

Good Governance: The UNP Experience

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ABSTRACT

Maximization and wise use of financial resources in the University of Northern Philippines is undeniably critical to its operation. Greater and better quality of outputs are derived and the university become doubly productive.

The objective of this paper is to describe the development and management of infrastructure projects in UNP with emphasis on the allocation and utilization of financial resources for such projects. The study covers all infrastructure projects implemented under the administration of its president, Dr. Gilbert R. Arce in his attempt to make the university "A Global University Anchored on Excellence."

As part of the 10 Governance Initiatives of Pres. Gilbert R. Arce to attain Quality and Excellence, prioritization expenditures shall govern spending and judicious utilization of resources shall be ensured. Consultation and empowerment shall guide the process of policy formulation. As such, leadership with good governance shall be guided by the principle of transparency, responsiveness, consensus orientation, equity, economy, effectiveness and efficiency, accountability and strategic vision.

The University of Northern Philippines' good governance is epitomized by predictable, open, and enlightened policy making institution imbued with a professional ethos acting in furtherance of the public good, the rule of law, and transparent process.

This paper utilized the qualitative method of research and made use of the Program Project Management Plan, Annual Procurement Plan, Bids and Awards Committee documents and information, and data provided by the Directors of the University Planning Office, Finance Services Division, and Infrastructure Planning and Development Office of the University.

Keywords: Governance Initiatives, Transparent Process, Strategic Vision, Consensus Orientation, Economy, Efficiency and Effectiveness.

INTRODUCTION

The University of Northern Philippines holds the distinction of being the first state university in Northern Luzon. It was created through the enactment of Republic Act No. 4449 authored by the late Congressmen Floro S. Crisologo.

Today, the university has 14 colleges with 45 degree academic programs. Out of these academic programs, 41 are accredited by the Accrediting Agency for Chartered Colleges and Universities in the Philippines (AACCU)

Most government institutions today including Higher Academic Institution say that promoting good governance is an important part of the agenda. Former UN Secretary General Kofi Annan noted that “good governance is perhaps the most important factor in eradicating poverty and promoting development”.

The promotion and practice of good governance in Philippine Public Administration is deeply emphasized in the Code of Conduct and Ethical Standards for Public Officials and Employees. The Code mandates all Public Officials and Employees to be accountable to the people and shall discharge their duties with utmost responsibility, integrity, competence, lead modest lives and uphold public interest over personal interest. All government resources must be used efficiently, effectively, honestly and economically, particularly to avoid wastage in public funds and revenues. Public officials shall ensure openness of information and systematize policies, rules and procedures to promote accountability, integrity, competence and high standard of ethics in public service.

Republic Act No. 9184, otherwise known as the Government Procurement Reform Act, states that procurement in the government shall be governed by the principles of transparency, competitiveness, accountability, and public monitoring of the procurement process. All procurement shall be within the approved budget of the procuring entity and should be meticulously and judiciously planned.

From the point of view of UNDP, good governance is reflected in the following systems of managing organizations:

1. Participatory

This implies that anyone affected by or interested in a decision should have the opportunity to participate in the process for making that decision. Participatory characteristics of good governance can be done through consultation and information dissemination.

2. Accountability

Accountability is a fundamental requirement of good governance. Accountability requires an obligation to report, explain and be answerable for the consequences of decisions and actions done on behalf of the members it represents.

3. Transparency

This kind of governance requires people in the organization to know and understand the decisions or acts made and what information and advices including legal requirements were considered. It specifically demands openness in all the transactions of the organization.

4. Adherence to the Rule of Law

Rule of Law implies that acts and decisions made in an organization shall be in accordance to appropriate laws and are consistent with relevant legislations.

5. Equitable and Inclusive

This principle implies that all the members of the organization shall have the opportunity to taste the fruits of development and their interest should have been considered.

6. Responsive

This principle of good governance implies that actions, specifically program/projects/activities implemented by the institution, should serve the needs of all stakeholders.

7. Efficiency and Effectiveness

Actions and decisions should be made through the best use of available resources to ensure the best possible results for all stakeholders.

