Republic of the Philippines
Department of Education
Procurement Management Service

Bids and Awards Committee V

SUBJECT : **BID BULLETIN NO. 4**

PROJECT : **Mass Production and Supply of Science and Mathematics Equipment Packages to Public Elementary Schools for Grades 1 to 3 & Grades 4 to 6, Public Junior High Schools for Grades 7 to 10 and Public Senior High Schools for Grades 11 to 12 (CORE & STEM)**

PROJECT NO.: **2022-BLR4(001to006)-BV-CB-001**

DATE : **January 27, 2022**

This Bid Bulletin is hereby issued for the information and guidance of all prospective bidders. It shall form an integral part of the bidding documents issued earlier relative to the above project.

I. Section I: Invitation to Bid

1. **Item No. 7,** on page 9 of the bidding documents, is hereby amended as follows:

   Bids must be duly received by the BAC Secretariat on or before **08:30 A.M. of February 04, 2022 at Bulwagan ng Karunungan, Ground Floor, Rizal Building, DepEd Complex, Meralco Ave., Pasig City**.

   Late bids shall not be accepted.

2. **Item No. 9,** on page 10 of the bidding documents, is hereby amended as follows:

   Bid opening shall be on **February 04, 2022, 09:00 A.M. at Bulwagan ng Karunungan, Ground Floor, Rizal Building, DepEd Complex, Meralco Ave., Pasig City.** Bids will be opened in the presence of the bidders' representatives who choose to attend the activity.

In adherence to health protocols and to ensure the safety of everybody, all participants to the submission and opening of bids for the above project are

Room M-511, 5th Floor, Mabini Building, DepEd Complex, Meralco Avenue, Pasig City 1600
Telephone No.: (02) 8633-9343; 8636-6542
Email Address: depedcentral.bacsecretariat@deped.gov.ph

required to present a latest negative result of rapid test/ swab test/ antigen test, before entering the premises of the Department of Education.

Only one (1) representative per bidder will be allowed entry into the premises.

For the purpose of constituting a quorum, both the physical and virtual presence of the BAC members shall be considered pursuant to GPPB Resolution No. 09-2020.

II. Section V. Special Conditions of Contract

1. **GCC Clause 1, Transportation**, on page 30 of the bidding documents, is hereby amended as follows:

   XXX.....

   Transportation –

   The Supplier shall, upon notice by DepEd, ensure that items/goods are made available for inspection at its warehouse, which should be located in NCR, or in any ADJACENT cities or municipalities in Region 3 or Region 4-A, at said Supplier's option.

   The goods at the Supplier's warehouse shall be expected to be hauled within a maximum of forty-five (45) calendar days after the date of inspection and acceptance as reflected in the Inspection and Acceptance Report (IAR). The period is intended to provide the DepEd, thru the Third-Party Logistics Service Provider, to undertake the following activities: i.) Tagging, ii.) Sorting and iii.) Hauling. For purpose of these activities, the Supplier during the inspection and Acceptance shall only ensure convenient access to the items for tagging, sorting, and hauling and for movement within the warehouse.

   During the intervening period, the Supplier shall remain the custodian of the items that were inspected and accepted and, thus, ensure their safekeeping, until the designated Third-Party Logistics Service Provider has accomplished the activities aforementioned and has issued a Transfer Manifest for the purpose of hauling.

   Processing of payment will be from Inspection and Acceptance of the goods, in accordance with DepEd Order No. 041, s. 2021 otherwise known as "Inspection and Acceptance Protocols for the Procurement of Goods in the Department of Education" and Office Order OO-OSEC-2021-038 otherwise known as the "Guidelines on the Processing of Billings and Payment of Procurement contracts.

   After inspection, acceptance and the activities aforementioned, the Supplier shall ensure that the goods/items are appropriately sealed as well as ready and fit for hauling and transport.

   XXX....

III. Section VI. Schedule of Requirements

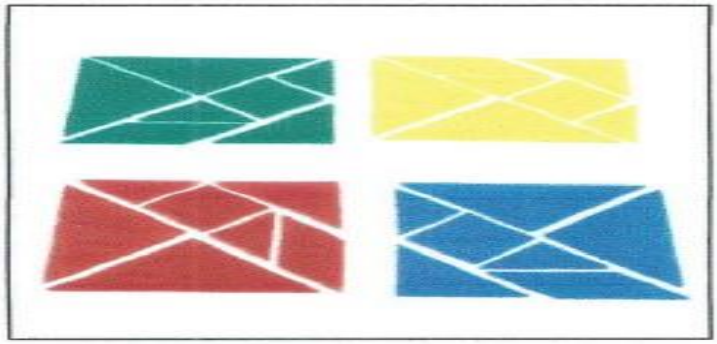
1. **Delivery period for Market Items, Lot Nos. 4 to 14,** on pages 37 to 43 of the bidding documents, is hereby amended to **210 calendar days from the receipt of Notice to Proceed (NTP)**.

IV. Section VII. Technical Specifications

1. **Lot 8, item 6, description,** page 115 of the bidding documents, is hereby amended as follows:

   Cuisenaire Rods, **set of 5**.

2. **Lot 8, item 19, no. 6 of design specification**, page 120 of the bidding documents, sample picture is being provided below:



V. Annex "G" Price Schedule Form

1. **Note No. 1 on the Price Schedule Forms for Lot Nos. 1 to 14** is hereby deleted.

   ~~1. "Column 4 of the Price Schedule Form indicates the estimated price per unit for each of the items in the Lot. Unit price per item plus tax should not be higher by more than 15% of the estimated price per unit. Any bid in violation of this rule shall be automatically reduced to 115% of the estimated price per unit."~~

VI. Attached as **Annex "A"** is the list of clarified issues raised by prospective bidder/s.

VII. Enclosed are the DepEd Order No. 041, s. 2021 and Office Order OO-OSEC-2021-038, for reference.

All other provisions not herein modified shall remain in full force and effect.

For your information and guidance.

FOR THE BIDS AND AWARDS COMMITTEE V:

DIOSDADO M. SAN ANTONIO
Undersecretary and BAC V Chairperson

Annex "A"

Item No.	Clarifications/Concerns	Response
1.	The 3-month hauling period for DepED TPL cannot be accommodated with the present Approved Budget for the Contract (ABC) of the instant bidding and suppliers are given the full responsibility over the goods during the window period which expanded to the following obligations: • Maintain the goods in supplier's warehouses for at least three (3) months from inspection and acceptance; • Assist the DepEd in attaching QR code stickers to the goods within the same period; • Assist DepEd in cross-docking and/or sorting of the goods i.e., grouping and packaging in accordance with the allocation list; • Constituted as custodian of the goods until such time that the items were hauled.	Refer to this SBB4.
2.	Clarification and guidance as to the attendant note indicated in Annex G of the bidding documents.	Refer to this SBB4.
3.	If the DepED TPL hauling period of 3 months can be reduced to a period of thirty (30) calendar days due to numerous and continuing expenses for security and other related concerns to be incurred by the Supplier, the longer the inventory is kept in their warehouse.	Refer to this SBB4.
4.	Request that the Delivery Period be adjusted to Two Hundred and Ten (210) Calendar Days for the market items that are considered as off-the-shelf items. • Lot 6, item nos. 11,13,14 & 20 • Lot 8, item nos. 9,13 & 14.	Refer to this SBB4.
5.	Clarification on the following: **Lot 8, Item 6 Cuisenaire Rods, set of 10** Design Specifications #5: Comes in a plastic storage container with cover that accommodates 5 sets of Cuisenaire rods. She mentioned that the requirements are conflicting. It indicates the need for Cuisenaire Rods, set of 10 but the specifications for the Plastic Storage Container with cover accommodates only five (5) sets of Cuisenaire Rods. **Lot 8, Item 19 Tangrams, set of 30** She requested the sample picture, as stated, to best demonstrate the specifications needed.	Refer to this SBB4.

Republic of the Philippines
Department of Education

29 SEP 2021

DepEd ORDER
No. 041, s. 2021

INSPECTION AND ACCEPTANCE PROTOCOLS FOR THE PROCUREMENT OF GOODS IN THE DEPARTMENT OF EDUCATION

To: Undersecretaries
Assistant Secretaries
Bureau Directors
Directors of Services, Centers and Heads of Units
Regional Directors
Schools Division Superintendents
All Others Concerned

1. The Department of Education (DepEd) issues the enclosed **Inspection and Acceptance Protocols for the Procurement of Goods in the Department of Education** as part of its continuing efforts to improve and strengthen the internal controls on the inspection mechanisms implemented in the procurement process.

2. This policy aims to set standards, consolidate and update the existing rules and procedures of the Department relative to the inspection and acceptance of goods, in line with the principle of streamlined procurement process stated in Republic Act. No. 9184 or the Government Procurement Reform Act. It also aims to reinforce the guidelines provided by DepEd Order No. 27, s. 2020 on the reconstitution of inspectorate teams and ensure the submission of documentary requirements prescribed by the Government Accounting Manual (GAM) for National Agencies Volumes I and II.

3. The inspection and acceptance protocols shall apply to pre-delivery inspection, inspection and acceptance at the delivery site, and post-delivery inspections in the Central Office, Regional Offices, Schools Division Offices and Schools.

4. The provisions stipulated in the enumerated references below which are inconsistent with this Order are hereby repealed.

5. This Order shall take effect immediately upon its issuance. Certified true copies of this DepEd Order shall be filed with the University of the Philippines Office of the National Administrative Register (UP-ONAR) at the University of the Philippines (UP) Law Center, UP Diliman, Quezon City.

6. For more information, please contact the **Office of the Assistant Secretary for Procurement and Administration**, Mabini Building, Department of Education Central Office, DepEd Complex, Meralco Avenue, Pasig City through email at asec.pa@deped.gov.ph or at telephone no. (02) 8634-1169.

7. Immediate dissemination of and compliance with this Order is directed.

To authenticate this document, please scan the QR code
DEPED-OSEC- 446348

LEONOR MAGTOLIS BRIONES
Secretary

Encl:
As stated

References:
DepEd Order Nos.: (27, s. 2020) and 26, s. 2020
DepEd Order Nos. 42, s. 2018; 35, s. 2017; 05, s. 2010; and 45, s. 2006

To be indicated in the Perpetual Index
under the following subjects:

POLICY
PROCUREMENT
RULES AND REGULATIONS

MCR, DO- Inspection and Acceptance Protocols ...
0259/September 10, 2021

Enclosure to DepEd Order No. 041, s. 2021

To authenticate this document, please scan the QR code
DEPED-OSEC- 446348

INSPECTION AND ACCEPTANCE PROTOCOLS FOR THE PROCUREMENT OF GOODS IN THE DEPARTMENT OF EDUCATION

I. RATIONALE

In its pursuit of continuing operational reforms and observance of the governing principles of government procurement pursuant to Republic Act (RA) No. 9184 or the Government Procurement Reform Act, the Department of Education (DepEd) issued DepEd Order No. 27, s. 2020 entitled, *Guidelines on the Reconstitution of Inspectorate Team in the Department of Education Central Office, Regional and Schools Division Offices, and Schools* which provides for the procedure in reconstituting Inspectorate Teams at the different governance levels of the Department and aims to establish an efficient selection process for highly competent, dedicated and responsible inspectors that is essential in the administration and execution of DepEd procurement projects.

The reconstitution of Inspectorate Teams, however, is only one part of the reconstruction of the inspection mechanisms in the Department. Of equal importance is the creation of standards which will ensure that the inspection and acceptance of goods are carried out in accordance with government procurement rules and regulations and relevant accounting and auditing requirements. While DepEd has issued in the past a number of inspection guidelines and policies which are cited herein as references, the needs and demands of the present time call for a more capacitating and encompassing set of methods and standards especially with the establishment of the DepEd Integrated Logistics Management System.

Therefore, the Department hereby issues this policy which will equip inspectors with updated knowledge and sufficient understanding and discipline in the area of inspection that is a crucial element of the procurement process.

II. SCOPE

The rules, standards and procedures contained in this policy comprehend three phases of inspection, namely: pre-delivery inspection, inspection and acceptance at the delivery site, and post-delivery inspection. It applies to all goods procured by the Central Office (CO), Regional Offices (ROs), Schools Division Offices (SDOs) and public schools. Procurement of services and infrastructure projects are excluded from the scope of this policy.

III. DEFINITION OF TERMS

For purposes of this Order, the following terms are defined and understood as follows:

a. **Acceptable Quality Level (AQL)** is a statistical measurement that sets the percentage of the maximum acceptable number of defective goods in a given

sample size. In setting the AQL, the implementing unit (IU) or the end-user (EU) shall consider the nature, complexity and volume of the goods to be inspected. In any case, the AQL shall not be lower than 5% and not higher than 10%. Both minor and major defects shall be taken into account in applying the AQL.

