

A Comprehensive Analysis of the Implementation of Government Procurement Law in Metro Manila: Basis for Good Governance among Local Government Units

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ABSTRACT

Public procurement is a standard procedure for the government to buy products and services and develop infrastructure projects. Rigid procurement benefits northern hemisphere nations like the European Union (EU). In Australia, they use “Commonwealth Procurement Rules” to get value for money by strengthening local capabilities and skills (Allen, 2020). In a comparative study, Asia outperformed Africa in all parameters except voice, accountability, and procurement complaint handling. (Amankwa & Tetteh, 2022). This research evaluated the three (3) Highly Urbanized Cities based on their scores on four (4) pillars: Economic Dynamism, Government Efficiency, Infrastructure, Resiliency, and Innovation. (Manila, Pasay, and Quezon City) on how well they follow the procurement law’s procedures. Its secondary objective is to identify these LGUs’ obstacles while trying to carry out the procurement legislation. The researcher used a mixed-methods study design and anchored it in Marketization by Christopher Hood in 1991, and the Good Governance Concept, developed by the United Nations Development Programme (UNDP) in 2023. Also, it was found out that the Local Government Units (LGUs) demonstrated the praiseworthy proactive initiatives implemented by cities in Metro Manila, which might serve as a model for replication by other LGUs. Moreover, the government should consider allocating a significant proportion of the yearly budget to ICT modernization for long-term investment. This investment aims to respond to core principles of Good Governance such as efficient and effective implementation. Also, addressing the sustainability concerns will secure online procurement platforms and cost-efficiency for suppliers and procurement agencies.

Keywords: Procurement; Good Governance; Local Government Units;

INTRODUCTION

Public procurement is a standard procedure for the government to buy products and services and develop infrastructure projects, with the taxpayers carrying much of the burden. Rigid procurement benefits northern hemisphere nations like the EU. They spend 14% of GDP on products, services, and works (Grandia, 2017). Meanwhile, Australia uses “Commonwealth Procurement Rules” to get value for money by strengthening local capabilities and skills (Allen, 2020).

Cultural considerations hinder sustained public purchases in Latin American countries like Brazil, making it a difficult task (Bruno & Da Motta, 2019). According to Schöberlein and Jenkins (2019), African countries such as Malawi, Ghana, Kenya, Sierra Leone, and Cameroon adopted open contracting and data standards to prevent corruption in government procurement. Despite this, Asia outperformed Africa in all parameters except voice, accountability, and procurement complaint handling (Amankwa & Tetteh, 2022).

Since the 2003 passage of Republic Act No. 9184, otherwise known as the “Government Procurement Reform Act” in the Philippines, numerous Filipino officials have been tried for irregularities. Established by statute to educate and teach public officials about procurement, the Government Procurement and Policy Board (GPPB) has traditionally overseen that procurement agencies follow the R.A. 9184 Implementing Rules and Regulations. The purchase procedure is governed by a maze of regulations and procedures. All parties involved must have a thorough understanding of not just the many processes at play but also the relevant legislation and case law. (Yumul, 2017).

As the beating heart of every level of government, public procurement now serves as a barometer for the economy’s health. Trust in the process and, by extension, better transactions in government, are signaled by the presence of the business sector in every procurement. As shown by the research of Fazekas and Tóth (2016), state capture and corruption are widespread global problems.

With the help of recent COA’s common audit observations, this study evaluated the processes of Highly Urbanized Cities (HUC) in Metro Manila, which considers the cities’ total ratings across four categories: economic vitality; government efficiency; physical infrastructure; and the capacity for innovation as per the Department of Trade and Industry (DTI).

The researchers seek to address a certain population gap in procurement as practiced in the Philippines. Most important research was done in state universities and colleges; while the LGUs are underrepresented together with their best procurement practices.

Most important research was done in state universities and colleges; thus, this also helps decrease the demographic divide. The information from these LGUs will help fill in the aforementioned void by using the findings of the Commission on Audit (COA), which has been auditing public finances.

The purpose of this research is to evaluate how well each municipality of the named cities follows all stages of the procurement procedure. This includes everything from developing a strategy and budget to keeping an eye on completed projects. The study also aims to identify the problems and difficulties these LGUs have in applying the procurement legislation. All of this information would then be sent to relevant government agencies along with suggestions for best-practice methods that contribute to good governance.

Significance Of The Study

1. To assess if the Highly Urbanized Cities in Metro Manila, namely Makati City, Quezon City and Pasay City are compliant with the entire procurement process;
2. To review how these cities implement the Government Procurement Reform Act otherwise known as the Republic Act 9184;
3. To identify the issues and challenges encountered by procurement implementers and bidders in the conduct of the procurement process;
4. To synthesize the best practices that these Metro Manila cities are doing that contribute to good governance.