8. Strategic Vision

Good governance requires a clear and definite picture of what the organization aims to achieve and become in the years to come. This vision shall serve as the guide in managing the affairs of the organization.

In an effort to assert its position as one of the top universities in the Philippines and its desire to provide better quality of education, UNP is embarking into an aggressive development of its physical facilities hand in hand with its human resources. To attain this goal, President Gilbert R. Arce introduced his 10 Governance Initiatives towards Governance and Excellence as his guiding path in managing the university. These 10 Governance Initiatives are Maintenance of a) High Academic Standards, b) Fostering and Supporting Scholarly Activity and Creative Research, c) Impartiality of Judgments, d) Effectiveness of Systems, e) Accountability to stakeholders, f) Modernization of Facilities with Emphasis on ICT, g) Pristine Environment for a World-Class University, h) Boundless Linkages, i) Mainstream Gender and Development and Promotion, and j) Preservation of Cultural Heritage.

RESEARCH QUESTIONS AND OBJECTIVES

Generally, the study aimed to describe the best practices of the University of Northern Philippines in the implementation of its infrastructure projects. Specifically, it sought to answer the following questions:

1. How are the infrastructure projects of the university implemented in terms of:
 - 1.1 Planning
 - 1.2 Budgeting & Bidding
 - 1.3 Monitoring & Evaluation
2. How much cost incurred for the implementation of these infrastructure projects?

3. How these infrastructure projects were funded?
4. Were there savings generated from the implementation of these infrastructure projects?

METHODOLOGY

The research method used in the study is qualitative/descriptive research to investigate the what, where, who, and most importantly how these projects were implemented. Data were generated through interviews with the winning bidders and contractors, Budget Officer, Director for Financial Services, Director of University Planning and Information System Management Office, and Director of Infrastructure Planning and Development Office. Most importantly, project documents and other relevant legal documents were used to analyze the implementation of the infrastructure projects.

SCOPE AND DELIMITATIONS OF THE STUDY

The scope of the study is limited to 5 Infra projects implemented in January 8, 2012 to March 15, 2015 under the administration of Dr. Gilbert R. Arce. These 5 Infrastructure projects are the a) New Administration Building, b) Expansion of Gymnasium, c) UNP Hostel, d) UNP Grandstand and e) UNP Athletic Oval with total actual cost of Implementation amounting to Php112,899,271.26.

The UNP Experience

A. Infrastructure Projects

1. The UNP Administration Building

The administration building is a 3 storey building that houses 30 offices, 1 function hall and 2 conference rooms. The 1st three phases of the project were implemented under the administration of former president Dr. Lauro Tacbas and the last 6 phases until its completion were implemented by Dr. Gilbert R. Arce, the incumbent president. Due to the desire of Dr. Gilbert R. Arce to have the building be used as to “what it is intended for”, the design and program of works had undergone some changes. It has an approved budget contract of Php43,067,614.05 and the actual cost of implementation is Php39,103,545.52. The

building was funded by the use of income. The University was able to save an amount of Php3,964,068.83. In a visit to the university by Senator Teofisto Guingona III, he made the following remarks, **“KAYA PALA NG PHP43 MILLION ANG GANITONG KLASENG 3 STOREY BUILDING”**.



Front View of the Administration Building



Side View of the Administration Building

Table I Summary of the Approved Budget Contract and Actual Cost of Implementation of the Administration Building

Administration Building		APPROVED BUDGET CONTRACT	ACTUAL COST OF IMPLEMENTATION	AMOUNT SAVED
Dr. Tacbas Admin.	Phase I	Php 7,953,878.65	Php 7,281,532.44	Php 672,346.21
	Phase II	Php 2,500,000.00	Php 2,236,200.37	Php 263,799.63
	Phase III	Php 3,000,000.00	Php 2,606,649.52	Php 393,350.48
Dr. Arce Admin.	Phase IV	Php 4,830,917.87	Php 4,820,180.94	Php 10,736.93
	Phase V	Php 7,720,000.00	Php 7,259,353.41	Php 460,646.59
	Phase VI	Php 5,790,084.33	Php 4,926,688.17	Php 863,396.16
	Phase VII	Php 2,413,079.06	Php 2,184,760.14	Php 228,318.92
	Phase VIII	Php 6,751,146.26	Php 6,003,980.65	Php 747,165.61
	Phase IX	Php 2,108,507.88	Php 1,784,199.88	Php 324,308.00
TOTAL AMOUNT		Php43,067,614.05	Php39,103,545.52	Php3,964,068.53

