

GUIDELINES IN THE CONDUCT OF EARLY PROCUREMENT ACTIVITIES AS A REQUIREMENT FOR THE GRANT OF THE PERFORMANCE-BASED BONUS (GUIDELINES)

1.0 Objective

This Guidelines is being issued in view of the requirement to conduct Early Procurement Activities (EPA) for purposes of the grant of Performance-Based Bonus (PBB).⁴

2.0 Definition

EPA refers to the conduct of procurement activities from the posting of opportunity, if required, until recommendation of the Bids and Awards Committee (BAC) to the Head of the Procuring Entity (HoPE) to award the contract, pending approval of the funding source.⁵ The rules for the conduct of EPA is governed by Government Procurement Policy Board (GPPB) Circular No. 06-2019.⁶

3.0 EPA as PBB Requirement

Procuring Entities (PEs)⁷ that would like to be eligible for the grant of PBB are required to successfully undertake EPA for at least fifty percent (50%) of the value of its eligible Procurement Projects (EPPs) pursuant to Administrative Order (AO) No. 25 Inter-Agency Task Force (IATF) Memorandum Circular (MC) No. 2020-1.⁸

4.0 Compliance Requirements

4.1 The conduct of EPA is required for PEs **receiving budgetary support from the National Government based on the National Expenditure Program (NEP).**

4.2 PEs are required to undertake EPA for **at least fifty percent (50%)** of the value or amount of EPPs included in its Indicative Annual Procurement Plan (APP)⁹ upon the issuance of the NEP.¹⁰

4.3 EPPs shall refer to Goods, Infrastructure Projects, and Consulting Services reflected in the PE's indicative APP based on the NEP to be undertaken through Competitive Bidding and Alternative Methods of Procurement under Republic Act (RA) No. 9184 and its revised Implementing Rules and Regulations (IRR), **except** for the following:

- a. Repeat Order (Section 51);
- b. Shopping (Section 52);
- c. Negotiated Procurement – Emergency Cases (Section 53.2);

⁴ See Memorandum Circular No. 2021-1 or the Guidelines on the Grant of the Performance-Based Bonus (PBB) for Fiscal Year (FY) 2021 Under Executive Order No. 80, s. 2012 and Executive Order No. 201, s. 2016 dated 3 June 2021

⁵ See Section 3.1 of Government Procurement Policy Board (GPPB) Circular 06-2019

⁶ Guidelines on the Implementation of Early Procurement Activities (EPA) dated 17 July 2019

⁷ **PEs shall check with the Guidelines on the Grant of PBB issued by AO 25 annually the applicability of the requirements whether for the whole PE or responsible unit/individual.**

⁸ Guidelines on the Grant of the Performance-Based Bonus (PBB) for the Fiscal Year 2020 under Executive Order No. 80, s. 2012 and Executive Order No. 201, s. 2016

⁹ The Indicative APP shall be posted on the agency Transparency Seal pursuant to Department of Budget and Management Circular Letter 2018-8 dated 30 July 2018. The Indicative APP is **not** submitted to the GPPB.

¹⁰ Per Memorandum Circular No. 2020-1 or the Guidelines on the Grant of the Performance-Based Bonus (PBB) for the Fiscal Year 2020 under Executive Order No. 80, s. 2012 and Executive Order No. 201, s. 2016

- d. Negotiated Procurement – Take-Over of Contracts (Section 53.3); and
- e. Negotiated Procurement – Small Value Procurement (Section 53.9).¹¹

In addition to the above exceptions, procurement of Common-Use Supplies and Equipment (CSE) shall be excluded in the EPA requirement since PEs are mandated to directly procure CSEs from the Department of Budget and Management- Procurement Service (DBM-PS).¹²

4.4 **All PEs shall submit an EPA Certification under Oath** to the GPPB-Technical Support Office (TSO), as the case may be, thus:

Status	Description	EPA Certification Template
Successfully undertaken	The PE has undertaken EPA and recommended for award of contract at least fifty percent (50%) of the total amount of the EPPs.	Certification of undertaking or non-undertaking <i>(Template in Annex “A-1”)</i>
Not successfully undertaken	The PE has undertaken EPA, however, only less than fifty percent (50%) of the value of EPPs were recommended for award of contract.	
Not undertaken	The PE did not undertake EPA despite the existence of EPPs.	
Not covered by the EPA requirement	The PE has no EPPs for the conduct of EPA as required for the grant of PBB.	Certification of Exception from EPA <i>(Template in Annex “A-2”)</i>

4.5 The fifty percent (50%) compliance requirement for the conduct of EPA shall be computed using this formula:

$$\left[\frac{\text{Amount}^{13} \text{ of Successful EPA projects}^{14}}{\text{Total Amount of EPPs}^{15}} \right] \times 100 = \text{\% of Successful EPA projects}$$

4.6 The EPA Certification under Oath shall be submitted to the GPPB-TSO **on or before 31st of January** of the fiscal year through electronic mail (e-mail) at earlyprocurement@gppb.gov.ph. Given the limited mobility and in consideration of health and safety protocols being implemented to avoid the transmission of Corona Virus Disease 2019, submissions in printed copy shall not be accepted. In case the deadline falls on a weekend or a regular or special holiday, the deadline shall be on the next business day.

¹¹ See Section 1.4 of GPPB Circular 06-2019

¹² DBM-PS is tasked for the centralized procurement of Common-Use Supplies for the Government of the Philippines in accordance with Letters of Instruction No. 755, s. 1978 and Executive Order No. 359, s. 1989.

¹³ Value in Philippine Peso

¹⁴ Recommended for award of contract

¹⁵ Total Amount in Indicative APP based on NEP less exceptions enumerated in Item 4.3

Annex "A"

PEs will receive an auto-acknowledgement receipt from the GPPB-TSO upon receipt of the EPA Certification under Oath sent through e-mail. Note that this acknowledgment receipt shall be the only acceptable **proof of submission**.

- 4.7 The GPPB-TSO shall consider PEs compliant with the EPA requirement for the grant of PBB if the submitted Certification complies with the following:
 - a. Used the prescribed and applicable template for EPA Certification under Oath;
 - b. Shows that the PE has either successfully undertaken EPA for at least fifty percent (50%) of the total amount of EPPs or has no EPPs for the conduct of EPA. In case of failure to conduct at least fifty percent (50%) of the total amount of EPPs, the provision in Item 4.8 shall apply;
 - c. Bears the approval of the HoPE and is duly notarized; and
 - d. Submitted within the deadline.

- 4.8 PEs with EPPs which are not able to comply with the EPA requirement must provide a valid reason or justification in the certification. The reason or justification will be reviewed and evaluated to determine acceptability. Failure to provide any valid reason or justification on the non-undertaking or non-achievement of the required fifty percent (50%) shall constitute outright non-compliance.