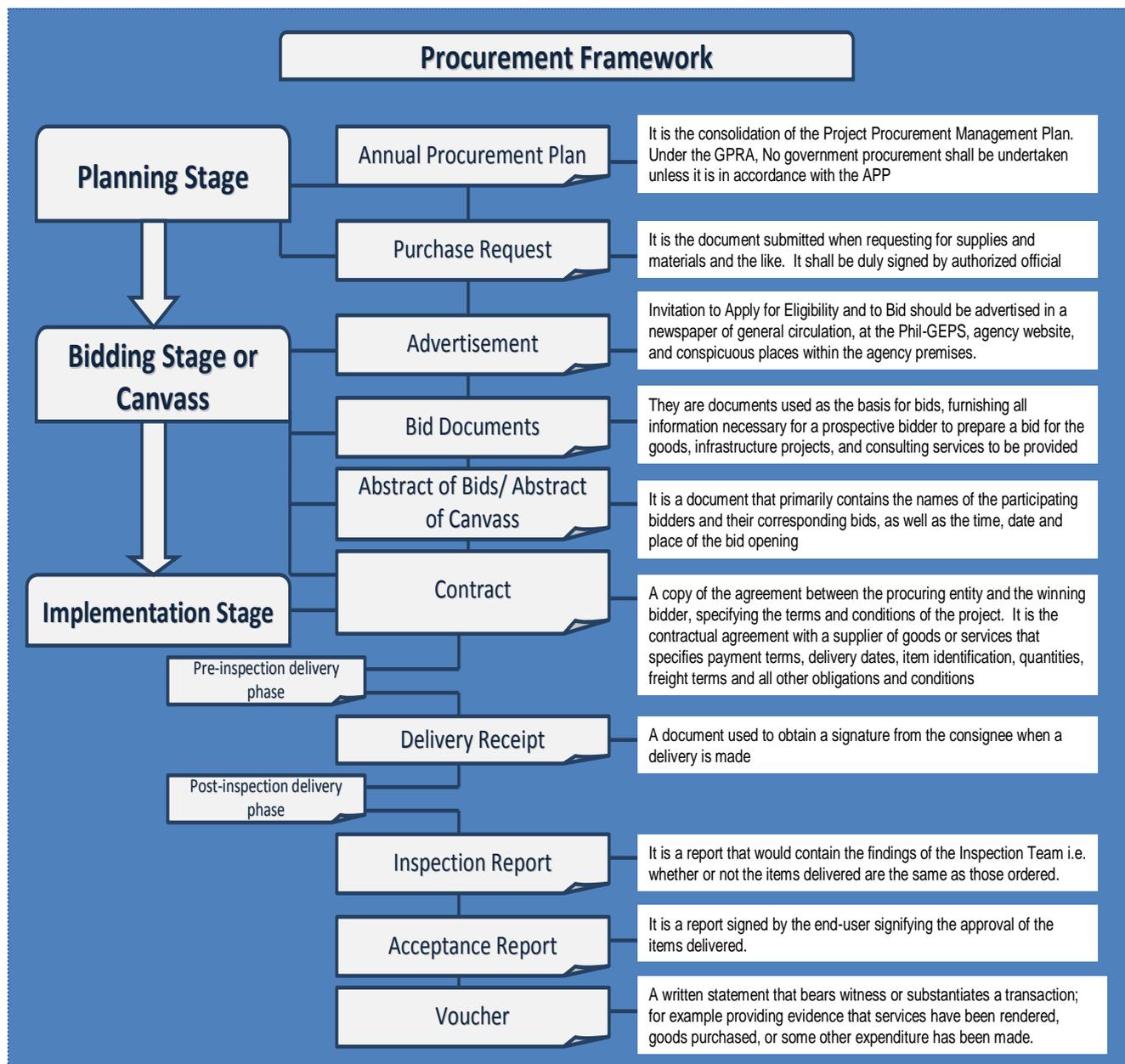
After the orientation and briefing, the attendees willing to join and commit the School-Based Procurement Watch would have to fill-up the Volunteer Information Sheet and sign the Pledge of Commitment to be distributed by the CVC.

The Volunteer Information Sheet contains personal information and contact details of the volunteers. (See Annex C for a sample)

The Pledge of Commitment is a statement from the volunteer that they will commit in fulfilling the duties and responsibilities attached to the project. (See Annex D for a sample)

The CVC would be in charge of collecting and keeping the said forms.

TABLE 1. PROCUREMENT FRAMEWORK



STEP TWO: BIDDING PHASE

After organizing group, and after you have introduced yourselves to DepEd, it is now time for you to step up and participate!

As mentioned in Step One, your organization could act as observers in the bids and awards committee proceedings.

Let us lay down the legal basis for this.

The Government Procurement Reform Act ("GPRA") provides that to enhance the transparency of the procurement process, the Bids and Awards Committee ("BAC") shall, in

all stages of the procurement process, invite, in addition to the representative of the Commission on Audit, at least two (2) observers to sit in the proceedings; one of which shall come from a non-government organization.⁵ The observers shall come from an organization duly registered with the Securities and Exchange Commission ("SEC"), 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 direct or indirect interest in the contract to be bid out; and
- c. Any other criteria that may be determined by the BAC⁶

Let us simplify. Once you have decided to push through with this undertaking, it would be best that you organization be registered with the SEC, if this has not been done yet. If you are a group of concerned individuals, it would be best to volunteer your services to trained NGOs⁷. Once you have registered, or once you have joined an organization, it is encouraged that you undergo procurement training.

