



"Making ICT Serve the People"

REPUBLIC OF THE PHILIPPINES
OFFICE OF THE PRESIDENT
NATIONAL COMPUTER CENTER

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NCC MEMORANDUM CIRCULAR NO. 2004-01

FOR: ALL HEADS OF NATIONAL GOVERNMENT DEPARTMENTS, AGENCIES, BUREAUS, GOVERNMENT OWNED AND CONTROLLED CORPORATIONS, GOVERNMENT FINANCIAL INSTITUTIONS, STATE COLLEGES AND UNIVERSITIES, LOCAL GOVERNMENT UNITS AND COA RESIDENT AUDITORS.

SUBJECT: REPEALING NCC MEMORANDUM CIRCULAR NO. 99-02 "PRESCRIBING GUIDELINES FOR I.T. RESOURCE ACQUISITION IN GOVERNMENT" AND PROVIDING NEW GUIDELINES THEREFOR

SECTION 1. RATIONALE

Republic Act No. 9184 entitled "*An Act Providing for the Modernization, Standardization and Regulation of the Procurement Activities of the Government and for Other Purposes*" otherwise known as the Government Procurement Reform Act (**GPRA**) was signed by President Gloria Macapagal Arroyo on January 10, 2003.

Memorandum Order (**MO**) No. 119 was signed by President Gloria Macapagal Arroyo on September 18, 2003 approving the Implementing Rules and Regulations-Part A (**IRR-A**) of the GPRA.

MO 119 and the IRR-A of the GPRA were published on September 23, 2003 and are effective on October 8, 2003.

NCC, in exercise of its mandate under Sections 2b, 2c and 2g of P.D. 1480 and Sec. 6 of MO 237, now issues this circular to guide government agencies in their IT Resources Acquisition (ITRA) program and to provide policies relative to the implementation of the GPRA as applied to Information and Communications Technology (ICT).

SECTION 2. STANDARD PROCUREMENT PROCESS AND FORMS

- 2.1 All government agencies who are into procurement of ICT goods and/or consulting services are advised to conform with the prescribed procurement process as contained in the GPRA and its IRR-A. Contracts for the procurement of ICT goods and/or consulting services shall be governed by Executive Order No. 109-A entitled "*Amending*

Executive Order 109 dated May 27, 2002 Prescribing the Rules and Procedures on the Review and Approval of All Government Contracts to Conform with Republic Act No. 9184, Otherwise known as the Government Procurement Reform Act" issued September 18, 2003.

- 2.2 All government agencies who are into ICT procurement shall continue to issue ICT bidding documents and forms in a format that is approved by the head of agency until the standard bidding documents shall be issued by the Government Procurement Policy Board (GPPB).
- 2.3 Submission of copies of the Request for Proposal (RFP) including bid notices, technical specifications, evaluation criteria, evaluation methodology and draft contract to NCC for evaluation/review shall no longer be required as stated in Section 8.2, 8.6, 8.8 of the NCC MC 99-02. As prescribed in the GPRA, the evaluation and review of bid documents shall be the responsibility of the BAC of the procuring agency subject to the approval of the head of agency.
- 2.4 The creation of the Prequalification Bids and Awards Committee for Information Technology Resources (PBAC-ITR) as a separate distinct body from the agency's regular BAC as stated in Section 5.3 of the NCC MC 99-02 **shall no longer be allowed** pursuant to Section 11 of the R.A. 9184. Section 11.1 of the IRR-A limits the organization of separate BACs by the head of the procuring agency according to geographical location of the end-user units or due to the number and complexity of the items to be procured.

SECTION 3. ICT PROCUREMENT PLANNING

- 3.1 All agencies who are into procurement of any ICT goods and/or consulting services shall prepare an Annual Procurement Plan (APP) which is composed of several Project Procurement Management Plans (**PPMP**) as required in the GPRA and its IRR-A.
- 3.2 Submission of the Information Systems Development Plan (ISDP) to NCC shall no longer be required, as previously required under Section 3 of NCC MC No. 99-02. Instead, a copy of the approved APP shall be submitted to NCC at the start of a fiscal year or as often as updates to the submitted APP are made.
- 3.3 All PPMPs concerning the procurement of ICT goods and/or consulting services must be consistent with the Information Systems Strategic Plan (ISSP) of the procuring agency, as endorsed/approved by NCC.
- 3.4 Newly approved ICT projects which have not been included in the NCC-approved 3-year ISSP of the procuring agency should be reflected in the APP and the corresponding PPMP. Section 7.5 of the IRR-A requires that updating of the individual PPMP and the

consolidated APP shall be undertaken every six (6) months or as often as needed.

