

Republika ng Pilipinas  
PAMBANSANG PANGASIWAAN NG PAG-UBIG  
(National Irrigation Administration)  
Lungsod ng Quezon

MC # 42, s. 1972

MEMORANDUM CIRCULAR

TO : ALL CHIEFS OF DEPARTMENTS, STAFFS  
AND DIVISIONS; PROJECT MANAGERS/  
DIRECTOR/CHIEF OF SPECIAL PROJECTS;  
REGIONAL, PROVINCIAL AND PROJECT  
IRRIGATION ENGINEERS; IRRIGATION  
SUPERINTENDENTS AND/OR OFFICERS-  
IN-CHARGE OF IRRIGATION SYSTEMS;  
CORPORATE AUDITOR, FIELD AUDITORS  
AND EXAMINERS; AND ALL OTHERS  
CONCERNED  
National Irrigation Administration

SUBJECT : Policies, Guidelines, Mode and Pro-  
cedures in the Procurement of Supplies,  
Materials and Equipment for NIA

For your information, guidance and compliance,  
there are enumerated hereunder, policies, guidelines,  
modes and procedures in the procurement of materials,  
supplies, spare parts and equipment which have been  
adopted by the NIA Board under Res. No. 1753-72:

A. POLICIES AND GUIDELINES

- 1) The goals or objectives of the agency in  
the procurement of construction materials,  
supplies, spare parts and equipment is to  
acquire them promptly and expeditiously to  
meet the requirements of the program of  
works and work schedules as approved by  
proper authorities.
- 2) It is the policy of NIA to procure and  
acquire construction materials, supplies,  
spare parts and equipment in the proper  
quantity and quality consistent with  
material control and test standards at  
the lowest possible cost.
- 3) Procurement and acquisition of construc-  
tion materials, supplies, spare parts  
and equipment, shall as much as possible,  
be undertaken by public bidding. Only  
when, due to an unavoidable circumstances,  
the project construction schedule may not  
be met, or when there is danger to life  
and property, shall acquisition and pro-  
curement of construction materials, sup-  
plies, spare parts and equipment be under-  
taken by the emergency purchases.

B. MODE OF PROCUREMENT:

Procurement of construction materials, supplies,  
spare parts and equipment for NIA may be undertaken  
in any of the following ways:

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- 1) Purchases through the Bureau of Supply Coordination;
  - 2) Direct Order and Payment System;
  - 3) Emergency Purchase;
  - 4) Negotiated Purchase;
  - 5) Purchase through public bidding; and
  - 6) Open market purchases without the intervention of the Bureau of Supply Coordination.

Any of the above modes may be used, if appropriate. However, the modes indicated under Items 2 to 6 may be more appropriate for purposes of NIA.

When the funds for a project has been released through a sub-allotment advice, and program of work including the work schedule have already been approved by proper authorities, procurement and purchases of necessary construction materials, supplies, spare parts and equipment may immediately be undertaken for project use.

As a general rule, the initial, procurement requirement for the start of the project may be acquired through the direct order and payment system or by emergency purchases only in such quantity as may be required to prosecute the project until the acquisition of the bulk of construction materials, supplies, spare parts equipment shall have been acquired by public bidding. During the last phase of construction additional materials, supplies, spare parts and equipment required for the completion of the project may be acquired through another public bidding, negotiated purchase or by emergency purchase, whichever is appropriate and applicable (in order not to delay the project activity schedule).

#### C. PROCUREMENT PROCEDURES:

In the procurement and purchase of construction materials, supplies, spare parts and equipment through public bidding; the advertisement shall be undertaken as follows:

- 1) By publication in one or two newspapers of general circulation and/or in the locality where the project is located, of the invitation to bid, if the amount involved is ₱10,000.00 or more; or by posting of copies of the invitation to bid in the main entrance of public buildings, or other conspicuous places in the locality, if the amount involved is less than ₱10,000.00, at least one week before the opening of bids; and
- 2) By furnishing copies of the invitation to bid to all known prospective bidders or dealers at least 10 days before the opening of the bids.

Public bidding may be dispensed with and emergency purchases may be authorized under the following cases:

- 1) The articles to be procured are urgently needed;
- 2) The items are sold by an exclusive dealer which does not have sub-dealers selling at lower prices and which no suitable substitute can be obtained elsewhere for the government;
- 3) Where the items are critical in nature and are not available in open market;
- 4) Preference for brand or make of the equipment or material to be purchased, and
- 5) Where the Committee on Award, on the basis of past performance, believes that public bidding may not bring good results.

In the interest of expediency, the maximum limit for the purchase of construction materials, supplies, spare parts and equipment under emergency purchases without public bidding shall not exceed the amount of ₱10,000.00, provided that in no case shall splitting of purchases be made to circumvent this requirement; and provided further that such purchases shall be made only after a canvass of at least three reputable dealers. Copies of all requisitions should be furnished the auditing office before canvass is made, to enable them to know before hand the items to be purchased, subject however to the provisions of Section 482 of the National Accounting and Auditing Manual.

The committee on Bids and Awards should consider the following as basis for its award to the winning bidder:

- 1) Public interest;
- 2) Price quoted, considering the Flag Material Law, Commonwealth Act No. 138, and other laws and policies pertinent to procurement;
- 3) Quality and kind of supplies, materials and equipment offered and in conformity with specifications;
- 4) Time of delivery - When time is essential, the bidder who offers to deliver within the period stipulated in the invitation to bid shall be awarded the contract, provided that the price is not unreasonably higher than the lowest price offered;
- 5) Quantitative nature of delivery - All other things being equal, the bidder who offers to supply the whole quantity shall be preferred in order to achieve uniformity in quality, tensile strength, shade, etc.;

- 6) Reliability of supplier as bidder or contractor - The supplier may be required to furnish satisfactory evidence of his ability to comply with the contract; and
- 7) Requirement and recommendation of the requisitioning unit.

This memorandum circular takes effect immediately.  
Compliance is enjoined.

*Alfredo L. Junio*  
ALFREDO L. JUNIO  
Administrator

June 28, 1972  
TPI/ebm

CONCURRED:

*Ernesto M. Padre*  
ERNESTO M. PADRE  
Corporate Auditor