



PHILIPPINE RURAL DEVELOPMENT PROJECT

Module 2

Guidelines for the Procurement of
Goods, Works, Non-consulting services
and Consulting Services for I-REAP
Subprojects under PRDP Scale-Up

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I. INTRODUCTION

This module is one in a series of four (4) procurement guidelines that the Department of Agriculture – Philippine Rural Development Project (DA-PRDP) Scale-Up is publishing in support of procurement of enterprise subprojects. This, along with the three (3) other procurement guidelines in these series (1. Cross-Reference Manual, 2. Guidelines for the Procurement of Infrastructure Projects, and 3. Guidelines for Goods, Non-Consulting Services & Selection of Consultants) demonstrates the Department’s dedication to improving the procurement performance of the PRDP-funded subprojects as well as an unwavering commitment to improving the PRDP procurement process, awareness and stewardship.

This is intended for the procurement of goods, works, and non-consulting services for enterprise subprojects under the PRDP Enterprise Development (I-REAP) for the PRDP Scale-Up provided with no objection to proceeding with procurement (NOL1).

It is well recognized that the pursuit of PRDP’s objective of improving farmers and fisherfolk access to markets and increase income from selected agri-fishery value chains is necessary and closely related. The PRDP Coordinating Teams at the NPCO and PSO, most likely the RPCOs, are the fundamental front-liners and advocates of raising the level of PRDP procurement awareness. Adopting the recommended strategies of the procurement process, they would be able to enhance, supplement and heighten their knowledge about the PRDP procurement guidelines and procedures.

It is worthy to note that for the latest version of this Module 2, there is a shift of focus from Regional Project Coordination Office (RPCO) procurement-led to Farmers Cooperative and Association (FCA)¹ / Farmers Cooperative and Association Cluster (FCA Cluster) / Local Government Unit (LGU) -supervised procurement. The LGU now being the Procuring Entity shall engage the FCA/FCA Cluster as contract manager with the transferred public funds and manage the procurement of goods, works, and non-consulting services for the proposed enterprises.

References related to these guidelines with respect to the World Bank (WB) Procurement Regulations and signed Loan Agreement can be found in the Cross-Reference Manual.

II. PURPOSE

These guidelines shall support implementers of the I-REAP Component in the procurement of needed interventions to operationalize the approved enterprises and projects financed in whole or in part by the loan and grant from the World Bank through the Project and executed by the LGUs and partner FCA/FCA Cluster.

In the context of project implementation, procurement is the link between the budget, project approval, implementation, and disbursement. The interventions planned out for the

¹ Producer group is defined as farmers cooperative and association (FCA) who are engaged either on farming activities, postharvest, processing, logistics and marketing of the identified priority agricultural and fishery commodity.

development of the enterprises shall not be achieved if procurement fails. Thus, all implementers, especially those involved in procurement should have a better grasp of the procurement processes for the I-REAP subprojects and thus achieve the objectives set out in their business plan and project proposals.

III. PROCUREMENT METHODS

In consideration of the nature of the I-REAP subprojects, which is both economic and social enterprise, and with the experience of the Project in implementing the I-REAP component, the use of Community Participation has been more efficient compared to LGU procurement. Thus, these achievements shall be further pursued by the Project in the implementation of the enterprises under the PRDP Scale-Up.

By default, goods, works, and non-consulting services for the proposed I-REAP subprojects shall be procured through Community Participation. In the use of Community Participation, the LGU shall engage the FCA/FCA Cluster as contract manager and manage the procurement of the interventions stated in the approved procurement plan.

1) Community Participation²

In the interest of project sustainability and achieving certain specific social objectives of the subproject, it is desirable to call for the participation of local communities in the delivery of goods, including non-consulting services, and simple infrastructure projects.

Project sustainability anchors itself on ensuring that project recipients are able to sustain the subproject or its activity/ies even after the initial phase of project implementation or even if project resources are no longer available. One of the ways to ensure subproject sustainability is to increase the community's ownership of the subproject and its outputs/results. Greater ownership is achieved by sharing with the community decision-making powers in all the stages of project life.

Guiding Principles for Community Participation

Participation is vital in the attainment of project sustainability and social objectives. Thus, community participation in procurement shall be guided in the following principles:

1. Equity - community members, proponent group members, and organizations have equal opportunities to participate in decision-making processes in project identification, procurement, implementation, monitoring and evaluation, and other related processes, including equal opportunity in the engagement of proponent groups as suppliers/service providers.

² Community Participation is equivalent to Community-drive Development under the World Bank New Procurement Regulations

2. Participation – policy and mechanisms (i.e., project committees, etc.) are provided by the FCA/FCA Cluster/LGU to ensure maximum engagement of its members in decision-making processes. It highlights giving voice to members of the community especially those from the marginalized/invisible sector. It empowers intended beneficiaries to influence project outcomes.
3. Accountability – It means that those involved in community procurement have clearly defined roles and responsibilities and all decisions, actions, and project finances are made public. These accountabilities are laid out in the Enterprise Agreement signed between the LGU and the FCA/FCA Cluster.
4. Transparency – clarity, and simplicity of the policies and procedures, as well as the openness in their implementation. The FCA/FCA Cluster members are made aware of every aspect of project decision-making. Steps are taken to ensure that the rationale behind decisions made and actions taken are understood.
5. Value for money – ensures that FCA/FCA Cluster/LGU obtains the optimal benefit from projects. The FCA/FCA Cluster/LGU’s ownership of the project encourages its responsible use, extends the project life, and maximizes its beneficial value to the community.

Table 1. Contract Threshold and Prior Review for Procurement Methods under Community Participation

PROCUREMENT METHODS	CONTRACT COST	For prior review (NOL2) of RPCO ³
Simplified Public Bidding	Above US\$200,000 up to US\$600,000	Above US\$100,000
Request for Quotations (RfQ)	US\$200,000 and below	
Direct Selection	Subject to any of the conditions for Direct Selection stated under Item III.4 of these Guidelines	Prior review is done during the subproject procurement plan and business plan review.
Force Account - Goods	The items to be procured can be sourced from the members of the FCA/FCA Cluster which is the main direct materials for the operation of the enterprise	
Force Account - Works	The construction of small works that can be administered by the FCA/FCA Cluster	

³No Objection Letter 2 is the no objection to award provided by the concerned office under its prior review threshold. NOL2 is issued on a per contract basis.

Commercial Practices	Procurement using well - established procurement arrangements of the FCA/FCA Cluster acceptable to the Bank.	
Selection of Individual Consultants (SIC)	Procurement of highly skilled/specialized individual consultants needed for the operation of the business enterprise	Terms of Reference and award of contract regardless of amount

However, in exceptional cases, the LGU will conduct procurement of complex and highly technical requirements and is beyond the capacity of the FCA/FCA Cluster.

Exceptional cases will be determined on the basis of the capacity of the FCA/FCA Cluster to procure vis-a-vis the complexity of the item to be procured. FCA/FCA Cluster is required to have experience in procurement and contract implementation whether being a beneficiary of foreign-assisted projects or the FCA/FCA Cluster’s own commercial procurement. From these experiences, the FCA/FCA Cluster is expected to be capable of evaluating the technical specifications/criteria required for the procurement. However, the Project shall determine if the lack of capacity can be met with training and mentoring before it can be decided that FCA/FCA Cluster will do the procurement. All of these decision points shall be taken during FCA/FCA Cluster evaluation and/or business planning using the table below, tagged as Annex 6, and will be signed by the I-REAP, I-BUILD, and Procurement representatives.

The following criteria are the considerations to allow the FCA/FCA Cluster to procure the particular procurement considered complex and technically challenged package in the enterprise subprojects:

Criteria*	Yes	No	Remarks
1. Does the FCA/FCA Cluster have general experience in the procurement of substantially similar or related contracts?			
2. Can the FCA/FCA Cluster provide the technical experts for procurement evaluation?			
3. Does the FCA/FCA Cluster have general experience in the implementation of substantially similar or related contracts and can provide the required technical experts/staff to handle the contract implementation?			
4. Does the FCA/FCA Cluster commit to being trained on the procurement of the proposed package?			

