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Department of Social Welfare and Development

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MEMORANDUM CIRCULAR

NO. 16
SERIES OF 2008

SUBJECT: SUPPLEMENTAL GUIDELINES IN PROCURING INDIVIDUAL
CONSULTANCY SERVICES FOR FOREIGN-ASSISTED PROJECTS

I. RATIONALE

In the implementation of foreign-assisted projects, the Department procures the services of consultants who can provide the necessary expertise in the highly technical aspects of the project. As a matter of policy, the guidelines of the international financing institutions (IFIs) are applied in this type of procurement.

It has been observed, however, that the guidelines of these IFIs are sometimes inadequate to support good procurement practice like the lack of clarity, which may deprive the Department the opportunity to select the most competitive, or highly qualified candidates/service providers for a particular consultancy assignment.

Along this line, there is a need to clarify existing rules in pursuit of the governing principles in government procurement which includes transparency, competitiveness, efficiency or streamlined process, accountability, honesty and openness to public scrutiny. Hence, these guidelines.

II. OBJECTIVES

1. To clarify certain guidelines in the procurement of consultancy services to ensure compliance of all parties with regard to the requirements in requesting individual consultancy services.
2. To further strengthen the integrity of the evaluation process for prospective applicants.
3. To clarify procedures in the negotiation process.

III. LEGAL BASES

1. **Republic Act 9184 (R.A. 9184) and its Implementing Rules and Regulations Part A (IRR-A)** – prescribes the necessary rules and regulations for the modernization, standardization, and regulation of procurement activities of the government.
2. **Guidelines: Selection and Employment of Consultants by World Bank Borrowers** – defines the procedures for selecting, contracting, and monitoring consultants required for projects chargeable against loan and/or grants from World Bank, whether fully or partially funded by the Bank.
3. **World Bank Consulting Services Manual** – provides a comprehensive discussion of the procurement procedures relating to consultancy services laid

down in the Guidelines on Selection and Employment of Consultants by World Bank Borrowers.

4. **Practical Guide to Contract Procedures for EC (European Commission) External Actions** – explains the contracting procedures applying to all EC external aid contracts financed from the European Communities general budget and the European Development Fund (EDF).

IV. COVERAGE

These Guidelines shall apply to procurement of individual consultancy services under foreign-assisted projects and programs.

V. GUIDELINES

1. Pre-advertisement of Request for Expression of Interest (REI)

- 1.1 The end-user or Project Management Office (PMO) shall submit the following requirements to the BAC:
 - a. Requisition and Issue Slip (RIS);
 - b. Purchase Request (PR);
 - c. Approved Terms of Reference (TOR);
 - d. Sample Request for Expression of Interest (REI);
 - e. Evaluation Criteria – which shall indicate the corresponding points for the:
 - a) curriculum vitae (CV) and b) sample works evaluation of the candidate. If interview is required, submit also an evaluation criteria for the interview. Indicate corresponding weights for each evaluation stage (i.e. desk review of CV, sample works evaluation and interview, if applicable) and the threshold or acceptable rating for an applicant to be included in the shortlist.
- 1.2 The TOR shall be duly approved by the National Project Director or, in his/her absence, his/her duly authorized representative. If the TOR consists of several pages, the approving authority shall affix his/her signature on each page.
- 1.3 All requests for procurement of consultancy services will only be acted upon if the above-mentioned requirements are complied with

2. Evaluation of Applicants for Consultancy Position

- 2.1 In addition to the requirements indicated in the REI, the applicants shall submit a sworn affidavit of no relation with the Head of Procuring Entity or any influential official or employee as provided for in R.A. 9184 and its IRR-A. This means that applicants must not be related to the Head of the Procuring Entity by consanguinity or affinity up to the third civil degree, or to any of the officers or employees of the DSWD having direct access to information that may substantially affect the result of the selection process, such as, but not limited to, the members of the BAC, the members of the TWG, the BAC Secretariat, the members of the PMO, and the designers of the project.

- 2.2 The Technical Working Group (TWG) that will assist the BAC in evaluating the applicants shall be composed of five regular members: one chairperson and four members.
- 2.3 The TWG chairperson and members shall be officials and employees of DSWD holding permanent positions.
- 2.4 Three TWG members, including the chairperson, will constitute a quorum. However, when there are critical issues involved in the selection of a consultant for a particular project, the five TWG members must sit *en banc*, including the chairperson, for the selection process.
- 2.5 The evaluation shall proceed in accordance with the criteria and procedures prescribed in the TOR submitted by the requesting party, subject to modification/s by the BAC, if found to be inadequate or too stringent.
- 2.6 The TWG narrative report shall also include, among others, critical inputs and dissenting opinion/evaluation from any of its members.

3. Negotiation Prior to Award of Contract

- 3.1 After the TWG submits its final evaluation report to the BAC, the BAC shall invite the highest-rated applicant and, together with the TWG and the end-user, negotiate the contract which shall include discussions regarding, but not limited to, the following topics:
 - a. issues on deliverables;
 - b. payment schedules;
 - c. availability of the applicant/proponent.
- 3.2 A written report on the details of the negotiation shall be prepared by the concerned DSWD personnel and shall form part of the BAC resolution awarding the contract.
- 3.3 The notice of award shall be issued to the highest-rated applicant only upon successful negotiation or, in case of non-acceptance, to the next highest-rated applicant.

4. Timetable for Activities

Activity	Duration (maximum)
1. Publication of REI in a newspaper of general circulation	1 day
2. Posting of REI at the DSWD website and/or PhilGEPS (Philippine Government Electronic Procurement System) website	14 days
3. Short-listing of interested applicants by TWG	7 days
4. Interview of short-listed applicants by TWG	1 day
5. Submission of TWG final report	3 days
6. Contract negotiation with the highest-rated applicant	5 days
7. BAC resolution and issuance of Notice of Award	3 days

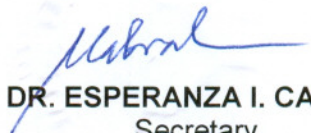
VI. REPEALING CLAUSE

All guidelines inconsistent with the provisions of this MC are hereby repealed, modified or amended accordingly.

VII. EFFECTIVITY

This Memorandum Circular shall take effect immediately.

Issued this 10th day of December 2008 in Quezon City.


DR. ESPERANZA I. CABRAL
Secretary