2. Expansion of the University Gymnasium

The New UNP Gymnasium is designed to provide a basketball court, band and music room, Sepak Takraw, badminton and table tennis court, and fitness and dance studio. The project has an initial approved budget contract of Php9,721,082.22 and its actual cost of implementation is Php8,843,989,71. The new UNP Gymnasium is funded by the university use of income. The university was able to save an amount of Php877,092.51.



Front View of the On-Going UNP Gym

Table II. Summary of the Approved Budget Contract and Actual Cost of Implementation of the UNP Gymnasium

UNP GYMNASIUM	ABC	ACTUAL COST OF IMPLEMENTATION	AMOUNT SAVED
Phase I	Php2,916,369.11	Php2,565,052.51	Php351,316.60
Phase II	Php1,944,088.57	Php1,752,486.79	Php191,601.78
Phase III	Php1,944,256.05	Php1,659,962.09	Php284,293.96
Phase IV	Php2,916,368.49	Php2,866,488.32	Php 49,880.17
TOTAL AMOUNT	Php9,721,082.22	Php8,843,989.71	Php877,092.51

3. The University Hostel

The university hostel is a Vigan ancestral house-inspired 4 storey building. The 1st and 2nd floors of the building will house the mencahtronics and automotive laboratory of the college of Technology and the 3rd and 4th floors of the building is designed to provide dormitory type and regular suite rooms for university guests.



Table III. Summary of the Approved Budget Contract & Actual Cost of Implementation of the UNP Hostel

UNP HOSTEL	APPROVED BUDGET CONTRACT	ACTUAL COST OF IMPLEMENTATION	AMOUNT SAVED
Phase I	Php 7,492,257.64	Php 5,767,821.72	Php 1,724,435.92
Phase IA	Php 1,318,236.09	Php 988,582.20	Php 329,653.89
HRA/Entrep. Lab.	Php 40,271,325.50	Php 31,685,401.04	Php 8,585,924.46
TOTAL AMOUNT	Php 49,081,819.23	Php 38,441,804.96	Php10,640,014.27

From the data shown in Table III, the approved budget contract of the building is Php49,081,819.23 but the actual cost implementation is Php38,441,804.96. The university was able to generate a total savings of Php10,640,014.27.

Mr. Cirilo Lao, owner of Vigan Fortune Construction and the winning bidder of the project said “what is good in this administration is that the president emphasize honesty and transparency in the conduct of procurement activities and adapt the “hands off” policy during the bidding process and he never influence the BAC.”

4. University Grandstand

The approved budget contract of the university grandstand is Php12,498,744.90 but its actual cost of implementation is Php11,059,931.07, thereby creating a total savings of Php1,438,813.83.



UNP Grandstand

Table IV. Summary of the Approved Budget Contract & Actual Cost of Implementation of the UNP Grandstand

UNP GRANDSTAND	APPROVED BUDGET CONTRACT	ACTUAL COST OF IMPLEMENTATION	AMOUNT SAVED
Phase I	Php 3,888,740.72	Php 3,113,938.81	Php 774,801.91
Phase II	Php 1,944,216.93	Php 1,456,636.79	Php 487,580.14
Phase III	Php 5,269,855.20	Php 5,059,258.79	Php 210,596.41
Phase IV	Php 1,395,932.05	Php 1,430,096.68	Php (34,164.63)
TOTAL AMOUNT	Php12,498,744.90	Php11,059,931.07	Php1,438,813.83

5. University Oval Track and Field

The approved budget contract of the university oval is Php15,508,908.71 but its actual cost of implementation is Php15,450,000.00. The university has a total of Php58,908.71 savings from the oval, “to think that you are not given an allotment and it is difficult to get money from DBM...you still managed to put up things like these. You should share your practices to other president of SUC’s.”