5. Can sufficient training make up for the lack of technical capacity and experience of the FCA/FCA Cluster?			
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If the FCA/FCA Cluster responds “NO” to four questions, the LGU will have to handle the procurement unless the LGU is committed to providing technical assistance to the FCA/FCA Cluster for the procurement and contract implementation of the package. If in case, the FCA/FCA Cluster is allowed to procure having passed these questions but had failed to bid successfully, the LGU shall undertake the procurement.

All procurement packages that will be procured by the LGU and other packages under the FCA/FCA Cluster procurement will be submitted to the Bank offline as part of the Procurement Plan of the Project. Actual procurement will not proceed without the No Objection from the Bank.

Table 2 shows the procurement methods for LGU in case there are exceptional items for procurement.

Table 2. Procurement Methods and Contract Cost Threshold for LGU Procurement

PROCUREMENT METHODS	CONTRACT COST ⁴	
	Works	Goods and Non-Consulting Services
Request for Bids (RfB)	US\$600,000 up to US\$15,000,000.00	Above US\$200,000 up to US\$3,000,000.00
Request for Quotations (RfQ)	US\$200,000.00 and below	US\$200,000.00 and below
Direct Selection	Subject to the approval of the NPCO based on Item III.4 of these Guidelines	

2) Request for Bids (RfB)

Request for Bids (RfB) is the competitive bidding procedure normally used for public procurement in the country of the Borrower (as in our case, the Department of Agriculture) for contracts costing not more than US\$15 million for Works and not more than US\$3 million for goods. RfB may be the most appropriate method of procurement of goods, works, and non-consulting services which, by their nature or scope, are unlikely to attract foreign competition.

⁴ For purpose of estimation US\$1 is equivalent to PhP55

For procurement of works under RfB for I-REAP subprojects, it shall follow the rules, procedures, and guidelines similar to the procurement of works under RfB for I-BUILD subprojects. (Please refer to Module 1: Guidelines on the Procurement of Infrastructure Subprojects Under PRDP Scale-Up)

3) Request for Quotations

Request for Quotations is a procurement method based on comparing price quotations obtained from several suppliers (in the case of goods), from several contractors (in the case of civil works), or service providers (in the case of non-consulting services) with a minimum of three (3), to assure competitive prices, and is an appropriate method for procuring limited quantities of readily available off-the-shelf goods or standard specification commodities of small value, or simple civil works of small value when more competitive methods are not justified on the basis of cost and efficiency. The cost contact for this procurement method shall not exceed US\$200,000.

If in the unlikely event that the Procuring Entity is not able to obtain at least three (3) canvasses, it shall provide in its evaluation the reasons and justification why no other competitive method could be considered. The justification will be supported with documentation that the canvassers have exerted all efforts to solicit quotations. No objection from the Bank will not be sought. However, observance of utmost diligence in undertaking the herein mode of procurement is of primordial importance.

4) Direct Selection

This refers to selection without competition (single source) and maybe an appropriate method under any of the following circumstances:

- a. An existing contract for goods, and non-consulting services, awarded in accordance with procedures acceptable to the World Bank, may be extended for additional goods, and non-consulting services of a similar nature. The World Bank shall be satisfied in such cases that no advantage could be obtained by further competition and that the prices on the extended contract are reasonable. Provisions for such an extension, if considered likely in advance, shall be included in the original contract;
- b. Standardization of equipment or spare parts, to be compatible with existing equipment, may justify additional purchases from the original supplier. For such purchases to be justified, the original equipment shall be suitable, the number of new items shall generally be less than the existing number, the price shall be reasonable, and the advantages of another make or source of equipment shall have been considered and rejected on grounds acceptable to the World Bank;
- c. The required equipment is proprietary and obtainable only from one source;
- d. The procurement of certain goods from a particular supplier is essential to achieve the required performance or functional guarantee of equipment, plant, or facility; and

- e. In exceptional cases, such as, but not limited to, in response to natural disasters and emergency situations declared by the government and recognized by the World Bank.

The prior review of contracts under Direct Selection is subsumed within the delegated prior review threshold provided to the Project. However, in all subproject reviews, National Project Coordination Office (NPCO) shall be involved and concurrence and approval are required.

IV. PRIOR AND POST REVIEW

1. Prior review

As per World Bank Regulations, prior review thresholds are expressed in monetary terms, determined on the basis of assessed risks, and stated in the Procurement Plan for all procurement methods applicable to the Loan. Prior reviews are required for the procurement plans and bidding documents prior to posting (“No Objection Letter” 1 - NOL1). Bid Evaluation Reports are submitted to the Bank for their no objection to award the contract (“No Objection Letter” 2 - NOL2). The contract shall be executed only after the Bank has given its no objection to the award. However, the World Bank has delegated a prior review threshold for the Project.

The prior review thresholds described below are based on the assessed risk experienced during the implementation of the original loan (OL), first additional financing (AF1) and second additional financing (AF2). These thresholds, however, may change as per the recommendation of the Bank during the Implementation Support Missions (ISM) where a concurrent Procurement Post Review of contracts not subjected to prior review are conducted. Table 3, reflects the review threshold of the World Bank and the prior review threshold delegated to the Project.

Table 3: Prior Review Threshold for I-REAP Subprojects

OFFICE	THRESHOLD*
RPCO*	All subprojects with procurement packages with an aggregate amount of not more than US\$300,000
PSO	All subprojects with procurement packages with an aggregate amount of more than US\$300,000 up to US\$1,000,000
NPCO	All subprojects procurement packages with an aggregate amount of more than US\$1,000,000 up to US\$6,000,000
World Bank	All subprojects procurement packages with an aggregate amount of more than US\$6,000,000

**For the SPs with Direct Selection, the concurrence and approval of the NPCO using the said procurement mode are required during the Joint Technical Review (JTR) of the business plan.*

The FCA/FCA Cluster/LGU shall proceed with the conduct of procurement and award contacts (subject to the concurrence and approval of RPCOs), engage the FCA/FCA Cluster through Community Participation for subprojects with total procurement packages of not more than US\$300,000. However, for I-REAP subprojects above the threshold of the RPCOs, the procurement plan shall be issued with NOL1 by the concerned office based on the delegated prior review threshold. While the issuance of NOL 2 or no-objection to award is provided per contract following a contract threshold for prior review like in the case of simplified bidding and shopping method under the Community participation.

2. Post review

The Procurement Post Reviews (PPRs) are for those contracts that were not subjected to prior review by the World Bank. The World Bank shall review the files retained for purposes of those contracts together with the analysis of the respective bids, recommendations for the award, and such other information as the World Bank reasonably requested, to determine its compliance with the agreed procedures.

The World Bank shall if it determines that the award of contract or the contract itself is not consistent with the Loan Agreement, promptly inform the Project and state the reasons for such determination.

For contracts that fall under the delegated prior review threshold of the NPCO and of the PSO, the NPCO and PSO shall conduct a similar review as carried out by the World Bank as an internal post procurement review. Contracts that have undergone post procurement review by NPCO and/or PSO would still be subject to the post procurement review of the World Bank. The Post Procurement Reviews will be conducted by NPCO and PSOs semi-annually.

V. PROCUREMENT PROCEDURES

1) Subproject Procurement Plan

The procurement plan shall cover all proposed interventions to be financed in whole or part by the project funds. These interventions shall be translated into procurable items. The I-REAP subprojects may compose of various procurement packages considering the nature of enterprise productivity development⁵. This plan shall consist of all the procurement covered by the PRDP funds (LP and GOP) and FCA/FCA Cluster/LGU equity (except for that equity in-kind).