Theoretical Framework

Good Governance Theory. The United Nations Development Programme (UNDP) aims to promote the Good Governance theory in 2023; this framework depicts the 11 Principles of Effective Governance under this theory, which encompasses the exercise of economic, political, and administrative power at all levels of government. Competence, sound policy-making, collaboration, integrity, transparency, independent oversight, non-discrimination, participation, subsidiarity, intergenerational equity, and so on are the tenets upon which these concepts rest. The systems, procedures, and structures that allow individuals and communities to express their needs, enforce their rights, carry out their responsibilities, and resolve conflicts.

METHODOLOGY

This research used a mixed method design, gathering and analyzing data using both quantitative and qualitative techniques (Creswell & Tashakkori, 2007). In contemporary times, the practice of using both qualitative and quantitative methodologies

in research, has gained popularity (Bryman, 2006). This is mostly due to the recognition that employing a mixed method design may provide extensive and nuanced data, hence facilitating the attainment of research goals and addressing research inquiries effectively.

The Quantitative component of this study used a descriptive research approach to answer the research question pertaining to the assessment of the level of compliance among the three Highly Urbanized Cities, namely: Quezon City, Manila City, and Pasay City rated based on the cumulative scores of three key pillars: Economic Dynamism, Government Efficiency, and Infrastructure Resiliency and Innovation. The foregoing are the procurement processes with which they were assessed: Preparation and Initial stages, Post-Evaluation and Contract Preparation, Contract Implementation, and Issues and Challenges of the Procuring Entity. To accomplish this objective, the researchers used a questionnaire developed specifically for the study, which had completed a rigorous validation procedure.

On the other hand, the qualitative component of the study used the Key Informant Interview (KII) technique, which included conducting in-depth interviews. Alongside this, transcripts of interviews have been collected and thematically analyzed. The research study collected research inquiries about the concerns and obstacles faced by the aforementioned cities, as well as the potential strategies for implementing the complete procurement process. According to USAID (1996), interviewers engage in the spontaneous framing of questions, actively seek further information via probing, and make note of the responses, which are then expanded upon at a later stage.

Population, Sample Size, and Sampling Technique

A stratified sample technique has been used to assess the compliance of the cities, drawing proportion number of bidders in the identified three (3) Highly Urbanized Cities. To assess compliance among these cities, researchers invited 50 bidders to respond to a researcher-developed questionnaire that has undergone validation.

Description of Respondents

To assess the degree of compliance among the HUC, namely Quezon, Manila, and Pasay, researchers invited a sample of fifty (50) bidders to respond to a researcher-made questionnaire that had undergone validation. Additionally, included within the aforementioned instrument was the latter component, which aimed to address quantitative research inquiries about the issues and challenges experienced by the bidders.

Meanwhile, a non-probability sampling method of convenience sampling was employed on the research question assessing the issues and challenges encountered by the procurement implementers. Due to the bulk of work in every procurement office, availability of time, and willingness to participate in this study, the researchers invited twenty (20) workers in each city to participate in the study. The researchers asked these participants to assess a researcher-made questionnaire that had undergone validation. These individuals were then administered a researcher-developed questionnaire that had been previously verified, utilizing a distinct set of questions tailored specifically for them.

The qualitative portion of the research included a purposive selection of six (6) officials from Quezon City, Manila City, and Pasay City who are responsible for overseeing the procurement process in their respective Local Government Units. Three (3) of them served as the Chairpersons of the Bids and Awards Committee, while the remaining three (3) individuals were female Local Chief Executives of the aforementioned cities. Regrettably, the aforementioned Local Chief Executives (LCEs), who hold the position of Heads of the Procuring Entities (HoPE) as mandated by the procurement law, did not participate in the interview, despite repeated attempts by the researcher via their respective Executive Secretaries.

In the meantime, the researchers received endorsement from the Heads of Procurement Entities (HoPE) to interview their respective Bids and Awards Committee (BAC) chairpersons. This is because, in addition to the HoPE, the BAC chairpersons have direct oversight over the procurement process and possess discretionary authority to determine the success or failure of a potential bidder. Fortunately, three chairpersons were able to participate in the Key-Informant Interview (KII) and provide confirmation to the researcher on the perspectives of their clients (bidders) on difficulties, obstacles, and the compliance of their cities with the procurement law.

Before the interview, the researchers secured the consent of the Local Government employees as implementers and the Head of the Procuring Entities (HoPE). Informed consent forms were signed by the participants before answering the conduct of the Key Informant Interview (KII). In line with the health and safety protocols, the researchers may utilize an online platform to conduct Key Informant Interviews.

RESULTS AND DISCUSSIONS

The following presents the results, analysis, and interpretation of the data gathered from the answers to the questionnaires distributed. The data were presented in tabular form based on the specific questions in the problem statement.

1. Compliance of the Three (3) Highly Urbanized Cities in Metro Manila, namely Makati City, Quezon City, and Pasay City, with the entire procurement process.