The UNP Oval Track and Field

Table V. Summary of the Approved Budget Contract and Actual Cost of Implementation of the UNP Gymnasium

UNP GYMNASIUM	APPROVED BUDGET CONTRACT	ACTUAL COST OF IMPLEMENTATION	AMOUNT SAVED
	Php15,508,908.71	Php15,450,000.00	Php58,908.71
TOTAL AMOUNT	Php15,508,908.71	Php15,450,000.00	Php58,908.71

1. UNP STRATEGIC PLANNING PROCESS

Strategic Planning is a process by which the university can take charge of its future by asking the question “Where does the university want to go in the next 3 years?” and answering it in light of opportunities that the university sees on the horizon and existing strengths which will help us get there.

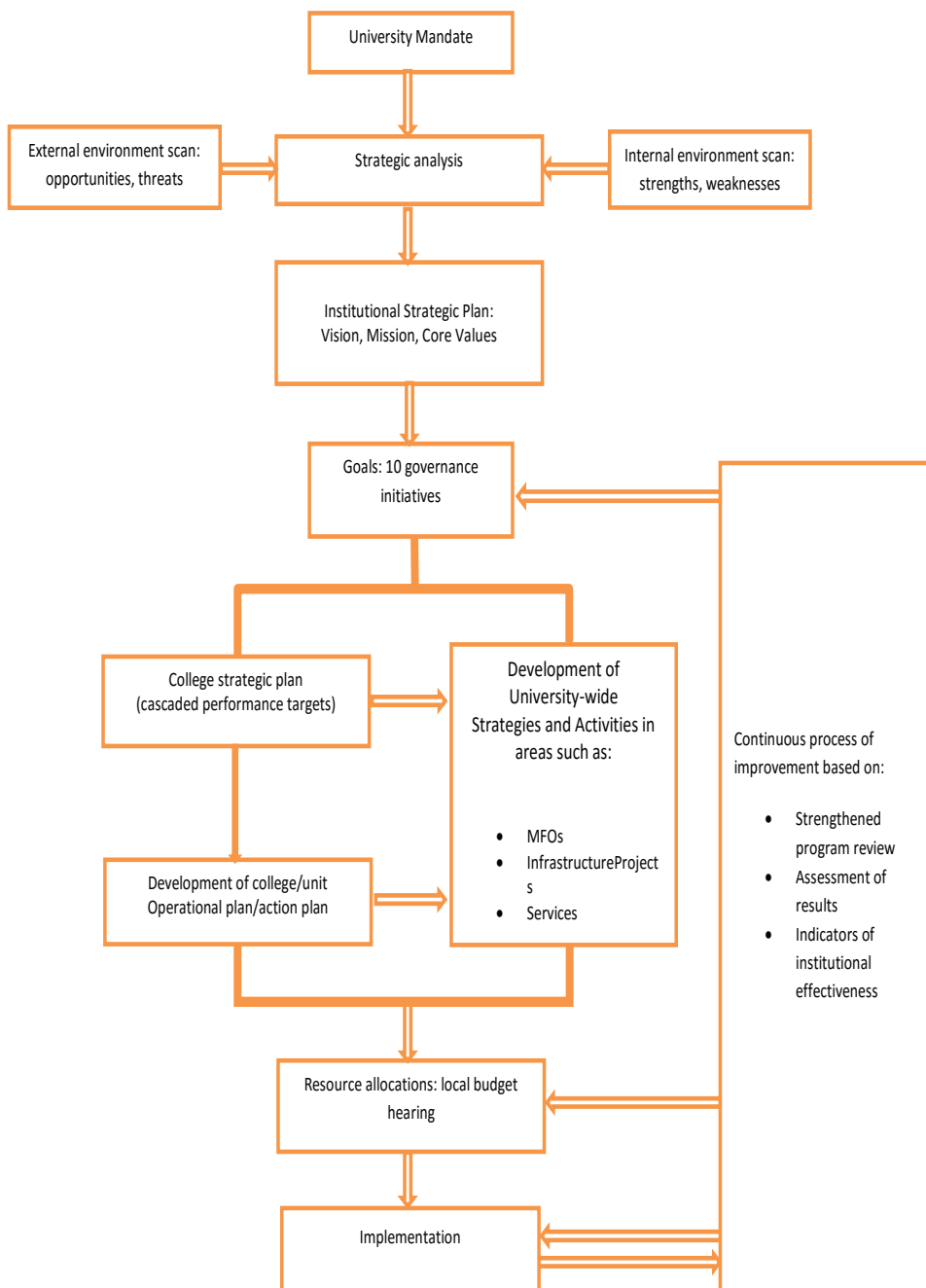
Process provides a framework within which the university community and its external stakeholders can exercise their shared responsibility for shaping UNP’s future. Each unit of the university seriously takes the responsibility, willingly come together to make difficult choices regarding direction and priorities and committed to work together to support those choices.