Invitation to act as observers

By this stage, you have already given your initial letter of introduction to the DepEd expressing your intent to act as BAC observers or project monitors. This would now be the time for you to request the BAC to invite your organization to monitor their procurement process. Take note that the procurement law says that the BAC **shall invite**. Hence, your request would be important to ensure your ticket to monitoring the procurement process.

Of course, there will be no need for such request if the same is already included as part of the Memorandum of Agreement.

Before the Bidding

Allocation for the School Furniture and Who Procures Them:

DepEd is given an annual budget to be used for the procurement of armchairs for both grade school and high school.⁸

There are three offices within the DepEd that buys the furniture for the schools: the Central Office, the Regional Office, and the Division Offices.

⁵ Section 13.1. Republic Act No. 9184, otherwise known as the Government Procurement Reform Act

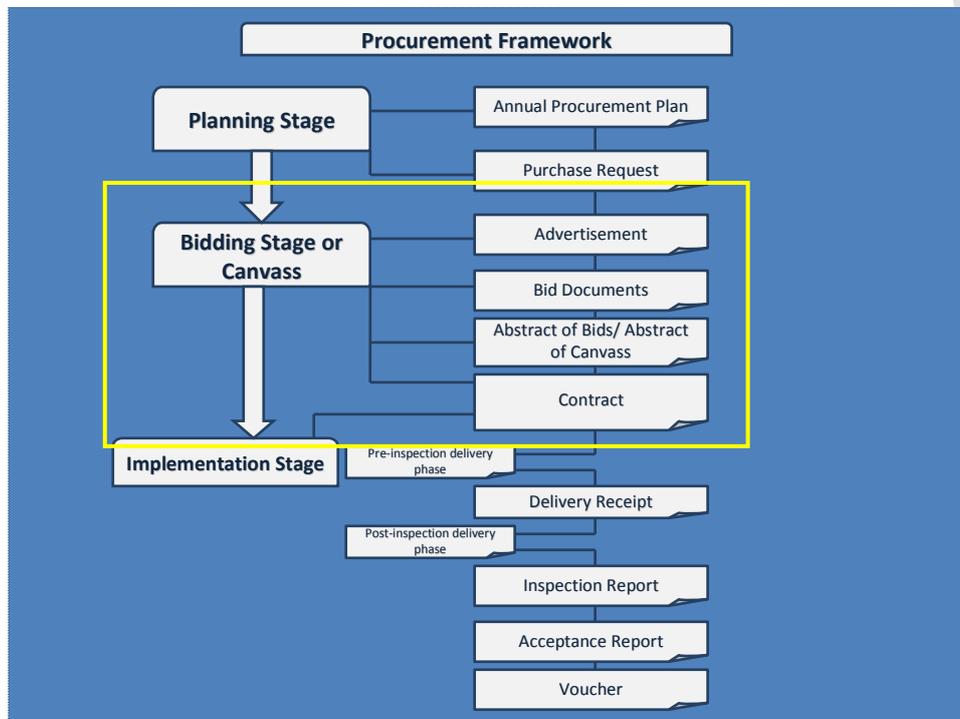
⁶ Section 13.2. Republic Act No. 9184, otherwise known as the Government Procurement Reform Act

⁷ PWI has trained several NGOs on procurement nationwide. The list could be viewed at the PWI website: www.procurementwatch.org.ph

⁸ The distribution of the appropriation shall be in accordance with Republic Act No. 7880, otherwise known as the "Roxas Law".

Seventy five percent (75%) of the said budget shall be procured by the Division Offices. Fifteen percent (15%) of the said budget shall be procured by the Regional Offices. The remaining ten percent (10%) shall be procured by the Central Office.⁹

Overview of the Procurement (Bidding) Process



Since it is important that the observer should have knowledge on the procurement process, below is an overview of the procurement process with a brief description of each stage. Take note that this covers only the procurement of goods, as school furniture would fall under the said procurement type.

1st stage: Pre-procurement Conference

The pre-procurement conference is an internal meeting within the agency to ensure that the procurement is in accordance with the project and annual procurement plan. The Government Procurement Reform Act (GPRA) states that no government procurement can be undertaken unless it is in accordance with the Annual Procurement Plan (APP)¹⁰.

2nd Stage: Advertisement of the Invitation to Apply for Eligibility and to Bid

⁹ Department Order No. 26, series of 2008.

¹⁰ Section 7.1, Republic Act No. 9184, other wise known as the Government Procurement Reform Act

As mandated by law, the Invitation to Apply for Eligibility and to Bid should be advertised.

3rd Stage: Pre-bid Conference

The pre-bid conference is the opportunity for the potential bidders to discuss and clarify the technical and financial components of the contract.

4th Stage: Receipt and Opening of Bids

This stage is the stage wherein the bidders would be submitting their bids to the BAC of the agencies.

5th Stage: Bid Evaluation

During this stage, the Bids and Awards Committee (BAC) shall check the submission of the bidders in terms of mathematical corrections, and thereafter, rank all complying bidders to determine the lowest calculated bid.

6th Stage: Post-qualification

The post-qualification is the stage wherein the BAC verify, validates and ascertains all the statements and documents submitted by the Lowest Calculated Bid (LCB)¹¹.

7th Stage: Award of Contract

The Contract shall be awarded to the bidder with the Lowest Calculated and Responsive Bid (LCRB).

The enumeration is merely an overview. It is encouraged that the organization undergoes procurement training. Refresher courses are likewise highly encouraged.

***Support for Philippine Basic Education Program**

Some of the schools may be beneficiaries of the Support for Philippine Basic Education Program (SPHERE). SPHERE is a trust fund from the Australian Agency for International Development (AusAid) which is managed by the World Bank.