SECTION 4. THE NCC CLEARANCE / CERTIFICATION

- 4.1 The Department of Budget and Management (DBM) issued **National Budget Circular (NBC) No. 492 on March 8, 2004** providing for the “Guidelines on the Release of Funds for FY 2004.” Section 3.5.1 provides that 2004 funds can only be obligated for the purchase of computers and other information technology (IT) equipment with the necessary clearance or approved Information Systems Strategic Plan (ISSP) from the National Computer Center (NCC).
- 4.2 Procuring agencies are therefore required to submit a copy of their NCC-approved ISSP (stamped approved/endorsed and signed by the Director General of the NCC) to DBM prior to the release of their funds for ICT resources. However, procuring agencies whose ISSPs are still in the process of formulation/updating or under NCC review **before December 31, 2004**, should submit a copy of their Annual Procurement Plan (APP) to NCC. The APP should include the Project Procurement Management Plan (PPMP) concerning the ICT goods/services under bid, as basis for NCC to issue a clearance for the procurement of ICT resources. NCC Memorandum Circular No. 2003-02 has been issued to this effect.
- 4.3 Submission of ISSPs to NCC shall remain to be an option of the LGUs due to the local autonomy granted to them under R.A. 7160 or the Local Government Code. However, in compliance to the NBC No. 492, LGUs shall secure clearance from NCC prior to procurement of ICT goods and services if such procurement shall be funded out of budgetary support from the national government.
- 4.4 Agencies with ICT procurements for newly approved projects **not previously included** in the NCC-approved ISSP are required to submit to NCC a copy of the PPMP for such projects, as basis for clearance. Section 7.5 of the R.A. 9184 requires that updating of PPMPs shall be undertaken every six months or as often as required by the head of the procuring entity. Implementation of any project not included in the APP shall not be allowed.
- 4.5 For ICT projects under any of the BOT schemes, NCC certification is required and shall form part of the project proposal to be evaluated by NEDA. As approved by the NEDA Board in the Resolution No. 10 s2003, Section 7.1.1 of the BOT-ICT Guidelines reads:

“As part of the documentation of the ICT project proposal, the agency submitting the proposal shall obtain an NCC certification that the proposed ICT project is included in the agency’s ISSP/ISP and consistent with the GISP and its successor plans. The

certification shall also cover the appropriateness of the technology and design of the proposed ICT project, taking into consideration the functional requirements of the agency.”

- 4.6 NCC certification is likewise required for ICT projects that are submitted for funding from the E-Government Fund but are not included in the NCC-approved ISSP of the implementing agency/ies.

SECTION 5. THE ROLE OF THE I.T. PROFESSIONAL

- 5.1 The presence of an I.T. Professional as a voting member of the BAC, as previously required under NCC MC No. 99-02, **is no longer required.**
- 5.2 The I.T. Professional may, however, be a member of the Technical Working Group (TWG) that will assist the BAC in the procurement of ICT goods and services, particularly in the eligibility screening, evaluation of bids and post-qualification. The BAC-Technical Evaluation Committee (BAC-TEC) mentioned under Section 5.6 of NCC MC 99-02 is hereby renamed as the TWG being referred to in Section 12 of the R.A. 9184. The I.T. Professional need not be the chairman of the TWG, as previously required under Section 5.6 of the NCC MC No. 99-02.
- 5.3 Relative to the procurement of ICT goods/consulting services, an I.T. Professional is a permanent government employee who could provide assistance to procuring agencies on I.T. resource acquisition, specifically on the preparation of the Request for Proposal and other bid documents, development of the bid evaluation methodology and other bidding activities mentioned in Section 5.2 of this Circular. He may be an organic employee of the procuring agency or may come from another government agency who is technically competent particularly on the ICT items under bid, proficient in ICT procurement process/management and must possess integrity. The I.T. Professional need not be drawn from the Official Registry published by NCC. The I.T. Professional, being a member of the TWG, must be designated by the Head of Agency.
- 5.4 However, to facilitate project implementation, Section 53.(e) of the IRR-A allows the procuring agency who may not have the proficiency and capability to undertake a particular procurement, to recruit and hire consultants as procurement agents to assist them directly, or train their staff in the management of the procurement function. The ICT Consultant(s) must be hired based on their proven expertise, experience and capability and **should not have any business interest on any of the items under bid.**
- 5.5 In the absence of an I.T. Professional, the ICT Consultant may function as the I.T. Professional in the same procurement project, subject to the