The strategic plan clarifies and affirm common vision, mission, focus on priority goals, layout strategies and activities, and the timetable by which these goals can be achieved, and suggest the on-going processes by which the university units and clients can participate in addressing the respective roles and responsibilities of programs, services and resources in working towards the university’s vision for the future.

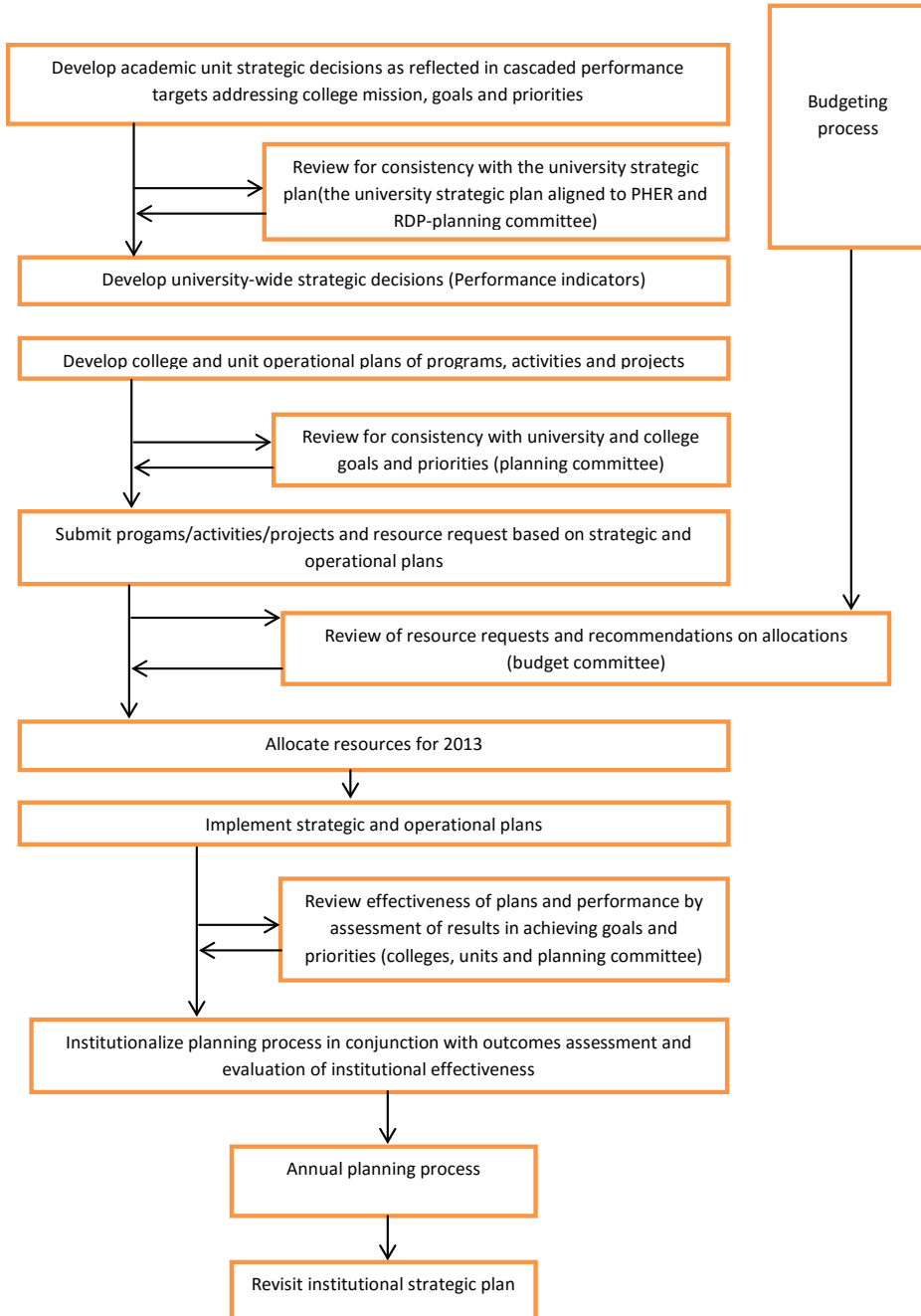
Development of the strategic planning process resulted from the following criteria:

1. Maintain a holistic view of the university rather than a collage of its component parts.
2. Design an open and participatory process to ensure communication and the input of all university stakeholders.
3. State clearly the purposes and intended outcomes of the planning process.

UNP STRATEGIC PLANNING PROCESS (Flow Chart)



INSTITUTIONAL STRATEGIC PLAN
(Flow Chart)



System to determine the Plans, Strategies, Activities and alignment of the APP of the different Academic and Non-Academic Units

Flow chart of procedures	Time frame	remarks
	June	<p>The performance indicators are congruent with the mission of the university as well as national and regional development goals and agenda.</p> <p>The performance indicators are prescribed by PASUC, CHED and DBM for SUC level IV</p>
<p>No corrections</p>	June	The cascaded performance targets contain the unit actual accomplishment of the previous fiscal year and the target accomplishment of the coming fiscal year distributed per quarter.
	July	The strategies and activities are aligned with the Performance Indicators.
	Sept	The basis of the APP by quarter is based from the activities identified in the cascaded
	Oct	<p>The ADHOC committee reviews, evaluates, assess and approve all entries of the unit on the cascaded, activities and APP.</p> <p>Based from the assessment, if there is no corrections/revisions, the ADHOC committee affix their signatures for approval which later on shall become the basis of measuring the performance of the unit.</p>
	Oct	The planning office collates all outputs to come out with the one- year development plan of the university and APP
	Nov	Submits the Development Plan of the University and Annual Procurement Plan for the incoming FY
	Every end of quarter of the incoming year	<p>The different unit must attain at least 90% of targets.</p> <p>Submission of accomplishment report by quarter to the planning office by the first week of the month after end of every quarter. Units perennially not meeting 90% of targets will be considered poor units and shall not be given incentives, privileges and benefits.</p>

UNP BUDGETING SYSTEM

Budgeting System. The University Budgeting System serves as the basis in the formulation, preparation, and execution of the University budget and funds. It shall provide the policies, guidelines, and procedures in the formulation of university budget proposal, the budget utilization and internal allocation of budgets and funds, the monitoring budget utilization reportorial vis-à-vis accomplishments and the university reportorial requirements in conformity with the General Appropriations Act (GAA) and the pertinent rules and regulations issued by the Department of Budget and Management (DBM), the Commission on Higher Education (CHED), the Commission on Audit (COA) and other oversight government agencies.

The Budget Framework. The Foundation of the Budgeting System of the University is anchored on Performance (OPIF), Results-Based Management Framework (RBMF) and Organizational Outcomes (OOs). The OPIF, RBMF and OOs, as bases of the University budgeting system, shall focus on the three (3) key objectives or outcomes, namely:

1. Fiscal Discipline - living within the means of resources available to the university operations.
2. Allocative Efficiency - spending on the right things or right priorities.
3. Operational Efficiency - obtaining the best value for the money or resources available.