Since the funds are managed by the World Bank, then the procurement guidelines of the World Bank should be followed.

¹¹ Refer to the Public Bidding Checklist for a detailed manner on conducting post-qualification.

During the Bidding:

After you have equipped yourselves with enough technical knowledge on the procurement law, it is now time to apply them.

Tools that you would need:

- a copy of the GPRA
- public bidding checklist for goods
- code of ethics for BAC observers and monitors¹² (See Annex E)

It is during the bidding stage wherein you will be able to get important information about the armchairs, the delivery of which you wish to monitor. As an observer, you can request for a copy of the bidding documents. *(This is also where good working relationship with the Department comes very important)*

The **bidding documents** would show **the specifications of armchairs, number of chairs to be delivered. It is important to have this as this would be your basis when the monitoring of the delivery begins.**

Aside from the bidding documents, you could likewise get a copy of the following documents:

- a. Minutes of related proceedings of BAC meetings;
- b. Abstract of Bids;
- c. Post-qualification summary report;
- d. APP and related PPMP (Project Procurement Management Plan); and
- e. Copies of "opened" proposals.¹³

Further, it is equally important to request for a **copy of the contract** after the winning bidder has been determined and contract has been awarded. The contract would indicate **when the delivery would be made, as well as information specified in the bidding documents. It is also best to have a copy of the Notice to Proceed as well as the copy of the delivery schedule.**

After the Bidding:

Should there be any observation regarding the process involved, you could report them to the procuring entity (in this case DepEd) by writing a diagnostic report.¹⁴

¹² The Code for Ethics for BAC Observers and Monitors consists of the standards and principles that each BAC Observer and Monitor should adhere to. This is included in the Updated Public Bidding Checklist for Goods made especially for this project.

¹³ Section 13.4, Republic Act No. 9184, otherwise known as the Government Procurement Reform Act

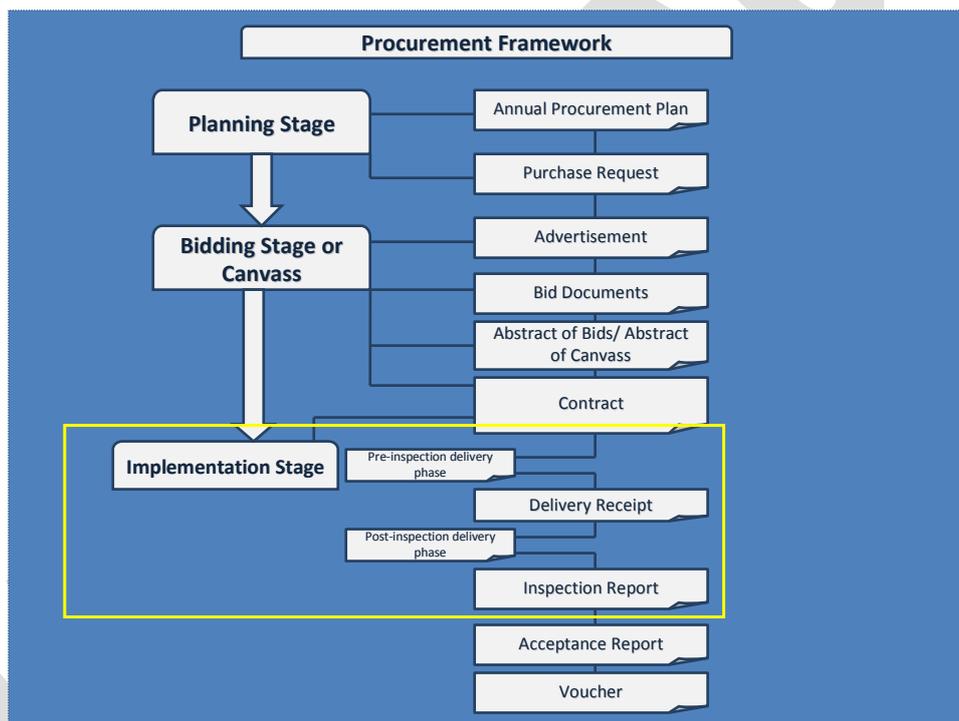
¹⁴ A copy of the template of the Diagnostic Report is included in the Public Bidding Checklist as an Annex

The observer would have to write his/her observations during the conduct of the bidding process.

Reporting Irregularities

Should there be any discrepancies from the procurement process, the role of the observer is to submit a diagnostic report to the head of the procuring entity copy furnished the Chairman of the BAC. The observer may likewise submit a copy of his/her report to the Office of the Ombudsman¹⁵.

STEP THREE: MONITORING PHASE



By this time, these are the things that you should have already accomplished:

1. A team composed of several volunteer-stakeholders
2. Copy of the signed MOA
3. Obtain a copy of the specifications of the armchairs to be delivered
4. Information as to the date of the delivery of the chairs at the school you wish to monitor as suggested by the Delivery Schedule.

¹⁵ PWI, together with the Office of the Ombudsman, developed a Feedback and Complaints Handling Mechanism. The guidelines on the said mechanism are a different manual.

Here are some of the tools you need:

1. Copy of this guidelines
2. Measuring tape – this would be needed when measuring the specifications of the chairs
3. Camera and/or video camera – this would help in the documentation of the monitoring process.
4. Reporting Templates – this would help you know what to be looking for during the delivery of the furniture.
5. Reference Guide –this reference guide is something handier than this operational [guideline](#). It is a list, containing bulleted items that would remind you of what to do during [each stage of the process](#).
6. Notebook and pen- When all fails, your notes would be a reliable source of information

Having the team ready, information on hand, and tools in place, you are now ready to conduct the beginning inventory.

