
All Heads of Departments, Bureaus, Offices and other agencies of the National Government, including Constitutional Commissions, Congress, the Judiciary, Office of the Ombudsman, State Universities and Colleges, Government-Owned-or-Controlled Corporations, Local Water Districts, and Local Government Units are covered by the Circular.

All government entities covered by the Circular shall undertake Early Procurement activities from October to December 2018, upon submission of the FY 2019 NEP to Congress. Said activities refer to pre-procurement conference until post-qualification of bids and recommendation by the Bids and Awards Committee (BAC) to award the contract to the winning bidder.

Early Procurement activities shall only commence upon completion of the following, among others:

a. Harmonization of the Indicative Annual Procurement Plans (APPs) for non-common-used supplies and equipment (non-CSE) with the FY 2019 NEP;
b. Approval of the Head of Procuring Entity (HOPE) of the Indicative APP of the Procuring Entity;
c. Posting of the Indicative APP on the Transparency Seal page of the agency’s website, not later than August 31, 2018;
d. Securing of a Multi-Year Obligation Authority (MYOA) from the DBM for each multi-year project to start implementation in FY 2019 in accordance with DBM Circular Letter No. 2015-7 and DBM National Budget Circular No. 570; and
e. Completion of appropriate preparatory activities, such as the accomplishment of feasibility studies, detailed engineering designs, securing of the required regulatory clearances, and right-of-way acquisitions for civil works projects.

An agency should ensure that at least 50% of the volume or number of the planned procurement for FY 2019 should undergo Early Procurement, after strategizing those activities and projects it needs to implement in the first semester and those procurement activities it deems difficult or risky. This clarifies/amends the requirement of “50% value of planned procurement” under AO 25 IATF MC 2018-1 (Guidelines on the Grant of the Performance-Based Bonus for FY 2018). In relation to this, each agency shall submit a Certification of Compliance to the Government Procurement Policy Board (GPPB).

All procurement-related advertisements and postings of procurement opportunities shall be in accordance with Republic Act No. 9184 and its corresponding Implementing Rules and Regulations.

Procuring entities shall update their Philippine Government Electronic Procurement System (PhilGEPS) postings for Early Procurement by posting the Approved Contract and the Notice to Proceed in PhilGEPS on or before January 31, 2019 in accordance with AO 25 IATF MC 2018-1.

As soon as the General Appropriations Act (GAA), corporate budget, or appropriation ordinance, as the case may be, becomes final, the end-user or implementing units shall revise and adjust the Project Procurement Management Plan (PPMP) to reflect the budgetary allocation for their respective programs, activities, and
projects. The revised PPMPs shall be submitted to the BAC, through its Secretariat, for the final recommendation of the methods of procurement. The indicative APP shall then be revised and approved. The APP shall be submitted to the GPPB on or before the end of January of the budget year, and shall be posted in accordance with E.O. 662, series of 2007, as amended.

The issuance of Notice of Award of contract may, however, be done only upon approval or enactment of the respective appropriations or budget authorization document and based on the amount authorized therein.

The HOPE shall be responsible for the timely awarding of contracts to ensure that single-year contracts are fully-implemented within the validity period of the FY 2019 budget.