



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
CENTRAL OFFICE
Manila

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DEPARTMENT MEMORANDUM)
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FOR / TO : Senior Undersecretary
Undersecretaries
Assistant Secretaries
Bureau Directors
Service Directors
Regional Directors
Heads of UPMOs
District Engineers
BAC Chairpersons and Members
This Department

For information and guidance, attached is a copy of **GPPB Resolution No. 18-2021 entitled: "APPROVING THE AMENDMENT TO SECTION 53.12 OF THE 2016 REVISED IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 9184 AND THE GUIDELINES FOR THE CONDUCT OF COMMUNITY PARTICIPATION IN PROCUREMENT"**.

A copy of said Resolution may also be downloaded from the **DPWH website: <http://dpwhweb>**. If an office cannot access the DPWH website, a hard copy may be obtained from the Records Management Division, HRAS, upon request.

MARICHU A. PALAFOX, CESO III
Assistant Secretary for Support Services

Incl: GPPB Resolution No. 18-2021 dated October 22, 2021

Cc: Office of the Secretary

12.1.1 EYAP/RAG/MVSG



APPROVING THE AMENDMENT TO SECTION 53.12 OF THE 2016 REVISED IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 9184 AND THE GUIDELINES FOR THE CONDUCT OF COMMUNITY PARTICIPATION IN PROCUREMENT

WHEREAS, Republic Act (RA) No. 9184, otherwise known as the “Government Procurement Reform Act,” took effect on 26 January 2003, while its 2016 revised Implementing Rules and Regulations (IRR) took effect on 28 October 2016;

WHEREAS, Section 63 of RA No. 9184 and its 2016 revised IRR authorizes the Government Procurement Policy Board (GPPB) to formulate public procurement policies, rules and regulations, and amend the IRR, whenever necessary;

WHEREAS, on 22 July 2009, the GPPB issued Resolution No. 03-2009 approving and adopting the revised IRR of RA No. 9184 where its Section 53.12 states that:

“Community Participation. Where, in the interest of project sustainability or to achieve certain specific social objectives, it is desirable in selected project components to call for participation of local communities in the delivery of services, the procuring entity shall propose the procedures, specifications, and contract packaging which are subject to the approval of the GPPB.”

WHEREAS, on 21 January 2013, the GPPB issued Resolution No. 03-2013 amending Section 53.12 of the revised IRR of RA No. 9184, to read as follows:

“Where, in the interest of project sustainability or to achieve certain specific social objectives, it is desirable in selected projects, or its components, to call for participation of local communities in the delivery of goods, including non-consulting services, and simple infrastructure projects, subject to the guidelines to be issued by the GPPB.”

WHEREAS, on 23 May 2014, the GPPB issued Resolution No. 09-2014 approving and adopting the Community Participation Procurement Manual (CPPM) and the implementing guidelines for Negotiated Procurement - Community Participation (NP-CP) under Section 53.12 of the 2009 revised IRR of RA No. 9184;

WHEREAS, on 30 April 2015, the GPPB issued Resolution No. 15-2015 approving the Supplemental Guidelines for Community Participation in Procurement Method for Foreign Assisted Projects, and adopting the Community-Managed Procurement approach in the CPPM, subject to implementing guidelines to be issued by the GPPB;

WHEREAS, on 23 September 2016, the GPPB issued Resolution No. 17-2016 approving the CPPM for the Partnership Against Hunger and Poverty (PAHP) Program of the Department of Social Welfare and Development (DSWD), Department of Agrarian Reform (DAR), and Department of Agriculture (DA);

WHEREAS, on 28 October 2016, the GPPB, through GPPB Resolution No. 13-2016, approved the 2016 revised IRR of RA No. 9184,¹ which has included the amendment to its Section 53.12 requiring the issuance of a CPPM instead of guidelines, thus:

“Community Participation. Where, in the interest of project sustainability or to achieve certain specific social objectives, it is desirable in selected projects, or its components, to call for participation of local communities in the delivery of goods, including non-consulting services, and simple infrastructure projects, subject to the Community Participation Procurement Manual issued by the GPPB.”

WHEREAS, on 20 December 2016, the GPPB issued Resolution No. 28-2016 approving the Guidelines on Community-Managed Procurement as a Supplement to the CPPM;

WHEREAS, on October 2017, in order to harmonize several issuances relevant to community participation in government procurement, the GPPB, through its Technical Support Office (TSO), established an Inter-Agency Technical Working Group (IATWG) composed of representatives from the DSWD, DA, DAR, Department of Education (DepEd), Department of the Interior and Local Government (DILG), Department of Environment and Natural Resources (DENR), Department of Public Works and Highways (DPWH), Office of the Presidential Adviser on the Peace Process (OPAPP), National Commission on Indigenous Peoples (NCIP), and Commission on Audit (COA) to discuss and review the implementation of the CPPM and secure comments and inputs on the proposed harmonization of the three (3) sets of guidelines;

WHEREAS, after a series of consultative meetings in 2018, the IATWG was able to draft the revised CPPM highlighting the procedures, duties, and responsibilities of persons involved and a proposed financial management system relative to community participation in government procurement;

WHEREAS, after several consultations with representatives from the COA, the Commission interposed that it should develop and issue separate procedural guidelines on the financial management system for the implementation of the CPPM in view of its authority over the matter;

WHEREAS, Section 12 of RA No. 11037 or the *“Masustansyang Pagkain para sa Batang Pilipino Act,”* enacted on 20 June 2018, requires the GPPB, and the COA, in consultation with concerned National Government Agencies (NGAs), to specifically establish and promulgate a community-based mode of procurement, liquidation, and audit to ensure the efficient and effective implementation of the National Feeding Program;

WHEREAS, Section 16 of RA No. 11148 or the *“Kalusugan at Nutrisyon ng Mag-Nanay Act,”* enacted on 29 November 2018, requires the GPPB to approve a liberalized mode of procurement for the National and Local Health and Nutrition Programs, requiring further the prioritization of local and community-based producers, suppliers and/or service contractors;

WHEREAS, Section 11 of RA No. 11321 or the *“Sagip Saka Act,”* enacted on 17 April 2019, requires National and Local Government Agencies to promote and support farmers and fisherfolk enterprises development by directly purchasing agricultural and fishery products from accredited farmers and fisherfolk cooperatives and enterprises;

¹ Dated 9 August 2016.

