

**DENR Memorandum Circular  
No. 04  
January 26, 1994**

**SUBJECT : Implementing Guidelines for the Selection,  
Contracting, Monitoring and Evaluation of NGOs  
Under the ENR-SECAL Program.**

Pursuant to the Department Administrative Order Nos.120 and 52, Series of 1989 and 1992, respectively, on the rules and regulations governing the participation of NGOs in DENR programs, the following implementing guidelines for the ENR-SECAL Program are hereby promulgated:

**Sec. 1 Basic Policy**

- 1.1 It is the policy of the DENR to adopt a standard set of rules and regulations governing the **selection, contracting, monitoring and evaluation** of development NGOs participating in the ENR-SECAL Program in order to:
- a) Achieve maximum efficiency and economy in the implementation of the ENR-SECAL Program;
  - b) Enhance DENR and NGO collaboration in mobilizing upland development and sustainable resource management;
  - c) Provide the framework to facilitate NGOs involvement in the ENR-SECAL projects and activities; and
  - d) Promote the successful attainment of the goals and objectives of the ENR-SECAL Program.
- 1.2 It is also the policy of the DENR to maintain transparency in all its transactions particularly in the implementation of ENR-SECAL Program.

**Sec. 2 Objectives of the ENR-SECAL**

The following are the objectives of the ENR-SECAL;

2.1 General Objective: To preserve what remains of the biological diversity of the Philippines; to reestablish degraded or destroyed biological diversity wherever practicable and financeable; and to introduce sustainable land use practices.

2.2 Specific Objectives:

2.2.1 Sector Adjustment

- a. To determine what areas of the Philippines must be preserved undisturbed and introduce an effective management system;
- b. To impose user fees for public resources which discourage rent-seeking behavior;
- c. To improve enforcement of logging regulations;
- d. To provide secure tenure rights to users in return for sustainable resource use;
- e. To provide extension service to upland populations; and
- f. To establish mechanisms for support of community-based resource management and livelihood projects.

2.2.2 Investment Component

- a. To design an Integrated Protected Area System, including a suitable legislative framework;
- b. To provide program support for management of ten (10) priority protected areas;
- c. To improve the monitoring of logging operations and enforcement of forestry laws and regulations through provision of equipment, training, and technical assistance

to selected DENR regional and local offices (i.e., Regions II and X and Samar in Region VIII); and

- d. To develop in four regions (i.e., Regions I, CAR, II, IX, and X) the capacity of local governments and line agencies to generate and service small-scale community-based resource management and livelihood projects in watershed areas, combining community organizing and pre cooperative development; improvement in tenure and resource management; introduction of sustainable means of livelihood; and improvement of infrastructures and services.

### **Sec. 3 Definition of Terms**

- a. **Agreement** - The document for NGO services between the DENR and the NGO together with all the Annexes and attachments is defined as the "Agreement".
- b. **NGOs** - refer to private, non-profit, voluntary organizations that are committed to the task of socio-economic development and established primarily for service. Cooperatives and people's organizations shall be considered as NGOs for purposes of this definition.
- c. **Track record** - refers to the actual status of activities/projects undertaken (i.e. advocacy work, project implementation, etc.) by the concerned NGO involving environmental and social issues.
- d. **Accreditation of NGOs** - refers to the process of identifying and screening NGOs for purposes of classifying and categorizing according to area of operation, target clientele, field of expertise and complementation of programs with that of the DENR.
- e. **Management and technical related services** - these services include project management, planning, systems and procedures, institutional strengthening, organization development, training and transfer technology, productivity improvement and marketing management.