Beginning Inventory

The beginning inventory is the stage wherein the team of volunteers would count the number of existing chairs inside the classrooms.

In filling out the forms, the procedure would be as follows: (please refer Annex F i.e. Beginning Inventory Count Form)

Before entering the classroom

1. Secure enough beginning inventory forms. To know how many you would need, it is advised that you ask a copy of the building plan of the school from the property custodian. This will tell you how many classrooms the school has.
2. One Beginning Inventory Count Form is good only for one classroom.
3. Make sure that information above the chart is complete; **DO NOT FORGET TO PLACE THE ROOM NUMBER OF THE CLASSROOM, AS WELL AS THE BUILDING WHERE IT IS FOUND.** This would be useful information should any revalidation has to be made.
4. The counting of the armchairs would be done per classroom;

Upon entering the classroom

1. The team/ volunteer should classify the armchairs according to use, whether the chair is **"USEABLE" OR "NON-USEABLE"**
2. **USABLE** means that it could either be **"GOOD"** or **"NEEDS MINOR REPAIR"**.
3. **GOOD** would still include chairs that are merely discoloured, those with minor rusting or with graffiti. [These are armchairs that are in their original form, and will be good to last for another school year.](#)
4. **NEEDS MINOR REPAIR** means are those armchairs that have loose screws and/or lack one seat slot, or back rest slot, and/or chipped, [incomplete book shelf slot, or cracked writing tablets.](#) **Should there be other findings and observations, please put it under the remarks column at the beginning inventory form.**

5. **NON USABLE** means that the armchair is due for replacement. This could mean that the armchair has missing parts (if the chair has no back rest, no arm rest, no seat). It could also mean that the armchair has undergone multiple repairs, resulting to a weak foundation that renders the chair unsteady or just by simply looking at it, the armchair is no longer in a useable state.
6. After classifying the armchairs according to use, then the next thing to do is to classify them according to the materials used, whether the chair is made from "ALL WOOD", "WOOD AND STEEL", "NON-WOOD (PVC AND STEEL)" OR "OTHERS"
7. "ALL WOOD" armchairs are those where aside from the nails and screws, the chair is made entirely out of wood.
8. "WOOD AND STEEL" armchairs are those armchairs whose frames are made of out steel, while the seat, back and shelf slots are made of wood.
9. "NON-WOOD (PVC AND STEEL)" armchairs are those armchairs whose frames are made of steel but the seat and back rest are made of a certain plastic known as Polyvinyl chloride (PVC).
10. Should the armchair you see inside the classroom does not fall under any of the three, then you classify them under "OTHERS"
11. There are instances where the classroom you enter into does not have armchairs. This will be true especially for some elementary schools as they use desks or table and chair combo instead of armchairs. You also place these furniture under "OTHERS".
12. The remarks column is the space wherein the volunteer could put his/her observation on the chair e.g. the chair lacks one leg, or the leg is broken, etc.
13. Tally all the chairs that are usable as well as those that are non-usable.
14. Make sure that the number of usable chairs and the number of non-usable chairs correspond to the total number of chairs inside the classroom.

Before leaving the school premises

1. Count the number of beginning inventory forms that you have. Remember if you have twenty classrooms in the school, at the end of the exercise, the team should have twenty forms, one per classroom.
2. The CVC or the project head should check the submitted Beginning Inventory Count Form of the volunteers. Should there be some discrepancies, or questions as to the remarks given by the volunteer, it would be advisable to go back to the said classroom, and verify the data provided.

Creation of Inspectorate Team and its roles and responsibilities

The Inspectorate Team is the team in charge of the ensuring that the armchairs to be delivered would comply with the specifications as indicated in the bidding documents.

Since the procurement would be conducted at the Central Office, Regional Office, and at the Division Office, there would be three inspectorate teams as well. Their functions are enumerated by Department Order No. 26, series of 2008.

Central Inspectorate Team

The Inspectorate Team at the Central Office shall be composed of personnel from the Physical Facilities and Schools Engineering Division, Accounting Office and Property Office.

The Inspectorate Team shall have the following functions:

1. Conduct pre-delivery inspection of the school furniture prior to delivery to determine compliance with the technical specifications
2. Conduct post-delivery inspection of school furniture at the recipient schools prior to the issuance of the certificate of final acceptance
3. Prepares inspection report and recommends payments or non-payments of the contractor
4. Prepares Certificate of Acceptance

Regional Inspectorate Team

The Regional Inspectorate Team shall be created by the Regional Director. The Regional Inspectorate Team shall be headed by the Regional Physical Facilities Coordinator and will have two members.

The Regional Inspectorate Team has the same functions as those with the Inspectorate Team at the Central Office.

Division Inspectorate Team

The Division Inspectorate Team shall be created by the School Division Superintendent. The Inspectorate Team shall be headed by the Division Physical Facilities Coordinator and will have two members.

The Division Inspectorate Team has the same functions as those with the Inspectorate Team at the Central Office.

Pre-delivery inspection stage

The pre-delivery inspection stage is wherein the volunteers would have to personally go to the manufacturer's plant or office.

The team would have to be with the DepEd Inspectorate Team (either Central, Regional, or Division Inspectorate Team)

In conducting the pre-delivery inspection, the volunteers may be guided by the Pre-delivery Inspection Form. (See Annex G)

The job of the DepEd Inspectorate Team is to ensure that the specifications of the DepEd are followed by the manufacturer. The volunteers would be there to assist the DepEd Inspectorate Team.