WHEREAS, on 13 February 2020, during the 2nd IATWG Regular Meeting, the GPPB-TSO discussed the proposed revised CPPM, explaining that it shall be divided into five (5) subject matters, namely:

- 1) General Principles, Conditions and Guidelines on Negotiated Procurement-Community Participation, including the increase in the threshold of the Approved Budget for the Contract, and incorporation of recent laws such as RA No. 11321 or “*Sagip Saka Act*”;
- 2) Community as Service Providers;
- 3) Community-Managed Procurement, which is based on GPPB Resolution No. 28-2016 and which would require downloading of funds to the barangay LGU in order to engage the community as contract-managers;
- 4) Community Committees and Groups; and
- 5) CPPM Forms, the inclusion of which was recommended by stakeholder agencies during the consultative meetings;

WHEREAS, based on the comments received during the IATWG meeting and thereafter, the GPPB-TSO, after careful review, revised further the proposed provisions of the CPPM with the following objectives:

- 1) Harmonize the terminologies used and enhance the definitions provided;
- 2) Clarify that the community may be engaged as project managers either by downloading funds to the barangay, the latter as the implementing partner of both the Procuring Entity (PE) and the community or by the barangay itself as the PE;
- 3) Emphasize that the mechanism of engaging the community as project manager under Negotiated Procurement – Community Participation may be resorted to regardless of the funding source;
- 4) Clarify that the community as project managers may procure Goods and/or Simple Infrastructure Projects from organized community groups and locally available suppliers, or labor components from unorganized community groups; and
- 5) Incorporate provisions that would effectively implement the relevant provisions of RA No. 11037 or “*Masustansyang Pagkain para sa Batang Pilipino Act*”, RA No. 11148 or “*Kalusugan at Nutrisyon ng Mag-Nanay Act*”, and RA No. 11321 or “*Sagip Saka Act*” and their respective IRRs;

WHEREAS, on 24 June 2020, the GPPB-TSO initiated a consultation meeting² with the stakeholders and the NGAs, namely the DA, DSWD, DILG, and COA. The GPPB-TSO presented the proposed changes to the CPPM and requested the participants of the meeting to submit their comments on the proposed Guidelines on Negotiated Procurement-Community Participation;

WHEREAS, on 14 August 2020, the GPPB-TSO, through a meeting initiated by the DSWD, received comments and suggested revisions to the CPPM for the PAHP, which is a customized manual to members of the enhanced PAHP (EPAHP);

² Via Zoom.

WHEREAS, the issuance of the proposed revised CPPM becomes more imperative in also addressing the need of the agencies to revise their Procurement Projects in light of the changes in priority and strategies of the government as an effect of the preparation for the implementation of the Cash Budgeting System and unforeseen occurrence of the COVID-19 pandemic situation in the Philippines starting 2020;

WHEREAS, in view of the foregoing, the GPPB, through its TSO, has deemed it necessary to shift from having an updated manual to a principle-based approach and having a uniform set of guidelines streamlining the procurement procedures for Negotiated Procurement - Community Participation with the exception of project or program-specific matters that are properly covered by internal guidelines or issuances of the PEs implementing Community-based Projects or programs, thus, allowing PEs to have the flexibility in their project or program-specific rules for the effective and efficient implementation of their respective community-based projects or programs;

WHEREAS, on 17 December 2020, during the Joint GPPB-IATWG Year-End Meeting,³ the GPPB-TSO discussed the proposed Guidelines for the Conduct of Community Participation in Procurement and its use by all PEs, including those implementing the EPAHP, which adopts the principle-based approach and standard procedure implementing Community-based Projects or programs, and after careful review and deliberation, the Board resolved to approve in principle the proposed Guidelines for the Conduct of Community Participation in Procurement, subject to the comments of the members as to the proposed Guidelines and their vote as to whether the threshold for the Approved Budget for the Contract (ABC) for both Goods and Simple Infrastructure Project should be set at Five Million Pesos (PhP 5,000,000.00) or to remove the threshold altogether;

WHEREAS, majority of the members or eight (8) out of those who were present during the meeting voted to remove the threshold for the ABC, namely the Department of Transportation (DOTr), Department of Health (DOH), Department of Budget and Management (DBM), DILG, Department of Science and Technology (DOST), Department of National Defense (DND), Department of Trade and Industry (DTI), and DepEd; while three (3) voted to set the threshold at PhP 5 Million, namely the Private Sector representative, DPWH, and National Economic Development Authority (NEDA); and no votes were received from the Department of Finance (DOF), and Department of Information and Communications Technology (DICT);

WHEREAS, on the same day, 17 December 2020, after due consideration and deliberation, the Board also resolved to approve to amend Section 53.12 of the 2016 revised IRR of RA No. 9184, to read as follows:

“Community Participation. Where, in the interest of project sustainability or to achieve certain specific social objectives, it is desirable in selected projects, or its components, to call for participation of local communities, **COMMUNITY OR SOCIAL GROUPS, OR MEMBERS THEREOF, AS SERVICE PROVIDERS OR PROJECT MANAGERS** in the delivery of goods, including non-consulting services, and simple infrastructure projects, subject to the **GUIDELINES** issued by the GPPB.”

WHEREAS, on 20 January 2021, during the 1st Joint GPPB and IATWG meeting,⁴ the GPPB-TSO informed the members of the GPPB and the IATWG that it is in the process of

³ Via Zoom.

⁴ Via Zoom.

consolidating the comments received to refine further the proposed Guidelines for the Conduct of Community Participation in Procurement;

WHEREAS, based on the comments received by the GPPB-TSO, the proposed coverage of the Guidelines shall be as follows:

- 1) General Guidelines which define the type of Community or Social Group and general principle of community participation;
- 2) Eligibility Requirements for the procurement from Organized Community or Social Groups and Unorganized Community or Social Groups;
- 3) Procurement Procedure beginning from posting up to awarding of contract;
- 4) Direct Purchase from Local Farmers and Local Fisherfolks;
- 5) Contract Implementation; and
- 6) Forms to be used in Negotiated Procurement-Community Participation;

WHEREAS, the GPPB, through its TSO, has further noted that following the signing of Executive Order (EO) No. 138 by President Rodrigo R. Duterte, in line with the implementation of the Supreme Court Ruling in the consolidated cases of *Congressman Hermilando I. Mandanas, et al. vs. Executive Secretary Paquito N. Ochoa, Jr., et al.* and *Honorable Enrique T. Garcia, Jr. vs. Executive Secretary Paquito N. Ochoa, et al.*,⁵ the DBM and DILG issued Joint Memorandum Circular (JMC) No. 2021-1 or the Guidelines on the Preparation of Devolution Transition Plans of Local Government Units in Support of Full Devolution under EO No. 138, dated 01 June 2021;

WHEREAS, pursuant to Section 7 (g) of EO No.138 Series of 2021, the Committee on Devolution⁶ issued the IRR of EO No. 138 for Full Devolution of Certain Functions of the Executive Branch to Local Governments, Creation of Committee on Devolution, and for Other Purposes dated 02 July 2021;

WHEREAS, in light of the aforesaid devolution of basic services and facilities to the local government units (LGUs) in accordance with RA No. 7160,⁷ the proposed Guidelines for the Conduct of Community Participation in Procurement has been further refined to align with these issuances by highlighting the roles of LGUs, especially the Barangays, as PEs for these Community-based Projects and not just as service providers or community managers;

WHEREAS, on 14 October 2021, during the 8th GPPB meeting,⁸ after due consideration and deliberation, the Board also resolved to further amend Section 53.12 of the 2016 revised IRR of RA No. 9184, to read as follows:

“Community Participation. Where, in the interest of project sustainability or to achieve certain specific social objectives, it is desirable in selected

⁵ G.R. Nos. 199802 and 208488, dated 10 April 2019.

