



Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
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**SUPPLEMENTING DILG MEMORANDUM CIRCULAR NO. 2020-142
ON THE RULES ON THE CONDUCT OF PROCUREMENT
ACTIVITIES
UNDER THE “BAYANIHAN TO RECOVER AS ONE ACT”**

Memorandum Circular No. 2020-169
Date: 15 DEC 2020

1. BACKGROUND

- 1.1 On September 11, 2020, President Rodrigo Roa Duterte signed Republic Act (RA) No. 11494 or the “Bayanihan to Recover As One Act” (hereinafter, “*Bayanihan 2*”). This provides for COVID-19 response and recovery interventions and mechanisms to bolster the resiliency of the economy.
- 1.2 Among these mechanisms are the judicious, economical and expeditious process for the procurement of specific goods with the application of domestic preference under Section 4(u); and the direct purchase of agricultural and fishery products from local farmers and fisherfolk under Section 4(ooo) of *Bayanihan 2*.
- 1.3 In relation to the implementation of these provisions, the Government Procurement Policy Board (GPPB) issued Resolutions No. 18-2020 and 19-2020 (*see attached*) which specify the approved rules on the conduct of procurement of goods covered under *Bayanihan 2*.
- 1.4 On October 23, 2020, this Department issued Memorandum Circular (MC) No. 2020-142 to reiterate the general guidelines on LGU budgeting, procurement and fund utilization for COVID-19 response and recovery interventions under *Bayanihan 2*.

2. PURPOSE

This Memorandum Circular is being issued to:

2.1 Reiterate the rules provided by GPBB in the conduct of procurement of goods covered under *Bayanihan 2*; and

2.2 Supplement the guidelines contained in DILG MC No. 2020-142.

3. SCOPE/COVERAGE

This Memorandum Circular covers all local government units (provinces, cities, municipalities and barangays); DILG regional, provincial and field offices; Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) Ministry of the Interior and Local Government; and all others concerned.

4. POLICY CONTENT AND GUIDELINES

4.1 Clarification on the Conduct of Competitive Bidding

4.1.1 Pursuant to GPBB Resolution No. 19-2020 dated September 16, 2020, it is hereby clarified that the exemption from the bidding process stipulated in Section 4(u) of *Bayanihan 2* and reiterated in Item 4.3 of DILG MC No. 2020-142 are only applicable to procurement projects covered within the conditions and threshold of Shopping and Small Value Procurement under Sections 52.1(b) and 53.9 of the 2016 revised IRR of RA No. 9184, respectively. Otherwise, the rules and procedure of Competitive Bidding or Public Bidding under RA No. 9184 and its 2016 revised IRR shall still be followed for the procurement of the items covered under Section 4(u)(1) of *Bayanihan 2*.

4.1.2 In the conduct of Competitive Bidding, the procuring entity (PE) shall also abide by the rules and procedures provided in Items 1 to 4 of GPBB Resolution No. 19-2020.

4.2 Application of Domestic Preference

4.2.1 The last paragraph of Section 4(u) of *Bayanihan 2* requires the application of domestic preference for products, materials and supplies produced, made or manufactured in the Philippines in the procurement of COVID-19 related goods.

4.2.2 The rules and illustrative examples in the application of domestic preference in the procurement activities are provided in Item 2 of GPBB Resolution No. 19-2020.

4.3 Direct Purchase from Local Farmers and Fisherfolk

4.3.1 Section 4(ooo) of *Bayanihan 2* allows LGUs to directly purchase agricultural and fishery products from farmers and fisherfolk and agriculture cooperatives as a form of direct assistance even beyond the lapse of RA No. 11469 or the “Bayanihan to Heal as One Act” and in accordance with RA No. 11321, or the “Sagip Saka Act.”

4.3.2 As provided in GPBB Resolution No. 2020-18, all PEs shall continue referring to the following relevant procedure and requirements under GPPB Circular No. 01-2020 dated April 6, 2020, to directly purchase products from local farmers and fisherfolk:

4.3.2.1 For direct negotiation with local farmers, the submission of any of the following at any time before award or after award but before payment shall be sufficient:

4.3.2.1.1 a certification that the farmer is in the Registry System for Basic Sectors in Agriculture (RSBSA);

4.3.2.1.2 RSBSA identification card; or

4.3.2.1.3 Barangay Certification that the supplier is a bonafide farmer.

4.3.2.2 PEs shall be guided by the following in the negotiation of prices for agricultural products:

4.3.2.2.1 the average prevailing farmgate price for the province, if purchased directly from the farmers;

4.3.2.2.2 the market price, if purchased from farmers' association or cooperative; or

4.3.2.2.3 the recommended retail price by the local price coordinating council for commodities sold by capable farmers, and farmers' associations or cooperatives in their respective provinces, municipalities and cities.

4.3.2.3 The farmer shall sign the disbursement voucher prepared by the PE to show actual delivery and receipt of payment. This shall likewise serve as the delivery invoice showing the quantity, description of the articles, unit and total value of the items delivered.

5. DISSEMINATION

The Regional and Field Officers of DILG and the BARMM Minister of the Interior and Local Government shall cause the immediate dissemination of this Memorandum Circular in their respective areas of jurisdiction for the guidance of all concerned LGUs.

6. EFFECTIVITY

This Memorandum Circular shall take effect immediately. It is also hereby emphasized that the rules on the conduct of procurement activities covered under RA No. 11494 or the *Bayanihan 2* shall only be in effect during the effectivity of the said law which is until **December 19, 2020**. Thus, PEs which issued a NOA during its effectivity may proceed with their contract implementation even after said effectivity. After the lapse of the effectivity of the *Bayanihan 2*, no NOA shall be issued.

7. APPROVING AUTHORITY


EDUARDO M. AÑO
Secretary

8. FEEDBACK

For related queries, kindly contact the Bureau of Local Government Supervision at Telephone Number (02) 8876-3454 local 4201 or at email address blgs.od2016@gmail.com.



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