- f. **Quarterly Commitment Plan (QCP)** - refers to a periodic set of activities and outputs which the NGO will implement and attain within the indicated period.
- g. **Pre-investment or Feasibility Studies** - these are studies which normally precede decisions to go or not to go forward with specific projects.
- h. **Design Services** - these types of services include the pre-design phase (establishes the general size and scope of the project and its location on the site); the basic design phase (includes the preparation of detailed plans, designs, working drawings, specifications, detailed cost estimates and tender documents); and support services during construction (this phase includes assistance and advice in securing bids, tabulation and analysis of bid results, making recommendations on the awards of construction contracts, preparation of contract documents, checking detailed construction and as-built drawings, making periodic visits to check on the general progress of work and quality of materials and workmanship; and making report of completed project)
- i. **Reimbursable costs/expenses** - these are defined as all cost other than billing rates which are associated with the execution of the services and categorized as costs based on agreed fix rates and actual costs which are supported by receipts.
- j. **National NGO Desk** - refers to the coordinating body between DENR and NGOs at the DENR Central Office.
- k. **Regional NGO Desk** - refers to the regional coordinating bodies between the DENR and the NGOs.
- l. **Locally-based NGO** - refers to the non-government organization (NGO) whose organization and headquarters or homeoffice is in the same locality (municipal/provincial/regional) as the PROJECT.

**Sec. 4 ENR-SECAL Regional Prequalification, Evaluation and Awards Committee**

4.1 The Committee for this purpose shall be called the ENR-SECAL Regional Prequalification, Evaluation and Awards Committee (ENR-SECAL RPEAC) for NGO services.

4.2 This Committee shall be constituted as follows:

RTD for Forestry	-	Chairman
Legal Division Chief	-	Member
SFD Chief	-	Member
FRDD/FRCD Chief	-	Member
Regional NGO Desk Officer	-	Member

4.3 The Committee shall be responsible for the conduct of the pre-qualification of NGOs, final evaluation of proposals, selection and recommending award of contract.

**Sec. 5 ENR-SECAL Technical Working Group**

5.1 The ENR-SECAL Technical Working Group (TWG) shall be formed and be composed of Senior Staff from the following offices/units:

ENR-SECAL Technical Coordinator	-	Head
ENR-SECAL PDO V	-	Member
FRDD/SFD	-	Member
Finance Division	-	Member
Planning Division	-	Member
PENRO/CENRO	-	Member

5.2 The TWG shall undertake initial review of documents submitted by pre-qualified NGOs; prepare evaluation and recommendation reports to the ENR-SECAL RPEAC; perform secretariat and documentation work for the Committee; and shall maintain a file for each NGO interested to participate in the ENR-SECAL Program.

## **Sec. 6 Criteria for the Selection of NGOs**

### 6.1 Preparation of the Terms of Reference.

6.1.1 The requirements of the project for NGO services shall be announced for at least two (2) times within a period of not more than two (2) weeks in at least two (2) local newspapers of general circulation. Notices shall likewise be published and posted in conspicuous places in the regional office/PENRO/CENRO concerned and local government unit concerned.

### 6.3 Requirements for DENR accreditation and long listing of NGOs

6.3.1 The following requirements must be submitted for accreditation purposes:

- a. SEC/CDA/DSWD Registration
- b. Track Record
- c. Certificate of good community standing from:
  - i. Local leaders (Mayor or Governor)
  - ii. Head of religious organization
  - iii. Endorsement from credible networks
  - iv. Duly filled NGO Profile form
  - v. Audited Financial Statement
  - vi. Resume of key implementing staff

#### 6.3.2 Priority of Long Listing of NGOs

- a. First priority shall be given to capable and locally-based NGOs with office and staff members residing in the barangay/municipality /city/province/region where project is to be implemented.
- b. Second priority shall be given to capable NGOs which are not locally-based but have existing community operations/projects in the RRMF identified areas.

6.4 Issuance of Prequalification Statements/Forms.

6.4.1 The NGOs who qualify for the accreditation and are long listed shall be requested to submit prequalification statements and may include among other things, the qualifications and experience of the key project staff who may be assigned to the undertaking.

6.4.2 The prequalification statements shall be duly notarized.

6.5 Drawing up the short list of NGOs.

6.5.1 The prequalification statements submitted by the NGOs shall be processed and evaluated by the Technical Working Group in terms of the following criteria:

a. Applicable experience	-	30%
i. Completed Projects/Services Similar to job under Consideration	-	10%
ii. Other management & technical related projects/services	-	10%
iii. Known cases of performance including quality of work conforming to obligation and cost of services	-	10%
b. Qualification of NGO Project Staff to be Assigned	-	50%
i. Experience	-	25%
ii. Education	-	10%
iii. Trainings	-	10%
iv. Affiliation/Technical Publication	-	5%

- c. Job capacity or the absorptive ability of NGO to do additional work other than their ongoing projects 20%

Below is a table for the percentage weight/scores for job capacity.