⁶ Committee on Devolution is composed of the DBM Secretary as Chairperson, the DILG Secretary as Co-Chairperson, and the Secretaries of Socioeconomic Planning (National Economic and Development Authority), and of Finance (Department of Finance), Executive Secretary and The Presidents of the Leagues of Provinces, Cities, and Municipalities of the Philippines, Liga ng mga Barangay sa Pilipinas, and the Union of Local Authorities of the Philippines (ULAP) as members.

⁷The 1991 Local Government Code of the Philippines, as amended.

⁸ Via Zoom.

projects, or its components, to call for participation of local communities **THROUGH COMMUNITY OR SOCIAL GROUPS, OR MEMBERS THEREOF**, in the delivery of ~~Goods including non-consulting services~~, and Simple Infrastructure Projects, subject to the **GUIDELINES** issued by the GPPB.”

WHEREAS, the non-consulting services has been proposed for deletion to prevent any confusion in the coverage of the said modality considering that Goods have already included physical services in its definition found in Section 5 of RA No. 9184 and its 2016 revised IRR;

WHEREAS, on the same meeting, the GPPB-TSO presented the proposed Guidelines, including its comparison with Competitive Bidding. Discussions also ensued in refining the provisions of the Guidelines, particularly to:

- 1) Improve the definition of the Simple Infrastructure Projects, Community or Social Groups, and nearby community when there is no local community available to participate in the Community-based Projects;
- 2) Set the use of performance security; and
- 3) Strengthen the provisions in relation to accounting, budgeting, and auditing rules, as an added safeguard for the PEs;

WHEREAS, the GPPB has agreed that it is necessary to conduct a one-year pilot implementation of the proposed Guidelines that will involve stakeholder agencies, namely the DSWD, DA, DAR, DOH, DepEd, and other partner agencies of EPAHP covering LGUs recommended by the DILG, based on their capacity to manage Community-based Projects; then any comments, suggestions, and recommendations gathered from these pilot agencies and LGUs shall be incorporated in the Guidelines for general implementation;

WHEREAS, to enable the efficient and effective implementation of the Guidelines, the Board likewise agreed that there is a need to initiate capacity development programs for all implementing agencies and the LGUs; and in the case of the LGUs, the Growth Equity Fund of the DBM may be tapped for this purpose;

WHEREAS, during the same meeting, the GPPB has approved in principle the amendments to Section 53.12 of the 2016 revised IRR of RA No. 9184 and issuance of the Guidelines, subject to the comments of the Board on the latter’s contents;

WHEREAS, on 22 October 2021, during the Special GPPB meeting,⁹ the GPPB-TSO further presented the changes to the proposed Guidelines, which also incorporated the comments of the Board members during the 8th GPPB meeting;

WHEREAS, the Board members discussed and agreed to include their additional comments and suggestions in the said Guidelines, to wit:

- 1) Retain the legal, technical, and financial requirements subject to the refinements of the language in the technical requirements and inclusion of photocopy of the bank account under the name of any of the officers or members of the Organized and Unorganized

⁹ Via Zoom.

Community or Social Groups (CSGs); or proof that the CSG maintains books of accounts, such as cash receipts journal, cash disbursement journal, general journal, or general ledger, as a financial eligibility requirement;

- 2) Adopt the maximum amount of the ABC for the procurement of Community-based Projects or any of its components using NP-CP, as recommended by the DENR, DPWH, and Department of Energy (DOE), thus:
 - a) For Goods, the ABC shall not exceed Five Million Pesos (PhP 5,000,000.00), as recommended by the DENR based on the findings of the Focus Group Discussion¹⁰ that will allow a wider latitude for the PE to decide on the costing of its Community-based Project, thus, facilitating the budget preparation and procurement planning thereof, which includes the prevention of any Splitting of Contracts;¹¹
 - b) For Simple Infrastructure Projects, the ABC shall not exceed Five Million Pesos (PhP 5,000,000.00), based on the recommendation of the DPWH representative in view that these projects may be reckoned from the recommended ABCs of projects under the Local Infrastructure Program,¹² which will be later known as basic facility projects¹³ of the LGUs; additionally, a contract cost of Five Million Pesos (PhP 5,000,000.00) for infrastructure projects is considered more than sufficient without being excessive for implementation in the local community based on the experience of the DPWH; and
 - c) For the procurement of labor-only contracts, the amount shall not exceed One Million Pesos (PhP 1,000,000.00), as recommended by the DOE representative to align with the ABC for Negotiated Procurement - Small Value Procurement;¹⁴

This, notwithstanding, if the effective implementation of the Community-based Project would require an ABC beyond the foregoing amount, the PE may increase the ABC subject to the prior approval of the Head of the Procuring Entity (HoPE). The HoPE shall submit to the GPPB a report on the amount of the ABC approved and the reason therefor for proper monitoring; and the data from these submitted reports shall be the basis of the TSO in recommending to the Board the review of the ABC for this modality;

- 3) Require performance and warranty securities from the Organized CSGs in accordance with the procurement rules. For the Unorganized CSGs and direct purchase from Local Farmers and Local Fisherfolks, this requirement shall depend on the determination by the PE based on its needs and nature of its project;
- 4) Clarify that the Guidelines for NP-CP shall cover the procurement for Community-based Projects as determined by the PE. Thus, it is the PE that would determine what projects shall be procured using this modality. Accordingly, the DepEd may adopt this modality should it decide to implement Community-based Projects in its School-Based Feeding Program¹⁵ subject to the requirements of RA No. 11037; and
- 5) Add a provision in the Guidelines that financial inclusivity shall be adopted for NP-CP, including the use of the digital payment system to the extent applicable;

¹⁰ Dated 18 September 2020 via Zoom.

¹¹ Section 65.1(d) in relation to Item IV (B) of Annex "H" of the 2016 revised IRR of RA No. 9184.

¹² Based on the General Appropriations Act for various fiscal years up to FY2021.

¹³ Starting FY2022 citing EO No. 138, s. 2021.

¹⁴ Section 53 of RA No. 9184 and its 2016 revised IRR, in relation to Annex "H" of the same IRR.

¹⁵ Section 5.2 of the IRR of RA No. 11037.

WHEREAS, the GPPB-TSO further recommended that the pilot implementation of the Guidelines not to be limited to one year to provide implementing agencies sufficient time to prepare and implement Community-based Projects. The Board agreed not to limit the conduct of the said pilot implementation to a one-year period, as originally approved during the 8th GPPB Meeting, to provide implementing agencies ample time to evaluate the efficiency and effectiveness of the Guidelines and to enable them to sufficiently prepare the final report of their findings and recommendations to the GPPB;

WHEREAS, the Board, after careful review and due deliberation of the final comments and suggestions of its members, agreed to approve the recommendations on all matters relating to community participation in government procurement, as stated below.

