

ANNEX B

PROPOSED ACTION PLAN FOR THE IMPROVEMENT OF THE PHILIPPINE PUBLIC PROCUREMENT SYSTEM

Key Result Area	Recommended Action/Measure	BLI Indicator	Specific Weaknesses	Responsible Entity	Funding Source	Schedule
Improvements in Procurement Processes and Procedures v	Review and formulation of implementing rules and regulations for foreign funded procurement activities (IRR-B), including harmonization of blacklisting guidelines with IFIs (possible adoption of ABC as ceiling for foreign assisted infrastructure projects)	1(b) (c)	Lack of implementing rules and regulations governing procurement of foreign-funded projects The legal framework does not provide for the extension of timeframes even if foreign bidders are expected to compete.	TWG, PDF	WB	Two(2) years June 2007- July 2009
	Review and formulation of implementing rules and regulations for locally funded specialized procurements for ICB including harmonized bidding documents (IRR-A) (arms and ammunition, pharmaceuticals, information technology)	1 (c)	Lack of implementing rules and regulations and harmonized bid documents for specialized procurements	GPPB	GOP	Base guidelines One (1) year Harmonization One (1) year
	Development of procurement manuals, standard bidding documents for LGUs consistent with budgeting, accounting and auditing procedures	1 (b)	The peculiarities in the procurement practices and operations of local government units were not reflected in the provisions of the existing law	GPPB, LGU Leagues, COA, DBM	ADB Harmonization TA EC grant	December 2007 Harmonization March 2008
	Development of simplified procurement guides for <i>barangays</i> consistent with financial management guidelines	1 (b)	Several barangay officials claim that the procurement law may not be applicable to the nature of their procurements	GPPB, LGU Leagues, COA, DBM	WB and ADB	December 2008

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	Review detailed engineering guidelines, with regards to standards and determine accountability for non-compliance among government agencies and consultants		There are agencies who do not comply with guidelines on detailed engineering guidelines	COA	WB representative will apply for IDF grant particularly on the compliance of the detailed engineering design	December 2007 – DPWH projects Include the others in the long list of COA
	Streamlining and harmonization of licensing and registration procedures for civil works	7(a) (b) (c)	There are multiple constraints inhibiting private sector access to the procurement market, such difficulties in getting licenses and permits.	DTI		December 2007 PCAB licensing
Enhancing Linkages Between Financial Management and Procurement	Development of a generic financial management manual that includes procurement and logistics processes with financial management	3(b), 8(a)	There is no system linking financial management system and the procurement system to ensure enforcement of law.	DBM, COA	EC grant	December 2008
	Develop clear guidelines for multi-year contracts that will integrate budgeting, expenditure, and procurement program	3(a)	Agencies do not prepare multi-year plans that are linked to the annual budget process or to the preparation of annual procurement plans.	GPPB, DBM	GOP	December 2007
Strengthening of Monitoring and Enforcement Institutions and Mechanisms	Development and strengthening of feedback or procurement monitoring system at the agency and national levels	5(b)	Not all agencies comply with requirement to submit procurement information and feedback mechanism has not been established to monitor procurement activities	GPPB, Internal Audit Units, Procurement Units, CSO	WB (IDF for Internal Audit - August 2007)	December 2009
	Establishment and operationalization of a records management system for procurement and contract	6(c)	Lack of established norms for the safekeeping of records and documents related to procurement	GPPB, COA	GOP, WB (IDF for Internal Audit - August 2007)	December 2007

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	management transactions (including replication of current good practices systems, i.e., cost estimation process, document tracking, etc.)		transactions and contract management that must be kept at the operational level.			
	Completion and mainstreaming of internal control systems for all government agencies	9(c)	Although there are written standards for the internal controls, there is no periodic reporting to management to ensure compliance with the standards.	PAGC, DBM	WB, AusAID	December 2007 - Completion of GIAM June 2008 - Pilot Testing and Customization of Manuals Establishment of pilot Internal Audit Units
	Establishment of a covenant among oversight agencies (GPPB, COA, PAGC, DBM, OMB) to strengthen coordinative linkages on monitoring and enforcement of audit findings, and compliance with the procurement laws, and supported by the creation of a procurement sub-working group under the PDF governance and anti-corruption program	8 (c), 9(b), 12 (d)	Monitoring of outcomes of the dispute resolution cases is rather weak. Compliance of only few agencies with the internal control procedures The anticorruption program requires better coordination at a higher and there are no special measures to prevent and detect fraud and corruption in public procurement	GPPB, COA, PAGC, DBM, OMB	GOP possible funding to be raised before the PDF Sub-Working Group on Governance and Anti-Corruption	December 2007
	Development of systems for the analysis of procurement related information and linkage with other	5 (b)	There is no analysis of procurement information carried out on a national	GPPB, Internal Audit units, Procurement	WB (IDF for Internal Audit – August 2007)	December 2009

