



**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
KAGAWARAN NG KAPALIGIRAN AT LIKAS YAMAN**



MEMORANDUM

TO : The Service Directors/Heads of Offices
DENR Central Office

The Staff Bureau Directors
FMB, LMB, BMB and ERDB

The Regional Executive Directors
DENR Regional Offices 1-13, NCR and CAR

All PENROs

FROM : The Undersecretary
Finance, Information Systems and Climate Change

SUBJECT : **COMPLIANCE TO RULES AND REGULATIONS OF THE
GOVERNMENT PROCUREMENT REFORM ACT (RA 9184)**

DATE : JAN 22 2024

The CY 2022 DENR Consolidated Annual Audit Report (CAAR) issued by the Commission on Audit (COA) showed the recurrence of non-compliance with rules and regulations of the Government Procurement Reform Act.

According to the COA report, the non-compliance with the rules and regulations of the procurement law was associated with various deficiencies, as follows:

- Failure to invite observers during the bidding process;
- Delayed delivery and/or non-imposition of liquidated damages;
- Bidders not meeting eligibility requirements or inadequate post-qualification procedures;
- Contracts not awarded to the lowest bidder without valid justification;
- Undocumented/inadequately documented procurement;
- Reference to brand names;
- Non-compliance with posting requirements;
- Failure to withhold retention money;
- Non-compliance with the requirements of alternative mode of procurements;
- Non-compliance with warranty requirements;
- Procurement of items not included in the Annual Procurement Plan (APP);
- Violation of provision on advance payment; and

Visayas Avenue, Diliman, Quezon City 1100, Philippines
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- Other practices on procurement not in accordance with RA 9184 and its Revised Implementing Rules and Regulations (RIRR).

The deficiencies in the procurement process were mostly rooted in the following causes:

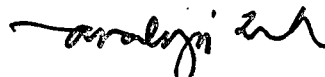
1. *Lack of Awareness*: Some officials/employees lack the necessary training and knowledge regarding the procurement law.
2. *Inadequate Documentation*: Documentary requirements/supporting documents of procurement activities are sometimes lacking or incomplete.
3. *Resource Constraint*: Limited budget and staffing hinder the ability to fully execute procurement procedures effectively and efficiently.
4. *Complex/complicated Procedures*: The procurement law involves complex/complicated procedures that require careful knowledge/comprehension.

The COA recommended the Management to instruct all concerned offices to adhere to the provisions of RA No. 9184 and its RIRR, and to submit the lacking supporting documents for audit purposes.

In order to uphold strict compliance with COA audit recommendations and prevent the recurrence of the identified audit finding in the CAAR, all concerned officials and employees involved in the procurement process/activity are instructed to undertake the following actions:

- 1) Submit lacking supporting documents for audit;
- 2) Stay updated with the training programs and seminars on RA 9184 and procurement practices to fully understand the law and its requirements;
- 3) Strengthen internal controls to detect and prevent non-compliance issues;
- 4) Consult with the Legal Service/Division to seek legal advice/guidance on whether procurement actions are legal. Also, discuss with the BAC Secretariat any other concerns regarding the procurement process; and
- 5) Promote transparency, fairness, and ethical conduct throughout the procurement process.

For compliance.



ATTY. ANALIZA REBUELTA-TEH