NOW, THEREFORE, for and in consideration of the foregoing, **WE**, the Members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, by virtue of the powers vested on **US**, by law and other executive issuances, hereby **RESOLVE** to confirm, adopt, and approve, as **WE** hereby confirm, adopt, and approve the following:

- 1) **AMEND** Section 53.12 of the 2016 revised IRR of RA No. 9184, to read as follows:

“Community Participation. Where, in the interest of project sustainability or to achieve certain specific social objectives, it is desirable in selected projects, or its components, to call for participation of local communities **THROUGH COMMUNITY OR SOCIAL GROUPS, OR MEMBERS THEREOF** in the delivery of ~~Goods including non-consulting services~~ and **Simple Infrastructure Projects**, subject to the **GUIDELINES** issued by the GPPB.”

- 2) **ISSUE** the Guidelines for the Conduct of Community Participation in Procurement, which shall include the foregoing additional suggestions of the Board, for use by all PEs including those implementing the EPAHP, a copy of which is attached as Annex “A”;
- 3) **ADOPT** the maximum amount of the ABC for the procurement of Community-based Projects or any of its components using NP-CP, as recommended by the DENR, DPWH, and DOE, particularly (i) for Goods, an ABC not exceeding Five Million Pesos (PhP 5,000,000.00); (ii) for Simple Infrastructure Projects, an ABC not exceeding Five Million Pesos (PhP 5,000,000.00); and (ii) for labor-only contracts, an ABC not exceeding One Million Pesos (PhP 1,000,000.00); this, notwithstanding, if the effective implementation of the Community-based Project would require an ABC beyond the foregoing amount, the PE may increase the ABC subject to the prior approval of the HoPE. The HoPE shall submit to the GPPB a report on the amount of the ABC approved and the reason therefor for proper monitoring; and the data from these submitted reports shall be the basis of the TSO in recommending to the Board for the review of the ABC for this modality;
- 4) **APPROVE** the pilot implementation with the stakeholder agencies, namely the DSWD, DA, DAR, DOH, DepEd, and other partner agencies of EPAHP, which will cover identified LGUs as recommended by the

DILG; and the termination of the conduct thereof shall be subject to the submission of the pilot agencies to the GPPB their joint final report of their findings and recommendations;

- 5) **INSTRUCT** the GPPB-TSO to monitor the pilot implementation of the Guidelines for the Conduct of Community Participation in Procurement and coordinate with the pilot agencies for the preparation of the report and recommendations to the GPPB for refinements in the Guidelines; and
- 6) **DIRECT** the GPPB-TSO to conduct capacity development activities for all implementing agencies and the LGUs to enable them to efficiently and effectively implement the Guidelines for the Conduct of Community Participation in Procurement; and in the case of LGUs, the Growth Equity Fund of the DBM may be tapped.

This Resolution shall take effect after fifteen (15) days following the publication in the Official Gazette or any newspaper of general nationwide circulation.

APPROVED this 22nd day of October 2021 at Pasig City, Philippines.

Sgd.

TINA ROSE MARIE L. CANDA
GPPB, Chairperson
**DEPARTMENT OF BUDGET AND
MANAGEMENT**

Sgd.

ROLANDO U. TOLEDO
Alternate to the Chairperson
**DEPARTMENT OF BUDGET AND
MANAGEMENT**

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

DEPARTMENT OF EDUCATION

Sgd.

DEPARTMENT OF ENERGY

Sgd.

DEPARTMENT OF FINANCE

Sgd.

DEPARTMENT OF HEALTH

Sgd.

**DEPARTMENT OF THE INTERIOR AND
LOCAL GOVERNMENT**

Sgd.

**DEPARTMENT OF NATIONAL
DEFENSE**

Sgd.

**DEPARTMENT OF PUBLIC WORKS AND
HIGHWAYS**

Sgd.

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

Sgd.

DEPARTMENT OF TRADE AND INDUSTRY

DEPARTMENT OF TRANSPORTATION

**DEPARTMENT OF INFORMATION AND
COMMUNICATIONS TECHNOLOGY**

Sgd.

PHILIPPINE SPACE AGENCY

PRIVATE SECTOR REPRESENTATIVE

**GUIDELINES FOR THE CONDUCT OF COMMUNITY PARTICIPATION IN
PROCUREMENT**

1. PURPOSE

The Guidelines is formulated to:

- 1.1. Provide the rules and procedures on Negotiated Procurement - Community Participation (NP-CP) under Section 53.12 of the 2016 revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, as revised under Government Procurement Policy Board (GPPB) Resolution No. 18-2021, which states that:

Community Participation. Where, in the interest of project sustainability or to achieve certain specific social objectives, it is desirable in selected projects, or its components, to call for participation of local communities through Community or Social Groups, or members thereof in the delivery of Goods and Simple Infrastructure Projects, subject to the guidelines issued by the GPPB.

- 1.2. Streamline the rules on NP-CP as provided under GPPB Resolution Nos. 09-2014,¹⁶ 15-2015,¹⁷ 17-2016,¹⁸ and 28-2016.¹⁹
- 1.3. Establish a standard procedure for the conduct of NP-CP in the procurement of Goods and Simple Infrastructure Projects from Community or Social Groups or members thereof; this, notwithstanding, other procurement modalities⁶ may still be prescribed in provisions²⁰ of these following laws:
 - 1.3.1. RA No. 11037 or the “*Masustansyang Pagkain para sa Batang Pilipino Act*,”
 - 1.3.2. RA No. 11148 or the “*Kalusugan at Nutrisyon ng Mag-Nanay Act*,”
 - 1.3.3. RA No. 11321 or the “*Sagip Saka Act*,” and
 - 1.3.4. Any other law or government program which may thereafter require the participation of community groups.

¹⁶ Approving and Adopting the Community Participation Procurement Manual (CPPM) and the Implementing Guidelines for Negotiated Procurement under Section 53.12 (Community Participation) of the Revised Implementing Rules and Regulations of Republic Act (RA) No. 9184.

¹⁷ Approving the Supplemental Guidelines for Community Participation in procurement method for Foreign Assisted Projects and adopting the Community-Managed Procurement approach in the Community Participation Procurement Manual (CPPM).

¹⁸ Approving the Community Participation Procurement Manual (CPPM) for the Partnership against Hunger and Poverty (PAHP) Program of the Department of Social Welfare and Development (DSWD), Department of Agrarian Reform (DAR) and the Department of Agriculture (DA).

¹⁹ Approving the Guidelines on Community-Managed Procurement as a Supplement to the Community Participation Procurement Manual (CPPM).