The subproject's Procurement Plan shall reflect the packages of items to be procured, the description of each item, its quantity, and unit of measurement, unit cost, total amount, procurement method, procuring entity, procurement milestones, and fund tranches. For community participation under direct selection, a justification shall be submitted together with

⁵ *Packaging of items is the grouping of similar items that are likely to attract the maximum competition. This may be evaluated and compared with other bids separately and contract is awarded separately or group as one lot and will be awarded to one bidder _ Philippine Bidding Documents for Goods 5th Edition*

the subproject’s Procurement Plan. Attached herein as Annex 1 is the template of the Subproject Procurement Plan.

To facilitate the successful procurement, it is advised that during business planning, inventory of contractors, suppliers, and service providers shall be carried out to find out sources of the items to be procured, the existence of the required specifications/technology, and the prevailing market price. This shall be considered to determine the appropriate procurement method.

For every subproject approval, the procurement plan shall be subject to prior review of the concerned office under their delegated prior review threshold. The proposed subproject shall proceed with the procurement of the packages described in the submitted procurement plan that is based on the Work and Financial Plan of the enterprise. Procurement activities shall commence after the issuance of a no-objection letter (NOL1). However, perfection of Implementation and Management Agreement (IMA) is now required under the PRDP Scale-Up before the issuance of NOL1.

During the subproject implementation, updating of the procurement plan is allowed subject to the approval of the concerned PRDP offices according to the approved threshold.

Approved Threshold	Changes
RPCO Up to US\$300,000	Changes in procurement mode Changes in procuring entity Changes in the procurement packages but will not require re-run of assumptions;
PSO Above US\$300,000 up to US\$1,000,000	Changes in the amount as a result of pre-cavass (will be subject to re-RPAB and amendment to IMA)
NPCO Above US\$1,000,000 up to US\$6,000,000	Changes in the specifications but will require re-run of assumptions

1. A. PRDP Procurement Plan

The I-REAP subprojects shall be submitted as part of the procurement plan of the Project. Each submitted I-REAP subproject shall indicate the procurement packages, the prior review required, the procuring entity and the estimated procurement timelines for each package. This will be submitted offline to the Bank for issuance of No Objection.

2) No Objection to Proceed to Procurement (NOL1)

The NOL1 issuance shall be based on the delegated prior review threshold under Item IV.1 of these guidelines. The issuance of No Objection to proceed to procurement (NOL1) shall be issued to the FCA/FCA Cluster/LGU after successful evaluation and compliances to PRDP requirements.

However, in cases when all the packages for procurement are identified to be exceptionally challenging and shall be procured by the LGU, the latter will furnish a letter to the FCA/FCA Cluster informing them of the subproject approval and the estimated procurement timelines and other necessary steps for the subproject implementation. Otherwise, the RPCO shall issue the NOL1 for all procurement packages of the FCA/FCA Cluster procurement packages amounting to US\$300,000.00 and below.

3) Procurement Procedures

3.1. Community Participation

Among the components of the Project, the use for community participation is designated to I-REAP Component because of the nature of its engagement with the community groups for the approved enterprises of the Project. These enterprises develop community entrepreneurial activities, supporting agricultural and fisheries-based enterprises to help producer groups raise incomes through better linkages and access to markets. As such, it is the design of the Project that the FCA/FCA Cluster who passed the criteria set forth in the I-REAP Operations Manual manages the proposed enterprises.

The capacity of the FCA/FCA Cluster to conduct procurement in accordance with the procedures stated in these guidelines shall be carried out in the procedure of FCA/FCA Cluster selection. This exercise will be used to determine the capacity building that will be provided to the FCA/FCA Cluster. Training and coaching to set up its Procurement Team and Bids and Awards Committee which will be a requirement prior to the issuance of NOL1.

General Guidelines for LGUs on Community Participation

- 1) The I-REAP subprojects are in response to fill the gap of the value chain of their commodity. In doing so, they involve the participation of the local producer groups to manage the enterprise operations.
- 2) It is during the business plan preparation of the proposed I-REAP subprojects where the goods and non-consulting services for enterprise subprojects are being proposed. Possible suppliers, required specifications, and quantity are also determined. The FCA/FCA Cluster/LGU shall conduct pre-cavass of these proposed items to check the current prices, existence in the local market, and inventory of possible suppliers.
- 3) The subproject or procurement packages, technical specifications, or scope of work shall be finalized by the LGU. The RPCO BAC shall review the procurement plan of the I-REAP subprojects for approval of the HoPE.

- 4) The LGU and FCA/FCA Cluster together with the RPCO and PSO shall forge an Implementation Management Agreement (IMA) for the implementation of the approved business plan for I-REAP subprojects. The implementation includes the procurement activities that shall be managed by the FCA/FCA Cluster through community participation as laid out in the approved Procurement Plan of the I-REAP subprojects.
- 5) The RPCO shall review the procurement process under the Simplified Bidding and Request for Quotations for issuance of NOL2. For procurement under Direct Selection and Community Force Account-Goods and Works, the confirmed Purchase Order/Contract will be reviewed together with the attached documents by the LGU (I-REAP & BAC/Procurement Unit) upon the submission of the FCA/FCA Cluster of the request for fund release.
- 6) Fund transfer shall be made in two tranches. Where the first tranche shall be liquidated before the second tranche is released. The LGU shall secure the official receipt from the supplier through the FCA/FCA Cluster within 5 days after receipt of the FCA/FCA Cluster.

Procurement Methods and its Procedures under Community Participation

1. Simplified Bidding (EPC of not more than US\$600,000)

1. Preparation of Purchase Request

The FCA/FCA Cluster shall prepare and approve corresponding purchase requests for the procurement of the package as described in the approved procurement plan.

2. Pre-procurement

The RPCO together with the LGU shall assist the FCA/FCA Cluster in the preparation of the technical specifications or scope of work, contract packaging, and other requirements for the procurement at hand.

The Procurement Team (PT) shall prepare the Request for Quotation (RfQ) which shall indicate a brief description of the goods or simple infrastructure project to be procured, the technical specifications or scope of work, the estimated project cost (EPC), the manner and deadline for the submission of sealed quotations, the terms and conditions of the procurement at hand and other necessary information. Sample RfQ for Goods and Works are attached as Annex 2.3 and 2.8 respectively.

3. Posting of the RfQ

The Procurement Team (PT) of the FCA/FCA Cluster shall post the procurement notice/RfQ (attached are Annex 2.2 and Annex 2.7 as templates for goods and works respectively) in at least three (3) conspicuous places including at their business address. at their Barangay Hall and Municipal/City Hall where the project will be implemented for a period of seven (7) days. Proof of posting shall be submitted using a PRDP Geotag Camera⁶ or a certification from the barangay and municipal/city hall. The PT can also send out the invitation to possible contractors/suppliers. However, the RfQs should be acknowledged by the contractors/suppliers. The LGU may assist the FCA/FCA Cluster in soliciting quotations from suppliers.

4. Conduct of pre-bid conference

The FCA/FCA Cluster may conduct a pre-bid conference with interested suppliers/contractors together with representatives from LGU and PRDP. Pre-bid conferences can be conducted four (4) days from the posting of the procurement notices. The PT/BAC shall provide the details of the requirements of the procurement package and its procurement procedures and evaluation.

5. Opening of Sealed Quotations

On the date of opening of quotations specified in the RfQ, the PG Bids and Awards Committee (BAC) shall open the sealed quotations submitted using the non-discretionary pass or fail criterion, to determine compliance with the requirements and evaluate which bidder submitted the Lowest Calculated Quotation (LCQ). The PT should obtain at least three (3) quotations from suppliers/contractors. However, if only one (1) quotation is obtained, the bidding shall not be declared a failure, and the PT shall continue the procurement process.