Table 1
Preparation and Initial Stages of the Procurement Process

Description	Quezon City		Manila City		Pasay City		Composite	
	WM	VI	WM	VI	WM	VI	WM	VI
1.2.1. Technical Specification is generic, fit for all prospective bidders, and evident in the Terms of Reference of the requested project.	2.96	C	3.16	C	2.94	C	3.02	C
1.2.2. Requested project is reasonable in its mark-up and did consider the volatility of market price.	3.32	C	3.38	C	3.25	C	3.32	C
1.2.3. Bidding Documents and other related documents to the posted project are always readily available upon posting of the Invitation of Bids.	3.28	C	3.24	C	3.39	C	3.30	C
1.2.4. Procuring Entity recognized the right and privileges of one supplier being the “sole exclusive distributor” in a particular project.	3.22	C	3.14	C	2.94	C	3.10	C
1.2.5. The Pre-Procurement process is being done to determine the veracity of the requested project.	3.18	C	3.28	C	3.25	C	3.24	C
1.2.6. The requested project is present in the PPMP of the end-user and the consolidated APP of the procuring entity approved by the Sangguniang Panglunsod.	3.08	C	3.04	C	3.39	C	3.17	C
1.2.7. Invitation to Bids is posted on the PhilGEPS and other conspicuous places.	3.20	C	3.22	C	3.27	C	3.23	C

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Description	Quezon City		Manila City		Pasay City		Composite	
	WM	VI	WM	VI	WM	VI	WM	VI
1.2.8. Pre-Bid Conference is being held by the procuring entity to address the concerns of the prospective bidders.	3.26	C	3.42	C	3.12	C	3.27	C
1.2.9. The procuring entity is responsive to the Motion for Clarification coming from the prospective suppliers.	3.34	C	3.32	C	3.35	C	3.34	C
1.2.10. The procuring entity issues the minutes of the Pre-Bid conference and/ or Bidding Conference upon receipt of the written request from the bidders or observers.	3.20	C	3.12	C	3.04	C	3.12	C
1.2.11. For transparency purposes, there are observers present in the Pre-Bid and Bidding Conferences.	3.26	C	3.22	C	3.31	C	3.26	C
1.2.12. The BAC Committee observes quorum before they start the Pre-Bid and Bidding Conference.	3.38	C	3.44	C	3.31	C	3.38	C
1.2.13. Stricter implementation of the two-envelope system during the Bidding Conference is evident in the procuring entity.	3.12	C	3.12	C	3.31	C	3.18	C
1.2.14. Collusion between the procuring entity and the bidders is evident.	3.36	C	3.28	C	3.27	C	3.30	C
1.2.15. Non-Discretionary criteria of “Pass” or “Fail” is being implemented strictly by the BAC Committee.	3.28	C	3.44	C	3.33	C	3.35	C
Total	3.23	C	3.25	C	3.23	C	3.24	C

Legend: **WM** - Weighted Mean

HC - Highly Compliant (3.5- 4.00)

C - Compliant (2.50 – 3.49)

SC - Somewhat Compliant (1.50-2.49)

NC - Not Compliant (1.00-1.49)

In general, the three (3) cities were found to be “compliant” for the preparation and initial stages of the Procurement Process. This implies that Highly Urbanized Cities adhere to procurement protocols. In their study, Castillo and Gabriel (2020) emphasize the significance of quorum and attendance of members of the Bids and Awards Committee (BAC) in each stage of the procurement process. This ensures that all BAC members are present to collectively make decisions regarding the project. Additionally, it promotes transparency by fostering openness and consensus among BAC members regarding the procurement rules that should be adhered to. The aforementioned discovery aligns with the fundamental tenets of government procurement, which prioritize the values of transparency, competitiveness, accountability, and public monitoring as outlined in the Local Government Units Procurement Manual of 2014.

Table 2
Post-Evaluation Stage and Contract Preparation

Post-Evaluation Stage and Contract Preparation	Quezon City		Manila City		Pasay City		Composite	
	WM	VI	WM	VI	WM	VI	WM	VI
1.3.1. The Technical Working Group (TWG) always conducts a Post-Qualification process with the Lowest Calculated and Responsive Bidder (LRCB).	2.94	C	3.12	C	2.94	C	3.00	C
1.3.2. The TWG inspects the office of the LRCB and looks for the original copy of the submitted documents of the latter during the Opening of the Bids.	3.28	C	3.30	C	3.25	C	3.28	C
1.3.3. The TWG conforms with the prescribed time frame as to the Post-Qualification process with the LRCB and submits its report before the BAC immediately.	3.28	C	3.24	C	3.39	C	3.30	C
1.3.4. The TWG through the BAC Secretariat informs the LRCB whether they pass or fail during the Post-Qualification process and explains the following processes.	2.96	C	3.16	C	2.94	C	3.02	C