²⁰ E.g. Section 2(k), IRR of RA No. 11321 defining Negotiated Procurement in relation to Section 11 of the same IRR on the Direct Purchase by National and Local Agencies.

- 1.4. Institutionalize the procedure for direct purchase of Agricultural and Fishery Products from Local Farmers and Fisherfolks.
- 1.5. Integrate inclusiveness in the procurement process by encouraging the participation of local expertise, generating local employment, enhancing community capacity, promoting the use of local materials and indigenous technology, offering the community members with basic financial services, including cashless digital transactions, regardless of their income or savings, among others.

2. SCOPE AND APPLICATION

These Guidelines shall apply to:

- 2.1. All Procuring Entities (PEs) or any branch, Constitutional Commission, agency, department, bureau, office, or instrumentality of the Government of the Philippines, National Government Agencies (NGAs), including Government-Owned and/or Controlled Corporations (GOCCs), Government Financial Institutions (GFI), State Universities and Colleges (SUCs), and Local Government Units (LGUs);
- 2.2. Procurement of:
 - 2.2.1. Goods,²¹ including direct purchase of Agricultural and Fishery Products from Local Farmers and Local Fisherfolks; and
 - 2.2.2. Simple Infrastructure Projects from local communities through Community or Social Group or members thereof, to meet the specific social objectives or for project sustainability.

3. DEFINITION OF TERMS

- 3.1. **Accredited Farmers and Fisherfolk Cooperatives and Enterprises** – refer to the farmers and fisherfolk cooperatives and enterprises, as defined under Section 2(g) of Administrative Circular No. 08, series of 2019,²² accredited by the Department of Agriculture pursuant to Section 11.5 thereof and registered in the Farmers and Fisherfolk Enterprise Development Information System (FFEDIS).²³
- 3.2. **Agricultural and Fishery Products** - pertain to locally produced live, fresh, chilled, frozen, and unprocessed agriculture and fishery-based products including agricultural and fishery inputs, such as food crops, fish produce, livestock, etc.

²¹ Section 5 of RA No. 9184 and its 2016 revised IRR, which defines Goods as all items, supplies, materials and general support services, except consulting services and infrastructure projects, which may be needed in the transaction of public businesses or in the pursuit of any government undertaking, project or activity, whether in the nature of equipment, furniture, stationery, materials for construction, or personal property of any kind, including non-personal or contractual services such as the repair and maintenance of equipment and furniture, as well as trucking, hauling, janitorial, security, and related or analogous services, as well as procurement of materials and supplies provided by the procuring entity for such services.

²² The Implementing Rules and Regulations (IRR) of RA No. 11321.

²³ Section 2(a), IRR of RA No. 11321.

- 3.3. **Community or Social Groups (CSGs)** - refer to groups of individuals living in close proximity to each other or social groups or sectors which share a common agenda, cause, or interest for the community. They may include associations of barangay health workers, farmers, fisherfolk, women, elderly, indigenous peoples, parent-teacher associations, among others.
- 3.4. **Community-based Project** – refers to a project that is to be implemented at the community level where the participation of local communities through CSGs or members thereof is desirable for project sustainability or to achieve certain specific social objectives.
- 3.5. **Local Fisherfolk** – refers to a Filipino individual who is directly or personally and physically engaged in taking and/or culturing and processing fishery and/or aquatic resources.
- 3.6. **Local Farmer** – refers to a Filipino individual who is engaged in the planting, cultivating, and/or performing post-harvest duties involving rice, corn, and other crops.
- 3.7. **Simple Infrastructure Project** – refers to construction, improvement, rehabilitation, demolition, repair, restoration, or maintenance of structures, technical facilities and systems with an Approved Budget for the Contract (ABC) not exceeding Five Million Pesos (PhP 5,000,000.00) built at the community level for the sustenance of lives and livelihoods of the population living in a community and built according to the needs and aspirations of the community population.

4. GENERAL GUIDELINES

- 4.1. PEs, through its Bids and Awards Committee (BAC), undertaking Community-based Projects may resort to the NP-CP under Section 53.12 of the 2016 revised IRR of RA No. 9184 in any of the instances found in Item 4.2 of this Guidelines. The PE shall determine what Procurement Projects shall be procured using this modality.
- 4.2. Community Participation is most appropriate when the:
 - 4.2.1. involvement of people in the community, in part or whole, is necessary to sustain the project outputs and achieve its intended outcomes;
 - 4.2.2. empowerment of local communities through CSGs and members thereof is promoted by enhancing their knowledge and skills, and creating an environment for development; or
 - 4.2.3. participation of Local Farmer and Local Fisherfolk is necessary to ensure the availability of food for the target community or to improve their economic, environmental, and social well-being;

4.3. CSGs may be classified into two (2) types:

4.3.1. **Organized Community or Social Group** – shall refer to a CSG that has a defined organizational structure, identified membership and leadership, and adopts a principle of shared responsibility for their actions. It shall likewise be registered with the appropriate regulatory body such as but not limited to Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI), Cooperative Development Authority (CDA), Department of Agriculture (DA), and National Commission on Indigenous Peoples (NCIP). It may include Accredited Farmers and Fisherfolk Cooperative and Enterprise, Civil Society Organizations (CSO), and Community-based Organizations, such as Department of Agrarian Reform's Beneficiaries Organizations, Department of Social Welfare and Development's Sustainable Livelihood Associations.

4.3.2. **Unorganized Community or Social Group** – shall refer to a CSG that is not registered in any government regulatory body or a member of a duly recognized private organization. Unorganized Community Groups may include community labor groups or *pakyaw* groups, associations of barangay health workers, farmers, fisherfolk, women, elderly, indigenous peoples, parent-teacher associations, among others.

4.4. Organized CSGs shall be engaged in NP-CP to supply Goods or implement Simple Infrastructure Projects or to perform the labor-only component of Procurement Projects.

On the other hand, Unorganized CSGs are limited to performing the labor-only component of procurement projects.

4.5. The ABC for the procurement of Goods, Simple Infrastructure Projects, and labor-only contracts shall be determined by the PE in accordance with Item 5.6 of this Guidelines.

5. PROCEDURAL GUIDELINES

Procurement Planning

5.1. In case the PE plans to implement a multi-year Community-based Project, the same shall be subject to the issuance of Multi-Year Contractual Authority (MYCA) for NGAs or an equivalent document for GOCCs, GFIs, SUCs, and LGUs, pursuant to the guidelines issued by the Department of Budget and Management. The ABC for multi-year projects shall be reflected in the MYCA or the equivalent document.

5.2. The End-user unit shall identify project proposals in line with the PE's strategic plan, key results areas, and major final outputs that will be sustainable if implemented with the participation of the CSGs or members thereof, or where their engagement will lead to the

achievement of specific social objectives. The procurement modality to be reflected in the Annual Procurement Plan shall be NP-CP pursuant to Section 53.12 of the 2016 revised IRR of RA No. 9184.