Internal Budget Committee. The Internal Budget Committee (IBC) is composed of the President, all Vice Presidents, Director for University Planning and Information System Management Office (UPISMO), Director for Financial Services, Accountant IV, Budget Officer IV. The UPISMO Director and the Budget Officer IV shall serve as the secretariat. There shall also be provisional members such as, but not limited to, representative from Bid and Awards Committee (BAC) and BAC-TWG, Infrastructure Planning and Development Office (IPDO) Director, Property Officer IV, University Librarian and Chief Administrative Officers of the university is responsible in the crafting of specific policy guidelines to serve as basis in the conduct of internal budgeting and cascading

of performance targets involving all operating units. The committee is also in charge of the preparation of manuals, forms and guides to be used by the operating units in the preparation of their respective internal budget proposal and performance targets including the list of PAPs to be undertaken. It acts as the panel in the budget hearing during the internal budgeting hearing and cascading of performance targets.

Formulation of the University Budget Proposal. The Budget Office in coordination with the University Planning and Information System Management Office is tasked to prepare and formulate budget proposal in adherence to GAA, Budget Call and other pertinent rules and regulations issued by DBM, CHED, COA and other oversight government agencies.

UNP BIDDING PROCESS

Compositions of UNP BAC

The BAC of the University is composed of 5 headed by a third ranking permanent official. The BAC is responsible in ensuring the compliance of procurement standards set forth by R.A. 9184. It is assisted by a secretariat and TWG.

Bidding Procurement Process

1. Preparation of Bidding Documents (Rule VI- Sec. 17)
2. Pre-Procurement Conference
3. Advertising of invitation to Bids
The Advertisement shall provide prospective buyers on information about the project in terms of A-H.
4. Pre-Bid Conference
In compliance to Sec. 22 of the revised IRR, contract to bid with an approved budget of PHP 1Million or more, Pre-Bid Conference shall be held at least 12 days before the submission and receipt of bids.
5. Determination of Eligibility of Bidders
This process aims to determine the eligibility of bidders based on the criteria stated in the revised IRR.

6. **Submission & Receipt of Bids**
Bidders shall submit their bids in 2 separate sealed bid envelopes. One envelope shall contain the technical component of the bid and eligibility requirements and the other 1 contains the financial component of the bid.
7. **Evaluation of Bids**
The BAC shall open the sealed envelopes of prospective bidders in public to determine each bidder's compliance with the bid requirements and Bidder with the lowest calculated responsive Bid.
8. **Notice and Execution of Award**
BAC recommends to the President the award of contract to the bidder with the lowest calculated responsive bid.
9. **President shall approve or disapprove the recommendations of the BAC within a period of not exceeding 7 days from the date of receipt of the recommendation of the BAC. However, for infra projects with an ABC of PHP 50 Million and below, the president shall approve or disapprove the recommendation within 4 calendar days.**
10. **Upon approval of the recommendation of the BAC, the president shall immediately issue The Notice of Award to the winning Bidder.**
11. **Winning Bidder shall post the required Performance Security and enter into a contract with the university within 10 days from the receipt of Notice of Award.**
12. **Notice to Proceed**
The university through the President shall issue The Notice to Proceed together with a copy of the approved contract to the successful bidder within 3 days from the date of approval of the contract.
13. **The University through the BAC Secretariat shall post a copy of The Notice to Proceed and the approved contract in the PhilGEPS and in the university website.**

14. Implementation of UNP Infra Projects

The Infrastructure Project Development Office headed by Director who is an engineer of the university shall be responsible in monitoring and evaluation of infra projects. IPDO sees to it that projects are implemented in accordance to a well design Monitoring & Evaluation Plan. The office is tasked to perform the following tasks:

1. Advise the President of any changes in work due to change of plans, designs, alignment or reclassification of work items. He/She shall be responsible to determine the need to have a variation order which maybe in the form of change or extra work.
2. To conduct preliminary inspections once its project reaches an accomplishment of 95% of the total contract amount and submit punch list to the contractor in preparation for the final turn-over of the project. The punch list contains the remaining work, deficiencies, specific duration to complete the project.