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Post-Evaluation Stage and Contract Preparation	Quezon City		Manila City		Pasay City		Composite	
	WM	VI	WM	VI	WM	VI	WM	VI
1.3.5. In terms of the Payment Agreement, the mandated progress billing and 15% mobilization fee are always incorporated in the contract.	3.32	C	3.38	C	3.25	C	3.32	C
1.3.6. Procuring Entity strictly requires a performance bond for every project.	3.28	C	3.24	C	3.39	C	3.30	C
1.3.7. Procuring Entity ensures that every contract that it enters has been reviewed and scrutinized by the Legal Affairs Office or its similar office.	3.22	C	3.14	C	3.27	C	3.21	C
1.3.8. Procuring Entity ensures that there is a proper justification and channeling for the need for a change of order.	3.18	C	3.28	C	3.12	C	3.19	C
1.3.9. Procuring Entity ensures that it follows other pertinent laws related to goods, services, and infrastructure, hence, incorporating it in the contract.	3.06	C	3.00	C	3.35	C	3.14	C
1.3.10. Liquidated damages and other similar forms of penalties are incorporated in the contract to ensure strict compliance with the agreement.	3.20	C	3.22	C	3.04	C	3.15	C
1.3.11. Payment of honorarium to the BAC conforms with the set regulation from the concerned agencies.	3.28	C	3.46	C	3.31	C	3.35	C

Post-Evaluation Stage and Contract Preparation	Quezon City		Manila City		Pasay City		Composite	
	WM	VI	WM	VI	WM	VI	WM	VI
1.3.12. BAC Secretariat secures the needed documents before forwarding it to the authorized officials for the signing of resolutions, contract and other needed similar documents.	3.34	C	3.32	C	3.31	C	3.32	C
1.3.13. The Procuring Entity through its BAC Secretariat, maintains an active email address, telephone number, and other similar platforms for the smooth-sailing transaction with prospective bidders.	3.24	C	3.20	C	3.31	C	3.25	C
1.3.14. The Procuring entity emphasizes the possibility of abandonment of the contract after receipt of the 15% mobilization fee. Thus, resulting in the blacklisting of the bidder.	3.28	C	3.26	C	3.27	C	3.27	C
1.3.15. The Procuring entity denies requests of sub-contracting of a contract that would result to sub-standard quality of work.	3.38	C	3.44	C	3.33	C	3.38	C
Total	3.22	C	3.25	C	3.23	C	3.23	C

Legend: **WM** - Weighted Mean
HC - Highly Compliant (3.5- 4.00)
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Table 2 presents the result on whether the LGUs complies in the Post-Qualification Stage and Contract Preparation or not. By using these resources, a comparison study demonstrates that the composite scores of all three cities were categorized as “compliant” according to the verbal interpretation. This indicates a praiseworthy commitment to the post-evaluation and contract preparation protocols within these metropolitan regions, hence validating the significance of this stage in public procurement.

The significance of adhering to post-evaluation and contract preparation processes is underscored in the research done by the Asian Development Bank Institute report in 2021. This is especially relevant when analyzing procurement patterns in three prominent Asian cities. These cities often adhere to established procedures due to their strong institutional capability, well-developed legislative framework, and effective supervision systems.

Table 3
Contract Implementation

Contract Implementation	Quezon City		Manila City		Pasay City		Composite	
	WM	VI	WM	VI	WM	VI	WM	VI
1.4.1. Procuring Entity ensures proper enforcement of the contract.	3.14	C	3.16	C	3.37	C	3.22	C
1.4.2. Procuring Entity takes actions against ghost, simulated, or short delivery of items purchased.	2.96	C	3.16	C	2.94	C	3.02	C
1.4.3. Procuring Entity strictly implements non-payment to contractor/s with incomplete construction or delivery.	3.32	C	3.38	C	3.25	C	3.32	C
1.4.4. The BAC Secretariat makes sure that documents are properly secured before it will be forwarded to the inspection committee for the post-audit related processes.	3.28	C	3.24	C	3.39	C	3.30	C
1.4.5. The Supply and Property Management Office carefully checks and audits the delivery of requested items to see if these conform with the specifications.	3.22	C	3.14	C	3.27	C	3.21	C
1.4.6. Paying the previous year's obligation out of the current year's appropriation.	3.18	C	3.28	C	3.12	C	3.19	C

Contract Implementation	Quezon City		Manila City		Pasay City		Composite	
	WM	VI	WM	VI	WM	VI	WM	VI
1.4.7. The request of the suppliers for the delivery extension is properly coordinated with the concerned offices for approval.	3.10	C	3.08	C	3.35	C	3.18	C
1.4.8. The Procuring Entity enforces strict collection of liquidated damages and other similar obligations of suppliers for the delays in the delivery.	3.20	C	3.22	C	3.04	C	3.15	C
1.4.9. The Procuring Entity does not collect unnecessary fees which are not part of the legal fees enumerated in their Citizen’s charter.	3.28	C	3.46	C	3.31	C	3.35	C
1.4.10. The audit report for the physical inventory of supplies and materials is being forwarded to concerned offices such as but not limited to: the Office of the Mayor, Internal Audit Services, and BAC.	3.34	C	3.32	C	3.31	C	3.32	C
1.4.11. After a careful investigation, the Procuring Entity sends a formal notice of Contract Termination to suppliers, once the latter fails to deliver.	3.24	C	3.20	C	3.31	C	3.25	C
1.4.12. The Procuring Entity strictly monitors the delivery of items or infrastructure works for the possibility of sub-contracting.	2.96	C	3.16	C	2.94	C	3.02	C