- 5.3. The objectives, requirements, and target community for the Community-based Project shall be identified by the End-user unit. The project requirements shall include a brief description of the Goods or Simple Infrastructure Projects to be procured, the technical specifications or scope of work, the ABC, the manner and deadline for submission of quotations, the terms and conditions of the project, and other necessary information.
 - 5.3.1. In preparing the technical specifications of Goods, the End-user shall identify clear standards of functionality and performance in the technical specifications to be met.
 - 5.3.2. For Simple Infrastructure Projects, the PE shall ensure the conduct of detailed engineering activities in accordance with Section 17.6 and Annex "A" of the 2016 revised IRR of RA 9184. Further, the PE shall provide a clear delineation in the scope of work for each phase to ensure that the project would be usable and structurally sound.
- 5.4. The End-user shall conduct a market study and scoping to determine the availability of CSGs within the area where the target community is located. If no such CSG is capable to supply the required Goods or implement Simple Infrastructure Projects, the PE shall determine if CSGs in nearby or other communities may be engaged based on the specific objectives and purpose of the Community-based Projects, i.e., improving the well-being of the target community or to achieve positive outcomes like poverty reduction, hunger mitigation or elimination, climate change adaptation or mitigation, gender inequality reduction, disease reduction, job generation, among others.
- 5.5. To ensure the readiness of the procurement, the End-user shall undertake the following:
 - 5.5.1. conduct prior consultation with the local communities through CSGs or members thereof before implementation of any Community-based Project;
 - 5.5.2. secure any prior approval from the LGU as may be required under Section 27 of RA No. 7160 or the Local Government Code and its IRR or other laws and issuances;
 - 5.5.3. consider the peculiar needs and situations of Indigenous Peoples and those located in conflict-afflicted areas that are included in the target community for the implementation of Community-based Project; and

- 5.5.4. determine the necessity of undertaking activities for social preparation and capacity development of the target community prior to the implementation of Community-based Projects.
- 5.6. The maximum amount of the ABC for the Community-based Project or any of its component to be procured through NP-CP shall be as follows:

Community-based Projects	Approved Budget for Contract (in Philippine Pesos)
Goods	5,000,000.00
Simple Infrastructure Project	5,000,000.00
Labor-only contract	1,000,000.00

Provided, that if the effective implementation of the Community-based Project would require an ABC beyond the above-stated amount, the PE may increase the ABC subject to the prior approval of the Head of the Procuring Entity (HoPE). The HoPE shall submit to the GPPB a report on the amount of the ABC approved and the reason therefore for proper monitoring.

- 5.7. The GPPB shall consider the foregoing reports submitted by PEs in the review of this Guidelines.

6. PROCUREMENT PROCEDURE

6.1. Eligibility Requirements

6.1.1. Organized Community or Social Groups

Legal Requirements

- a. Certificate of registration from the DTI, SEC, CDA, DA, Department of Labor and Employment, NCIP; or in the case of Civil Society Organizations, Non-Government Organizations or Peoples' Organizations that are compliant with the requirements of a CSG, registration from NGAs²⁴ or LGUs,²⁵ and
- b. A sworn affidavit (Appendix "1") executed by the head or its authorized representative that affirms that:
 - i. none of its incorporators, officers or members is an agent or related by consanguinity or affinity up to the third (3rd) civil degree to the HoPE, a member of the BAC, the Technical Working Group (TWG) or the Secretariat, or other official authorized to process and/or

²⁴ E.g. Accreditation under COA-DBM-DSWD Joint Resolution No. 2014-001- Guidelines for Accreditation of CSO as Implementing Entities of Government or Public Funds or COA-DBM-DSWD Joint Resolution No. 2015-001-Supplementary Guidelines on Accreditation of CSOs.

²⁵ E.g. LGU Accreditation of Non-Government Organizations or Peoples' Organization.

approve the proposal, contract, and release of funds;
and

- ii. none of its incorporators, officers or members has a related business to the Community-based Project being procured at hand; or disclosure of the members if they have related business, if any, to the Community-based Project being procured at hand and the extent or percentage of ownership or interest therein.

Technical Requirements

- c. Statement of all its completed contracts similar to the Community-based Projects to be bid and/or list indicating the work experiences of their members that reflect the capacity to deliver the Goods, or implement the Simple Infrastructure Projects, at an equal or higher established standards.

The End-user's acceptance or official receipt(s) or sales invoice issued for the completed contracts shall be attached to the Statement as proof thereof.

Additional requirements for Simple Infrastructure Projects:

- d. Statement of the CSG's ongoing government and private contracts indicating the outstanding and uncompleted portions thereof, including contracts awarded but not yet started, if any, whether similar or not similar in nature and complexity to the contract to be bid.
- e. Philippine Contractors Accreditation Board license pursuant to Presidential Decree No. 4566, as amended.

Financial Requirements

- f. Photocopy or scanned copy of the bank book with complete bank account information; or a proof that it maintains books of accounts such as cash receipts journal, cash disbursement journal, general journal, and general ledger.

For Organized CSG that has participated in any government Community-based Project for the past two (2) years:

- g. Latest Income Tax Return (ITR) for the preceding Tax Year or for new establishments, the most recent quarter's ITR or Business Tax Return; and
- h. Updated Audited Financial Statement (AFS), which should not be earlier than two (2) years from the date of bid submission. The AFS shall be stamped received by the

Bureau of Internal Revenue (BIR) or accredited and authorized institutions, or electronically received via the AFS e-submission of the BIR with a filing reference number.

Additional requirements for Simple Infrastructure Projects:

- i. The Organized CSG's computation of Net Financial Contracting Capacity (NFCC), where the values of the CSG's current assets and current liabilities shall be based on the latest AFS submitted to the BIR. The computation of a CSG's NFCC must be at least equal to the ABC of the Community-based Project, calculated as follows:

NFCC = [(Current assets minus current liabilities) (15)] minus the value of all outstanding or uncompleted portions of the projects under ongoing contracts, including awarded contracts yet to be started, coinciding with the contract to be bid.

6.1.2. Unorganized Community or Social Groups

Legal Requirements

- a. A photocopy of the government-issued ID of the officers or members of the Unorganized CSG showing that they are residents of the target community, or nearby and other communities if allowed by the PE; and
- b. A sworn affidavit (Appendix "1") executed by the head or authorized representative that:
 - i. none of its organizers, officers or members is an agent or related by consanguinity or affinity up to the third (3rd) civil degree to the HOPE, a member of the BAC, the TWG or the Secretariat, or other official authorized to process and/or approve the proposal, contract, and release of funds; and
 - ii. commitment of the Unorganized CSG that it shall perform and deliver all the obligations and undertakings under the contract covering the procurement at hand if no performance or warranty security is required by the PE.

Technical Requirements

- c. List of completed work experiences of the members of the Unorganized CSG that meet or satisfy the workmanship and skill set requirements, which shows the capacity to perform the required labor component for the delivery of Goods or implementation of Simple Infrastructure Project.