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	government related data bases for policy making and decision making purposes		scale.	units, CSO		
	Strengthening organizational capacity of GPPB-TSO to monitor and enforce procurement related laws	4(c)	Although, the GPPB does not have to justify its activities before Congress, its financial stability is not secured by the legal framework.	DBM	GOP	
	Development of Data Base on Procurement Related Fraud Cases	8 (c), 12 (c)	Lack of procedures to monitor the outcome of dispute resolution cases There is no organized information on the number of graft related cases filed, prosecuted and resolved	GPPB, COA, PAGC, DBM, OMB	GOP possible funding to be raised before the PDF Sub-Working Group on Governance and Anti-Corruption	December 2008
	Development of mechanism for utilization/optimization of observer's reports	12(f)	Compliance to the submission of observers reports and enforcement of follow-up action taken is not monitored and is rather weak	GPPB, OMB, COA	EU (existing), Possible funding from TAF	December 2009
	Formulate a disclosure policy on procurement related information	11 (a)	There is no policy on the protection and/or disclosure of proprietary, commercial, personal or financial information of a commercial and sensitive nature related to procurement.	GPPB, TAN		December 2010
Strengthening of Capacity on Procurement	Implementation of the Professionalization Program on Procurement including cost estimation and value engineering	5 (c), 6 (a)	There is a need to develop a sustainable strategy to develop the capacity of government officials to	GPPB	WB (IDF Grant on Professionalization)	December 2008

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			understand and implement the procurement rules and regulations procurement personnel			
	Piloting the adoption of Value Engineering as a policy for selected infrastructure projects costing P 50M above	1 (b), 6 (a)	The Medium-Term Philippine Development Plan provides for the application of value engineering in infrastructure projects to ensure the most cost-efficient designs and avoid overpricing of projects and there is a need to jump start such application	DPWH, DOTC, GPPB and NEDA Infracom	GOP (DPWH and DOTC budget	December 2007 - Start of pilot- testing of selected GOP funded infrastructure projects (DPWH, DOTC, PPA) December 2008 - Issuance of Guidelines by NEDA
	Development of procurement audit guide and conduct of regular training programs for external auditors on procurement laws and procedures	5(d) , 9(e)	Need to strengthen knowledge of auditors on procurement.	COA	WB	December 2008 - 2010
	Conduct of regular training programs on public procurement for private sector bidders	6 (b), 7(a) 12(d)	There are no organized efforts to address the capacity of small and medium enterprises to encourage their participation in procurement and to help new entries into procurement marketplace.	DTI, Phil- GEPS	GOP, ADB	January 2008 – start training
	Development of manual and training programs for third party observers (CSO) in the	6(b)	There is a need to expand the network of third party observers and strengthen	GPPB, CSO	Possible funding to be raised before the PDF Sub-Working	

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	procurement process		their capacity to participate in the procurement process		Group on Governance and Anti-Corruption	
	Development and conduct of special training programs on fraud detection for purposes of prosecution (target: investigators, prosecutors, auditors)	12(d)	There is a need to train investigators, prosecutors and auditors on fraud detection	GPPB, OMB, COA	Possible funding to be raised before the PDF Sub-Working Group on Governance and Anti-Corruption	December 2008
	Development of performance management systems for procurement unit and staff	5 (d)	There is a need to define the skills and knowledge competency requirements for specialized procurement jobs and to monitor compliance to standards among agencies	GPPB, CSC, DBM, CESB		December 2010
Development of Complaint and Review Mechanisms for Procurement Related Disputes	Review of policies and procedures for procurement related complaints and appeals which include a study on the following options: 1. Best practices of other countries 2. Creation of an independent administrative review body 3. Tapping of an existing administrative body with the appropriate mandate 4. Reasonableness of amount of protest fees	1 (h), 10 (e)	Lack of independent administrative body or special court to review procurement related complaints and appeals Existence of policies that discourage filing of protest (protest fee requirement)	GPPB	Possible hiring of international consultant to be funded by the World Bank	December 2008
	Develop mechanisms to publish decisions on procurement related disputes (of HOPE on	10(d)	Decisions are not mandated to be published nor posted in the website.	GPPB		December 2010

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	procurement related protest)					
Communications Strategy	Development and Implementation of a Strategic Communication Plan for Procurement Reform	11(a)	Lack of a communication plan for dissemination of information on procurement reform	GPPB	Possible funding to be raised before the PDF Sub-Working Group on Governance and Anti-Corruption	June 2007 - Medium Term Draft Plan