6. Evaluation of Quotations

The PT shall assist the FCA/FCA Cluster Bids and Awards Committee in the evaluation of the bids/quotations received and shall provide its findings and recommendations based on the criteria set forth in the RfQ approved by the BAC. These criteria should have the following minimum requirements:

Particulars	Works	Goods
RfQ/Bid Form	Accomplished and signed properly by the authorized representative with Bill of Quantities	Accomplished and signed properly by the authorized representative with product brochures (optional)

⁶ PRDP Camera can be downloaded free from PRDP website. PRDP shall provide training to FCA/FCA Cluster for the use of this technology

Eligibility documents	Valid PCAB license or a Special PCAB license for Joint Venture	With a valid business permit and BIR registration
Experience	Contractor to provide a copy of previous contract similar to the contract being procured equivalent to fifty percent (50%) within the last five (5) years	Supplier to provide a copy of previous purchase order similar to the contract being procured equivalent to fifty percent (50%) within the last five (5) years
Technical requirements	<ol style="list-style-type: none"> 1. With key construction personnel as follows: Project Engineer with five-year experience and Materials Engineer I; and 2. Minimum required equipment as per RFQ 	Compliance to the specifications with reference to the requirements in Item 3.2.b of these Guidelines which will be set forth in the RFQ

If the LCQ is determined to be responsive, it shall be declared as the LCRQ. If not, the second LCB/LCQ shall be evaluated with its responsiveness determined pursuant to the aforementioned provision. The procedure shall be repeated for the next LCQ until the LCRQ is determined.

The FCA/FCA Cluster BAC shall ascertain the authenticity of the documents submitted. This information will be the basis of the FCA/FCA Cluster BAC in preparation of the Bid Evaluation Report (BER) which shall be submitted to the LGU together with the required supporting documents. Please see Annex 2.4 and 2.9 for templates of the BER for Goods and Works respectively.

7. Submission of Procurement Report and Request for NOL2 issuance

The PT/BAC shall submit its BER to the head of the FCA/FCA Cluster for approval/disapproval. The BER shall contain the proof of posting, minutes of the bid opening, proof of serving the RfQs, submitted bids/quotations of participating bidders, draft contract/Purchase Order, and BAC Resolution.

The FCA/FCA Cluster shall endorse the recommendation for award to LGU before endorsing the same to RPCO for the issuance of no objection to award (NOL2).

8. Awarding of Contract

After the receipt of NOL2, the BAC shall immediately serve the Purchase Order (for goods) or Contract (for works). In case of failure to conform to the Purchase Order or sign the contract, the BAC shall disqualify the supplier/contractor and determine the responsiveness of the quotation of the supplier/contractor with the second lowest calculated quotation.

The FCA/FCA Cluster shall ensure that the Purchase Order/Contract provides the most advantageous terms and conditions to the Government. Sample PO/Contract is attached as Annex 2.5 and 2.10 sequentially.

The BAC, through the PT, shall post, for information purposes, the notice of award, the Purchase Order/Contract, and the Notice to Proceed (applicable to works) at their official business address, at the Barangay Hall and Municipal/City Hall.

9. Release of Funds from PSO to the PG Suppliers

Release of funds to PG shall follow the procedures in the FMS Guidelines, which among others require approved WFP, bank certification of the bank account in the name of the FCA/FCA Cluster, and the document showing that FCA/FCA Cluster has the required equity.

Inspection and Acceptance Report (IAR) of delivery/work accomplished shall be conducted by the FCA/FCA Cluster and will be validated by the LGU concerned. In the liquidation report of the FCA/FCA Cluster, payment-supporting documents such as acknowledgment receipt shall be accepted in the absence of official receipts.

10. Contract Implementation

The RPCO shall conduct a visit-audit and examination of the subproject together with the LGU. It will require that the LGU shall designate a procurement coordinator for each I-REAP subproject. Likewise, the RPCO I-REAP shall designate from their component a focal person for the I-REAP procurement and contract implementation.

11. Procurement Timelines for Community Participation-Simplified Bidding

Table 4. Procurement timelines for Community Participation – Simplified Bidding

Procedures		No of Working Days	Responsible Person
1	Preparation and approval of purchase request	2	FCA/FCA Cluster
2	Pre-procurement	3	FCA/FCA Cluster
3	Posting of RfQ*	7	FCA/FCA Cluster Procurement Team
4	Conduct of pre-bid conference	1	

5	Opening of sealed quotations	1	FCA/FCA Cluster PT/BAC/Supplier
6	Evaluation of quotations	10	FCA/FCA Cluster Procurement Team/ Bids and Awards Committee (BAC)
7	Submission of Procurement Report to LGU / Request for NOL2 issuance	2	FCA/FCA Cluster
8	Issuance of NOL2**	10	RPCO
9	Issuance of NOA	1	FCA/FCA Cluster
10	Preparation, approval of purchase order/contract	3	FCA/FCA Cluster
11	Posting of award	2	FCA/FCA Cluster
	TOTAL	42 WD	
<p><i>* 7 days posting is the minimum requirement</i> <i>** Shall be for a contract above US\$100,000 and not more than US\$600,000</i> <i>*** For above US\$600,000, the PE shall be shifted from the FCA/FCA Cluster to the LGU</i></p>			

2. Request for Quotations

Procurement procedures

1. Preparation of purchase request

The FCA/FCA Cluster shall prepare and approve corresponding purchase requests for the procurement of the package as described in the approved procurement plan.

The LGU shall assist the FCA/FCA Cluster in the preparation of the technical specifications, contract packaging, and other requirements for the Request for Quotation.

2. Posting and Canvassing

The Procurement Team solicits quotations through direct invitation, facsimile, or electronic mail from at least three (3) suppliers/contractors for the goods/simple works indicated in the RFQ. The supplier/contractor shall acknowledge the receipt of the RFQ.

The FCA/FCA Cluster shall post the procurement notice using the Annex 2.2 and Annex 2.7 templates provided herein for goods and works respectively at their official business address and at their Barangay Hall for at least three (3) days. Proof of posting shall be provided using a PRDP Geotag Camera or a certification from the barangay.

The succeeding steps on evaluation, awarding and contract implementation, and release of funds shall follow the same as the simplified bidding. However, the criteria for the evaluation will be as follows:

Particulars	Works	Goods
RfQ/Bid Form	Accomplished and signed properly by the authorized representative with Bill of Quantities	Accomplished and signed properly by the authorized representative with product brochures (optional)
Eligibility documents	Valid PCAB license	With a valid business permit and BIR registration
Technical requirements		Compliance to the specifications with reference to the requirements in Item 3.2.b of these guidelines which will be set forth in the RfQ except for the requirements on Single Largest Completed Contract (SLCC)

For the submission of the bid evaluation report, Annex 2.11 and Annex 2.12 are provided as templates for goods and works respectively.

3. Procurement Timelines for Community Participation – Request for Quotations

Table 5. Procurement timelines for Community Participation - Request for Quotations

Procedures		No of Days	Responsible Person
1	Preparation of purchase request and request for quotations	3	FCA/FCA Cluster
2	Posting and distribution of canvass notices. Acceptance from suppliers	3	FCA/FCA Cluster
3	Opening of canvasses	1	FCA/FCA Cluster PT/BAC
4	Evaluation of the canvasses	3	
5	Submission of Procurement Report to LGU and request for issuance of NOL2 by RPCO	2	Procurement Committee
6	Issuance of NOL2 by RPCO	5	RPCO

7	Preparation, approval of purchase order/contract	3	FCA/FCA Cluster
8	FCA/FCA Cluster request for release of funds from LGU and LGU then review request and release funds	10	FCA/FCA Cluster / LGU
9	Posting of award	2	FCA/FCA Cluster
	TOTAL	32 WD	

3. Community Force Account for Goods

Procurement procedures

1. Procurement through the Community Force Account for Goods shall be applied to members of the FCA/FCA Cluster who can supply all of the required quantity of goods and commodities to the Enterprise. CFA for goods supports the value chain of the commodity by giving the FCA/FCA Cluster the opportunity to supply the commodity and thereby increase their income.