provisions of a service contract approved by the agency head upon recommendation of the BAC.

SECTION 6. REGISTRATION OF IS/IT SERVICE PROVIDERS

- 6.1 All IS/IT Solutions Providers that wish to participate in government bidding are **no longer required** to submit pertinent documents to NCC, for accreditation. Instead, all interested bidders must register with the procuring agency and pass through eligibility check. NCC ICT Advisory No. 2002-01 was issued to this effect.
- 6.2 Section 8.2.2 of the IRR-A states that the Government E-Procurement System (GEPS) shall have a centralized electronic database of all manufacturers, suppliers, distributors, contractors and consultants including ICT companies/vendors/service providers registered under the system.

SECTION 7. ICT BIDDING ACTIVITIES

- 7.1 The standardized bidding procedures for the procurement of goods and services as provided for under GPRA and its IRR-A shall apply to the procurement of ICT goods and consulting services. The following major activities in the bidding process shall be followed:
 - ◆ Pre-Procurement Conference
 - ◆ Invitation to Bid
 - ◆ Pre-Bid Conference
 - ◆ Eligibility Check
 - ◆ Short-Listing (for ICT Consulting Services only)
 - ◆ Submission and Opening of Bids
 - ◆ Bid Evaluation
 - ◆ Post Qualification
 - ◆ Issuance of Notice of Award
 - ◆ Negotiation
 - ◆ Award of Contract
 - ◆ Contract Signing
 - ◆ Approval of Contract
 - ◆ Issuance of Notice to Proceed

The prequalification of bids as prescribed under Section 8.1 of the NCC MC No. 99-02 is referred to as the Eligibility Check under the GPRA. To ensure consistency in the adoption of the standardized bidding procedures, agencies are advised to refer to the IRR-A until the manual on the standardized bidding procedure shall have been issued by the GPPB. Bidding timelines prescribed for each major activity must be strictly followed.

7.2 All procuring agencies who are procuring ICT goods and/or consulting services costing five million pesos and above shall furnish NCC a copy of their Procurement Monitoring Report (PMR), as approved by the head of agency, and submitted to the GPPB. The PMR shall be forwarded to NCC via email or in printed form starting July 10, 2004 and every January 10th and July 10th thereafter.

SECTION 8. REFERENCE TO BRAND NAMES, BRANDED COMPUTERS, LICENSED SOFTWARE

8.1 Specifications for the procurement of ICT goods including hardware and software shall be based on relevant characteristics and/or performance requirements described in detail in the Request for Proposals. **Specifying brand names shall not be allowed.**

8.2 Branded computers and/or clone computers may be procured provided these have been evaluated to be responsive to the technical requirements of the procuring agency.

SECTION 9. REPEALING CLAUSE

This NCC Memorandum Circular No. 2004-01 repeals NCC Memorandum Circular No. 99-02. All other circulars and provisions thereof which are inconsistent with this NCC MC are hereby repealed or amended accordingly.

SECTION 10. EFFECTIVITY

This NCC Memorandum Circular No. 2004-01 shall take effect on the 7th day of June, 2004.

(sgd.) ANGELO TIMOTEO M. DIAZ DE RIVERA
Director General

Noted by:

(sgd.) VIRGILIO L. PEÑA

Secretary

Chairman, Commission on Information and Communications Technology