After ensuring that the chairs were manufactured according to the specifications of the agency, the DepEd Inspectorate Team would place a sticker on the chairs that passed the inspection. The number of chairs that would have the sticker should AT LEAST be equal to the number of recipient schools on the contract documents. For example, if the supplier would deliver to 10 schools, then at least 10 armchairs would have the DepEd stickers. Those chairs would be the model armchairs and will be delivered together with

the rest of the armchairs allotted for the school. The model armchairs will serve as the school's basis for evaluation of the delivery.

Delivery Phase

At this stage, the volunteers should be equipped with the following:

1. Copy of the contract/purchase order
2. Copy of the technical specifications (to know the measurement, type and quantity of chairs to be delivered)
3. Copy of the schedule of delivery
4. Copy of the schedule of requirements (this contains the list of recipient schools and the quantity of chairs to be delivered)
5. Measuring tape
6. Camera/video tape
7. Actual delivery report form (See Annex H)
8. Notebook and pen

It is important that the team is certain of the delivery time and date of the chairs so as not to waste time and effort of the volunteers. It is encouraged that the team be present at the school premises before the supplier arrives.

It is during this point that the volunteers ensure that the school gets the number of chairs that are allotted to them. If the contract or bidding document states that the school should get 500 armchairs, then the school should get 500 chairs. No more, no less.

Remember that during the pre-delivery inspection stage, stickers were placed at the chairs that passed the technical specifications. During the delivery, those model armchair/s would be compared to the newly delivered chairs. The comparison would be made by the School Inspection Committee. In short, the chairs with stickers would be compared against the chairs delivered.

The actual delivery report forms consist of two parts: the delivery details and the technical specifications of the chairs.

The delivery details consist of the basic information on the school where the chairs would be delivered, supplier, and type of delivery (complete or partial)

In filling out the actual delivery report forms, the procedure would be as follows:

a. for delivery details

1. Fill out the information on the school site and the supplier.
2. Fill out the information on delivery.
3. The "total number of chairs for delivery" refers to the number of chairs that the school should receive. This can be obtained from the schedule of requirements.
4. Please check whether the delivery is complete or partial.

b. for technical specification

1. The actual delivery form will also contain a table that would check the technical specification and dimensions of the chairs. The volunteers would have to check the dimensions/measurement each chair that would be delivered. Classify whether the chair is made of all-wood, combination of wood and steel, and non-wood based i.e. all steel, plastic and steel, or others.
2. The volunteer should write on the remarks portion whether or not the chair delivered meets the minimum allowable measurements.

“Minimum allowable measurements” means the measurements as indicated in the bidding documents. However, there are tolerances allowed by the DepEd Inspectorate Team. Please see the Actual Count forms as the tolerances are indicated there.

3. If the chair does not meet the minimum allowable measurements as provided in the bidding documents, indicate in the remarks column.
4. Feel free to put your other observations on the “Remarks” column.
5. The PVC should consolidate all the reports of the volunteers.

As a final activity during the delivery phase, the volunteers would count the total number of chairs to include the existing chairs and the newly delivered ones.

Post-delivery inspection

During post delivery inspection, DepEd Inspectorate Team goes to the schools and validates the reports made during the delivery. So, if the School Inspection Committee made the inspection during the delivery, then the DepEd Inspectorate Team of the Central Office would check the reports made by the former.

During this stage, it is best that the CVC be present together with another volunteer.

STEP FOUR: THE DEEM PHASE

Background

Surveys are oftentimes conducted asking by people about their opinion on certain issues. Corruption is one of them.

Oftentimes, the question is what you think is the most corrupt agency? Or it could be phrased in any other way. But if you would analyze it, the question actually asks only the **perception** of the person.

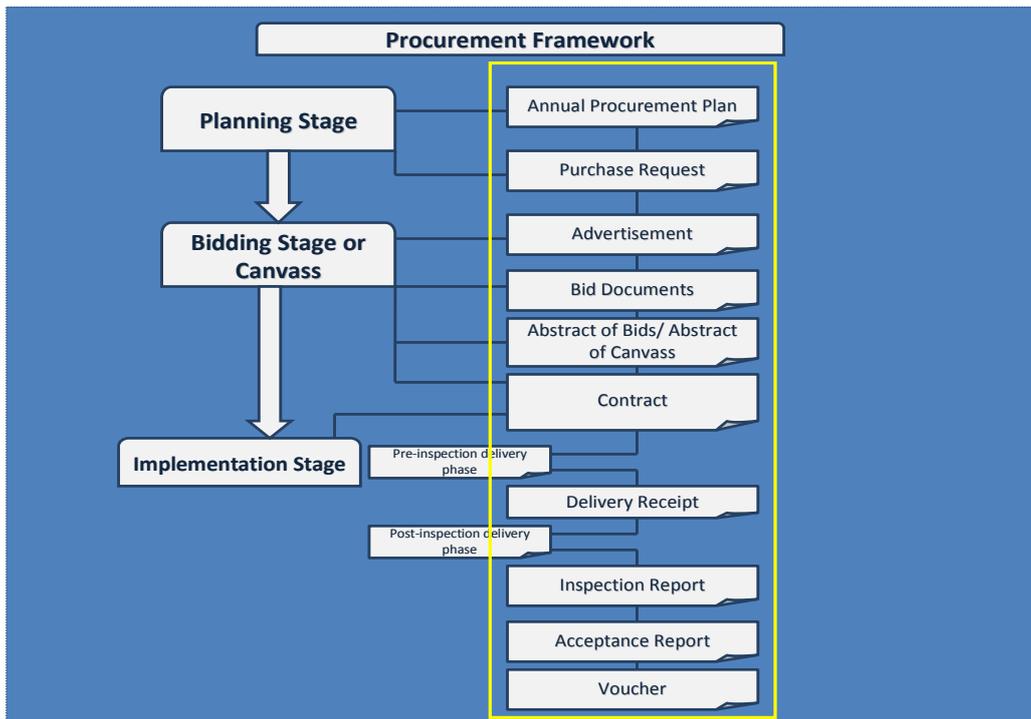
The Differential Expenditure and Efficiency Measurement (DEEM) Tool aims to respond to the said problem. In simple terms, it seeks to measure the efficiency or inefficiency of an agency through **verifiable data**.