2. To be able to use this mode, the enterprise should have identified during their business planning that goods can be supplied by the members of the FCA/FCA Cluster. Goods for this procurement method are expected to be the main commodity of the business operations such as raw milk for dairy milk processing, abaca fiber for abaca processing, and the like. To ensure the stable supply of the needed raw materials of the enterprise, the FCA/FCA Cluster should have entered into a supply agreement with its members. This supply agreement together with the supply plan will be the basis of FCA/FCA Cluster in preparation of the Purchase Orders to its members.

3. The PSO through the LGU shall pay to the FCA/FCA Cluster at the unit cost indicated in the approved contract/purchase/work order for the goods committed to be supplied by the members/FCA/FCA Cluster subject to the liquidation requirements stated in the Project’s Financing Management Guidelines.

4. *Procurement Timelines for Community Participation - Community Force Account for Goods*

**Table 6 shows Procurement timelines for Community Participation –
Community Force Account for Goods**

Procedures		No of Days	Responsible Person
1	Preparation of the purchase request	3	FCA/FCA Cluster
2	Preparation and approval of the Purchase Order with the attached supply agreement	5	FCA/FCA Cluster /Members

3	Delivery of the goods		Member Supplier
4	Inspection and acceptance		Procurement Committee
	TOTAL	8 WD	

4. Direct Selection for Goods and Works

Procurement Procedures

1. Direct Selection shall be used in exceptional cases that fall under the circumstances stated in Item III.4 of these Guidelines;
2. The review of the subproject proposal shall be concurred and approved by the NPCO prior to issuance of NOL1;

3. Procurement Timelines for Community Participation – Direct Selection

Table 7 shows the Procurement Timelines for Community Participation – Direct Selection – Goods and Works

Procedures		No of Days	Responsible Person
1	Preparation and approval of the purchase request	3	FCA/FCA Cluster
2	Preparation and approval of canvass form/quotation	3	FCA/FCA Cluster
3	FCA/FCA Cluster receives quotation from the lone supplier	2	Supplier
4	Opening and evaluation of the canvass form, if it is responsive to the specifications, delivery/pick up, date and price	2	Procurement Committee
5	Preparation and approval of purchase order for goods	3	FCA/FCA Cluster
	Request from LGU for fund release		
6	Delivery of the materials in accordance with the technical specifications		Supplier
7	Inspection and acceptance of the materials by the FCA/FCA		FCA/FCA

	Cluster Inspection Committee		Cluster
	TOTAL	13 WD	

5. Community Force Account for Works

Procurement Procedures

This shall be used for the construction of small support infrastructure⁷ by providing/hiring skilled workers, laborers, and procurement of materials and rental of equipment where the FCA/FCA Cluster will be capable of managing the construction of the facility and consistent with the Enterprise subproject’s Procurement Plan. The FCA/FCA Cluster can hire skilled and unskilled labor and supervise construction. Payment of the labor shall be through payroll indicating the name of the individual, his position, rate per day, and total amount due.

Under this procurement, the FCA/FCA Cluster may also contract out the labor requirement of the infrastructure through Pakyaw Agreement. Under the Pakyaw Agreement, the FCA/FCA Cluster shall hire a labor group represented by a leader which is preferably the Foreman. Materials and tools shall be provided to the group through its representative. Payment shall be made after the completion of the works as inspected by the LGU representative (preferably from I-BUILD Provincial Project Management and Implementing Unit (PPMIU) and accepted by the FCA/FCA Cluster Chairman.

1. The RPCO and the LGU particularly both its I-BUILD PPMIU shall provide technical assistance in design preparation and project supervision;
2. The financing scheme, the cost-sharing between the National Government (NG) and the FCA/FCA Cluster for the infra-component shall follow the financing mix as per I-REAP Operations Manual for sub-projects under PRDP Scale-Up;
3. Under the CFA-Works the cost for contractor’s profit shall not be included in the indirect cost estimates in the preparation of the Program of Works;
4. Community force account mode of implementation is adopted if the LGU and the FCA/FCA Cluster is in agreement that the subproject could be implemented within the approved budget and the FCA/FCA Cluster agrees that any minimal additional materials, labor days, and equipment days incurred are considered subsidiary to the completion of the particular items of works;

⁷ Small infrastructure means those works that are not technically challenging like pig pens, multi-purpose drying pavement, and one-storey buildings.

5. Subproject supervision and monitoring are the responsibility of the FCA/FCA Cluster with technical assistance from the LGU and RPCO. The indirect cost includes the cost for Overhead, Contingency & Management (OCM) Cost/Expenses where the FCA/FCA Cluster could hire an experienced project engineer, materials engineer, and foreman in case the FCA/FCA Cluster do need further technical backstopping;
6. Quality assurance and control in the implementation of sub-projects by community force account shall generally follow the provisions of the Infrastructure Quality Monitoring and Durability System (IQMDS) since the quality plan (QP), inspection and test plan (ITP), and the minimum materials testing requirement (MMTR) are already included in the approval of the SPs. However, since the FCA/FCA Cluster is directly engaged as the contractor and at the same time the end-user, quality control as envisioned in the IQMDS especially the required minimum test could be adjusted as deemed necessary by the LGU. These quality controls as envisioned for regular contractors are compensated through community or end user’s participation thus laboratory tests that could be replaced through an Engineers Inspection Report from the LGU/FCA/FCA Cluster Engineer or lowering the minimum number of tests could be done. Any adjustments made in the minimum test requirement shall be clearly reflected through an approved MMTR;
7. Release of funds to FCA/FCA Cluster shall follow the procedures in the FMS Guidelines which among others require, the signed and notarized IMA, approved WFP, bank certification of the bank account in the name of the FCA/FCA Cluster, and the document showing that FCA/FCA Cluster has required equity; and
8. The RPCO and the LGU shall inspect the works and certify their acceptance as part of the liquidation report.

Procurement Timelines for Community Participation – Community Force Account-Works
Table 8 shows the Procurement Timelines for Community Participation – Community Force Account – Works

Procedures		No of Days	Responsible Person
1	Preparation of purchase request	3	FCA/FCA Cluster
2	Procurement of the materials	5	FCA/FCA Cluster
3	Hiring of labor	5	FCA/FCA Cluster

4	Construction under the supervision of the LGU/RPCO IBUILD	-	RPCO
	TOTAL	13 WD	

6. Commercial Practices

Commercial practices refer to the use of well-established procurement arrangements used by the private sector. For the FCA/FCA Cluster to be able to use this method, the FCA/FCA Cluster shall provide their procurement policies and procedures and these shall be reviewed and provided with no objection together with the business plan. These procurement policies and procedures should be in line with the World Bank core procurement principles.

7. Selection of Individual Consultants (SIC)

For I-REAP subprojects, the hiring of consultants is permitted for those crucial to the success of the business operations. Individual consultants are selected on the basis of their qualifications for the assignment among those who submitted expressions of interest in the assignment. Consultants employed by the FCA/FCA Cluster shall meet all the relevant qualifications and shall be fully capable of carrying out the assignment as contained in the approved Terms of reference which shall include the required academic background, experience, and as appropriate, knowledge of the local conditions where the I-REAP enterprise operates.

The hiring of the individual consultants shall be incorporated in the business plan and shall be reflected in the Subproject Procurement Plan together with the Terms of Reference (TOR). Annex 2.14 serves as a template but does not limit the FCA/FCA Cluster to state other requirements which they may deem necessary. No changes on the approved TOR shall be made without the approval of the Project.

Procurement Procedures

1. Preparation and approval of the purchase request

The FCA/FCA Cluster shall prepare and approve corresponding purchase requests for the hiring of the consultant with the Terms of reference approved together with the approved procurement plan.