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Contract Implementation	Quezon City		Manila City		Pasay City		Composite	
	WM	VI	WM	VI	WM	VI	WM	VI
1.4.13. The Procuring Entity approves the request for a delivery extension for valid and justifiable reasons.	3.32	C	3.38	C	3.25	C	3.32	C
1.4.14. The Procuring Entity, after a mutual agreement for a modification has been agreed upon due to circumstances allowed in law, acts on the said concern promptly.	3.28	C	3.24	C	3.39	C	3.30	C
1.4.15. The Procuring Entity ensures that it follows with the required procedures before it proceeds with repeat order, if necessary.	3.22	C	3.14	C	3.27	C	3.21	C
Total	3.20	C	3.24	C	3.24	C	3.23	C

Legend: **WM** - Weighted Mean

HC - Highly Compliant (3.5- 4.00)

C - Compliant (2.50 – 3.49)

SC - Somewhat Compliant (1.50-2.49)

NC - Not Compliant (1.00-1.49)

Table 3 presents the level of adherence to Contract Implementation by the three highly urbanized cities, namely: Quezon City, Manila City, and Pasay City. Based on the data, it can be seen that the average scores for all three cities, as well as their composite score, indicate a degree of compliance that may be interpreted as “compliant” in terms of adherence to procurement standards.

As previously indicated, the table provided an assessment of the contract implementation phase within the procurement procedures of Quezon City, Manila City, and Pasig City. The proper execution and administration of contracts is a crucial element in the field of public procurement. This guarantees that the suppliers, contractors, or consultants fulfill the agreed-upon deliverables (ADB, 2021). The process of contract implementation encompasses a range of tasks, including the monitoring of performance, the enforcement of compliance, the initiation of measures against subpar delivery, and the assurance of punctual payment (World Bank, 2021).

2. Issues and challenges encountered by the following group of people involved in the procurement processes of the Three (3) Highly Urbanized Cities by Suppliers and Procurement Implementers.

Table 4
Issues and Challenges by the Procuring Entity

Issues and Challenges	Quezon City		Manila City		Pasay City		Composite	
	WM	VI	WM	VI	WM	VI	WM	VI
The winning bidder delivers substandard items/ equipment.	3.18	Often	3.28	Often	3.12	Often	3.19	Often
The management fails to allocate funds for every project they undertake.	3.10	Often	3.08	Often	3.35	Often	3.18	Often
Non-submission of a performance bond by the winning bidder that causes tarriance in the speedy process of procurement.	3.20	Often	3.22	Often	3.04	Often	3.15	Often
Other offices such as, but not limited to Accounting, Internal Audit Services, and HoPE, take too much time in checking and approving the internal documents needed in the procurement process.	3.28	Often	3.46	Often	3.31	Often	3.35	Often

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Issues and Challenges	Quezon City		Manila City		Pasay City		Composite	
	WM	VI	WM	VI	WM	VI	WM	VI
The lack of qualified manpower in the Bids and Awards Committee hampers the speedy processes of procurement.	3.34	Often	3.32	Often	3.31	Often	3.32	Often
Collusion between employees and other suppliers.	3.24	Often	3.20	Often	3.31	Often	3.25	Often
Too many bureaucratic processes.	3.28	Often	3.26	Often	3.27	Often	3.27	Often
Creating purchase orders based on erroneous procurement data.	3.38	Often	3.44	Often	3.33	Often	3.38	Often
Absence of proper market study, thus, leading to failure of bidding.	3.14	Often	3.16	Often	3.37	Often	3.22	Often
Lack of feedback performance report from the Supply and Property Management Office.	3.36	Often	3.28	Often	3.24	Often	3.29	Often
Total	3.25	Often	3.27	Often	3.27	Often	3.26	Often

Legend: **WM** - Weighted Mean

A - Always (3.5- 4.00)

O - Often (2.50 – 3.49)

S - Sometimes (1.50-2.49)

N - Never (1.00-1.49)

This chart presents an assessment of the frequency at which suppliers meet different concerns and obstacles throughout the procurement procedures of Quezon City, Manila City, and Pasay City. Based on the aggregate scores, it can be seen that all three cities, as well as their composite score, are categorized as ‘Often’.

Also, it exhibits the failure of the successful bidder to provide a performance bond, resulting in delays in the expeditious procurement process. This observation suggests a shared frequency of obstacles, since none of the specific concerns scored lower than the midpoint (2.5) on the Likert scale, showing their frequent recurrence (Chyung et al., 2018).