To illustrate, a project lot with a total quantity of 1,500 items and with a sample size of 10% will have 150 samples drawn, either randomly or by interval. If the Sampling Plan sets the AQL at 5%, the acceptable number of defective items in the 150 samples is 7.5 or 8. This means that no more than 8 units from the 150 samples should fail in the inspection; otherwise, the whole lot is rejected. However, the Inspectorate Team may proceed to conduct inspection by item, in which case only the defective items will be rejected.

b. **Certificate of No Claim Against the Warranty** refers to a document which certifies that the goods delivered, inspected and accepted have undergone post-delivery inspection and found free of defects, or that defective items, if any, were duly rectified or replaced; and that all the conditions imposed under the contract have been fully satisfied. The issuance of this certificate shall cause the release of the retention money to the supplier.

c. **DepEd Integrated Logistics Management System (DILMS)** refers to the whole structure of logistical solutions designed to enhance the efficient and effective distribution and delivery of procured goods, facilitate contract monitoring and data gathering, and bridge the gap between procurement management and asset management for improved governance of supply chain and resource management functions in the Department.

d. **Inspection Order** refers to the written instruction to the Inspectorate Team by the Office of the Assistant Secretary for Procurement and Administration (OASPA) through the Contract Management Division (CMD) in the CO, or by the Regional Director, Schools Division Superintendent or Head of the Administrative Division/Section, as may be authorized, or by the School Head or Principal, authorizing and directing them to conduct inspection and acceptance of goods. The inspection order states the particulars of the inspection such as a brief description of the project, the goods for inspection, the date, time and venue of inspection, and special instructions, if any.

e. **Logistics Services** refers to all services carried out by a designated third-party logistics provider relating to the handling and distribution of goods, including but not limited to collection, hauling, tagging, pick-up, loading, unloading, storage or warehousing, stock management and delivery to the final destination (i.e., recipient schools).

f. **Sampling Plan** is an instrument used in determining the sample size of a given quantity of goods for inspection and the Acceptable Quality Level. This

shall be prepared by the IU/EU for projects consisting of goods the nature and volume of which require inspection by sampling.

g. **Transfer Manifest Inbound** refers to a document which records the transfer of pre-inspected goods from the supplier to the third-party logistics provider. It contains a list of the items and quantity that are hauled or picked up from the supplier's warehouse, to be stored at the third-party logistics provider's warehouse, and to be delivered to the recipient units in the field offices and/or units.

h. **Transfer Manifest Outbound** refers to a document which records the delivery of goods by the third-party logistics provider to a recipient unit. This form gives a brief description and quantity of the items delivered and duly received by the RO/SDO Supply Officer or School Property Custodian whose signature appears thereon.

IV. POLICY STATEMENT

This policy aims to set standards in the conduct of inspection and acceptance activities in the Department. It is also intended to support the governing principles of government procurement, particularly the streamlining of procurement process, by simplifying, updating and consolidating inspection protocols, references and documents.

This policy likewise aims to ensure adherence to relevant accounting and auditing standards through the proper accomplishment and submission of government forms for reporting of transactions. The implementation of the herein prescribed protocols shall assist and guide DepEd inspectors, property custodians and/or supply officers across all governance levels in the performance of their assignments, duties and responsibilities in ensuring that delivered goods are properly inspected and received for the use of recipient units, teachers and learners.

V. PROCEDURES

A. DEPLOYMENT OF THE INSPECTORATE TEAM

1. **CO Inspectorate Team**

a. The Office of the Assistant Secretary for Procurement and Administration shall form an Inspectorate Team from the CO Pool of Inspectors in accordance with the procedures laid down by DO 27, s. 2020. The Office, through the Contract Management Division (CMD), shall issue an Inspection Order directing the Team to conduct an inspection for a specific project and providing, among others, the date and time of inspection, inspection site, brief description and quantity of goods to be inspected and special instructions, if any. The detailed technical specifications of the items for inspection, as appearing or indicated

in the contract, memorandum of agreement or purchase order, shall be attached to the Inspection Order.

b. Upon receipt of the Inspection Order, the Team Leader of the Inspectorate Team shall call, and for that purpose give notice to its members, for a pre-inspection meeting to be conducted at least one day prior to the scheduled date of inspection. The agenda of the said meeting shall include the specific assignments or instructions to the members, duration of inspection, transportation concerns, inspection technique as determined during the pre-contract implementation conference, and the preparation of project references and inspection and acceptance documents.

2. **RO, SDO and School Inspectorate Team**

a. Procurement by the Central Office

i. The CMD, through its Logistics Management Team, shall send a notice of delivery to the recipient ROs, SDOs or Schools at least three (3) days before the scheduled date of delivery. The CMD shall attach to the notice of delivery the final detailed technical specifications of the items as appearing or indicated in the Inspection and Acceptance Report (IAR).

ii. Upon receipt of the notice of delivery from the CMD, the Regional Director, Schools Division Superintendent, or the Head of the Administrative Division/Section, as may be authorized, or the School Principal, shall immediately issue a Field Inspection Order to the RO/SDO/School Inspectorate Team duly constituted pursuant to DO 27, s. 2020, and attach thereto the detailed technical specifications of the goods. A Field Inspection Order template is attached as Annex "B" to this Order. The template may be modified to provide further details or instructions to the Inspectorate Team.

iii. The Team Leader of the Inspectorate Team may call for a Pre-Inspection Meeting at least one day before the scheduled date of delivery to discuss with the team members pertinent matters relating to the inspection, as may be necessary.

b. Procurement by the RO or SDO

i. Upon receipt of request for pre-delivery inspection or notice of delivery from the supplier, the Regional Director, Schools Division Superintendent, or the Head of the Administrative Division/Section, as may be authorized, or the School Principal, shall immediately issue an Inspection Order to the RO/SDO/School Inspectorate Team. The detailed technical specifications provided by the concerned Bids and Awards Committee (BAC), as appearing or indicated in the contract, memorandum of agreement or purchase order, shall be attached to the Inspection Order. The Inspection Order template attached as Annex "B" to this Order may be adopted and modified accordingly.

ii. The Team Leader of the Inspectorate Team may call its members to a Pre-Inspection Meeting, as may be necessary.

B. PRE-DELIVERY INSPECTION

1. **General Guidelines**

a. *References for Inspection.* The implementing or end-user unit (IU/EU) must prepare and provide a copy of the relevant Inspection and Test Protocol or inspection handbook or manual, Sampling Plan, if any, and the approved sample or its equivalent detailed technical specifications to the CMD, in the case of the CO, and the Property and Supply Unit/Section, in the case of RO/SDO, on or before the scheduled pre-contract implementation conference. In case of appreciable deviation of the approved sample from the original technical specifications, the approved and accepted sample shall be made as final reference. These reference materials shall be attached to the Inspection Order, in addition to the detailed technical specifications.

b. *Inspection Techniques.* Inspection may be conducted either by sampling or by item.

i. **Inspection by Sampling.** Inspection shall be conducted through sampling technique when the quantity and/or nature of the goods entail a significant amount of time and effort to inspect the entire quantity of items. Inspection through sampling can either be random sampling or interval sampling, and may cover a sample of at least ten percent (10%) of the total quantity of goods.

(1) *Random Sampling* – A number of units constituting at least 10% units of the entire number of goods for inspection are picked randomly by the inspectors for observation, inspection or testing. Random sampling is commonly used in items with serial number or other form of identification.

(2) *Interval Sampling* – The total items are first divided into lots or batches, depending on the volume and complexity of the items. Several units are drawn from each lot or batch by selecting every nth unit until the desired sample size of at least 10% is taken out from the total quantity of goods. This applies to items without serial number or other form of identification.

(3) If the nature and volume of the goods allow inspection by sampling, the IU/EU in the CO, RO or SDO must prepare a Sampling Plan which must indicate the sample size of at least ten percent (10%) of the total quantity of procured goods, and the Acceptable Quality Level (AQL) within the range of 5% to 10%. The IU/EU shall furnish the CMD or the Property and Supply Unit in the RO/SDO a copy of the said Sampling Plan before the pre-contract implementation conference.

ii. **Inspection by Item.** Inspection is conducted by item, that is, one hundred percent (100%) of the goods must be examined, if:
   (1) the nature of the goods requires a thorough examination of contents, parts, components and functionality, as previously determined by IU/EU and communicated to the Contract Management Division or the Property and Supply Unit in the RO/SDO;
   (2) the rejection rate is high during inspection by sampling, that is, the number of defective goods exceeded the AQL as prescribed in the Sampling Plan; or
   (3) the goods to be inspected are electrical, electronic and mechanical equipment or devices.

c. *Procurement by the CO for delivery to the ROs/SDOs/Schools.* The pre-delivery inspection of goods shall be conducted by the CO Inspectorate Team. The IAR shall be accomplished at this stage by three (3) members of the Inspectorate Team and the Chief of the Asset Management Division (AMD). The findings and result of the pre-delivery inspection, including the inspection method used, shall be summarized through a Pre-Delivery Inspection Report.

d. *Procurement by the CO with Logistics Services for delivery to the ROs/SDOs/Schools.* The pre-delivery inspection of goods shall be conducted by the CO Inspectorate Team. The IAR shall be accomplished by three (3) members of the CO Inspectorate Team and the AMD Chief at the supplier's warehouse in the following manner:
   i. The inspection portion shall be signed immediately after the goods passed the inspection.
   ii. The acceptance portion shall be signed (a) after the Team Leader had affixed his/her signature on the sealed packaging of the goods that passed the inspection and are ready for hauling, or (b) if the goods are to be hauled on a different date or dates, after the goods had been completely hauled by the third-party logistics provider.

e. *Procurement by the RO/SDO for delivery to recipient SDOs/Schools.* The pre-delivery inspection of goods shall be conducted by the RO/SDO Inspectorate Team. The IAR shall be accomplished at this stage by three (3) members of the RO/SDO Inspectorate Team and the Supply Officer or Property Custodian of the recipient units. The findings and result of the pre-delivery inspection, including the inspection method used, shall be summarized through a Pre-Delivery Inspection Report.

f. *Tests.* The pre-delivery inspection shall include the conduct of tests (e.g., functional, stress, endurance, etc.) as may be prescribed by the IU/EU or as may be indicated in the Inspection and Test Protocol specific to the items for inspection.

g. *Packaging and sealing of goods.* The goods that passed the pre-delivery inspection including the required tests shall be packed and sealed by the

supplier in accordance with the prescribed packaging instructions and materials and in the presence of the Inspectorate Team. The Team Leader shall affix his/her signature or stamp on the packaging and indicate the date of pre-delivery inspection.

i. The inspectors shall check if the packaging is sufficient to withstand rough handling and exposure to extreme temperatures, salt and precipitation during transit. Packaging size and weight shall take into consideration the remoteness of the goods' final destination and the absence of heavy handling facilities at all points of transit.
ii. The inspectors shall ensure that the packed items are sealed tightly, safe from tampering and secured against the risk that rejected or defective goods may be surreptitiously inserted in the package.

h. *Post-inspection meeting.* A brief post-inspection meeting shall be presided by the Team Leader of the Inspectorate Team to discuss any relevant concerns or observations, the details of which are to be reflected in the Pre-Delivery Inspection Report.

2. **Additional Guidelines for Specific Items**

a. *Science and Mathematics Equipment (SME) and Technical-Vocational-Livelihood (TVL) Tools and Equipment.* The inspection technique to be adopted shall be based on the nature and total quantity of the goods. Large volume items, as may be determined by the Bureau of Learning Resources (BLR-Cebu) and approved by the Inspectorate Team, shall be inspected randomly using the Sampling Plan prepared by BLR-Cebu. If, however, the quality of the goods is poor as manifested by high percentage of rejection (above AQL), the random inspection must shift to per-item inspection. For small volume items and electrical, electronic and mechanical equipment or devices, inspection by item shall be conducted.

b. *School Furniture.* The inspection methods shall be in accordance with the provisions of DepEd Order No. 35, s. 2017. Accordingly, random inspection shall be performed during pre-delivery inspection, and per-item inspection upon delivery to the recipient schools.

c. *Printed Learning Materials and Supplementary Learning Resources (SLRs).* The inspection technique to be adopted shall be based on the Sampling Plan prepared by BLR. Quality assurance procedures must be completed prior to the printing of Learning Materials and SLRs.

d. *Test Materials (Non-classified Materials, Test Booklets, Scannable Answer Sheets and School Headers, and Certificates of Rating).* At least three (3) inspections for big testing projects such as National Career Assessment Examination (NCAE), Accreditation and Equivalency (A&E) Test, Philippine Educational Placement Test (PEPT), National Achievement Test (NAT) Grade 6, 10 and 12 shall be conducted, viz: (i) first inspection – at least 10% to 20%

of the test materials are already printed; (ii) second inspection – at least 50% to 60% of the test materials are already printed; and (iii) third inspection – 100% of the test materials are already printed. For small testing projects such as Qualifying Examination in Arabic Language and Islamic Studies (QEALIS) and Educational Management Test (EMT), only one inspection shall be conducted after all test materials are printed.

e. *DepEd Computerization Program (DCP) Packages and Other Electronic Equipment.* The inspection technique to be adopted during the pre-delivery inspection shall be based on the inspection or sampling plan prepared by the Information and Communication Technology Service (ICTS). However, upon delivery to the project sites, sampling methods of inspection shall not be applicable; thus, the items must be individually inspected.