If the concept of the DEEM would be applied to school furniture, the story would go something like this: An agency bought 10 armchairs for P100 each. However, if you look at the market cost of the same chair, you may find out that the same chair could be bought at only P50 per chair. Therefore, the agency could have saved at least fifty percent of the fund, had they conducted their procurement more efficiently.

As to time periods, efficiency could also be measured by getting the difference between the actual time it took the agency to get their jobs done and how much time are they actually allowed by the current and governing rules and regulations to get the job done.

So if it took the agency took six months from the opening of bids until the award of the contract, we subtract this from the three months which the GPRA provides. Or if the contract states that the delivery should be made 120 days after the award of the contract, one could check whether the supplier actually deliver on time.

DEEM PHASE



What to do before conducting the DEEM phase

From the very beginning, it was stressed that partnership would be an important tool for this project. If the MOA worked for your request to be an observer in the procurement stage, then at this point, working relationship between the volunteer and DepEd has been established.

Documents that you need in conducting the DEEM Phase

Before you could measure the efficiency or inefficiency of an agency, here is the list of documents that you would have to get from the agency:

1. Copy of the approved contract
2. Purchase Request and Purchase Order
3. Sales Invoice
4. Disbursement Vouchers
5. Delivery Receipt
6. Inspection Report
7. Inspection and Acceptance Report
8. Abstract of Bids/Canvass

DEEM Forms and how to use them

DISBURSEMENT VOUCHER DEEM FORM

DEEM TOOL PROJECT DISBURSEMENT VOUCHER FORM			
CHECK IDENTIFICATION		VOUCHER IDENTIFICATION	
C1 CHECK NUMBER _____	V1 DISBURSEMENT VOUCHER NUMBER _____		
C2 CHECK DATE (MMDD/YYYY) ____/____/____	V2 DISBURSEMENT VOUCHER DATE (MMDD/YYYY) ____/____/____		
CHECK DATA		OTHER VOUCHER DATA	
C3 PAYMENT DATE (MMDD/YYYY) ____/____/____	V3 DISBURSEMENT VOUCHER PARTICULARS: _____		
C4 GROSS AMOUNT _____	_____		
C5 TAX _____	_____		
C6 PENALTY _____	_____		
C7 PRICE DIFFERENTIAL _____	V4 TYPE OF PROCUREMENT _____		
C8 CHECK AMOUNT _____	V5 COMPLETE SIGNATURES? (Encircle choice.) 1 Yes 2 No		
C9 NAME OF PAYEE: _____ _____	V5N If No, fill up the following table for missing signatures:		
C10 ADDRESS OF PAYEE: _____ _____	CERTIFICATION (1)	NAME (2)	POSITION (3)
COUNT OF FORMS		REMARKS/OBSERVATIONS	
FORMS	VOUCHER COUNT (1)	ACTUAL COUNT (2)	
F1 PURCHASE REQUESTS			
F2 PURCHASE ORDERS			
F3 INVOICES			
F4 INSPECTION REPORTS			
F5 INSPECTION AND ACCEPTANCE REPORTS			
F6 ABSTRACTS OF CANVASS			
F7 ABSTRACTS OF BIDS			
F8 OTHERS			

How to Fill Disbursement Voucher

her Form:

- Gross Amount refers to the amount before all possible deductions are applied. Possible deductions may be in the form of tax, penalty, or price differential.
- Check amount refers to the Gross Amount minus all the deductions.
- Name of Payee refers to the claimant or Supplier. This is usually the company being paid.
- Under Certification Column, place only the letter corresponding to that box.
- Disbursement voucher number refers to the number located above the date. It is located at the upper right of the voucher.
- Disbursement voucher date can be seen at the upper left.
- Voucher count refers to the number of supporting papers indicated as attached to the vouchers.
- Actual count refers to the number of supporting papers attached to the vouchers.
- For item F8 (Others), simply place the number of other attachments. No need to enumerate.
- Should there be any discrepancy between the voucher count and the actual count, place such observation in the "remarks/observation" column.

PURCHASE REQUEST DEEM FORM

IDENTIFICATION NUMBER	DEEM TOOL PROJECT PURCHASE REQUEST INFORMATION	LINE ITEM NUMBER
		____ OF ____ ITEMS
REQUEST IDENTIFICATION	DETAILS ON REQUESTED ITEM	
R1 PURCHASE REQUEST NUMBER _____	R10 DESCRIPTION OF REQUESTED ITEM: _____	
R2 PURCHASE REQUEST DATE (MMDD/YYYY) ____/____/____	_____	
DETAILS ON REQUEST SOURCE		R11 QUANTITY _____
R3 REQUESTING DEPARTMENT _____	R12 UNIT _____	
R4 REQUESTING SECTION _____	R13 ESTIMATED UNIT COST _____	
R5 NAME OF REQUESTING PERSON _____	R14 ESTIMATED COST _____	
R6 POSITION OF REQUESTING PERSON _____	R15 PURPOSE: _____	
R7 DATE OF REQUEST (MMDD/YYYY) ____/____/____		
OTHER REQUEST DATA	REMARKS/OBSERVATIONS	
R8 COMPLETE SIGNATURES? (Encircle choice.) 1 Yes 2 No		
R9 FOR RECURRING ITEM, WITH ACCOMPANYING STOCK POSITION REPORT? (Encircle choice.) 1 Yes 2 No		

How to Fill the Purchase Request Form:

- Get information per item
- Date of Request (item R7) is usually placed under the signature of the requesting person, should there be none indicated, place NONE.
- In order to answer item R9, look at the purpose
- In answering item R10, see what is indicated in the Purchase Request
- Estimated Cost (item R14) refers to Estimated Unit Cost multiplied by the Quantity.