Table 5
Issues and Challenges encountered by the bidders

Issues and Challenges by the bidders	Quezon City		Manila City		Pasay City		Composite	
	WM	VI	WM	VI	WM	VI	WM	VI
The delivery period cannot be met since there are external variables which are beyond the control of the company.	3.50	A	3.15	O	3.15	O	2.45	S
Unnecessary procedures in the part of the Procuring Entity hamper the smooth-sailing process of competition.	3.50	A	3.35	O	3.35	O	2.55	O
Red-Tape is evident in the Procuring Entity.	3.50	A	3.15	O	3.15	O	2.45	S
Bidding Documents cannot be easily accessed by the prospective bidders.	2.20	S	2.80	O	2.60	O	1.90	S
Terms of Reference of the posted projects is locked-in to a particular supplier which defeats the purpose of competition.	3.50	A	3.05	O	3.05	O	2.40	S
Allowing poor quality for lower costs.	2.40	S	2.25	S	2.45	S	1.78	S
Providing unclear and specifications and bidding requirements.	2.40	S	2.10	S	2.30	S	1.70	S
Not fully understanding supplier capabilities.	2.40	S	2.10	S	2.30	S	1.70	S
Lack of transparency	2.40	S	2.10	S	2.30	S	1.70	S
Collusion between the procuring entity and other suppliers.	2.40	S	2.10	S	2.30	S	1.70	S
Total	2.82	O	2.62	O	2.70	O	2.04	S

Legend: **WM** - Weighted Mean

A - Always (3.5- 4.00)

O - Often (2.50 – 3.49)

S - Sometimes (1.50-2.49)

N - Never (1.00-1.49)

The presented table illustrates the perceived frequency of different concerns and obstacles faced by suppliers during the procurement procedures in Quezon City, Manila City, and Pasay City, which are recognized as the three (3) highly urbanized cities.

In general, the frequency of the three (3) cities indicates an “often” verbal interpretation. It can be concluded here that there are three (3) main reasons for the result. The first issue pertains to a limited comprehension of the skills possessed by suppliers. The second issue involves a deficiency in transparency. The third issue relates to the occurrence of collusion between the procurement body and other suppliers. The results emphasize the need for ongoing endeavors to improve and optimize the effectiveness and openness of procurement procedures in large metropolitan areas, eventually yielding advantages for the public sector, suppliers, and the broader community.

3. Addressing the issues and challenges in the government procurement law by Metro Manila cities

Theme 1. Gray areas in the Procurement. One of the prominent themes in the field of procurement is the existence of gray areas. These gray areas refer to situations or aspects that lack clear guidelines or definitions, leading to ambiguity and potential challenges in the procurement process. The presence of gray areas in procurement may arise from several factors, such as evolving regulations, and complex supply chains, and the study topic focuses on the concerns and obstacles experienced by the informants during the application of procurement legislation. The theme that emerged from this investigation is the presence of “Gray areas in the Procurement.” This implies that the informants chosen for the study had challenges throughout the implementation process. One source responded that there exist some ambiguous aspects while examining R.A. 9184, also known as the Procurement Law, and its provisions may be subject to varying interpretations. From a legal standpoint, the entity responsible for the interpretation and clarification of matters about this subject is the Government Procurement Policy Board (GPPB). Each project requested by the end-user is considered on an individual basis, as also corroborated by the response provided by one of the participants in this survey.

About the UNDP’s Good Governance idea in the 1980s, specifically on the openness of government transactions, it posits that transparency enhances economic efficiency and enhances the investment climate by addressing corruption and related activities.

Theme 2. Proactive Measures and Capacitation of the Bids and Awards Committee

Cities use a proactive strategy by reminding end users in advance. Secondly, they are very mindful of issuing alerts. The channels of communication, such as emails and memoranda, have been effectively established. It is necessary to ensure that they are notified, and we have already mandated that they have a designated permanent representative per end user, with a minimum of two, and in some cases, three workers. This is to ensure that in the event of a large department, contact is not lost and discussions can continue without interruption. The proactive actions being adopted by the Quezon City government seem to contribute to the enhancement of their efficiency and effectiveness. It reflects their level of familiarity with the intricate procedures of procurement that often perplex the majority of department heads (end-users). By notifying the relevant authorities and/or personnel about the procurement process timetable, individuals fulfill the legal obligation to provide advance notice to these individuals.

However, the informant from Manila City emphasized that the situation is not considered a significant issue, but rather a challenge. Consequently, they take measures to thoroughly examine and adhere to the provisions of RA 9184 and its Updated Implementing Rules and Regulations. Similarly, we ensure that we stay updated with the most recent promulgations and issuances of the Government Procurement Policy Board (GPPB). This will ensure that the agency is consistently informed of any changes in policy direction and/or procedures about the procurement law. The aforementioned policy revisions highlight the GPPB's ongoing efforts to explore strategies for complying with the elimination of bureaucratic processes and the Anti-Red Tape statute.

Therefore, the aforementioned actions carried out by the informants stated above align with the efficiency and effectiveness standards outlined in the Good Governance Concept of the United Nations Development Programme (UNDP) in the 1980s.