C. INSPECTION AND ACCEPTANCE AT THE DELIVERY SITE

1. The Inspectorate Team of the recipient unit must commence the inspection and acceptance process within twenty-four (24) hours from delivery of the goods, and shall complete the same as soon as practicable.

2. The inspection and acceptance process in the different governance levels shall be in accordance with the following procedures:

   a. Procurement by the Central Office

For delivery to the various offices in the Central Office	**For delivery to the ROs/SDOs/Schools** (pre-inspected by the CO)
i. Upon delivery, the Chief of the AMD shall sign the "Received" portion of the Delivery Receipt (DR) from the supplier and forward the same to the Inspectorate Team for the inspection of the goods. The AMD shall also prepare the IAR.	i. Upon delivery, the RO/SDO Supply Officer or School Property Custodian shall sign the DR from the supplier and forward the same to the Inspectorate Team for the inspection of the goods.
ii. The Inspectorate Team shall then conduct inspection of the delivered goods in accordance with the applicable guidelines for pre-delivery inspection stated in Part V. B. of this Order and the applicable manual or Inspection and Test Protocol, if any.	ii. The Inspectorate Team shall then inspect the items as to physical form or condition and quantity. If the items are in order, the Inspectorate Team shall prepare and sign the RO/SDO/School Inspection Report and recommend the acceptance of the items to the RO/SDO Supply Officer or School Property Custodian. Rejected goods, if any, shall be briefly described in the said report and returned to the supplier for rectification or replacement.

iii. If the goods conform to the technical specifications and the DR, three members of the Inspectorate Team and the AMD Chief shall sign the IAR. Rejected goods, if any, shall be notated in the IAR and returned to the supplier for rectification or replacement.	iii. The RO/SDO Supply Officer or School Property Custodian shall prepare and sign the RO/SDO/School Acceptance Report. He/she shall also sign the Property Transfer Report (PTR) to document the transfer of accountability from the CO to the recipient unit.
iv. The AMD shall then issue and sign the "Received from" portion of the Inventory Custodian Slip (ICS) or Property Acknowledgement Receipt (PAR), as the case may be.	iv. The RO/SDO Supply Officer or School property Custodian shall prepare and sign the "Received from" portion of the Inventory Custodian Slip (ICS) or Property Acknowledgement Receipt (PAR), as the case may be.
v. The officer who shall take accountability over the goods received shall sign the "Received by" portion of the ICS or the PAR, as the case may be.	v. The accountable officer in the recipient unit shall sign the "Received by" portion of the ICS or PAR. These forms document the transfer and establishment of accountability of the receiving officer or personnel over the goods.
	vi. The School Property Custodian shall prepare the Report on Deliveries (Property Form 1) required under DO No. 45, s. 2006. The SDO and RO Supply Officers shall also prepare the Consolidated Report (Property Forms 2 and 3).

b. Procurement by the CO with Logistics Services

For delivery to the various offices in the Central Office	**For delivery to the ROs/SDOs/Schools** (pre-inspected by the CO)
Not applicable	i. Upon delivery by the third-party logistics service provider, the RO/SDO Supply Officer or School Property Custodian shall sign the Transfer Manifest Outbound from the supplier and forward the same to the Inspectorate Team for the inspection of the goods.
	ii. The RO/SDO/School Inspectorate Team shall then inspect the items as to physical form or condition and quantity. If the items are in order, the Inspectorate Team shall prepare and sign the RO/SDO/School Inspection Report and recommend the acceptance of the items to the RO/SDO Supply

	Officer or School Property Custodian. Rejected goods, if any, shall be briefly described in the said report and returned to the supplier, through the logistics service provider, for rectification or replacement.
	iii. The RO/SDO Supply Officer or School Property Custodian shall prepare and sign the RO/SDO/School Acceptance Report. He/she shall also sign the PTR to document the transfer of accountability from the CO to the recipient unit.
	iv. The same procedure under items iv and v in the preceding table shall be performed by the RO/SDO Supply Officer or School property Custodian and accountable officer.

c. Procurement by the RO or SDO

For delivery to the RO/SDO	**For delivery to the Recipient Schools** (pre-inspected by the RO/SDO)
i. Upon delivery, the RO/SDO Supply Officer shall sign the "Received" portion of the DR from the supplier and forward the same to the Inspectorate Team for the inspection of the goods. The RO/SDO Supply Officer shall also prepare the IAR.	i. Upon delivery, the School Property Custodian or Supply Officer shall sign the DR from the supplier and forward the same to the School Inspectorate Team (SIT) for the inspection of goods.
ii. The RO/SDO Inspectorate Team shall then inspect the delivered items in accordance with the applicable guidelines for pre-delivery inspection stated in Part V. B. of this Order and the applicable manual or Inspection and Test Protocol, if any.	ii. The SIT shall then conduct inspection of the delivered goods as to physical form or condition and quantity. If the goods are in order, the SIT shall prepare and sign the School Inspection Report and recommend the acceptance of the items to the School Property Custodian. Rejected goods, if any, shall be briefly described in the said report and returned to the supplier for rectification or replacement.
iii. If the goods are in order, the RO/SDO Inspectorate Team shall sign the inspection portion of the IAR, and the RO/SDO Supply Officer shall sign the acceptance portion. Rejected goods shall be	iii. The School Property Custodian shall prepare and sign the School Acceptance Report. He/she shall also sign the PTR to document the transfer of accountability from the RO/SDO to the school.

returned to the supplier for rectification or replacement.	
iv. The RO/SDO Supply Officer shall prepare and sign the "Received from" portion of the ICS or PAR, as the case may be, and issue the same to the accountable officer for the establishment of accountability. The accountable officer shall sign the "Received by" portion.	iv. The School property Custodian shall prepare and sign the "Received from" portion of the ICS or PAR, as the case may be, and issue the same to the accountable officer for the establishment of accountability. The accountable officer shall sign the "Received by" portion.

3. In the course of the preparation and accomplishment of the abovementioned forms and reports to document the inspection and acceptance activity, the concerned officers in the CO, ROs, SDOs and Schools must strictly comply with the relevant provisions of the Government Accounting Manual Volumes I and II.

4. Expenses to be incurred by the Inspectorate Team in the RO, SDO or school in the performance of its functions shall be charged to their Maintenance and Other Operating Expenses (MOOE), subject to the usual auditing and accounting rules and regulations.

D. POST-DELIVERY INSPECTION

1. A post-delivery inspection shall be conducted by the Inspectorate Team of the recipient unit during installation, commissioning, start up, or initial use within the warranty period stated in the contract, purchase order or memorandum of agreement, which commences to run from the date of issuance of a Certificate of Final Acceptance. This post-delivery inspection shall not bar claims for any latent or hidden damage that may be exhibited during the warranty period which shall render the supplier liable for repair or replacement.

2. The post-delivery inspection is intended to ensure that all accepted goods are free from manufacturing defects and with the right quality as described in the technical specifications.
   a. Goods are considered defective when they are "unfit for the use for which it is intended" or "its fitness for such use is diminished to such an extent that, had the vendee been aware thereof, he would not have acquired it or would have given a lower price for it" (Civil Code of the Philippines, Art. 1561).
   b. Under the Government Procurement Manual (GPM) Volume II, a defect can either be (i) a patent defect, which is one that is apparent to the buyer on normal observation, or (ii) a latent defect, which is one that is not apparent to the buyer by reasonable observation. Both latent and patent defects are covered by the warranty expressly required in R.A. 9184 and its 2016 Implementing Rules and Regulations (IRR).
   c. Ordinary wear and tear due to normal usage of the goods is excluded from the coverage of the supplier's warranty obligation.

3. Upon completion of inspection, the Inspectorate Team shall prepare a Post-Delivery Inspection Report stating therein the quantity and condition of the goods and a recommendation to the head of the procuring unit for claims against the warranty should there be manufacturing defects discovered on the goods inspected.

E. INSPECTION AND ACCEPTANCE DOCUMENTS

The following documents shall be used to record and report inspection and acceptance activities in all the governance units of DepEd. Each of these documents should present clearly and truthfully the information relating to the transaction or activity that it is meant to represent and validate. Only the signing officer who is physically present may sign the form, report or record. By affixing his/her signature thereto, he/she effectively certifies that he/she personally witnessed the delivery and/or inspection and acceptance of goods, and that the details and information provided in the documents are true and correct of his personal knowledge. The signing authorities must likewise be in accordance with DO No. 008, s. 2021 (Revised Signing Authorities for Administrative and Financial Matters in the Department of Education), as amended.

1. **Pre-Delivery Inspection Report**
   This document shall state, among others, the findings and result of the pre-delivery inspection, including the inspection technique used. It shall state the quantity of accepted and rejected items, if any, and the reason(s) for rejection. The report must be signed by all members of the Inspectorate Team who were present during the inspection. Copies of the report shall be submitted to the IU, AMD and CMD, in the case of CO, and to the RO/SDO Property and Supply unit, in the case of RO/SDO, within two (2) days from the completion of inspection.

2. **Inspection and Acceptance Report (IAR)**
   This form shall be used to document the inspection and acceptance of goods. The inspection portion of the IAR must be signed by three (3) members of the Inspectorate Team, one of which must be the end-user unit representative. The acceptance portion must be signed by the AMD Chief, RO/SDO Supply Officer or School Property Custodian, or their duly authorized representative, who must be physically present during the inspection.

3. **RO/SDO/School Inspection Report**
   This report is used to document the inspection as to physical form or condition and quantity by recipient units on goods procured by the CO/RO/SDO. It is signed by all members of the Inspectorate Team, and shall be complemented by a RO/SDO/School Acceptance Report.

4. **RO/SDO/School Acceptance Report**
   This report is used to document the physical acceptance of the items delivered to the recipient units. This report is prepared by the Supply Officer or Property Custodian of the recipient units after inspection of the items.

5. **Transfer Manifest Outbound**
   This form shall be signed by an agent or representative of the third-party logistics service provider and by the Supply Officer or Property Custodian of the recipient unit.

6. **Inventory Custodian Slip (ICS)**
   This form is used by the concerned Supply Officer or Property Custodian to issue tangible items amounting to less than Php15,000.00 (semi-expendable property) to the accountable for the purpose of establishing accountability over the items.

7. **Property Acknowledgement Receipt (PAR)**
   This document is used to document the transfer of custodianship of property amounting to Php15,000.00 and above (non-expendable items) from one accountable officer to another.

8. **Property Transfer Report (PTR)**
   This form shall be used when there are transfers of property from one accountable officer to another.

9. **Post-Delivery Inspection Report**
   This report documents the inspection conducted by the Inspectorate Team within the warranty period for the purpose of ensuring that the goods received are free from manufacturing defects. It shall state briefly the condition of the goods as inspected and the recommendation to the head of the procuring unit for claims against the warranty should there be manufacturing defects discovered.

10. **Certificate of Final Acceptance**
    This document certifies that the goods had been inspected and accepted as reflected in the Inspection and Acceptance Report, and that the goods conform to the technical specifications as stipulated in the contract. The issuance of this certificate shall cause the release of the performance security, provided DepEd has no claims against the supplier. It shall be prepared by the AMD Chief in the CO, the Head of the Asset Management Section or Property and Supply Unit in the RO/SDO, and noted by the authorized representative and signatory of the contract, purchase order or memorandum of agreement.

11. **Certificate of No Claim Against the Warranty**
    This document certifies that the goods accepted have undergone post-delivery inspection and found free of manufacturing defects. It is issued after the minimum warranty period of three (3) months, in the case of supplies, and one (1) year, in the case of equipment, from the date of issuance of a Certificate of Final Acceptance. The issuance of this certificate shall cause the release of the retention money to the supplier. It shall be prepared and certified by the authorized signing authorities provided under DO No. 008, s. 2021.