INVOICE DEEM FORM

DEEM TOOL PROJECT INVOICE INFORMATION			
INVOICE IDENTIFICATION	DETAILS ON INVOICED ITEM		
<p>D1 INVOICE NUMBER _____</p> <p>D2 INVOICE DATE _____ (MM/DD/YYYY)</p>	<p>D8 SAME ITEM DESCRIPTION AS IN PURCHASE ORDER? (Encircle choice.) 1 Yes 2 No</p> <p>D8N If No, write the item description in invoice: _____ _____</p>		
OTHER INVOICE DATA			
<p>D3 PAYMENT TERM _____</p> <p>D4 SAME SUPPLIER/DEALER AS IN DISBURSEMENT VOUCHER? (Encircle choice.) 1 Yes 2 No</p> <p>D4N If No, write the name of supplier/dealer in invoice: _____</p> <p>D5 WITH CUSTOMER'S SIGNATURE? (Encircle choice.) 1 Yes 2 No</p> <p>D5Y If Yes, write the name of signatory and date: _____</p>	<p>D9 QUANTITY _____</p> <p>D10 UNIT _____</p> <p>D11 UNIT COST _____</p> <p>D12 AMOUNT _____</p> <p>D13 EXPIRY DATE OF ITEM _____ (MM/DD/YYYY)</p>		
REMARKS/OBSERVATIONS			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center; padding: 5px;">SIGNATORY (1)</td> <td style="width: 50%; text-align: center; padding: 5px;">DATE (2)</td> </tr> </table>	SIGNATORY (1)	DATE (2)	
SIGNATORY (1)	DATE (2)		
<p>D6 WITH STAMP OF PROPERTY SECTION? (Encircle choice.) 1 Yes 2 No</p> <p>D6Y If Yes, write the date of stamp: _____</p> <p>D7 WITH STAMP OF INTERNAL AUDIT? (Encircle choice.) 1 Yes 2 No</p> <p>D7Y If Yes, write the date of stamp: _____</p>			

On the Invoice Information Form

- Always indicate the identification number the same with the sampling reporting form
- Amount (item D12) refers to the unit cost multiplied by the quantity.

On the Inspection Information Form

- Note the actual date of delivery and the date on the signed “conforme” from the Purchase Order to be able to compute if there are any delays in the delivery of furniture.
- Post-inspection deduction refers to the penalty itself. It can be seen under the findings and recommendation box.
- Post-inspection amounts refer to amount after the deductions.
- Inspection date (item I12), refers to the date after “inspected on:”
- Pre-inspection amount refers to the amount before deduction.
- Take note that the inspection team is a group of three: one each from the Audit Section, Property Section and the End-User unit.
- It is essential to put notes and observations under Findings/Recommendation box.

DRAFT/26Apr09

ABSTRACT OF BIDS DEEM FORM

DEEM TOOL PROJECT ABSTRACT OF BIDS INFORMATION					
GENERAL BIDDING DATA					
B1 ABSTRACT OF BIDS DATE (MM/DD/YYYY) ___/___/___ B2 DATE OF BIDDING ___/___/___ B3 MODE OF PROCUREMENT _____ B4 DATE OF AWARD RECOMMENDATION ___/___/___ (MM/DD/YYYY) B5 HOW MANY WERE INVITED? _____ B6 HOW MANY PARTICIPATED? _____ B7 HOW MANY MEMBERS DOES THE BAC HAVE? _____ B8 IS THERE AN INVITED OBSERVER? (Encircle choice.) 1 Yes 2 No	B9 HOW MANY MEMBERS SIGNED? _____ B10 ARE THERE MISSING SIGNATURES OF MEMBERS DESIGNATED TO SIGN? (Encircle choice.) 1 Yes 2 No B10Y If Yes, write name(s) and BAC designation(s) of missing signature(s):				
	MEMBER (1)	DESIGNATION (2)			
DETAILS OF BIDS					
LINE ITEM NUMBER (1)	ITEM DESCRIPTION (2)	QUANTITY (# and units) (3)	SUPPLIER/ DEALER (4)	UNIT PRICE (\$/unit) (5)	AWARDED TO (6)

On the Abstract of Bids

- Abstract of Bids is a summary of what transpired during the bid opening.
- Get Information per item.

GETTING THE MARKET COST

After getting the actual cost, then it is now time to get the market cost.

Market Cost is the amount that the open market is willing to give for bulk orders.

The reason for getting the amount for bulk orders or the wholesale price is that the DepEd is also procuring in bulks. We want to compare two wholesale prices.

How to get the Market Cost

In getting the market cost, volunteers would have to get it from other suppliers that manufacture armchairs.

It is ideal for you to get market prices from suppliers within the region where the delivery was made. For example, if the chairs were delivered in Tarlac, then it is suggested that you get prices of the suppliers first within Region III. In the remote possibility that there is none, then you could ask for suppliers in the nearest region. Should there still be none, then ask from manufacturers in the NCR that can deliver in that area.