Financial Requirements

- d. Photocopy or scanned copy of the bank account under the name of any of its officers or members with the complete bank account information; or a proof that it maintains books of accounts such as cash receipts journal, cash disbursement journal, general journal, and general ledger.

6.2. Posting and Submission of Request for Quotation

- 6.2.1. The End-user unit of the PE shall prepare the Request for Quotation (RFQ), which shall indicate the technical specification, scope of work, ABC, date of delivery, the required quantity, and other terms and conditions of the Goods or Simple Infrastructure Project to be procured.
- 6.2.2. The BAC, through its Secretariat, shall post the RFQ for at least three (3) calendar days: (i) on the website of the PE, if available; (ii) in the premises of the PE; and (iii) in at least three (3) conspicuous places where the Community-based Project shall be implemented (e.g., bulletin board, public transport terminals, public markets, etc.); and (iv) in the Philippine Government Electronic Procurement System (PhilGEPS) website.
- 6.2.3. The BAC shall also send the RFQs to CSGs of known qualifications within the locality where the Community-based Project shall be implemented.

For the procurement of Agricultural and Fishery Products from Accredited Farmers and Fisherfolk Cooperative and Enterprise, the BAC shall, in addition to the above, send the RFQ to the FFEDIS for posting at any conspicuous place reserved for this purpose in their premises and for dissemination to all farmers and fisherfolk enterprises and cooperatives in its registry.

- 6.2.4. Participating CSGs shall submit their sealed quotation, if submitted manually, or password-protected quotation, if submitted electronically, on the date and time prescribed in the terms and conditions of the RFQ, in accordance with Section 25.9 of the 2016 revised IRR of RA No. 9184.
- 6.2.5. The receipt of one (1) quotation is sufficient to proceed with the evaluation of the quotation. In case there are no quotations received hours before the prescribed deadline, the BAC may extend the deadline for the submission of RFQs three (3) times.

Extensions of deadline shall likewise be posted for a period three (3) calendar days (i) on the website of the PE, if available; (ii) in the premises of the PE; (iii) in at least three (3) conspicuous places where the Community-based Project shall be implemented (e.g., bulletin board, public transport terminals, public markets, etc.); and (iv) in the PhilGEPS website.

6.3. Opening and Evaluation

- 6.3.1. On the prescribed deadline, the BAC shall open submitted quotations and prepare an Abstract of Quotations setting forth the:
 - a. names of the CSGs that responded to the RFQ;
 - b. corresponding price quotations; and
 - c. Lowest Calculated Quotation (LCQ) or Single Calculated Quotation (SCQ).
- 6.3.2. The evaluation of the submitted quotations shall be completed within a maximum of seven (7) calendar days from the prescribed deadline. After the evaluation of the RFQ, the BAC will determine the CSGs with the LCQ or SCQ.

6.4. Post-Qualification

- 6.4.1. The BAC shall exercise due diligence in validating the legal, technical, and financial capability of the CSG with LCQ or SCQ to supply and deliver the Goods, or to implement the Simple Infrastructure Project.
- 6.4.2. For the procurement of Agricultural and Fishery Products, the farmer or fisherfolk enterprise or cooperative that submitted the LCQ or SCQ shall be required to submit within the post-qualification period the necessary Certificate of Registration issued by the FFEDIS of the DA, in compliance with the requirements of RA No. 11321 in case such farmer or fisherfolk enterprise or cooperative has not yet been accredited with the DA prior to submission of quotation and has not submitted the same in lieu of the required eligibility documents.
- 6.4.3. If the BAC determines that the CSG with LCQ or SCQ passes the criteria for post-qualification, it shall declare the same as the Lowest Calculated and Responsive Quotation (LCRQ) or Single Calculated and Responsive Quotation (SCRQ).

In case of post-disqualification, the BAC shall notify the disqualified CSG and shall initiate and complete the conduct of the post-qualification with the next CSG with the second LCQ. If the next CSG, however, fails the post-qualification, the procedure for post-qualification shall be repeated for the next CSG, and so on, until the LCRQ is determined for award or failure of bidding is declared.

- 6.4.4. The post-qualification process shall be completed in not more than ten (10) calendar days from the receipt of notice to the CSG with the LCQ or SCQ, or in the case of the next CSG with the second LCQ, the post-qualification shall be completed within a

fresh period of 10 calendar days from the receipt of notice to the next CSG with the second LCQ. In exceptional cases, the HOPE may approve an extension of the post-qualification based on the BAC's recommendation, but in no case shall the aggregate period exceed twenty-five (25) calendar days from the determination of the LCQ.

6.5. Award of Contract

- 6.5.1. The BAC, after determining the legal, technical, and financial capability and the responsiveness of the quotation, shall recommend to the HoPE the award of contract in favor of the CSG with the SCRQ or LCRQ.
- 6.5.2. Upon approval of the BAC recommendation, the HoPE shall issue a Notice of Award (NOA) within a period not exceeding ten (10) calendar days from receipt of BAC's recommendation and shall immediately enter into a contract with the CSG.

In case the CSG with the LCRQ or SCRQ fails, refuses, or is unable to enter into a contract with the PE, without justifiable cause, the HoPE or his duly authorized representative shall disqualify the CSG and direct the BAC to determine the responsiveness of the quotation of the next CSG with the second LCQ, or declare a failure of bidding and conduct a re-bidding with re-posting, if necessary, based on its determination, which shall be within seven (7) calendar days from the said declaration.

- 6.5.3. The BAC, through its Secretariat, shall post within three (3) calendar days from execution of the contract, the NOA, the contract, and the Notice to Proceed (NTP) in the: (i) PhilGEPS website; (ii) PE's website, if available; and (iii) conspicuous place reserved for this purpose in the premises of the PE and in the community where the project will be implemented.

7. DIRECT PURCHASE FROM LOCAL FARMERS AND FISHERFOLKS

- 7.1. The PEs may directly purchase locally-produced Agricultural and Fishery Products from local farmers or local fisherfolks in order to ensure the availability of the same and promote or support the local farmers and fisherfolks products in accordance with the mandate of *Sagip Saka Act*.
- 7.2. In case of direct purchase, the BAC shall directly negotiate with the local farmer or fisherfolk, guided by the average prevailing farm-gate price for the province or the recommended retail price by the local price coordinating council for commodities sold by farmers or fisherfolks in their respective provinces, municipalities, and cities.
- 7.3. The following documentary requirements shall be required by the BAC from the Local Farmer or Local Fisherfolk:

- 7.3.1. Formal written offer or bid; and
- 7.3.2. In case of Local Farmer, a certification that the Local Farmer is in the Registry System for Basic Sectors in Agriculture (RSBSA) or Photocopy of his RSBSA identification card; and in case of Local Fisherfolk, a certification that the local fisherfolk is registered in the National Program for Municipal Fisherfolk Registration (FishR) or Photocopy of his FishR identification card.
- 7.4. The BAC, after receipt of the mandatory documentary requirements, shall exercise due diligence to validate them and the local farmer's or fisherfolk's capability to supply the agricultural or fishery products needed. After such confirmation and validation, the BAC shall recommend the award of contract to the Local Farmer or Local Fisherfolk.
- 7.5. The HoPE shall immediately issue the NOA to the Local Farmer or Local Fisherfolk. Upon receipt of NOA, the Local Farmer or Local Fisherfolk shall immediately enter into a contract with the PE within a period not exceeding ten (10) calendar days.
- 7.6. The PE shall issue the NTP together with a copy or copies of the approved contract to the Local Farmer or Local Fisherfolk within three (3) calendar days from the date of approval of the contract.
- 7.7. The BAC, through its Secretariat, shall post within three (3) calendar days from execution of the contract, the NOA, the contract, and the NTP in the PhilGEPS website; PE's website, if available; and conspicuous place reserved for this purpose in the premises of the PE and in the community where the project will be implemented.

8. CONTRACT IMPLEMENTATION

- 8.1. Advance payment may be released in an amount not exceeding fifteen percent (15%) of the total contract price in accordance with the provisions of the Contract Implementation Guidelines for the Procurement of Goods, Supplies and Materials, and the Contract Implementation Guidelines for the Procurement of Infrastructure Projects, or Annexes "D" and "E" of the IRR of RA No. 9184. The advance payment provided in the said Annexes is pursuant to Memorandum Order No. 172, s. 2005, issued by the President in accordance with its authority under Section 88 of Presidential Decree No. 1445 or the "Government Auditing Code of the Philippines."
- 8.2. The PE shall require performance and warranty securities for the Organized CSG, in accordance with Sections 39 and 62 of RA No. 9184 and its 2016 revised IRR. On the other hand, the PE shall determine whether a performance or warranty security is needed for the Unorganized CSG and direct purchase from Local Farmer or Local

Fisherfolk to ensure the faithful performance of its obligations under the contract.

- 8.3. In case a different or new works are needed during project implementation, requests or proposals for any change or variation orders covering Simple Infrastructure Projects shall be made and evaluated in accordance with the Contract Implementation Guidelines for the Procurement of Infrastructure Projects or Annex "E" of the 2016 revised IRR of RA No. 9184.
- 8.4. The CSG, Local Farmer or Local Fisherfolk, shall submit a written request for payment to the PE, accompanied by an invoice describing as appropriate the delivery made, quantity and quality of goods delivered, and the amount due to the CSG, Local Farmer or Local Fisherfolk.
- 8.5. For Simple Infrastructure Project, the CSG shall submit to the PE a statement of work accomplished or progress billing, and corresponding request for progress payment for work accomplished.
- 8.6. Payment shall be released based on the terms provided in the contract and only upon validation by the End-User unit that the CSG or Local Farmer or Local Fisherfolk has delivered or performed the outputs specified in the contract and the same has been inspected and accepted by the PE as satisfactory in accordance with the technical specifications or scope of work, and applicable government budgeting, accounting, and auditing rules.
- 8.7. In promoting financial inclusivity, the PE shall consider using to the extent possible authorized digital payment system in its financial transactions, subject to the applicable government budgeting, accounting, and auditing rules.

9. EFFECTIVITY

These Guidelines shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation.

REPUBLIC OF THE PHILIPPINES)
 CITY/MUNICIPALITY OF _____) S.S.

AFFIDAVIT

I, [Name of Affiant], of legal age, [Civil Status], [Nationality], and residing at [Address of Affiant], after having been duly sworn in accordance with law, do hereby depose and state that:

1. I am the (Head/ Authorized Representative) of (Name of Community or Social Group);
2. That the incorporators, organizers, officers or members of our organization are the following:

Name	Position

3. Upon consultation and communication with the above-named individuals, I confirm and certify that:
 - a. None of us is an agent of or related by consanguinity or affinity up to the third civil degree to the Head of the Procuring Entity, members of the Bids and Awards Committee, the Technical Working Group, or the BAC Secretariat, or other officials of (Name of Procuring Entity) authorized to process and/ or approve the proposal, contract, and release of funds in favor of the Community or Social Group; and
 - b. *[Include this paragraph if all Organized Community or Social Group officers and members do not have any related business to the Community-based Project being procured]* None of us has any related business to the Community-based Projects being procured at hand.
 - c. *[Include this paragraph if any of those identified Organized Community or Social Group officers or members must disclose his/her related business, including the extent or percentage of his/her ownership or interest therein.]* The following officers or members of our Organized Community or Social Group has/have related business to the Community-based Project being procured at hand, including the corresponding extent or percentage of ownership or interest therein:

Name	Name or Nature of Related Business	Extent or Percentage of Ownership or Interest in the Related Business

4. *[Include this paragraph if no performance or warranty security is prescribed by the Procuring Entity for Unorganized Community or Social Groups]* Considering that the posting of a performance security has been dispensed with, as determined by the Procuring Entity, I hereby commit that our Unorganized Community or Social Group shall perform and deliver all the obligations and undertakings under the contract covering the procurement at hand. I further agree and accept that our failure to perform or deliver any of such obligations and undertakings shall result in Blacklisting of our Community or Social Group for not more than two (2) years in all government procurement activities following the procedure under RA No. 9184, its revised IRR and associated issuances.
5. In case advance payment was made or given, failure to perform or deliver any of the obligations and undertakings in the contract shall be sufficient grounds to constitute criminal liability for Swindling (*Estafa*) or the commission of fraud with unfaithfulness or abuse of confidence through misappropriating or converting any payment received by a person or entity under an obligation involving the duty to deliver certain goods or services, to the prejudice of the public and the government of the Philippines pursuant to Article 315 of Act No. 3815 s. 1930, as amended, or the Revised Penal Code.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of ___, 20__ at _____, Philippines.

*[Insert NAME OF COMMUNITY OR SOCIAL
GROUP REPRESENTATIVE]
[Insert signatory's legal capacity]
Affiant*

[Jurat]
[Format shall be based on the latest Rules on Notarial Practice]

Appendix “2”

**STATEMENT OF COMMUNITY GROUP’S
COMPLETED CONTRACTS SIMILAR TO THE COMMUNITY-BASED PROJECT TO BE
BID OR LIST INDICATING THE WORK EXPERIENCES OF MEMBERS
SIMILAR TO THE COMMUNITY-BASED PROJECT TO BE BID**

Name of the Completed Contract	Contract Date	Period/ Duration/ Delivery Date	Amount Involved	Definition or description of the project or major categories of work	Supporting Documentary Proofs (e.g. User acceptance, Official Receipts, sales invoice) Attached as Annex “ _ ”

*[Insert NAME OF COMMUNITY OR SOCIAL
GROUP REPRESENTATIVE]
[Insert signatory’s legal capacity]*