

## [ MEMORANDUM CIRCULAR NO. 39, January 26, 2018 ]

### **REQUIRING ALL HEADS OF NATIONAL GOVERNMENT AGENCIES (NGAs), GOVERNMENT OWNED AND/OR CONTROLLED CORPORATIONS (GOCCs), STATE UNIVERSITIES AND COLLEGES (SUCs), AND LOCAL GOVERNMENT UNITS (LGUs) TO SUBMIT TO THE OFFICE OF THE PRESIDENT (OP) A REPORT ON FUNDS TRANSFERRED TO THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) - PROCUREMENT SERVICE (PS) FOR THE PURPOSE OF PROCURING VARIOUS SUPPLIES, EQUIPMENT, AND INFRASTRUCTURE PROJECTS**

**WHEREAS**, Section 28, Article II of the 1987 Constitution provides that the State shall adopt and implement a policy of full public disclosure of all its transactions involving public interest;

**WHEREAS**, it is the policy of the State to promote good governance and to adhere to the principles of transparency, accountability, equity, efficiency, and economy *in* its procurement process;

**WHEREAS**, Section 10, Article V of Republic Act (RA) No. 9184, otherwise known as the Government Procurement Reform Act (GPRA), provides that all procurement shall be done through competitive bidding, except as otherwise provided for by the said law;

**WHEREAS**, Section 11, Article V of RA No. 9184 (GPRA) mandates that each Procuring Entity shall establish a Bids and Awards (BAC) for its procurement:

**WHEREAS**, Section 7.3.3 of the 2016 Revised Implementing Rules and Regulations (RIRR) of RA No. 9184 (GPRA) provides that in order to hasten project implementation, the Procuring Entities, which may not have the proficiency or capability to undertake a procurement, as determined by the Head of Procuring Entity (HOPE) concerned, may outsource the procurement tasks by requesting other government agencies to undertake such procurement for them, through the execution of a Memorandum of Agreement (MOA) containing specific arrangements, stipulations and covenants, in accordance with government budgeting, accounting and auditing laws, rules and regulations;

**WHEREAS**, it is observed that various government agencies are tapping the services of the DBM-PS to serve as the procurement agent for the procurement of supplies, equipment and infrastructure projects;

**NOW, THEREFORE**, all Heads of Procuring Entity (HOPE) of NGAs, GOCCs, SUCs and LGUs are hereby required to comply with the provisions of RA No. 9184 (GPRA) and its 2016 RIRR, and to submit to OP, for monitoring and evaluation purposes, a report on funds transferred to DBM-PS for the purpose of procuring supplies, equipment and infrastructure projects as of 31 December 2017, to be submitted