Getting the Differential

If you would remember, in order to get the differential, the equation is:

$$\text{Actual cost} - \text{Market cost} = \text{Differential}$$

Actual Cost is the amount actually paid to the supplier. Under the DEEM forms, this refers to the Check Amount.

Market Cost is the amount that the open market is willing to give for bulk orders.

For example, if the check amount is P156,000 for 200 chairs, and after doing the market survey, you gathered that a supplier could give 200 chairs for P140,000.

So:

$$\begin{array}{r r r r r} \text{P156, 000} & - & 140, 000 & = & 16,000 \\ \text{(Check Amount)} & & \text{(Market Cost)} & & \text{Differential} \end{array}$$

In analyzing the said equation, it actually says that the procuring entity could have procured 200 chairs at the amount of P140,000, but actually paid P156,000 for it. In short they could have saved P16,000 in their procurement.

Here's another example:

If the check amount is P140,000 for 200 chairs, and after doing the market survey, you gathered that a supplier could give 200 chairs for P156,000.

So:

$$\begin{array}{r r r r r} \text{P140, 000} & - & 156, 000 & = & - 16,000 \\ \text{(Check Amount)} & & \text{(Market Cost)} & & \text{Difference} \end{array}$$

The equation actually says that although the market dictates that the procuring entity could have paid P156,000 for 200 chairs, they actually bought the 200 chairs for only P140,000. The difference of P16,000 represents the savings of the agency.

STEP FIVE: REPORTING AND EXACTING ACCOUNTABILITIES

During this stage, you have already accomplished the following:

- a) Organized into teams, groups, association or corporations
- b) Signed MOA with the DepEd;
- c) Trained on the procurement law;
- d) Observed a bidding proceeding;
- e) Participated during the pre-delivery inspection;
- f) Monitored the delivery of the school furniture;
- g) Joined the post-delivery inspection;
- h) Obtained bidding documents;
- i) Filled out the DEEM forms;
- j) Preliminary Assessment of the DEEM findings.

Reporting Requirements

Upon reaching this stage, you should have made the following reports:

- a) Diagnostic Report – a report containing your observations regarding the bidding procedures monitored;
- b) Pre-delivery Inspection Report – a report containing your observation during the pre-delivery inspection;
- c) Delivery Report Form – a report form to be filled up containing observations during the delivery of the school furniture;
- d) Post-delivery Inspection Report – a report containing your observation during the post-delivery inspection;
- e) DEEM Forms – these are the forms to be filled once you get the procurement documents;
- f) Preliminary Report – this report contains the initial findings on the DEEM assessment.

Where and to whom the reports should be submitted

- a. Diagnostic Report – this report shall be submitted to the Head of the Procuring Entity, copy furnished the Bids and Awards Committee Chairman;

- b. Pre-delivery Inspection Report, Delivery Report Form and Post-delivery Inspection Report, DEEM Forms, and Preliminary Report – these forms should be submitted to your respective CVC.

Exacting Accountabilities

The following persons are accountable during the following stages:

- a) Bids and Awards Committee – This is the committee responsible for the conduct of the bidding procedure. The diagnostic report shall be submitted to the Chairman of the BAC, and copy furnished the head of the procuring entity.
- b) Suppliers – Should there be a finding during the pre-delivery inspection, then the furniture manufactured by the supplier shall be rejected. If there is a finding during the delivery stage, the supplier shall be accountable for it as well.
- c) Signatories – Depending on what government form you find an irregularity on, then the signatories on that form shall be accountable. For example, if there is an irregularity on the purchase request, then whoever is the person signing as the requesting person shall be responsible for giving an explanation on the said irregularity.

SUSTAINING THE MONITORING EFFORTS

Once you have undergone all the phases of the project, it will now be a huge task to sustain the efforts.

Here are some suggestions in order to sustain the efforts:

1. Should you have successfully entered into a Memorandum of Agreement with the DepEd, it would be best to renew your partnership with them.
2. Join or volunteer bigger groups. Chances are they may have potential funding to continue the endeavour;
3. For Parents, it would be a fine recommendation to include the monitoring of school furniture as an annual activity. Further, parents pay a certain amount for the activities of the Parent-Teachers Association. This way, the parents would see that the amount they pay is put to good use.
4. Engagement with the local government may be a possible option. The budget of the Local School Boards can be used for the construction, repair or maintenance of facilities of public elementary and secondary schools¹⁶. Local Governments may provide assistance, financial or otherwise, to non-government organizations for socially oriented projects to be implemented within their respective areas of jurisdiction¹⁷

The above list is merely suggestions. Your group may be able to think of other more creative ways of sustaining the project!

¹⁶ Section 100. Local Government Code, Philippines.

¹⁷ Sec. 36. Local Government Code, Philippines.

HAPPY MONITORING!

It is the best wishes of Procurement Watch that your organization would be able to participate and sustain this undertaking!

Just think, by joining and continuing this project:

- You help ensure that the government is doing their jobs as public servants!
- You will be able to see that part of the taxes you pay for actually go to social services. You will see tangible products of your hard-earned money!
- You will be able to assert your right as citizens within your community!
- Your voice will matter in the planning of the DepEd for their next procurement cycle. You will be empowered!
- Most of all, you are helping the children within your community in getting the furniture they deserve. By doing this, the students would be comfortable in their respective seats, while learning to their lectures!

At the end of the day, you will be able to tell yourself that you were able to do something good for the community.

It will be a rewarding and fulfilling experience!