No. of Ongoing Projects/Services Weight	Percentage
10 & up	11
9	12
8	13
7	14
6	15
5	16
4	17
3	18
2	19
1	20

The total weight/score for Job Capacity is 20%.

- 6.5.2 if necessary, a background investigation of the prospective NGO shall be conducted by the ENR-SECAL RPEAC to ascertain their credibility and competence.
- 6.5.3 A short-list consisting of three (3) to five (5) of pre-qualified NGOs shall be prepared by the TWG and shall be submitted to the ENR-SECAL RPEAC for final review and endorsement to the Regional Program Director for his approval.
- 6.5.4 All approved short-listed NGO shall be informed of the schedule of the pre-bidding orientation in which the following subjects shall be discussed:
  - a. ENR-SECAL Program



- b. Terms of Reference (TOR)
- c. Format of the Technical and Financial proposal to include:
  - i. experience and capability of personnel in the type of services under consideration;
  - ii. proposed methodology and discussion of activities to be performed;
  - iii. work plan and schedule of activities and PERT/CPM diagram or equivalent;
  - iv. manning schedule, staff functions and responsibilities in the undertaking and organizational structure;
  - v. current work commitments and current assignments of key personnel; and
  - vi. budget cost estimates for salaries, reimbursable costs, other costs required for the completion of the service.
- d. Bidding procedure
- e. Project Area Profile

6.5.5 An ocular inspection of the project area shall be required from all the approved short listed NGOs in order to familiarize them with the area.

## 6.6 Invitation for Technical and Financial Proposals

6.6.1 Upon approval of the short list of NGOs by the Regional Program Director, the ENR-SECAL RPEAC shall issue invitations to the short listed NGOs to submit proposals.

6.6.2 A two-stage procedure shall be adopted whereby each short listed NGO is required to submit technical and financial proposals simultaneously in separate sealed envelopes to the ENR-SECAL

RPEAC.

6.6.3 Information required to be submitted by the NGO in its proposals shall include the following:

- a. Terms of Reference and other documents as mentioned in item 6.1 of Section 6 above.
- b. Information that should be included by the NGO in its technical proposals which shall include the following:
  - i. Experience and capability of the NGO and its project staff in the type of services and the field under consideration;
  - ii. Proposed methodology and discussions of activities to be performed, including, comments on the data requirements vis-a-vis their availability and assessment of the data gathering activities and on the TOR itself;
  - iii. Work Plan and Schedule of Activities including estimates of man-months. PERT/CPM diagram or equivalent maybe used to illustrate work schedules;
  - iv. Project personnel/staff to be assigned to the job (manning schedule) with their curriculum vitae; duties and responsibilities in the undertaking and organizational structure; and
  - v. Current work commitments and current assignments of key project personnel/staff.

6.7 Evaluation of Technical Proposal.

6.7.1 The Technical Proposal shall be evaluated based on the following criteria:

- a. Overall Experience and Capability of NGO - 20%
- b. Plan of Approach and Methodology - 30%
- c. Quality of Project Personnel/Staff to be assigned - 50%

6.7.2 The TWG shall conduct the preliminary evaluation and shall submit its recommendation on the ranking of NGOs to the ENR-SECAL RPEAC for deliberation and concurrence.

6.7.3 Evaluation of proposals by ENR-SECAL RPEAC shall be completed within thirty (30) working days. The ENR-SECAL RPEAC may opt to conduct an oral presentation of the Technical Proposal by the short-listed NGOs.

6.7.4 Final evaluation results and draft Resolution of Award shall be submitted by ENR-SECAL RPEAC within five (5) working days to the RED for consideration and endoresement to the Secretary thru the ENR-SECAL PMO and DENR-PEVAC.

6.7.5 In line with the policy objective under item 1.2 of Section 1, short-listed NGOs shall likewise be furnished and other interested parties shall be given access to the results of the evaluation after the Resolution of the Award is approved by the Secretary.