Theme 3. Giving highlights on the Procurement Planning. In the question about how procurement offices respond to issues and problems, the dominant theme is giving highlights on Procurement Planning. As the cliché goes, the level of preparation determines the level of success. In this portion, participants answered that they give utmost importance to their planning stage for the reason that it would be the heart of their overall transactions in the succeeding year. One participant emphasized, *“Procurement planning kasi should happen bago mo i-lobby ang budget mo in terms of process syempre bubuo ka ng plans, programs, projects for an end users perspective. Then lalatagan mo sya ng proposed budget mo, pero syempre depende yan sa mandate ng end users.”* This was supported when the informant from Pasay City answered the same question, *“Last year we started our procurement forum so we have a series actually of lecturers, on how to prepare your PPMP your APP and it has to jive with each other.”* These answers gave a strong message to all other agencies that a well-planned project would lead to success.

Correlating it with the concept of the Good Governance of the UNDP in the 1980s about strategic vision, this goes to show that government agencies should take measures to get themselves ready even in the first phase of procurement—which is planning.

Theme 4. Capacity of Employees. In response to the inquiry regarding the assistance provided by the Local Government Unit (LGU) to the procurement office in addressing issues and problems, one informant expressed that they prioritize various measures such as training, capacitation, provision of necessary materials, and supportive personnel. This indicates that the City Mayor places importance on enhancing the skills and abilities of employees, consequently leading to improved job performance.

This entails ensuring that the Bids and Awards Committee, particularly those entrusted with discretionary authority, has a comprehensive understanding of the aforementioned legislation. In addition, the aforementioned viewpoint is further substantiated by the other informant saying “I believe that facilitating a procurement forum would serve as an appropriate platform for discussing procurement concerns. The mayor is highly receptive to this idea, as well as the provision of training opportunities for our personnel, particularly department heads.” The level of assistance we are now getting seems to be satisfactory, and it is worth noting that the mayor has expressed significant support for our efforts.

Aligned with certain principles of good governance, the implementation of this measure by the aforementioned cities on their procurement personnel and officials may be attributed to the pursuit of effectiveness and efficiency, accountability, and strategic vision.

4. Implementation of the whole Procurement process by Metro Manila Cities

Theme 5. Project Management by the Annual Procurement Plan (APP). This specific topic pertains to the management of projects included in the Annual Procurement Plan. It involves examining the whole process and evaluating it to provide appropriate suggestions. One of the informants said, “Yung aming department Kasi jurisdictionally pag na issue na namin notice to proceed, normally Wala na kami bahala na si proponent and end users na mag implement.” This means that they respect the boundaries set forth by the law and course through every concern which is not part of the ambit of their jurisdiction to the concerned office/s. This has been supported by the other informant saying, “Because of the efforts of the hardworking people assigned in the procurement division, I could say that we always manage to provide what is included in the Annual Procurement Plan for the City. Hence, I could say that it is quite successful.” This highlights the need to effectively manage the workload and activities within the procurement sector. To address the issue of limited manpower within the procurement division for each project, it is important to establish distinct demarcation lines and distribution of work among all staffs involved.

Theme 6. COVID-related problems and Unqualified opinion of the Commission on Audit. In the question about the identified strengths and weaknesses of the Local Government Unit, the most dominant theme is about COVID-related problems and having an Unqualified opinion of the Commission on Audit. One of the informants even narrated his experience during the first months of pandemic and said, *“Yeah, syempre yung unang buwan talaga lockdown Wala Kang magagawa but paisa isa Yung guidelines na lumalabas on the national, unang una nag rely Muna kami sa emergency procurement. May gap yun tapos Wala pwedeng lumabas, tapos tsaka palang nagkaroon Ng declaration public health emergency within those gaps medyo kapaan yun.”*. This means that the pandemic has brought a lot of changes in terms of the manner of the stipulated procedural processes in procurement. One example of this is when agencies shifted their transactions and processes from a traditional way to now online platform and hybrid set-up.

The aforementioned transition of government organizations to online and hybrid configurations has been present in the market for a considerable duration. The statement aligns with Christopher Hood’s Theory of Marketization within the framework of New Public Management (NPM) introduced in 1991. This theory seeks to enhance the efficiency and accountability of public services by granting customers more options for service providers.

Theme 7. Proper Coordination and early preparation of the PPMP and APP.

About the study inquiries on the Local Government Unit’s procurement implementation plan, all participants were able to identify the significance of procurement planning and effective collaboration with the City Planning Department. Indeed, one of the sources explicitly said, *“Tinitignan namin in coordination with the City planning department, kasi napansin namin when we nung nag assumed kami dito yung mga strategic plans and programs; sa LGU kasi parang merong yung medium term plan usually binabangga yan kung ano yung agenda ng mayor laa-line mo sya usually 5-year plan tapos tinutuloy tuloy mo nalang as you can see kung ano yung pupuntahan, saan man Magiging deficiency so on and so forth.”*

The responses provided by the informants primarily center on many key principles of the Good Governance Approach, including those related to participatory decision-making, consensus building, governmental accountability, transparency, and responsiveness.

