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22 July 1988MEMORANDUM NO. 101
Series of 1988

T O: All Concerned

R E: Procurement Guidelines & Procedures

A. RATIONALE

Procurement is the most common and repetitive type of transaction in every agency. In this kind of disbursement, red tape and variances in audit requirements are often encountered. Thus, complaints on considerable delays in procurement and payment has been raised not only by College Personnel but some suppliers as well.

The Supply and Property Management Division (SPMD) and other administrative offices/units involved in the processing aspect are largely blamed on any problem that may arise. To solve this recurring problem and further improve the system, various ways and means are continuously undertaken, hence, these guidelines.

B. GUIDELINES

1. Procurement

1.1 All Requisition Issue Vouchers (RIVs) will be channelled through the Supply and Property Management Division (SPMD). No requisition shall be acted upon without the RIV Control Number of SPMD.

1.2 The time frame in processing documents are as follows:

a. Receipt of RIV - serving of Purchase Order (PO) - delivery

- * 2 weeks if to be procured within Leyte
- * 3 weeks if in Cebu
- * 4 weeks if in Manila
- * An allowance of one (1) more week for equipment repair subject to pre-inspection by Technical Property Inspector (TPI), Commission on Audit (COA) Regional Office.

b. Delivery - inspection

- * Within 2 days
- * 1 week in case of equipment costing ₱50,000.00 or more which is subject to inspection by TPI, COA.

c. Inspection - payment

- * 7 working days

1.3 The following are authorized to purchase requisitioned items
(Emergency purchase):

- a. Department/Office/Center - for requisition amounting to below P1,000.00 provided a certification shall be made by the department/office head or center director stating the actual conditions obtained at the time of purchase, the quantity of items needed and when those items are to be used. However, if the cost per item is P50.00 or more it shall be subject to open canvass.
 - b. SPMD - for requisitions amounting to P1,000.00 but not more than P5,000.00 through sealed canvass to be witnessed by COA representative.
 - c. Committee on Bids and Awards through SPMD - for requisitions amounting to P5,000.00 but not more than P50,000.00.
- 1.4 The heads of the Cebu Procurement Office and Manila are authorized to approve PO amounting to not more than P1,000.00 and P5,000.00, respectively.
- 1.5 No canvass papers are required for purchase of supplies and materials direct from farmers and government agencies.
- 1.6 Purchased items shall be inspected according to source of funds: COA for purchases charged to Trust Funds and Internal Control Unit (ICU) for purchases charged to General Funds.
- 1.7 Inspection may be waived for purchases worth P300.00 per item or P2,000.00 per purchase order provided deliveries are strictly in accordance with specifications.
- 1.8 For purchases made by operating units, a copy of the RIV shall be furnished SPMD for monitoring the volume of purchases outside the SPMD.

2. Stock Withdrawal

- 2.1 The RIV, instead of the Storeroom Issue Voucher (SIV), shall be used for all withdrawals of supplies and materials from SPMD. The RIV is the standard form in requisitioning for and issuing of supplies. This will take effect upon consumption of existing supply of SIVs.
- 2.2 The period from the time of request to the issuance of stocks is four (4) days after which the stocks will be issued to another office in need of the said supplies.

3. Waste Materials

- 3.1 No waste materials is required for items costing less than P20.00 each, perishable, and with no money value. Only item which has money value or are saleable will require submission of waste materials (e.g. paper cement bags, newspapers, plastic containers, spare parts, etc.).
- 3.2 A specific storage place for waste materials at the SPMD shall be assigned provided with two sets of padlocks: one for COA and one for SPMD. It shall be opened only in the presence of representatives from both offices.

C. RESPONSIBILITIES

1. Department/Office/Center.

1.1 Submit quarterly procurement program to SPMD with copy furnished for Accounting Division 30 days before the start of the quarter as follows:

1st quarter	-	December 1
2nd quarter	-	March 1
3rd quarter	-	June 1
4th quarter	-	September 1

1.2 Indicate in the RIV the complete specification of the item to be purchased, balance on hand, quantities required, the date when the materials will be needed, purpose, and indicate whether the units requested are for new installation, a replacement, or for construction.

1.3 Submit waste materials to SPMD for inspection by COA representative when requisitioning for replacement.

2. Supply Property Management Division (SPMD)

2.1 Provide users with the list of materials, supplies and equipment related to their area of responsibility for use in preparing purchase requisitions.

2.2 Must make certain that there is continuity of stock availability to meet users' requirements on time to avoid disruption of important activities.

2.3 With the assistance of the College personnel, develop and maintain a list of suppliers and certain available items that have been satisfactory in the past which must be reviewed regularly to remove unsatisfactory suppliers.

2.4 Notify the requisitioner one week after receipt of RIV on the recent status of the request. A form letter shall be used to that effect.

2.5 Specify in the PO the delivery date instead of stating "Immediately" as the period of delivery. Delivery dates are often highly important for expediting purposes and supplier evaluation.

2.6 Demand the issuance of invoice at the time of delivery. The storekeeper should sign and specify the actual date on the invoice and PO.

2.7 Provide COA with the duplicate copy of the invoice after inspection of deliveries.

2.8 Request suppliers/creditors to issue credit memo for returned items, short deliveries and other adjustments.

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- 3.1 Request suppliers to specify the effectivity of prices quoted in the canvass papers. Disregard provisions for changes in prices without prior notice.
- 3.2 Suspend suppliers who waive delivery of supplies twice for at least one year and document the reasons of waiving.
- 3.3 Enforce the terms and conditions printed on the purchase order specifically the imposition of liquidated damages for late delivery and the confiscation of bidder's bond, if warranted.

4. Cash Division

- 4.1 Prepare the check and the corresponding Advice of Checks Issued immediately upon receipt of audited vouchers.
- 4.2 Send check and the corresponding Advice of Checks Issued through the SPMD.

D. INTERNAL CONTROL MEASURES

1. Emergency purchases shall be allowed only under the following conditions:
 - 1.1 Items needed are exceptionally urgent and absolutely indispensable.
 - 1.2 Delivery and utilization shall be made within one week after placing of the request or order.
 - 1.3 Supplies requested are chargeable to additional allotment and which are not covered by the funds of the quarterly procurement program or those in lieu of those deleted, cancelled or substituted from the quarterly procurement program but in no case shall the deletion, cancellation and/or substitution amount to more than 15% of the original quarterly procurement program.
2. Splitting of RIVs and purchase orders is not allowed. The COA and ICU personnel should be on the lookout for cases of splitting in varied forms. These are resorted to do away with and circumvent control measures strongly promulgated by the government such as: public bidding, inspection of deliveries, and action, review and control by higher authorities.
3. No travel orders and/or trip tickets for purchases of canvassing and/or buying supplies of departments/centers/offices other than the SPMD shall be allowed except when the acquisition of items is extremely urgent and the SPMD certifies that it has no available personnel to do the canvassing and purchasing during that time.

E. EFFECTIVITY

The submission of quarterly procurement program shall take effect next quarter while other provisions in this m e m o shall take effect immediately.

M. R. VILLANUEVA
President