## 6.8 Evaluation of Financial Proposals

6.8.1 The financial proposal of the first in rank NGO shall be opened only after the ranking has been established and approved. If negotiation with the first in rank NGO fails, the financial proposal of the second in rank NGO indicated in the envelope shall be made as the basis of subsequent negotiations and the

total amount shall not exceed the amount indicated in the envelope.

6.8.2 The opening of the financial proposal of the first ranked NGO shall be done in the presence of the NGO concerned and the sealed price proposals of the unsuccessful NGO shall be returned unopened to them after contract negotiation with the successful NGO is completed.

6.9 Direct Selection/Negotiation

6.9.1 Direct selection/negotiation of NGO may be conducted only when any of the following conditions exists upon joint recommendation by the Regional Program Director concerned and the Program Director of ENR-SECAL and approval by the Secretary.

- a. Failure to award the contract after open competitive selection process for valid cause or causes;
- b. Take-over of NGO contract, which has been rescinded or terminated partly or wholly; and
- c. In times of emergencies or when time is of the essence arising from natural calamities or other causes where immediate action is necessary.

6.10 The selection and awarding process shall always be conducted under the presence of the Regional COA Auditor/representative who shall witness the proceedings. A community representative or media representative may also be invited as observer to the entire process.

**Sec. 7 Notification for Negotiation of Selected NGO**

7.1 After approval of the Resolution of Award by the Secretary, the ENR-SECAL RPEAC shall within five (5) working days notify and invite the selected NGO for negotiation. In the letter of notification, the Committee

shall inform the NGO of the issues in the technical proposal needing clarification during negotiations.

- 7.2 The negotiation shall cover the following:
- 7.2.1 Discussion and clarification of the Terms of Reference and Scope of Services;
  - 7.2.2 Discussion and finalization of the methodology and detailed work and financial plan of the NGO;
  - 7.2.3 Personnel to be assigned to the job; personnel compensation; number of man-months and schedule of activities or manning schedule;
  - 7.2.4 Discussion of the services, facilities, and data to be provided by the Department/field units; local government unit concerned, if any;
  - 7.2.5 Discussion of the financial proposal submitted by the NGO; and
  - 7.2.6 Provision of the contract.

**Sec. 8 Preparation of Contract Agreement**

- 8.1 The ENR-SECAL RPEAC assisted by the TWG shall draft the contract. The agreement shall basically include the following:
- a. Definition of Terms;
  - b. Services covered under the contract agreement;
  - c. Personnel to be involved;
  - d. Cost of services;
  - e. Method of payments to the NGO;
  - f. Obligation of the NGO and the Department/Field Units concerned;
  - g. General conditions;
  - h. Disputes, arbitration and termination; and
  - i. Execution

8.2 The following documents shall form part of the NGO contract agreement:

- a. Term of Reference;
- b. NGO's Technical Proposal including adjustment as agreed upon between the contracting parties;
- c. DENR Accreditation Certificate;
- d. License and joint venture agreement;
- e. Certificate of availability of funds; and
- f. Resolution of Award approved by the Secretary

**Sec. 9 Approval and Signing of Contract Agreement**

- 9.1 The final NGO contract and all documents required as per item 8.2 of Section 8 above shall initially be endorsed by the Regional Executive Director concerned to the Secretary through the Program Director of ENR-SECAL and the Chairman, DENR, PEVAC.
- 9.2 The Program Management Office (PMO) and DENR PEVAC shall jointly review and check the documents submitted if consistent with this Memorandum Circular and that documents are properly accomplished and in order. Endorsement of the same to the Office of the Secretary through proper channels shall be done within a period of seven (7) working days after receipt thereof unless otherwise the documents are found inconsistent with or are incomplete. In this case, the PMO shall return immediately the documents to the Region concerned for rectification.
- 9.3 The NGO contract together with the Notice to Proceed shall be signed either by the Regional Program Director or the Secretary as soon as possible but not later than fifteen (15) working days from receipt. Approval of Contract Agreement shall be in accordance with existing laws, rules, regulations and delegation of authority regarding implementation of DENR FAPS specified in MO No. 5, series of 1993.