2. Request for Expression of Interest (REOI)

The Procurement Team solicits expression of interest through direct invitation, facsimile or electronic mail from at least three (3) qualified consultants. The prospective consultants shall acknowledge the receipt of the REOI.

3. *Submission of Curriculum Vitae (CVs) and Letter of Expression of Interest*

Prior to the deadline of submission of EOIs, the criteria for evaluation shall be finalized by the Procurement Team/Bid and Awards Committee (BAC). Annex 2.16 serves as a template for this purpose.

The Procurement Team shall assist the FCA/FCA Cluster Bids and Awards Committee in the evaluation of the EOIs received and shall provide its findings and recommendations based on the criteria set forth by the BAC.

4. *Evaluation/ Comparison of CVs*

The Procurement Team shall assist the FCA/FCA Cluster Bids and Awards Committee in the evaluation of the EOIs received and shall provide its findings and recommendations based on the criteria set forth in the REOI and TOR approved by the BAC.

5. *Submission of Bid Evaluation Report (BER) to RPCO for the issuance of NOL2*

The FCA/FCA Cluster shall submit to the LGU the BER, and the EOIs and CVs received. Annex 2.17 Bid Evaluation Report for the Hiring of Consultant serves as the template for this purpose.

6. *RPCO BER review and issuance of NOL2*

The PT/BAC shall submit its BER to the head of the FCA/FCA Cluster for approval/disapproval. The BER shall contain the proof of sending out the EOIs, minutes of the bid opening, submitted EOIs, draft contract, and BAC Resolution.

The FCA/FCA Cluster shall endorse the recommendation for award to PRDP RPCO, through the LGU for the issuance of no objection to award (NOL2).

7. *Contract negotiation*

Upon the receipt of NOL2, the FCA/FCA Cluster shall proceed to contract negotiation with the winning consultant for the discussion on the schedule of deliverables and payments, possible reducing of budget, and other arrangements. If the result of the contract negotiation is successful, proceed with the award of the contract to the selected individual. If there is a failure in negotiation with the highest rated consultant, proceed with negotiation with the second highest rated consultant.

8. *Preparation and approval of a contract*

The FCA/FCA Cluster shall prepare the contract with the consultant having the negotiated Terms of Reference as an integral part of the contract. Any modifications of the contract

shall be mutually agreed upon between the consultant and the FCA/FCA Cluster with the approval of PRDP-RPCO, through the LGU. Sample Contract for Individual Consultant is provided as Annex 2.18 of this guidelines.

9. Start of assignment/engagement

Procurement Timelines for Selection of Individual Consultant

Table 9 shows the Procurement Timelines-Selection of Individual Consultant

Procedures		No of Days	Responsible Person
1	Preparation and approval of the purchase request	3	FCA/FCA Cluster
2	Advertisement of the Request for Expression of Interest (REOI)	5	FCA/FCA Cluster
3	Submission of Curriculum Vitae (CVs) and Letter of Expression of Interest	1	FCA/FCA Cluster
4	Evaluation/ Comparison of CVs	10	FCA/FCA Cluster
5	Submission of Bid Evaluation Report (BER) to RPCO, through the LGU for the issuance of NOL2		FCA/FCA Cluster
6	RPCO BER review and issuance of NOL2 Contract negotiation	10	RPCO
7	Contract negotiation	2	FCA/FCA Cluster
8	Preparation and approval of the contract	2	FCA/FCA Cluster
9	Start of assignment/engagement	2	FCA/FCA Cluster
TOTAL		35 WD	

3.2. National Competitive Bidding- Goods and Works Contract

3.2. a. For Works Contract

For procurement of works/infrastructure facilities under RfB for I-REAP subprojects, it shall follow the rules, procedures, and guidelines similar to the procurement of works under RfB for I-BUILD subprojects. (Please refer to Module 1: Guidelines on the Procurement of

Infrastructure Projects).

3.2.b. For Goods Contract

Likewise, for goods contracts, the rules, procedures, and guidelines similar to the procurement of works under RfB using the template bidding documents for procurement of goods shall apply. The template of the bidding documents is attached as Annex 3.

In the evaluation of bids, particularly in the criteria set under the ITB Clause 5 of the template bidding document, the following shall be applied.

ITB Clause 5 of the bidding documents:

Type of Goods	Similar completed contract	Existence in the Philippine market	Other requirements
1. Off-the-shelf	50% for the last three (3) years	The authorized dealer, distributor or manufacturer, and the brand of the product offered must be in the Philippine market for at least five (5) years prior to the bid opening	The bidder must have after-sales service facilities in major cities in the region.
2. Vehicles	50% for the last three (3) years	Ten (10) years	The bidder must have after-sales service facilities in major cities in the Philippines.
3. Agricultural Machinery	50% for the last three (3) years	To be determined by the Procuring Entity as deemed appropriate in their locality.	All equipment should be AMTEC tested in compliance with RA 10601 (Agricultural and Fisheries Mechanization Law) except for PhP50,000 and below and those granted exemptions under RA 10601
4. Fabricated goods	50% for the last five (5) years	n/a	n/a
5. Agricultural fabricated goods	50% for the last five (5) years	n/a	

Criteria for the similar units sold shall be determined by the Procuring Entity as deemed appropriate in their locality and for the procurement at hand.

For the issuance of No Objection to Award (No Objection Letter 2), the Procuring Entity shall submit the award recommendation to the concerned office together with the Bid Evaluation Report (Annex 5) and its supporting documents in requesting for the issuance of the No Objection Letter 2 (NOL2) depending on the prior review threshold stated in the Cross Reference Manual before the Procuring Entity’s issuance of the Notice of Award (NOA).

Award of Contract

The Procuring Entity shall award the contract, within the period of the validity of bids, to the bidder who meets the appropriate standards of capability and resources and whose bid has been determined (i) to be substantially responsive to the bidding documents and (ii) to offer the lowest evaluated cost. A bidder shall neither be required nor permitted, as a condition of award, to undertake responsibilities for work not stipulated in the bidding documents or otherwise modify the bid as originally submitted.

Publication of Award of Contract

The Procuring Entity shall ensure the publication of the award of contract in PhilGEPS and Procuring Entity's website, if available.

Rejection of all bids

Bidding documents usually provide that the Procuring Entity may reject all bids. Rejection of all bids is justified when there is a lack of effective competition, or all bids are not substantially responsive, or no bidder meets the specified qualification criteria, or the bid price of the lowest evaluated winning bid is substantially higher than the Procuring Entity's updated estimated cost or available budget. Lack of competition shall not be determined solely on the basis of the number of bidders. Even when only one bid is submitted, the bidding process may be considered valid, if the bid was satisfactorily advertised, the qualification criteria were not unduly restrictive, and prices are reasonable in comparison to market values. If all bids are rejected, the Procuring Entity shall review the causes justifying the rejection of all bids and make appropriate revisions to the bidding documents before re-inviting bids. The revision of qualification criteria may be justified only when they were set too stringent.

If for justified reasons, re-advertisement is not practical or the rejection is due to all of the bids being non-responsive, new bids may be invited from all firms that purchased the initial bidding documents. Exceptionally, when justified, the Bank may agree to re-invite only those firms that submitted bids in the first instance.

All bids shall not be rejected and new bids invited on the same bidding and contract documents solely for the purpose of obtaining lower prices. If the lowest evaluated responsive bid exceeds the Procuring Entity's updated cost estimates by a substantial margin, the Borrower shall investigate causes for the excessive cost and consider requesting new bids as described in the previous paragraphs. Alternatively, the Procuring Entity may negotiate with the lowest evaluated bidder to try to obtain a satisfactory contract through a reduction in the scope and/or a reallocation of risk and responsibility which can be reflected in a reduction of the contract price. However, the substantial reduction in the scope or modification to the contract documents may require rebidding.

The World Bank's prior no objection shall be obtained before rejecting all bids, soliciting new bids, or entering into negotiations with the lowest evaluated bidder.