F. INSPECTION IN AREAS UNDER COMMUNITY QUARANTINE

1. Under DO No. 026, s. 2020 (Guidelines on the Conduct of Inspection and Delivery of Goods in Areas Under Enhanced Community Quarantine, Modified Enhanced Community Quarantine and General Community Quarantine), pre-delivery inspections shall only be allowed in areas under MECQ and GCQ, unless permitted by DepEd and cleared with the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF-MEID).

2. Under DO No. 027, s. 2020, in the event that inspectors from the Central Office are restricted to travel to and from the inspection site, the Secretary through the Office of the Assistant Secretary for Procurement and Administration may issue a Deputation and Inspection Order to an Inspectorate Team in the RO or SDO level.

VI. MONITORING AND EVALUATION

The Office of the Assistant Secretary for Procurement and Administration, through the Asset Management Division and Contract Management Division, and the Administrative Divisions/Sections in ROs/SDOs shall continuously gather feedback and monitor the implementation of this Order.

The heads of all implementing units and/or offices shall ensure that these protocols are strictly enforced in the conduct of inspection and acceptance of goods procured either by the CO or the field offices. Evaluation reports or recommendations may be submitted to the abovementioned Offices for further enhancement of this policy. Evaluation reports may include practical observations made, difficulties or issues encountered, assessment of the adoption of procedures and proposals for additional measures.

VII. REFERENCES

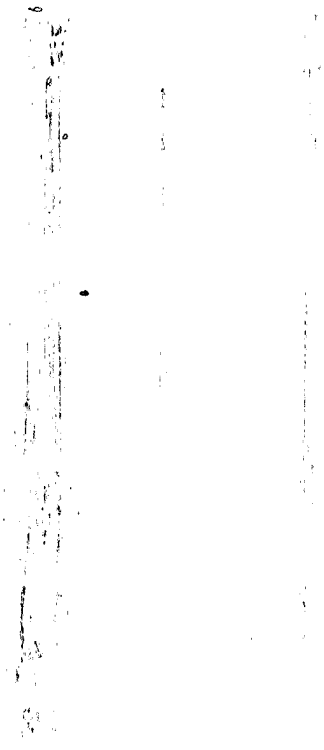
The following are the references for this Order:

1. DO No. 45, s. 2006 (Guidelines on Delivery, Inspection and Acceptance and Recording of All Properties Procured by DepEd Central Office and DBM Procurement Service)
2. DO No. 05, s. 2010 (Guidelines on Inspection of DepEd Deliveries)
3. DO No. 35, s. 2017 (Revised Guidelines on the Implementation of the Basic Education Facilities Fund)
4. DO No. 42, s. 2018 (Updated Guidelines on Delivery, Inspection, Acceptance and Recording of DepEd Procured Assets)
5. DO No. 26, s. 2020 (Guidelines on the Conduct of Inspection and Delivery of Goods in Areas Under Enhanced Community Quarantine, Modified Enhanced Community Quarantine, and General Community Quarantine)
6. DO No. 27, s. 2020 (Guidelines on the Reconstitution of Inspectorate Team in the Department of Education Central Office, Regional and Schools Division Offices, and Schools)

VIII. EFFECTIVITY / TRANSITORY PROVISIONS

The provisions stipulated in the above enumerated references which are inconsistent with this Order are hereby repealed.

This Order shall take effect immediately upon its issuance.



ANNEXES:

A. **Process Flow for the Inspection and Acceptance of Goods for Delivery to the Field Units**
    a. Table 1. Inspection and acceptance of goods procured by the CO for delivery to the ROs/SDOs/Schools
    b. Table 2. Inspection and acceptance of goods procured by the CO with Logistics Services for delivery to ROs/SDOs/Schools
    c. Table 3. Inspection and acceptance of goods procured by the RO/SDO for delivery to recipient schools
B. **Field Inspection Order Template**
C. **Pre-Delivery Inspection Report**
D. **Inspection and Acceptance Report (IAR),** *Appendix 62, GAM Vol. 2*
E. **RO/SDO/School Inspection Report**
F. **RO/SDO/School Acceptance Report**
G. **Property Transfer Report (PTR),** *Appendix 76, GAM Vol. 2*
H. **Transfer Manifest Outbound**
I. **Property Acknowledgment Receipt (PAR),** *Appendix 71, GAM Vol. 2*
J. **Inventory Custodian Slip (ICS),** *Appendix 59, GAM Vol. 2*
K. **Post-Delivery Inspection Report**
L. **Certificate of Final Acceptance**
M. **Certificate of No Claim Against the Warranty**

Annex "A"

Process Flow for Inspection and Acceptance of Goods for Delivery to the Field Units

Table 1. **Inspection and acceptance of goods procured by the CO for delivery to the ROs/SDOs/Schools**

Sequence	Office/Officer in Charge	Activity
1	CMD	Issue an Inspection Order to the CO Inspectorate Team. The detailed technical specifications of the items, as appearing or indicated in the contract, purchase order or memorandum of agreement, shall be attached to the Inspection Order.
2	Team Leader of CO Inspectorate Team	Call for a Pre-Inspection Meeting
3	CO Inspectorate Team	Conduct pre-delivery inspection and sign the inspection portion of the IAR
4	AMD Chief	Sign the acceptance portion of the IAR
5	CO Inspectorate Team	Prepare Pre-Delivery Inspection Report
6	CMD	Send a Notice of Delivery to the RO/SDO/ School. The detailed technical specifications of the items, as appearing or indicated in the IAR, shall be attached to the said notice.
7	RD/SDS or the Head of the Administrative Division/ Section or the School Principal	Issue a Field Inspection Order to the Inspectorate Team. The attached template may be modified accordingly to provide further details and instructions.
8	The Team Leader of the field Inspectorate Team	Call for a Pre-Inspection Meeting, as may be necessary
9	RO/SDO/School Property and Supply Officer or the School Property Custodian	Sign the DR upon delivery by the supplier and forward the same to the Inspectorate Team
10	RO/SDO/School Inspectorate Team	Inspect the items delivered as to physical form or condition and quantity. If the items are in order, the Inspectorate Team shall prepare and sign the RO/SDO/School Inspection Report and recommend the acceptance of the items to the Supply Officer or Property Custodian. Rejected items, if any, shall be briefly described in the said report and returned to the supplier for rectification or replacement.
11	RO/SDO Supply Officer or	Prepare and sign the RO/SDO/School

	School Property Custodian	Acceptance Report
		Sign the PTR
		Prepare and sign the ICS or PAR, as the case may be, and issue the same to the accountable officer
12	Accountable Officer	Sign the ICS or PAR, as the case may be
13	(For delivery to Schools) School Property Custodian, RO/SDO Supply Officers	The School Property Custodian shall prepare the Report on Deliveries (Property Form 1) required under DO No. 45, s. 2006, and submit the same together with the original copy of the DR and a copy of the Acceptance Report to the Division Supply Officer. The SDO and RO Supply Officers shall also prepare the Consolidated Report (Property Forms 2 and 3).
14	RO/SDO/School Inspectorate Team	Conduct post-delivery inspection within the warranty period and prepare Post-Delivery Inspection Report

Table 2. **Inspection and acceptance of goods procured by the CO with Logistics Services for delivery to ROs/SDOs/Schools**

Sequence	Office/Officer in Charge	Activity
1	CMD	Issue an Inspection Order to the CO Inspectorate Team. The detailed technical specifications of the items, as appearing or indicated in the contract, memorandum of agreement or purchase order, shall be attached to the Inspection Order.
2	Team Leader of CO Inspectorate Team	Call for a Pre-Inspection Meeting
3	AMD Chief	Sign the DR from the supplier and forward the same to the CO Inspectorate Team for the inspection of goods
4	CO Inspectorate Team	Conduct pre-delivery inspection and sign the inspection portion of the IAR
5	AMD Chief	Sign the acceptance portion of the IAR. At this stage, the goods that passed the pre-delivery inspection are deemed accepted.
6	CO Inspectorate Team	Prepare the Pre-Delivery Inspection Report
7	CMD	Send a Notice of Delivery to the recipient ROs/SDOs/Schools. The detailed technical specifications of the items, as appearing or indicated in the IAR, shall be attached to the said notice.

8	RD/SDS or the Head of the Administrative Division/ Section or the School Principal	Issue a Field Inspection Order to the Inspectorate Team. The attached template may be modified accordingly to provide further details and instructions.
9	The Team Leader of the field Inspectorate Team	Call for a Pre-Inspection Meeting, as may be necessary
10	RO/SDO/School Property and Supply Officer or the School Property Custodian	Sign the Transfer Manifest Outbound upon delivery by the third party logistics service provider and forward the same to the Inspectorate Team for the inspection of goods
11	RO/SDO/School Inspectorate Team	Inspect the items delivered as to physical form or condition and quantity. If the items are in order, the Inspectorate Team shall prepare and sign the RO/SDO/School Inspection Report and recommend the acceptance of the items to the Supply Officer. Rejected items, if any, shall be briefly described in the said report and returned to the supplier, through the logistics service provider, for rectification or replacement.
12	RO/SDO Supply Officer or School Property Custodian	Prepare and sign the RO/SDO/School Acceptance Report
		Sign the PTR
		Prepare and sign the ICS or PAR, as the case may be, and issue the same to the accountable officer
13	Accountable Officer	Sign the ICS or PAR, as the case may be
14	RO/SDO/School Inspectorate Team	Conduct post-delivery inspection within the warranty period and prepare the Post-Delivery Inspection Report

Table 3. **Inspection and acceptance of goods procured by the RO/SDO for delivery to recipient schools**

Sequence	Office/Officer in Charge	Activity
1	RD/SDS/Head of the Administrative Division/Section	Issue an Inspection Order to the RO/SDO Inspectorate Team. The detailed technical specifications provided by the BAC, as appearing or indicated in the contract, memorandum of agreement or purchase order, shall be attached to the Inspection Order.
2	Team Leader of the RO/SDO Inspectorate Team	Call for a Pre-Inspection Meeting, as may be necessary

3	RO/SDO Inspectorate Team	Conduct Pre-Delivery Inspection and sign the inspection portion of the IAR
4	RO/SDO Supply Officer	Sign the acceptance portion of the IAR
5	RO/SDO Inspectorate Team	Prepare the Pre-Delivery Inspection Report
6	RO/SDO Supply Officer	Send a Notice of Delivery to the recipient schools and prepare PTR. The detailed technical specifications of the items, as appearing or indicated in the IAR, shall be attached to the said notice.
7	School Principal	Issue an Inspection Order to the School Inspectorate Team. The attached template may be modified accordingly to provide further details and instructions.
8	The Team Leader of the School Inspectorate Team	Call for a Pre-Inspection Meeting, as may be necessary
9	School Property Custodian	Sign the DR upon delivery by the supplier and forward the same to the Inspectorate Team
10	School Inspectorate Team	Inspect the items delivered as to physical form or condition and quantity. If the items are in order, the SIT shall prepare and sign the School Inspection Report and recommend the acceptance of the items to the School Property Custodian.
11	School Property Custodian	Prepare and sign the School Acceptance Report. Rejected items, if any, shall be briefly described in the said report and returned to the supplier for rectification or replacement.
		Sign the PTR
		Prepare and sign the ICS or PAR, as the case may be, and issue the same to the accountable officer
12	Accountable Officer	Sign the ICS or PAR, as the case may be
13	School Inspectorate Team	Conduct post-delivery inspection within the warranty period and prepares Post-Delivery Inspection Report

Annex "B"

(File/Reference No.)
(Date)

FIELD INSPECTION ORDER

INSPECTORATE TEAM:

_____
Team Leader

_____
Regular Member – Property Supply Office

_____
Regular Member – Accounting Section/Unit

_____
_____
Provisional Members – End-User Unit

PROJECT: _____
_____
PROJECT NO.: _____
INSPECTION SITE: _____
_____
DATE AND TIME: _____
_____

The Regional Office/Schools Division Office/School Inspectorate Team composed of the abovenamed Inspectors is hereby authorized and directed to conduct the inspection of the following goods:

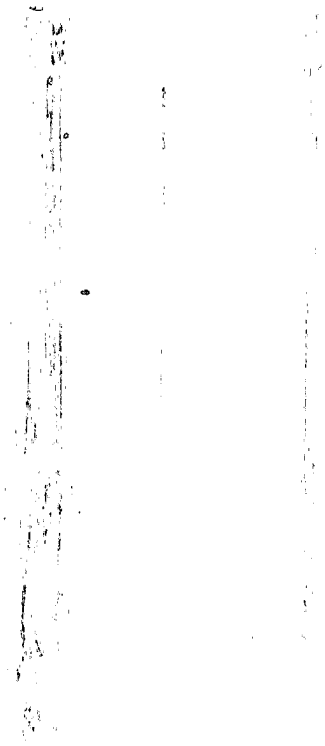
Items	Quantity

A copy of the detailed technical specifications of the items is attached to this Order.