**Sec. 10 Issuance of Notice to Proceed**

The RENRO/PENRO concerned, shall hand over the Notice to Proceed in favor of the selected NGO after the contract shall have been notarized and

approved by the Commission on Audit (COA) and availability of funds certified by the Accounting Division of DENR Central Office.

**Sec. 11 Advance Payment of Mobilization**

- 11.1 Advance payment to the NGO in the amount which shall not exceed fifteen percent (15%) of the total contract price shall be allowed provided that a surety bond equal to the advance payment shall be issued by the NGO.
- 11.2 The advance payment shall be repaid by the NGO by deducting from their quarterly progress payments the sum as agreed upon during contract negotiations until fully liquidated within the duration of the contract.

**Sec. 12 Performance Guarantee**

- 12.1 In order to ensure faithful performance of the NGO under contract, an amount equivalent to five percent (5%) of the total amount due to the NGO for every quarterly billings/payments shall be retained by the PENRO, hereinafter referred to as the retention money, until fifty percent (50%) of the work/services as determined by the PENRO, is satisfactorily completed and on schedule, otherwise, the retention money of five percent (5%) shall continue to be imposed.
- 12.2 The total retention money shall be due for release to the NGO only upon final acceptance of the works/services by the DENR.

**Sec. 13 Administrative Resource in Cases of Misrepresentation.**

- 13.1 The DENR shall have a right of administrative recourse or action against any NGO who is found to have committed any of the following acts:
  - 13.1.1 Misrepresentation of any information in the sworn prequalification statements; and
  - 13.1.2 Misrepresentation of any information in the technical and financial proposal.

- 13.2 The DENR shall have the following courses of action if the NGO is found to have committed the above misrepresentation:
- 13.2.1 Disqualify NGO from participation in any DENR projects for a period of two (2) years for the first offense and perpetual disqualification for the second offense.
  - 13.2.2 Cancel the contract agreement fifteen (15) days after the discovery of misrepresentation during the implementation period of the contract agreement. The amount due to be paid to the NGO shall be adjusted equitably to the work accomplished but if amount received already by the NGO exceeds the amount corresponding to the work done, the NGO shall refund the DENR within ten (10) days after cancellation of the contract agreement.
- 13.3 The right of recourse of the DENR as herein above provided shall be without prejudice to the liability that the NGO may incur under the pertinent provisions of the Revised Penal Code.

**Sec. 14 Extension of Services Under Supplemental Agreement.**

- 14.1 The contract services of the NGO may be extended through supplemental agreement for the performance of additional work (man-months) not covered under the original contract agreement. The terms and conditions of the original agreement for the performance of the additional services shall also govern.
- 14.2 Supplemental agreements shall under no circumstances, be entered into for more than two consecutive durations. Procurement of NGO services after a second supplemental agreement shall be done through the usual process of selecting and contracting NGO herein provided as if the services are to be needed for the first time.

**Sec. 15 Monitoring and Evaluation.**

- 15.1 The PENRO concerned shall create a 3-man Provincial Inspection Team (PIT) to be composed of Forestry Supervisors I of PENRO and CENRO



and a municipal LGU representative. The team shall conduct quarterly validation and assessment of activities undertaken by the implementing NGO. The NGO shall provide the DENR a copy of its Quarterly Action Plan (QAP), at the beginning of every quarter and corresponding accomplishment report in prescribed format which shall be the basis for evaluation of the PIT.

- 15.2 The ENR-SECAL, Project Management Office (PMO) may form an M&E Team composed of the Senior Technical Staff of PMO, RPMO and National NGO Desk who shall evaluate the annual over-all performance and effectiveness of the NGO based on indicators provided by PMO; identify operational problems and issues, and recommend facilitating measures regarding the improvement of the ENR-SECAL Program implementation.

**Sec. 16 Supplemental Rules and Regulations.**

The Senior Supervising Official for ENR-SECAL, upon the recommendation of the Regional Program Director and the Program Director, shall formulate rules and regulations as may be necessary to effectively carry out the objectives of this Circular.

**Sec. 17 Repealing Clause.**

The provisions of previous Circulars inconsistent herewith are hereby repealed or amended accordingly.

**Sec. 18 Effectivity.**

This Order shall take effect immediately.

**ANGEL C. ALCALA**  
Secretary