Debriefing by the Borrowers

The bidding documents provide that any bidder who wishes to ascertain the grounds on which its bid was not selected, should request an explanation from the Procuring Entity.

The Procuring Entity shall promptly provide in writing an explanation of why such bid was not selected. If a bidder requests a debriefing meeting, the bidder shall bear all the costs of attending such a debriefing meeting.

Any protest on the decisions of the Bids and Awards Committee shall be in accordance with Section IRR of RA 9184 Revised Government Procurement Reform Act of 2016. As a prerequisite to filing a protest, the bidder has the right to file a request for reconsideration within three (3) days from the knowledge of the disqualification.

3.2. Request for Quotations - Goods and Works Contract

3.2.a. Request for Quotations for Works

For procurement of works/infrastructure facilities under Request for Quotations for I-REAP subprojects shall follow the rules, procedures, and guidelines similar to the procurement of works under Request for Quotations for I-BUILD subprojects. (Please refer to Module 1: Guidelines for the Procurement of Infrastructure Subprojects).

3.2 b. Request for Quotations for Goods

For procurement of goods and non-consulting services under Request for Quotations for I-REAP subprojects, it shall follow the rules, procedures, and guidelines similar to the procurement of goods under Request for Quotations for I-SUPPORT. (Please refer to Module 3: Guidelines for the Procurement of Goods, Consultancy and Non-consulting Services under I-SUPPORT).

For the awarding of the contract, the LGU BAC shall prepare the Bid Evaluation Report (BER). This will be submitted to the RPCO, together with supporting documents such as the Abstract of Bids, copies of the RfQs, and BAC Resolution recommending award of the contract. RPCO shall review and concur within fifteen (15) calendar days from the opening of quotations provided that all required documents are complied with. Please see Annex 5 for the BER template. The no objection (NOL2) for the award of contract shall be issued by RPCO for a contract under their threshold. Upon receipt of the NOL2, the LGU shall serve the notice of award and provide to the winning supplier/contractor a purchase or work order (including details of the delivery of goods/services) or contract.

For contracts with an amount of up to US\$300,000, the RPCO shall issue the NOL2 to the LGU. BER and supporting documents shall be subject to post procurement review.

Publication of the award of contract shall be posted in PhilGEPS and the Procuring Entity's website.

3.3. Direct Selection

1. A sufficiently detailed justification with reference to the circumstances for which Direct Selection is allowed under Item III.4 of these Guidelines, shall be submitted during the business plan review for the issuance of NOL 1, including the rationale for direct selection instead of a competitive procurement process. These will be the basis for recommending a particular supplier and set forth in the Subproject Procurement Plan.

2. The NOL for the use of Direct Selection shall be determined during the subproject review and approval with the concurrence of the NPCO.

Table 10. Timelines for the Procurement of Goods through Direct Selection

Procedures		No. of Days	Person Responsible
1	Preparation and approval of Purchase Request (PR)	3	LGU
2	Serve canvass form to the identified lone supplier/service provider.	3	LGU
3	Evaluate the proposal of the lone supplier/service provider	5	LGU
4	Submit the evaluation to the RPCO. If contract amount is within the US\$600,000, the RPCO shall issue the NOL2. If above US\$600,000 but not more than US\$2,000,000, the RPCO shall endorse the evaluation to the PSO which shall issue the NOL2	6	LGU
4.a	Prepare and issue the Purchase Order	3	LGU
4.b	Signing of the Purchase Order	3	LGU and supplier
5.	Inspection and acceptance of delivered items		LGU
6.	Payment processing		
	Total	23 CD	

VI. PROCUREMENT UNDER EMERGENCY CASES FOR I-REAP SUBPROJECTS

Procurement under emergency cases shall be considered by the Project through the direct selection method. Direct selection is contracting without competition (single source) and an appropriate method in response to natural disasters and emergencies (among others) declared by the authorities and recognized by the World Bank.

For I-REAP, the proposals shall discuss how they can contribute to the deal with the emergency it has described. This shall be the justification for the said emergency procurement. The LGU shall have determined the contractor/suppliers they will engage for the procurement of the works/goods. It is expected that proposals that will be under emergency procurement shall be small in nature and short gestating.

The LGU or the FCA/FCA Cluster shall carry out the direct selection method if the contract amount falls under their respective threshold.

The direct selection for goods and works may be from suppliers and contractors that are already mobilized and working in the emergency areas. Other goods such as boats, fishnets, etc. that are immediately required I-REAP may be procured directly from suppliers or manufacturers in the locality or neighboring islands or provinces.

Procedures

LGU Direct Selection

1. All subproject proposals issued with No objection (based on the respective prior review threshold of RPCO/PSO/NPCO) shall proceed to the actual procurement;
2. The End-User (LGU) shall submit a request (PRAS/PR) to the BAC accompanied by appropriate supporting documents including the subproject brief showing that the subproject is a response to PRDP emergency response.
3. Upon preparation of the appropriate procurement documents, the HOPE may delegate either the BAC or the End-user to directly negotiate with a supplier or contractor with the technical, legal, and financial capability to deliver the goods, execute the works and perform the services. However, the HOPE shall determine that the delegated person does not have a conflict of interest for the contract being procured.
4. Upon confirmation and ascertainment of the capability of the Supplier/Contractor, the HOPE, upon recommendation of the BAC, shall immediately award the contract and proceed to contract with the Supplier and Contractor.
5. Performance security shall be required for infrastructure subprojects.

6. Advance payment if requested by the Contractor/Supplier shall not exceed fifteen percent (15%) of the contract price.

FCA/FCA Cluster - Direct Selection

1. All subproject proposals issued with No objection shall proceed to the actual procurement.
2. The LGU shall immediately download the allotted funds for FCA/FCA Cluster procurement.
3. Upon preparation of the appropriate procurement documents, FCA/FCA Cluster shall directly negotiate with a supplier or contractor with the technical, legal, and financial capability to deliver the goods, execute the works and perform the services.
4. Upon verification of capability of the Supplier/Contractor, the FCA/FCA Cluster, upon recommendation of the Procurement Team, shall immediately award the contract and proceed to contract with the Supplier and Contractor.
5. The FCA/FCA Cluster shall liquidate to the LGU for the funds received according to the PRDP Finance Guidelines.

VII. PROCUREMENT FORMS

The table below summarizes the required forms for each procurement method;

Table 11 PRDP Procurement List of Forms

CATEGORY	PROCUREMENT METHODS	FORMS
	Procurement Plan	<ul style="list-style-type: none"> ● Annex 1: I-REAP- Subproject Procurement Plan
Works	RfB RfQ	<ul style="list-style-type: none"> ● Please see Module I: Guidelines for the Procurement of Infrastructure Subprojects
	Community Participation: 1. CFA Works 2. Simplified Public Bidding	<ul style="list-style-type: none"> ● Procurement plan (Annex 1): POW is attached with detailed computation of the cost (materials to be used, rate of manpower) ● Procurement Plan (Annex 1): POW is attached with detailed computation of the cost, ● Invitation to Quote (Annex 2.7), ● RfQ for Works (Annex 2.8) with Terms and Conditions,