The Inspectorate Team must adhere strictly to the standards and procedures laid down in DepEd Order No. __, s. 2021 or the *Inspection and Acceptance Protocols for the Procurement of Goods in the Department of Education.* The inspection and acceptance reports required thereunder must be accomplished without delay.

_____

Regional Director/Schools Division Superintendent/
Head of the Administrative Division/Section/School Principal



Annex "C"

PRE-DELIVERY INSPECTION REPORT

Supplier:		
Project:		
Contract No:		
Inspection Order Ref. No. & Date		Date of Inspection:

Inspection Technique:
By Item (100%)
By Sampling
Sampling Type (random or interval): _____; Sample Size and AQL (in percentage): _____ : _____

Item No.	Item Description	Unit	Quantity	Remarks

Notes, if any:

Inspectorate Team
(Signature Over Printed Name)

Team Leader	Representative, End-User Unit
Representative, Asset Management Division/Section/Property Supply Office	Representative, End-User Unit
Representative, Accounting Division/Section/Unit	Provisional Member

Annex "D"

INSPECTION AND ACCEPTANCE REPORT

Entity Name: _____ **Fund Cluster:** _____

Supplier: _____	IAR No.: _____
PO No./Date: _____	Date: _____
Requisitioning Office/Dept.: _____	Invoice No.: _____
Responsibility Center Code: _____	Date: _____

Stock/ Property No.	*Description*	*Unit*	*Quantity*

INSPECTION	*ACCEPTANCE*
Date Inspected: _____	Date Received: _____
☐ Inspected, verified and found in order as quantity and specifications	☐ Complete ☐ Partial (pls. specify quantity)
_____ _____ _____ Inspectorate Team	_____ Supply and/or Property Custodian

Annex "E"

RO/SDO/SCHOOL INSPECTION REPORT

(To be accomplished by the RO/SDO/School Inspectorate Team in the inspection of goods procured by the CO/RO/SDO upon delivery)

Supplier:				
Project:				
Contract No:				
Inspection Order Ref. No. & Date			Date of Inspection:	
Item No.	**Item Description**	**Unit**	**Quantity**	**Remarks**

Notes, if any:

The above indicated items were inspected as to physical form or condition and quantity. We hereby recommend the acceptance of the items which passed the inspection procedure.

Inspectorate Team
(Signature Over Printed Name)

Team Leader	Representative, End-User Unit
Representative, Asset Management Division/Section/Property Supply Office	Representative, End-User Unit
Representative, Accounting Division/Section/Unit	Provisional Member

Annex "F"

RO/SDO/SCHOOL ACCEPTANCE REPORT

(To be accomplished by the RO/SDO/School Supply Officer or Property Custodian after the inspection of goods procured by the CO/RO/SDO)

Supplier:				
Project:				
Contract No:				
Inspection Order Ref. No. & Date			Date of Acceptance:	
Item No.	**Item Description**	**Unit**	**Quantity**	**Remarks**
Notes, if any:				
I hereby acknowledge the delivery and physical acceptance of the above indicated goods. **Supply Officer/Property Custodian** (Signature Over Printed Name)				

Annex "G"

PROPERTY TRANSFER REPORT

Entity Name: _____ **Fund Cluster:** _____

From Accountable Officer/Agency/Fund Cluster: _____ To Accountable Officer/Agency/Fund Cluster: _____	PTR No.: _____ Date: _____

Transfer Type: (check only one)

☐ Donation ☐ Relocate

☐ Reassignment ☐ Others (Specify) _____

Date Acquired	Property No.	Description	Amount	Condition of PPE

Reason for Transfer:

_____

_____

_____

_____

_____

	Approved by:	Released/Issued by:	Received by:
Signature:	_____	_____	_____
Printed Name:	_____	_____	_____
Designation:	_____	_____	_____
Date:	_____	_____	_____

Annex "H"

TRANSFER MANIFEST OUTBOUND

					Date:	
CARGO FORWARDER						
ADDRESS						
Tel. No.						
DESTINATION	**DISPATCH NO.**	**MAIL TYPE**	**NO. OF BAGS**	**PCS**	**WEIGHT**	**FLIGHT NO.**

TRANSFERRED BY:

Signature over Printed Name of
Cargo Agent/Representative

Date

RECEIVED BY:

Signature over Printed Name of
Supply Officer/Property Custodian

Date

Annex "I"

PROPERTY ACKNOWLEDGMENT RECEIPT

Entity Name: _____

Fund Cluster: _____ **PAR No.:** _____

Quantity	Unit	Description	Property Number	Date Acquired	Amount

Received by:

_____
Signature over Printed Name of End User

_____
Position/Office

_____
Date

Issued by:

_____
Signature over Printed Name of Supply and/or Property Custodian

_____
Position/Office

_____
Date

Annex "J"

INVENTORY CUSTODIAN SLIP

Entity Name: _____

Fund Cluster: _____ **ICS No.:** _____

Quantity	Unit	Amount		Inventory Item No.	Estimated Useful Life
		Unit Cost	Total Cost		

Received from:

_____
Signature over Printed Name

_____
Position/Office

_____
Date

Received by:

_____
Signature over Printed Name

_____
Position/Office

_____
Date

Annex "K"

POST-DELIVERY INSPECTION REPORT

Supplier:				
Project:				
Contract No:				
Date of Acceptance:		Warranty Period:		
Date of Inspection:				
Item No.	**Item Description**	**Unit**	**Quantity**	**Remarks**

Notes, if any:

Inspectorate Team
(Signature Over Printed Name)

Team Leader	Representative, End-User Unit
Representative, Asset Management Division/Section/Property Supply Office	Representative, End-User Unit
Representative, Accounting Division/Section/Unit	Provisional Member

Annex "L"

CERTIFICATE OF FINAL ACCEPTANCE

This is to certify that (quantity) units of (goods) for the Project _____ _____ under Contract No. _____ and with the total Contract Price of _____ were inspected and accepted as reflected in the Inspection and Acceptance Report dated _____.

It is further certified that the said (goods) conform to the technical specifications stipulated in the contract.

This Certificate is issued for the purpose of releasing the performance security to the Supplier, _____.

Issued this ___ day of (month) (year) in _____.

CERTIFIED BY:

_____
_____

NOTED BY:

_____
_____

Annex "M"

CERTIFICATE OF NO CLAIM AGAINST THE WARRANTY

This is to certify that (quantity) units of (goods) for the Project _____ _____ under Contract No. _____ and with the total Contract Price of _____ were delivered, accepted, and found free of manufacturing defects during the minimum warranty period of _____, specifically from _____ to _____.

It is further certified that all conditions imposed under the Contract have been fully satisfied.

This Certificate is issued for the purpose of releasing the retention money to the Supplier, _____.

Issued this ___ day of (month) (year) in _____.

PREPARED BY:

_____
_____

CERTIFIED CORRECT BY:

_____
_____

Republic of the Philippines
Department of Education

DepEd – ProcMS
BAC Secretariat Division
RECEIVED
Date: December 22, 2021
Time: 3:45 p.m.
No: 2021-12-i3042
By: RAQUEL SORIANO FAMILARA
Administrative Assistant III

25 OCT 2021

OFFICE ORDER
OO-OSEC-2021-038

GUIDELINES ON THE PROCESSING OF BILLINGS AND PAYMENT OF PROCUREMENT CONTRACTS

To: Undersecretaries
Assistant Secretaries
Bureau and Service Directors
Division Chiefs
All Others Concerned

1. The Department of Education (DepEd) issues the enclosed **Guidelines on the Processing of Billings and Payment of Procurement Contracts** in the Central Office.

2. These Guidelines aim to

   a. establish a uniform and general approach in the processing of billings and payments in procurement contracts;
   b. define the duties and responsibilities of the Contract Management Division, the end-users/implementing units, the Accounting Division, and other relevant offices;
   c. simplify and clarify the procedures and process work flows for billings and payment;
   d. ensure that payments are timely, promptly and correctly made to suppliers, contractors and consultants; and
   e. establish communication, reporting, monitoring and evaluation procedures and mechanisms.

3. The guidelines shall generally apply to all procurement contracts, e.g., Purchase Orders, Contracts, Memorandum of Agreement, or any procurement agreement in whatever form of the DepEd Central Office.

4. For more information, please contact the **Office of the Assistant Secretary for Procurement and Administration** through email at asec.pa@deped.gov.ph or at telephone number 8634-1169 or the **Contract Management Division** through email at procms.cmd@deped.gov.ph or at telephone number 8635-3762.

5. Immediate dissemination of and strict compliance with this Order is directed.

LEONOR MAGTOLIS BRIONES
Secretary

Encl.: As stated

SMMA/APA/MPC, OO Guidelines on the Processing of Billings and Payment
O288 – October 4, 2021

To authenticate this document, please scan the QR code
OO-OSEC-449067

To authenticate this document, please scan the QR code

OO-OSEC-449067

Enclosure to Office Order OO-OSEC-2021-038

GUIDELINES ON THE PROCESSING OF BILLINGS AND PAYMENT FOR PROCUREMENT CONTRACTS

1. BACKGROUND

Payment is an essential aspect of contract implementation and the processes involved in relation to this are undertaken to ensure the timely settlement of the financial obligations of the procuring entity in favor of its suppliers, contractors or consultants. Late or incomplete payment is one of the main causes of relationships souring during contract implementation and usually cripples a suppliers', contractor's, or consultant's ability to continue and complete the work expected, as well as to perform in accordance with the standards of the contract. This could also lead to a contract dispute.

Administering the payment mechanism should not be treated as a mere routine exercise. The mechanism is a toll to enforce contractual rights and provides an opportunity to establish and document the value-for-money actually received by the procurement activity's end-beneficiaries.

At the DepEd Central Office, the need to provide clear guidelines and documentation protocols to permit the smooth processing of payments for procurement contracts is underscored by these contract management principles. The formulation and implementation of systems and procedures for this purpose will ensure uniformity of standards, approaches and procedures for all procurement contracts of the DepEd Central Office.

Pursuant to Section 3.4 of the Department of Budget and Management (DBM) National Budget Circular (NBC) No. 2015-558, providing for the Guidelines in the Organization and Staffing of Procurement Units, dated 4 June 2015, "*the Contract Management Division shall be responsible for all post-award contract management and administration activities. Specifically, it shall a) monitor compliance with the terms and conditions of the procurement contract; b) coordinate with End-Users for the acceptance of goods and services;* ***c) coordinate with Finance Unit for payment of contracts****; xxx*" (emphasis supplied).

2. OBJECTIVES

These guidelines aim to:

2.1. Establish a uniform and general approach in the processing of billings and payments in procurement contracts;

2.2. Define the duties and responsibilities of the Contract Management Division (CMD), the End-Users (EUs)/Implementing Units (IUs), the Accounting Division (AD) and other relevant offices;

2.3. Simplify and clarify the procedures and process work flows for billings and payment;

2.4. Ensure that payments are timely, promptly and correctly made to suppliers, contractors and consultants; and

2.5. Establish communication, reporting, monitoring and evaluation procedures and mechanisms.

3. SCOPE AND COVERAGE

3.1. The guidelines set forth in this Office Order shall generally apply to all procurement contracts (i.e. Purchase Order (PO), Contracts, Memorandum of Agreement (MOA), or agreement in whatever form) of the DepEd Central Office.

4. PROCEDURES, DUTIES AND RESPONSIBILITIES

4.1. The CMD shall be primarily responsible in assisting the suppliers, contractors and consultants, as well as the EUs/IUs in the processing of billings and payment. For this purpose, the CMD shall receive all billings and requests for payment from suppliers, contractors and consultants, and shall coordinate with the concerned EU/IU for confirmation of relevant delivery documents and the immediate preparation of the Disbursement Vouchers (DVs).

4.2. The CMD shall create for each PO, Contract, MOA or agreement in whatever form, a Physical and Digital **Project Account Folder**. Each folder shall include a **Checklist of Documentary Requirements**[1]; a **Status of Billings and**

[1] See Part 7.1 of this Office Order

Payment[2]; and a copy of the documents relevant in the processing of payments, taking into account the requirements prescribed under COA Circular 2012-001 and with other existing internal policies not inconsistent herewith.