Theme 8: Preliminary Procurement Initiatives and the Implementation of a Hybrid Procurement Approach. The inquiry into the execution of the earliest phases of procurement included the mention of the Early Procurement Activities as one of the customary practices observed by the cities providing information, alongside the Hybrid Set-up of procurement activities. These solutions are based on the notion that government entities should adhere carefully to the stipulated procurement timetable.

According to one of the informants, *“We do early procurement activity. Nag ti-trigger yan pag nasubmit na namin yung executive budget sa approving bodies which is sanguniang panglungsod. Once Cities triggered and na finalize na yung budgets scrutiny and approval ng mag oopen na ang early procurement activity. Yung mga priority na Ine-EPA or Early Procurement Activity are those services and programs needed to be active come January 1 of the following year”*. This was supported when the informant from Manila City answered the same question saying, *“Like any other procurement unit, there is a Pre-Procurement Conference for projects with an approved budget of Php2,000,000.00 and above before posting the project in the PhilGEPS. However, for small value procurement, we go straight with the Pre-Bid Conference. After which we set another date for the Bid Opening.*

A new arrangement for the succeeding procurement activities is referred to as a hybrid model. This will also underscore the extent to which government agencies embrace private-sector management practices to enhance governance efficiency and effectiveness.

Theme 9: The Utilization of Online Document Verification in the Post-Qualification Process. The primary focus of the inquiry is the implementation of the Post-Qualification stage by the BAC-TWG, specifically with regards to the evaluation and verification of the bidder’s papers supplied at the Bid Opening. The prevailing notion that has been emphasized is the use of online methods for validating the submitted documents. One of the informants said, *“Certainly, there are demonstrations conducted before the process, allowing us to observe the offerings they provide.”* It is not acceptable to engage in a dive and thereafter get an inferior offer; we must continue to engage in physical activity. The process of document verification has become more convenient due to the increasing number of online agencies. Unlike in the past when communication was mostly done via email or written correspondence, the verification process has now become faster and more efficient. However, it is worth noting that there are instances whereby some organizations may send emails but do not respond, and in certain cases, they may be contacted via phone calls or visited in person

The actions taken by the informants in this specific instance demonstrate their commitment to adhering to the concept of Transparency, as outlined in the Good Governance Concept by the United Nations Development Programme (UNDP).

CONCLUSIONS

Based on the summary, the following conclusions were drawn:

1. For the preparation and initial stages of procurement, data revealed that Metro Manila Cities are all compliant, especially in constituting a quorum before any procurement-related activities start. Also, these cities poised the lowest scores for the criteria involving generic Terms of Reference, meaning that this area should be looked at and improved.

2. It is concluded that the Post-Qualification process being conducted by the Metro Cities is not that strict, hence defeating the very purpose of the said phase for verification and validation of all statements made and documents submitted by the Lowest Calculated Bidder (LCB) during the Bid Opening, as well as the offered items and equipment needed to conclude the project.

3. The researchers concluded that LGUs use proactive measures to cope with the issues and challenges in procurement and also ensure that budgetary documents are all intact. Hence, this implies that they are all “compliant” with the procurement law.

4. The researchers concluded that LGUs implement their procurement law by strictly ensuring that all procurement activities have undergone the rigid screening process made by procurement officials and employees. They also highlight technology integration as their advantage in complying with the process of the procurement.

5. The researchers concluded that the best practices of Metro Manila cities center on streamlining bureaucratic processes, true to the principles of efficient and effective governance.

RECOMMENDATIONS

Based on the summary and conclusion, the following are recommended:

1. The LGUs can consider holding an annual stakeholder conference as part of the participatory governance, tackling the updates on the market prices and specifications. This can also be followed up by parallel sessions for the annual training of all employees regarding the development of effective and comprehensive Terms of Reference.

2. The Bids and Awards Committee can consider collaboration with the bidders in streamlining the procurement process, which is part of the Good Governance approach. This would ease the prospective bidders in transacting with the government.

3. In response to Transparency and Integrity in the Local Government Units (LGUs), the latter can consider increasing the request for plantilla positions for procurement-related jobs. This will lead to getting the most qualified applicants, who possess both expertise and indisputable integrity while maintaining transparency in the process.

4. Applying the principles of Good Governance such as effectiveness and efficiency, the Office of the President through the Government Procurement and Policy Board can craft policies empowering the use of technology in all procurement activities. Meanwhile, they can consider exempting those agencies situated in far-flung areas with difficulty in internet access as certified by the Department of Information and Communications Technology.

5. Legislators can consider a significant proportion of the yearly budget allocated to ICT modernization initiatives as a strategic long-term investment. This investment aims to respond to one of the principles of Good Governance which is intergenerational equity that secures online procurement platforms and cost-efficiency for suppliers and procurement agencies.

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