Once the contractor fails or refuses to satisfactorily complete the work within the specified contract time, plus any time extension duly granted, the contractor shall pay Liquidated Damages equivalent to at least one tenth of one percent (1/10 of 1 %) of the cost of the unperformed portion of the works for every day of delay.

3. Evaluate the performance of contractors using the NEDA-approved Contractors Performance Evaluation System (CPES) and submit performance Evaluation to the Constructor Industry Authority of the Philippines (CIAP).

CONCLUSIONS

Based on the discussions presented, UNP Good Governance is reflected in the following characteristics:

1. Participatory
2. Accountable
3. Transparent
4. Adherent to the Rule of Law
5. Equitable and Inclusive
6. Responsive
7. Efficient and Effective
8. Consensus Oriented

Based on the discussion presented, the University of Northern Philippines in its effort to promote and practice good governance, the following conclusions were drawn.

1. PAPs undertaken by the university are aligned to its Major Final Outputs (MFOs), Performance Indicators (PIs), Organizational Outcomes (OOs) and are responsive to the organizational initiatives (Governance Initiatives) and sector outcomes (access to quality education) and contributors to the attainment of priority thrusts of the national government.
2. The implementation of PAPs particularly infra projects is characterized by transparent, participative, responsive, efficient, and effective, honest and law compliant planning, budgeting, bidding, M & E and decision making process.
3. That there is a strong commitment of UNP to promote good governance and make the procurement of goods and infrastructure projects competitive and economical.
4. Resources of the university are judiciously utilized and adhered to the following principles of resource utilization:
 - 4.1 Fiscal Discipline that is living within the means and resources available to the university.
 - 4.2 Allocation Efficiency that the resources are used on right priorities and;
 - 4.3 Operational Efficiency which implies that the university was able to obtain the best value of its resources available.

- 4.4 As shared by winning bidders/contractors, what is good in this administration is that the president emphasized honesty in all the conduct of procurement activities and adapt the “Hands Off” policy during the implementation process. These actions of the president greatly helped lower actual project cost implemented in the university eventually generated of saving reprogrammed for additional projects
- 4.5 The technical and legal competencies expertise of university officials is also a great factor in the successful implementation of university projects. An example is the existence of a well craft development management, Budget System and administrative code of the university.

RECOMMENDATIONS

1. The university mzay continue designing policies that will improve and sustain transparent, efficient and effective, responsive and participatory system of allocating and utilizing resources.
2. Sustain the well-designed system of planning, monitoring and evaluating infrastructure projects that were carefully established and implemented including the setting of visible monitoring chart to serve as reference/guide in the identification of alternative course of actions to be undertaken by the project implementer. This system enables decision makers to anticipate problems, issues and risks that may hinder the timely completion of projects.
3. Continue to ensure the participation of stakeholders in the planning, implementation, monitoring and evaluation of projects.
4. The bidding of projects is very critical, hence, the involvement of people with integrity and competence should be sustained.
5. The university may consider the creation of an independent project team composed of competent project planners and implementers to further improve the planning, determination of the Approved Budget Contract, implementation, monitoring and evaluation of infrastructure projects.

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and Expenditures of the State Universities and Colleges (SUCs)

Pictures of the 5 Infrastructure Projects were provided by Mr. Joel Tipon of
Public Information Office

Interviews with:

1. Mr. Rino C. Reyes, CPA, Director, Finance Services Division, UNP
2. Engr. Nelia V. Aman, Director, Infrastructure Planning and
Development Office, UNP
3. Prof. Ma. Theresa Pescador, Director, University Planning
Information System Management Office, UNP
4. Mrs. Wilfreda T. Pipo, Budget Officer, UNP
5. Mr. Cirilo G. Lao, Owner, Vigan Fortune Construction, Brgy. 5,
Poblacion, Bantay, Ilocos Sur