4.3. The CMD shall, simultaneous to the issuance of a Notice of Pre-Delivery Inspection, issue a **Notice of the Conduct of Inspection**[3] in the case of goods, and a **Notice of Receipt of Billing, Invoice and Request for Payment**[4] in the case of services, to the Budget Division (BD), the Education Program Delivery Unit (EPDU) and the Accounting Division (AD), as early advice for the preparation of the Monthly Cash Program, and eventually for the request for Cash Allocation, in anticipation of a forthcoming request for payments.

4.4. The Asset Management Division (AMD) shall indorse three (3) original copies of the Inspection and Acceptance Reports (IARs) to CMD and one (1) original copy of IAR to EU/IU as promptly as possible after the conduct and completion of inspection and acceptance procedures. Of the three (3) original copies of IARs given to CMD, one (1) original copy shall be attached to the Physical Project Account Folder for the AD, one (1) original copy for the Commission on Audit (COA), as may be necessary or as requested, and the remaining one (1) original copy shall be retained by CMD.

4.5. The CMD shall ensure that all documentary requirements for any request for payment are complete and in order. For this purpose, the CMD shall communicate with the supplier, contractor or consultant, the EU/IU concerned and/or the relevant office or unit for any lacking requirement or any deficiency in the documents. After checking the completeness of the documentary requirements, and having determined their compliance with COA Circular 2012-001 and with other existing internal policies not inconsistent herewith, CMD shall give a **Notice to the EU/IU for Confirmation of the Delivery Documents**[5], for the immediate preparation of the Disbursement Voucher and for other actions that may need to be undertaken to facilitate the processing of payments. The

[2] Annex A. Status of Billings and Payment
[3] Annex B. Notice of the Conduct of Inspection (Goods)
[4] Annex C. Notice of Receipt of Billing, Invoice, and Request for Payment (Services)
[5] Annex D. Notice to End-User/Implementing Unit for Confirmation of the Delivery Documents

EU/IU shall confirm the deliveries based on the IARs indorsed to it by the AMD.

4.6. The EU/IU shall confirm that the goods indicated in the documents submitted by the supplier, contractor or consultant, have been delivered and/or that services have been rendered. Upon confirmation, it shall immediately prepare the Disbursement Voucher based on the documents in the Project Account Folder and shall then indorse the same to the CMD for transmittal to the AD. For this purpose, the EU/IU shall make use of **Annex E. Indorsement of Confirmed Delivery and Other Relevant Documents and Transmittal of Disbursement Voucher**[6].

4.7. The CMD shall transmit the documents mentioned in Section 5 hereof to the AD, as are required for the category of goods and/or services that is subject of the billings and request for payment.

4.8. The AD shall process the payment within the period as prescribed under government auditing and accounting rules and regulations, but preferably within a period of not more than thirty (30) calendar days **from the receipt of the disbursement voucher with complete supporting documents**. After payment has been made to supplier, contractor or consultant, the AD shall reflect the necessary information in the Status of Billings and Payment (Annex A) found in the Project Account Folder, and shall keep and update the same based on the submittals and indorsements of CMD. **CMD, for purposes of monitoring, or as the need arises, may request from the Cash Division for any updates/payments made. This procedure shall be observed until final payment is made to the supplier, contractor and consultant for the particular contract.**

4.9. The CMD shall be the custodian of the original copies of the documents contained in the Project Account Folder except for the IARs. It shall always ensure the accessibility and availability of the said Folder for audit purposes, for monitoring by the EU/IU and the AD, and for other legal purposes. In the case of the Project Account Folder to be forwarded to the AD, the CMD shall provide copies of the relevant documents, certifying as follows: *'certified faithful*

[6] Annex E. Indorsement of Confirmed Delivery and Other Relevant Documents and Transmittal of Disbursement Voucher

reproduction of the original copies on file'. The EU/IU, upon its request to CMD, may reproduce the relevant documents contained in the Project Account Folder, in whole or in part, for reference and monitoring purposes.

5. STANDARD DOCUMENTARY REQUIREMENTS

5.1. Basic Requirements for all types of procurement through public bidding (9.1 of COA Circular No. 2012-001)

- Authenticated photocopy of the approved Annual Procurement Plan (APP) and any amendment thereto
- Approved contract supported by the following documents which are required under COA Circular No. 2009-001 dated February 12, 2009 and COA Memorandum No. 2005-027 dated February 28, 2005 to be submitted to the Auditor's Office within five days from the execution of the contract:
  - Invitation to Apply for Eligibility to Bid
  - Letter of Intent
  - Results of Eligibility Check/Screening
  - Bidding Documents enumerated under Section 17.1 of the Revised IRR of R.A. No. 9184 which includes a complete set of approved plans/drawings and technical specifications for infrastructure projects, completed technical description of equipment, aircraft and accessories, scope of works, if applicable, for goods, and rental and repair contracts, and Terms of Reference (TOR) for consultancy services
  - Minutes of Pre-Bid Conference, [Approved Budget for Contract (ABC) P1.0 million and above]
  - Agenda and/or Supplemental Bulletins, if any
  - Bidders Technical and Financial Proposals
  - Minutes of Bid Opening
  - Abstract of Bids
  - Post Qualification Report of Technical Working Group
  - BAC Resolution declaring winning bidder
  - Notice of Post Qualification
  - BAC Resolution recommending approval and approval by the Head of Procuring Entity of the Resolution of the BAC recommending award of contract
  - Notice of Award
  - Performance Security
  - Program of Work and Detailed Estimates

- Notice to Proceed, indicating the date of receipt by the contractor
- Detailed Breakdown of the ABC
- Copy of the Approved PERT/CPM Network Diagram and detailed computations of contract time
- Detailed Breakdown of the Contract Cost:
  - including the detailed breakdown of estimated and/or unit cost analysis/derivation for each work item expressed in volume/area/lump/sum/lot for infrastructure projects
  - indicating the following, among others, for consultancy services:
    - Schedule of basic rates certified by the consultant with a sworn statement
    - Derivation of the billing factor/multiplier certified by the consultant with a sworn statement
    - Detailed breakdown of reimbursable costs based on agreed fixed rates and actual costs
  - indicating costs and actual dates of acquisition of the equipment, quantities and cost of materials, spare parts, and supplies furnished by the contractor for janitorial/security/maintenance services
  - indicating the monthly lease payment and period of lease for lease contracts

- Copy of Advertisement of Invitation to Bid/Request for Expression of Interest
  - Newspaper clippings of advertisement (ABC P5.0 million and above for infrastructure, P2.0 million and above for goods, and P1.0 million or four months duration and above for consulting services)
  - Printout copy of advertisement posted in PhilGEPS
  - Certification from the Head of BAC Secretariat on the posting of advertisement at conspicuous places
  - Printout copies of advertisement posted in agency website, if any
- Documentary requirements under Sections 23.1 and 25.2.b for infrastructure projects, 23.1 and 25.2a for goods, and 24.1 and 25.2c for consulting services of the Revised IRR of R.A. No. 9184
- Minutes of Pre-Procurement Conference for projects costing above P5.0million for infrastructure, P2.0 million

and above for goods, and P1.0 million and above for consulting services

- Bid Evaluation Report
- Ranking of short-listed bidders for consulting services
- Post Qualification Evaluation Report
- Printout copy of posting of Notice of Award, Notice to Proceed and Contract of award in the PhilGEPS
- Evidence of Invitation of three observers in all stages of the procurement process pursuant to Section 13.1 of the Revised IRR of R.A. No. 9184
- Request for purchase or requisition of supplies, materials and equipment duly approved by proper authorities

5.1.1 Infrastructure

Additional documentary requirements common to all infrastructure transactions

5.1.1.1 Advance Payment/Mobilization *(based on "Annex E" of the revised Implementing Rules and Regulations of Republic Act No. 9184, in relation to P.D. 1445)*

(a) Letter Request from Contractor for Advance Payment
(b) Disbursement Voucher
(c) Contract/PO/MOA or agreement in whatever form
(d) Notice of Award
(e) Notice to Proceed

Additional Documentary Requirements

(f) Performance Security (i.e. Irrevocable Standby Letter of Credit of equivalent value from a commercial bank, a Bank Guarantee or a Surety Bond callable upon demand, issued by a surety or insurance company licensed by the Insurance Commission and confirmed by the procuring entity)
(g) Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof

5.1.1.2 Variation Order/Change Order/Extra Work Order

(a) Additional documents under Annex B of COA Memo 2005-027 required to be submitted to the Auditor's Office within 5 days from the execution of contract:

- Copy of Approved Change Order (CO)/Extra Work Order (EWO)
- Copy of the approved original plans indicating the affected portion(s) of the project and duly revised plans and specifications, if applicable, indicating the changes made which shall be color coded
- Copy of the agency's report establishing the necessity/justification(s) for the need of such CO and/or EWO which shall include: (a) the computation as to the quantities of the additional works involved per item indicating the specific stations where such works are needed; (b) the date of inspection conducted and the results of such inspection; (c) a detailed estimate of the unit cost of such items of work for new unit costs including those expressed in volume/area/lump-sum/lot
- Copy of the approved/revised PERT/CPM Network Diagram which shall be color coded, reflecting the effect of additional/deductive time on the contract period and the corresponding detailed computations for the additional/deductive time for the subject Change Order/Extra Work Order
- Copy of the approved detailed breakdown of contract cost for the variation order
- Copy of the COA Technical Evaluation Report for the original contract
- If the Variation Order to be reviewed is not the 1st variation order, all of the above requirements for all previously approved variation order, if not yet reviewed, otherwise, copy of the COA Technical Evaluation Report for the previously approved variation orders
- Additional performance security in the prescribed form and amount if variation order exceeds 10% of the original contract cost
- Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof.

5.1.1.3 **Progress Billings and Payment**

(a) Letter Request from Contractor for Progress Payment
(b) Disbursement Voucher

Additional Documentary Requirements

(c) Statement of Work Accomplished (SWA) showing the amounts which the contractor considers itself to be entitled to, up to the end of the month, to cover the cumulative value of the works executed to date based on the items in the Bill of Qualities and adjustments made for approved Variation Orders executed;
(d) Inspection Report by the Agency's Authorized Engineer
(e) Result of Test Analysis, if applicable
(f) Statement of Time Elapsed Monthly Certificate of Payment
(g) Contractor's Affidavit on payment of laborers and materials
(h) Pictures, before, during and after construction of items of work especially the embedded item
(i) Photocopy of vouchers of all previous payments
(j) Certificate of completion
(k) [First Billing]: Notice to Commence Work, in case of Design and Build;
(l) [First Billing]: Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof.

5.1.1.4 **Final Payment**

(a) Letter Request from Contractor for Final Payment
(b) Disbursement Voucher

Additional Documentary Requirements

(c) As-Built plans
(d) Warranty Security, validity of which is as indicated in the contract/PO/MOA or agreement in whatever form;
(e) Clearance from the Provincial Treasurer that the corresponding sand and gravel fees have been paid
(f) Copy of turn over documents/transfer of project and facilities such as motor vehicle, laptops, other

equipment and furniture included in the contract to concerned government agency

5.1.1.5 Release of Retention Money

(a) Letter Request from Contractor for Substitution
(b) Disbursement Voucher

Additional Documentary Requirements

(c) Any security in the form of cash, bank guarantee, irrevocable standby letter of credit from a commercial bank, GSIS or surety bond callable on demand.
(d) Certification from the EU that the project is completed and inspected.

5.1.2 Consulting Services (Section 9.1.2)

5.1.2.1 Progress Billings and Payment

(a) Request for Progress Payment / Final Payment from the Consultant
(b) Disbursement Voucher
(c) Contract/Purchase Order/MOA or agreement in whatever form
(d) Notice of Award
(e) Notice to Proceed

Additional Documentary Requirements

(f) First Billing]: Additional documents under Annex D of COA Memo 2005-027 required to be submitted to the Auditor's Office within 5 days from the execution of contract:
    - If not in the Terms of Reference, appropriate approved documents indicating the expected outputs/deliverables
    - Copy of the Approved Manning Schedule indicating the names and positions of the consultants and staff and the extent of their participation in the project
    - Copy of the curriculum vitae of the consultants and staff
(g) Approved consultancy Progress / Final Report, and/or output required under the contract;
(h) Contract of Infrastructure Projects subject of Project Management Consultancy Services;

(i) [First Billing]: Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof.