CATEGORY	PROCUREMENT METHODS	FORMS
	<p>3. Request for Quotation</p> <p>3. Direct Selection</p> <p>4. Commercial Practices</p>	<ul style="list-style-type: none"> ● BER – Works (Annex 2.9), and the ● Contract between FCA/FCA Cluster and contractor (Annex 2.10) ● Procurement Plan (Annex 1): POW is attached with detailed computation of the cost, ● RfQ for Works (Annex 2.8) with Terms and Conditions, ● BER – Works (Annex 2.9), ● Abstract of Quotation Works (Annex 2.12) and ● Contract between PG and contractor (Annex 2.10) ● Procurement Plan (Annex 1): POW is attached with detailed computation of the cost, ● RFQ for Works (Annex 2.8) with Terms and Conditions ● Pakyaw contract (Annex 2.13), and ● Contract between PG and contractor (Annex 2.10) ● FCA/FCA Cluster written Procurement policies and procedures
Goods	Request for Bid	<ul style="list-style-type: none"> ● Philippine Bidding Documents for Goods as harmonized with development partners, 5th Edition 2016 version (Annex 3) ● Bid Evaluation Report (BER) and Recommendation for Award of Contract (Annex 5)
	Request for Quotation	<ul style="list-style-type: none"> ● Request for Quotation with Terms and Conditions (Annex 4) ● Purchase Order (LGU form) ● Bid Evaluation Report (Annex 5)
	Direct Selection	<ul style="list-style-type: none"> ● Request for Quotation with Terms and conditions (Annex 4) ● Contract form/ Purchase Order (LGU form)
	Community Participation: 1. CFA Goods	<ul style="list-style-type: none"> ● Procurement plan (Annex 1) ● Supply agreement as provided for in the I-REAP Manual

CATEGORY	PROCUREMENT METHODS	FORMS
	<p>2. Simplified Public Bidding</p> <p>3. Request for Quotation</p> <p>4. Direct Selection</p> <p>5. Commercial Practices</p>	<ul style="list-style-type: none"> ● Invitation to Quote - Simplified Bidding - Goods (Annex 2.2) ● Request for Quotation-Goods (Annex 2.3) ● Bid Evaluation Report-Goods (Annex 2.4) ● Purchase Order (Annex 2.5) ● Request for Quotation (Annex 2.3) ● Abstract of Quotations of Canvass (Annex 2.11) ● Bid Evaluation Report - Simplified Bidding - Goods (Annex 2.4) ● Purchase Order (Annex 2.5) ● Request for Quotation (Annex 2.3) ● Purchase Order (Annex 2.5) ● PG written Procurement policies and procedures <p>*Another enabling document for FCA/FCA Cluster engagement is the Implementation Management Agreement</p>
Consultants	1. Selection of Individual Consultants	<ul style="list-style-type: none"> ● Annex 2.14 Terms of Reference ● Annex 2.15 Sample REOI ● Annex 2.16 Criteria for Evaluation ● Annex 2.17 Bid Evaluation Report for Hiring of Consultants ● Annex 2.18 Contract for Individual Consultants

For the community participation forms, the FCA/FCA Cluster can use their own forms (especially for those pre-numbered forms like purchase request, purchase orders. These will ensure that the procurement is being carried within the existing operations of the FCA/FCA Cluster.

For the Purchase Order form of the LGU, it shall have the World Bank Anti-Corruption Guidelines as its annex which shall form part and integral to the contract. Please see the Annex 7 for the World Bank Anti-Corruption Guidelines.

VIII. PROCUREMENT ORGANIZATIONS AND SPECIFIC FUNCTIONS

1. Farmer Cooperative and Association (FCA)/FCA Cluster

The FCA/FCA Cluster may manage the procurement of goods, works, and non-consulting services depending on their established procurement capacity. The basic requirement/capacity of the FCA to manage the procurement within the allowed threshold

shall include the formation of the Procurement Team (PT) or the Bids and Awards Committee (BAC) (if not yet existing). The PT and BAC should have experience on the procurement of goods or works.

However, subproject proposals with Simplified Bidding shall be required to have its Bids and Awards Committee (BAC) aside from the Procurement Team. The Procurement Team shall serve as the technical working group of the BAC in case a BAC is created. Otherwise, the Procurement Team shall act as BAC and decide on procurement matters. If BAC is created, the Procurement Team shall evaluate and provide recommendations to the BAC.

The PT and the BAC shall be composed of a Chairman and two members coming from the Board of Directors and officers of the FCA/FCA Cluster. For purposes of check and balance, the following are ineligible to be members of the Procurement Team and BAC: 1.) Chairman of the BOD, 2.) General Manager, 3.) Treasurer/Cashier/Accountant, and 4.) Auditor.

The FCA/FCA Cluster shall be provided coaching with regards to the methods and procedures in implementing the procurement activities as stated in the approved subproject's Procurement Plan. Training and mentoring to the FCA/FCA Cluster Procurement Team and/or BAC can be conducted after the FCA/FCA Cluster capacity has been evaluated. Actual mentoring and coaching can be conducted after the issuance of NOL1 to provide guidance on the particular items for procurement.

2. Bids and Award Committee (BAC)

The LGU shall create a Special Bids and Awards Committee (SBAC) for the procurement of Infrastructure Support Facilities/works and goods under I-REAP. However, the HoPE may also designate the existing BAC of the LGU. The BAC shall be provided with orientation and corresponding training to level off and achieve a common understanding of the Project procurement requirements in accordance with the Project policies and guidelines.

The composition of the Special BAC shall be at least five (5) but not more than seven (7) members with integrity and experience in procurement. It shall be headed by a Chairman who is a third-ranking official of the LGU. Members shall be at least fifth ranking official with knowledge and expertise in procurement, if not available, the next lower-ranking official. The SBAC Secretariat Head shall be assigned Procurement Unit Head of the concerned LGU.

3. National Project Coordination Office (NPCO) – Procurement Unit

NPCO – Procurement Unit in relation to I-REAP Procurement shall have the following functions:

1. Responsible for providing technical assistance in the procurement of works, goods, and non-consulting services;

2. Review Bid Evaluation Report (BER) and issue NOL for I-REAP contracts within the prior review threshold;
3. Review and issue NOL for rebidding of the package/s;
4. Review the procurement plan of I-REAP subprojects;
5. Provide technical assistance and conduct procurement training to the PSOs and RPCOs;
6. Occasionally, attend procurement activities at the RPCOs such as pre-bid conference and bid opening;
7. Occasionally, conduct coaching to the FCA/FCA Cluster;
8. Responsible for ensuring consistency in the procurement procedures and sharing of procurement-related experiences across PSOs and RPCOs;
9. Manage and maintain the procurement section of the PRDP website and World Bank Systematic Tracking of Exchanges in Procurement (STEP);
10. Perform procurement post-review to PSOs;
11. Maintain and update procurement documents for I-REAP Subprojects;
12. Perform other functions as deemed necessary by the Project.

4. Project Support Office – Procurement Unit (PSO)

The Procurement Unit at the Project Support Office (PSO) in relation to I-REAP Procurement shall have the following functions:

1. Oversee the discharge of procurement functions across LGUs to ensure compliance to Project procurement policies and guidelines;
2. Consolidate and analyze procurement reports of the LGUs and provide feedback to LGUs for actions to be undertaken;
3. Check completeness and responsiveness of requirements of requests for no objection letters (NOLs) and endorsement to NPCO;
4. Occasionally, attend procurement activities at the LGUs such as pre-bid conference and bid opening;
5. Occasionally, conduct procurement coaching at the FCA/FCA Cluster;
6. Review the procurement plan of I-REAP subprojects;
7. Review procurement documents and recommends NOL1 for I-REAP enterprise within the threshold;
8. As necessary, attend joint procurement reviews with RPCOs and LGUs and recommend appropriate measures based on the findings;
9. Manage and maintain the procurement section of the PRDP website and World Bank Systematic Tracking of Exchanges in Procurement (STEP);
10. Maintain and update procurement documents for I-REAP Subprojects; and
11. Perform other functions as deemed necessary by the Project.

5. Regional Project Coordination Office – Procurement Unit (RPCO)

The Procurement Unit at the Regional Project Coordination Office (RPCO) in relation to the I-REAP procurement shall have the following functions:

1. Provide procurement coaching to the FCA/FCA Cluster;

2. Attend procurement reviews with PSO and recommend appropriate measures based on the findings;
3. Supervise the procurement activities of the FCA/FCA Cluster;
4. Maintain and update procurement documents for I-REAP Subprojects;
5. Perform other functions as deemed necessary by the Project.