5.1.3 Goods and Services (Section 9.1.3)

5.1.3.1 Supplies, Materials, Equipment and Motor Vehicles

Advance Payment/Mobilization (*based on Memorandum Order No. 15, s. 2011*[7], *Annex "D" of the revised Implementing Rules and Regulations of Republic Act No. 9184, in relation to P.D. 1445)*

(a) Request for Advance Payment/Mobilization
(b) Disbursement Voucher
(c) Authenticated Photocopy of the approved APP
(d) Authority to Procure/Undertake Project
(e) Copy of transmittal letter to COA (compliance to 9.1 page 32, of COA Circular No. 2012-01, dated 14 June 2012)
(f) Contract/PO/MOA or agreement in whatsoever form
(g) Copy of Advertisement of Invitation to Bid/Request for expression of Interest
(h) Notice of Award
(i) Performance Security
(j) Irrevocable Letter of Credit or Bank Guarantee equivalent to the amount allowed per contract/PO/MOA/agreement in whatever form
(k) Notice to Proceed

Progress Billings and Payment

(a) Request for Progress Payment/Final Payment (indicate if 1st billing, 2nd billing etc.);
(b) Disbursement Voucher;

[7] Section 1 of Memorandum Order No. 15, s. 2011 provides:

No. 4.5, Annex "D" of the IRR of R.A. No. 9184 is hereby amended to read as follows:

"4.5. Upon submission of an irrevocable letter of credit or bank guarantee issued by a Universal or Commercial Bank, advance payment not to exceed fifteen percent (15%) of the contract amount shall be allowed and paid within sixty (60) calendar days from signing of the contract. The irrevocable letter of credit or bank guarantee must be for an equivalent amount, shall remain valid until the goods are delivered, and accompanied by a claim for advance payment."

Additional Documentary Requirements

(c) [First Billing]: Additional documents required under Annexes F and S of COA Memo No. 2005-27 to be submitted within 5 days upon execution of contract:
   - Certificate of Exclusive Distributorship, if applicable
   - Samples and brochures/photographs, if applicable
   - For imported items:
     - Consular Invoice/Pro-forma invoice of the foreign supplier with the corresponding details
     - Home Consumption Value of the items
     - Breakdown of the expenses incurred in the importation

(d) Original copy of dealer's/supplier's invoices (i.e. delivery receipts) showing the quantity, description of the articles, unit and total value duly signed by the dealer or his representative, and indicating receipt by the proper agency official of items delivered; and showing cumulative quantities delivered based on the schedule of deliveries and other relevant terms and condition of the contract;

(e) Results of test analysis, if applicable;

(f) Tax receipts from the Bureau of Customs or BIR indicating the exact specifications and/or serial number of the equipment procured by the government as proof of payment of all taxes and duties on the same equipment supplied or sold to the government, if applicable;

(g) Duly signed and issued Inspection and Acceptance Reports (IARs), including certification by the Supplier, duly signed and dated by the authorized representative of DepEd (i.e. Inspectorate Team and AMD) indicating that the items have been delivered in accordance with the contract. In the case of services, in lieu of the Delivery Receipt or Sale Invoice and the IAR, an Accomplishment Report showing the deliverables or services rendered as approved and certified by the concerned End-User/Implementing Unit;

(h) Warranty Security, validity of which is as indicated in the contract/PO/MOA or agreement in whatever form;

(i) Special Bank Guarantee equivalent to the amount allowed per contract (warranty), in case the Supplier did not opt for retention money, such as but not limited to, Standby Letter of Credits and Security Bonds;

(j) [First Billing]: In case of motor vehicles, authority to purchase from Agency Head and Secretary of DBM or OP depending on the type of vehicle; and/or Local Chief Executives, including Punong Barangay, for types of vehicles enumerated under Section 7 of AO No. 233, and if chargeable under the GAA, either from DBM or OP depending on the type of vehicles purchased

(k) [First Billing]: For drugs and medicines:

- Certificate of product registration from FDA
- Certificate of good manufacturing practice from FDA
- Batch Release Certificate from FDA

(l) [First Billing]: If the supplier is not the manufacturer, certification from the manufacturer that the supplier is an authorized distributor/dealer of the products/items;

(m) [First Billing]: Authority to Mass Print, where relevant

(n) [First Billing]: Authority to Mass Produce, where relevant

(o) [First Billing]: Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof.

Release of Retention Money

(a) Request for the Release of Retention Money
(b) Disbursement Voucher
(c) Certificate of Final Acceptance

5.1.3.2 General Support Services (*janitorial, security, maintenance, garbage collection and disposal and similar services*)

Progress Billings and Payment

(a) Request for Progress Payment / Final Payment (indicate if 1st billing, 2nd billing etc.);
(b) Disbursement Voucher
(c) Contract/PO/MOA or agreement in whatsoever form

(d) Notice of Award
(e) Performance Security
(f) Notice to Proceed

Additional Documentary Requirements

(g) [First Billing]: Additional documents under Annexes H to K and P of COA Memo 2005-027 required to be submitted to the Auditor's Office within 5 days from the execution of contract:

- For janitorial/security/maintenance services
  - appropriate approved documents indicating the following:
    1. The number of personnel involved and their corresponding rates/salary
    2. Schedule of work and places of assignment or station/visits indicating, among others, the number of hours per visit
    3. The type and number of equipment to be served (in case of visitorial maintenance service)
  - The scaled floor plans of the building and other area/s covered by the service contract (for janitorial services)
  - The group classification of personnel to determine the Equivalent Equipment Monthly Statutory Minimum Wage Rate in accordance with the applicable Rules Implementing RA No. 6727
  - Approved documents indicating the minimum requirements of the agency on the number of security personnel to be involved in the project (for security service contract)
  - The population of the agency where the services are rendered (for security service controls)
  - Detailed description of the maintenance services to be rendered or activities to be performed (for maintenance service contracts)

- For Garbage Collection and Disposal
    - Complete description/specifications (brand name, model, make/country of origin, hp, piston displacement, capacity) and number of units of dump trucks to be used
    - Complete descriptions/specifications (age, condition, brand, etc.) and number of units of all other equipment to be rented/used
    - Appropriate approved documents containing the terms and conditions, whether operated or bare rental for heavy equipment, whether per trip or package deal; and other relevant condition
    - The designated dumpsite/location of dumpsite (if provided in a separate document)
    - The measurement in kilometers of the total distance covered by one complete route for all the required routes to be travelled
    - Estimated volume in cubic meters of garbage to be hauled from area of operation, including the basis for such estimates
    - In cases where the type of contract differs from the usual per trip contract basis, sufficient justification and comparative analysis between the type of contract adopted against the basic per trip type of contract

- For forwarding/shipping/hauling contract
    - The type/kind and technical description of the mode of transportation used
    - The point of origin and destination including the estimated distance/s if transported by land
    - The estimated weight and volume of cargoes involved

(h) Accomplishment Report
(i) Contractor's Bill
(j) Certificate of Acceptance
(k) Record of Attendance/Service
(l) Proof of remittance to concerned government agency and/or GOCCs
(m) [First Billing]: Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof

5.1.3.3 Rental Contract

Progress Billings and Payment

(a) Request for Progress Payment / Final Payment (indicate if 1st billing, 2nd billing etc.);
(b) Disbursement Voucher;
(c) Contract/PO/MOA or agreement in whatsoever form
(d) Notice of Award
(e) Performance Security
(f) Notice to Proceed

Additional Documentary Requirements

(g) [First Billing]: Additional documents under Annexes L, N, and O of COA Memo 2005-027 required to be submitted to the Auditor's Office within 5 days from the execution of contract:
- For privately-owned office/building
  - Complete copy of the building floor plans indicating in shaded colors the rentable space
  - Copy of the Certificate of Occupancy of the building or appropriate approved documents showing the date the building was constructed or age of the building
  - Complete description of the building as to type, kind and class including its component parts and equipment facilities such as, but not limited to, parking areas, elevators, air-conditioning systems, firefighting equipment, etc.

- Copy of the Master of Deed Declaration and Restrictions in case of lease/rental of office condominiums
- For equipment rental/lease/purchase contract
  - Agency evaluation of equipment utilization
  - Pertinent data of area of operation

(h) [First Billing]: List of prevailing comparable property within vicinity
(i) [First Billing]: Vicinity Map
(j) [First Billing]: Certificate of occupancy (space/building)
(k) [First Billing]: Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof

5.1.3.4 Repair and Maintenance of Aircraft, Equipment and Motor Vehicle

Progress Billings and Payment

(a) Request for Progress Payment / Final Payment (indicate if 1st billing, 2nd billing etc.);
(a) Disbursement Voucher
(b) Contract/Purchase Order/MOA or agreement in whatsoever form
(c) Notice of Award
(d) Performance Security
(e) Notice to Proceed

Additional Documentary Requirements

(f) [First Billing]: Additional documents under Annexes Q and R of COA Memo 2005-027 required to be submitted to the Auditor's Office within 5 days from the execution of contract:
- Copy of the pre-repair evaluation report and approved detailed plans by the agency showing in sufficient detail the scope of work/extent of repair to be done
- Copy of the latest service bulletin, in case of aircraft
- Report of waste materials

- Copy of document indicating the history of repair

(g) Post-inspection reports
(h) Warranty Certificate
(i) Certificate of Acceptance
(j) [First Billing]: Pre-repair inspection reports
(k) [First Billing]: Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof

5.1.3.5 Advertising Expenses

(a) Request for Payment
(b) Disbursement Voucher

Additional Documentary Requirements

(c) Bill/Statement of Account
(d) Copy of newspaper clippings evidencing publication and/or CD in case of TV/radio commercial

5.2 Basic Requirements common to all purchases under alternative mode (9.2 of COA Circular No. 2012-001)

- Documents to be submitted within five working days from the execution of the contract as required under COA Circular No. 2009-001 dated February 12, 2009:
  - Purchase Order/Letter Order/Contract, duly approved by the official concerned and accepted by the supplier (date of acceptance must be clearly indicated, especially when the time or date of delivery is dependent on or will be counted from the date of acceptance of the purchase order/letter order/contract)
  - Proof of posting of invitation or request for submission of price quotation in the PhilGEPS website, website of the procuring agency, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring agency for a period of seven calendar days in case of Shopping under Section 52.1(b), and Negotiated Procurement under Sections 53.1 (two failed bidding) and 53.9 (small value procurement) of the Revised IRR of RA No. 9184
  - Performance and warranty securities, except for shopping and negotiated procurement under emergency

cases, small value procurement, lease of real property and United Nation (UN) agencies

- BAC Resolution recommending and justifying to the Head of procuring Entity (HOPE) the use of alternative mode of procurement and approval by the HOPE of the BAC Resolution recommending award of contract
- Proof of posting of Notice of Award in the PhilGEPs website, the website of the procuring entity concerned, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity

- Approved Procurement Plan
- Request for purchases or requisition of supplies, materials and equipment, duly approved by proper authorities
- Original copy of the delivery invoice showing the quantity, description of the articles, unit and total value, duly signed by the dealer or his representative and indicating receipt by the proper agency official of items delivered
- Inspection and acceptance report signed "inspected by" by the authorized agency inspector and signed "accepted by" by the authorized end-user to whom the item was delivered or the property officer if item is for stock
- Approval by the HOPE or his duly authorized representative on the use of the alternative methods of procurement, as recommended by the BAC
- Statement of the prospective bidder that it is not blacklisted or barred from bidding by the Government or any of its agencies, offices, corporations or LGUs
- Sworn affidavit of the bidder that it is not related to the HOPE by consanguinity or affinity up to the third civil degree

5.2.1 Limited Source Bidding

Additional Documentary Requirements

(a) Specific requirements to be submitted within five (5) working days from the execution of the contract as required under COA Circular No. 2009-001 dated February 12, 2009:
   - Copy direct invitation to bid served by the concerned agency to all suppliers or consultants appearing in the pre-selected list of manufacturers/suppliers/distributors with known experience and proven capability on the requirements of the particular contract
   - Winning bidder's offer or proposal

- Abstract of bids showing the most responsive and complying bidder from among the other bidders who participated in the bidding
- Notice of Award

(b) Documentary requirements under Sections 23.1 and 25.2(a) for goods, 23.1 and 25.2(b) for infrastructure, 25.1 and 25.2(c) for consultancy services, of the Revised IRR of RA No. 9184

(c) Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof

(d) Bid security (required under Section 54.4. IRR-A, RA No. 9184)

5.2.2 Direct Contracting

Additional Documentary Requirements

(a) Specific requirements to be submitted within five (5) working days from the execution of the contract as required under COA Circular No. 2009-001 dated February 12, 2009:
- Copy of letter to selected manufacturer/supplier/distributor to submit a price quotation and conditions of sale
- Certification of Exclusive Distributorship issued by the principal under oath and authenticated by the embassy/consulate nearest the place of the principal, in case of foreign suppliers
- Certification from the agency authorized official that there are no sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the government
- Certification of the BAC in case of procurement of critical plant components and/or to maintain certain standards

(b) Study/survey done to determine that there are no sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the government

(c) Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof

5.2.3 Repeat Order

Additional Documentary Requirements

(a) Specific requirements to be submitted within five working days from the execution of the contract as required under COA Circular No. 2009-001 dated February 12, 2009:
   - Copy of the original contract used as basis for repeat order indicating that the original contract was awarded through public bidding
   - Certification from the Purchasing Department/Office that the supplier has complied with all the requirements under the original contract

5.2.4 Shopping

Additional Documentary Requirements

(a) Specific requirements to be submitted within five working days from the execution of the contract as required under COA Circular No. 2009-001 dated February 12, 2009:
   - Price quotations from at least three bona fide and reputable manufacturers/suppliers/distributors
   - Abstract of canvass

5.2.5 Negotiated Procurement

Additional Documentary Requirements

(a) Specific requirements to be submitted within five working days from the execution of the contract as required under COA Circular No. 2009-001 dated February 12, 2009:

   o In cases of two failed biddings, emergency cases, take-over of contract and small value procurement
      - Price quotation/bids/final offers from at least three invited suppliers
      - Abstract of submitted Price Quotation
      - BAC Resolution recommending award of contract to lowest Calculated Responsive Bid (LCRB)

   Additional requirements for each case:

   o In case of two failed biddings
      - Agency's offer for negotiations with selected suppliers, contractors or consultants
      - Certification of BAC on the failure of competitive bidding for the second time
      - Evidence of invitation of observers in all stages of the negotiation

- Eligibility documents in case of infrastructure projects

- In emergency cases
  - Justification as to the necessity of purchase

- In case of take-over of contracts
  - Copy of terminated contract
  - Reasons for termination
  - Negotiation documents with the second lowest calculated bidder or the third lowest calculated bidder in case of failure of negotiation with the second lowest bidder. If negotiation still fails, invitations to at least three eligible contractors
  - Approval by the Head of the Procuring Agency to negotiate contracts for projects under exceptional cases

- In case of small value procurement
  - Letter/invitation to submit proposals

- For adjacent or contiguous projects
  - Original contract and any document indicating that the same resulted from competitive bidding
  - Scope of work which should be related or similar to the scope of work of the original contract
  - Latest Accomplishment Report of the original contract showing that there was no negative slippage/delay

5.3 The above standard documentary requirements per category of Goods and Services are prescribed under COA Circular No. 2012-001. These will be contained in the Project Account Folder. The list of documentary requirements may be updated or superseded in case of issuance of a new COA Circular on the said subject. An advisory shall be issued by the CMD, upon approval of the Office of the Assistant Secretary for Procurement and Administration (OASPA), to update the list.

6. PROCESS FLOW FOR BILLINGS AND PAYMENT FOR PROCUREMENT CONTRACTS

6.1 For ready reference, the process flow for the processing of billings and payments shall be as set forth hereunder. The authorized signatories for relevant transaction documents shall be as prescribed in DepEd Order No. 008, s. 2021 or its amendments.

Sequence	Office in Charge	Activity / Task
ADVANCE PAYMENT / MOBILIZATION		
1	CMD	• Prepares the Physical and Digital Project Account Folder; • Receives the required documents from supplier, contractor or consultant; • Checks the completeness of documentary requirements for request for advance payment/mobilization; • Prepares transmittal of Annex D. Notice to End-User/Implementing Unit for Confirmation of the Relevant Documents, if any, and the preparation of Disbursement Voucher. • Transmits the duly accomplished Annex D and relevant documents to EU/IU.
2	EU/IU	• Reviews and confirms the relevant documents, if any; • Prepares the Disbursement Voucher; • Transmits the DV and confirmation of the relevant documents (Annex E) to CMD.
3	CMD	• Receives DV and Confirmation of Relevant Documents from EU/IU; • Indorses the Request for Advance Payment to the Accounting Division;
4	AD	• Received indorsement re: request for advance payment from CMD; • Reviews, computes, and processes relevant documents for payment; • Prepares the List of Due Demandable Accounts

		Payable- Authority to Debit Advice (LDDAP-ADA); • Updates and keeps the Account Folder.
5	CMD	• Requests from the Cash Division for any updates/payments made, for purposes of monitoring, or as the need arises.
PROGRESS BILLINGS AND PAYMENT		
1	CMD	• Simultaneous to the issuance of a Notice of Pre-Delivery Inspection, issues a Notice of the Conduct of Inspection, in the case of goods and Notice of Receipt of Billing, Invoice and Request for Payment, in the case of services, to the Budget Division, EPDU and Accounting Division, as early advise for the preparation of the Monthly Cash Program, and eventually for the request for Cash Allocation, in anticipation of a forthcoming request for payments.
2	BUDGET EPDU AD (DAR)	• Receives Notice of the Conduct of Inspection, in the case of goods, and Notice of Receipt of Billing, Invoice and Request for Payment, in the case of services; • Prepares request for Cash Allocation.
3	AMD	• Transmits three (3) original copies of Inspection and Acceptance Reports (IARs) to CMD and one (1) original copy to the concerned EU/IU.
4	CMD	• Receives the required documents from Supplier; • Receives the copies of IARs from AMD; • Checks the completeness and correctness of documentary requirements for progress

		billings and request for payment; • Prepares transmittal of Notice to End-User/Implementing Unit for Confirmation of the Delivery Documents, and the preparation of Disbursement Voucher.
5	EU/IU	• Receives one (1) original copy of IAR Receives Notice from CMD; • Reviews and Confirms the Delivery Documents based on the IARs and relevant documents; • Prepares the Disbursement Voucher; • Transmits the DV and the Confirmation of the Relevant Documents to CMD.
6	CMD	• Receives DV and Confirmation from EU/IU; • Indorses the Billings and Request for Progress Payment to the Accounting Division;
7	AD	• Receives indorsement of Billings and Request for Progress Payment from CMD; • Reviews, computes and processes relevant documents; • Prepares the List of Due Demandable Accounts Payable- Authority to Debit Advice (LDDAP-ADA); • Updates and Keeps the Account Folder.
8	CMD	• Requests from the Cash Division for any updates/payments made, for purposes of monitoring, or as the need arises.
Repeat process until final payment		

7. CHECKLIST AND ATTACHMENTS

7.1. The AD and CMD, in consultation with the Office of the Undersecretary for Finance (OUF) and the Office of the Assistant Secretary for Procurement and Administration (OASPA), shall determine the most appropriate documentary requirements (i.e. preparation of checklist) pursuant to the provisions of this Order, the applicable COA issuances, and the internal policies of DepEd Central Office not inconsistent herewith, and shall, as may be necessary, update the same.

7.2. Attachments

7.2.1. Annex A - Status of Billings and Payment

7.2.2. Annex B - Notice of the Conduct of Inspection (Goods)

7.2.3. Annex C - Notice of Receipt of Billing, Invoice, and Request for Payment (Services)

7.2.4. Annex D - Notice to End-User/Implementing Unit for Confirmation of the Delivery Documents

7.2.5. Annex E - Indorsement of Confirmed Delivery and Other Relevant Documents and Transmittal of Disbursement Voucher

8. MONITORING AND EVALUATION

8.1. The Office of the Assistant Secretary for Procurement and Administration (OASPA), through the Contract Management Division (CMD), shall continuously gather feedback and monitor the implementation of this Order.

8.2. The CMD, the AD and the EU/IU shall work together in ensuring that the objectives of orderly, efficient and prompt payment to suppliers, contractors and consultants, as well as the transparency of the transactions, are met.

8.3. The CMD and the heads of all end-users/implementing units shall ensure that these guidelines are strictly enforced in the processing of billings and payment of procurement contracts of the Department. For this purpose, the CMD, the AD and the EUs/IUs, in consultation with the OASPA, the OUF, the Office of the Assistant Secretary for Finance, Office of the Director for Finance, and other relevant Finance Service offices (i.e. Budget Division and Education Programs Delivery Unit), shall, from time to time, or as may be necessary, meet and coordinate to evaluate, improve and update the process work flow for billings and payments of procurement contracts, and for further enhancement of this policy.

9. REFERENCES

The following are the references for this Order:

9.1. DBM NBC No. 2015-558 (Guidelines in the Organization and Staffing of Procurement Units)

9.2. Presidential Decree No. 1445 (Ordaining and Instituting a Government Auditing Code of The Philippines)

9.3. Republic Act No. 9184 (Government Procurement Reform Act) and its revised Implementing Rules and Regulations

9.4. COA Circular No. 2012-001 (Prescribing the Revised Guidelines and Documentary Requirements for Common Government Transactions)

9.5. Memorandum Order No. 15, s.2011 (Amending No. 4.5 of Annex "D", Contract Implementation Guidelines for the Procurement of Goods, Supplies and Materials, of the Implementing Rules And Regulations Of Republic Act No. 9184, Authorizing Advance Payment Upon Submission of an Irrevocable Letter of Credit or Bank Guarantee)

10. EFFECTIVITY / TRANSITORY PROVISIONS

10.1. In case of conflict with the provisions stipulated in the above enumerated references and the guidelines set forth in this Order, the former shall prevail.

10.2. This Order shall take effect immediately upon its issuance.

Annex A

Status of Billings and Payment (applicable for all categories of goods/services)

STATUS OF BILLINGS AND PAYMENT

Supplier:	
Address:	
Project:	
Contract No.:	
End-User:	
Category of goods/services	

Terms of Payment	Payment Details			AMOUNT PAID					AMOUNT PAID	Running Balance
					Deductions					
	Disbursement Voucher No.	ORS No.	Check No.	Amount	Recoupment of advance payment	Liquidated Damages	Retention Money	Other Deductions		
Contract Price										
Advance Payment										
Progress Payment										
1st billing										
2nd billing										
3rd billing										
4th billing										
5th billing										
6th billing										
7th billing										
8th billing										
Final Payment										
Release of Retention Money										
TOTAL										

Prepared by:

Noted by:

Annex B

Notice of the Conduct of Inspection (Goods)

Memorandum No.:

To: Accounting Division
Budget Division
Education Program Delivery Unit

From: Contract Management Division

Subject: Notice of the Conduct of Inspection (Goods)

Date: _____

Notice is hereby given of the conduct of pre-delivery inspection (goods), with the following details, to wit:

Project:
Contract No.:
Supplier/Contractor/Consultant:
Expected Date of inspection:
Quantity/ies:
Contract Price:
Expected Date of Billing:

This Notice is issued pursuant to Office Order No. ____ dated _____, to serve as advise for cash allocation and availability in anticipation of probable request for payments.

For guidance and information.

Annex C

Notice of Receipt of Billing, Invoice, and Request for Payment (Services)

Memorandum No.:

To: **Accounting Division**
Budget Division
Education Program Delivery Unit

From: **Contract Management Division**

Subject: **Notice of Receipt of Billing, Invoice, and Request for Payment (Services)**

Date: _____

Notice is hereby given of the Receipt of Billing, Invoice, and Request for Payment (Services), with the following details, to wit:

Project:
Contract No.:
Supplier/Contractor/Consultant:
Date of Receipt of Billing/Invoice:
Date of Receipt of Request for Payment:
Contract Price:
Expected Date of Billing:

This Notice is issued pursuant to Office Order No. ____ dated _____, to serve as advise for cash allocation and availability in anticipation of probable request for payments.

For guidance and information.

Annex D

Notice to End-User/Implementing Unit for Confirmation of the Delivery Documents

Memorandum No.:

To: **End-User/Implementing Unit**

From: **Contract Management Division**

Subject: **Notice for Confirmation of the Delivery and Other Relevant Documents for Billings and Payments**

Project: _____

Date: _____

This Office respectfully transmits the following Delivery and Other Relevant Documents from (name of Supplier) for the abovementioned project, to wit:

1. Enumerate documents
2. xxx
3. xxx

This Notice is issued pursuant to Office Order No. ____ dated _____, for the purpose of the review and confirmation of the above stated documents and for the preparation of the Disbursement Voucher.

For guidance and appropriate action.

Annex E

Indorsement of Confirmed Delivery and Other Relevant Documents and Transmittal of Disbursement Voucher

Memorandum No.:

To: **Contract Management Division**

From: **End-User/Implementing Unit**

Subject: **Indorsement of Confirmed Delivery and Other Relevant Documents and Transmittal of Disbursement Voucher**

Project: _____

Date: _____

This Office respectfully indorses the following confirmed delivery and other relevant documents, and transmits the Disbursement Voucher for the request for payment of (name of supplier) for the abovementioned project, to wit:

4. Enumerate documents
5. xxx
6. xxx

This indorsement cum transmittal of the Disbursement Voucher is issued pursuant to Office Order No. ____ dated _____, for the purpose of processing the billings and request for payment of (name of supplier).

For appropriate action.