

PARTNERSHIP FOR TRANSPARENCY FUND

PROCUREMENT WATCH (PWI) PHILIPPINES

PROJECT COMPLETION ASSESSMENT

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PROJECT BACKGROUND

In May 2003, Procurement Watch, Inc. (PWI), a Philippine non-profit, non-partisan civil society organization established in 2001 to instill good governance by combating graft and corruption in public procurement through advocacy, research, training and partnerships, received an \$8,200 (approximately PHP 434, 570.20) for the development of a public bidding checklist and the monitoring of two procurement activities each of three Local Government Units (LGUs) in Metro Manila following the Implementing Rules and Regulations of the Government Procurement Reform Act. The GPRA laid the legal foundation for overhauling the whole government procurement process. The GPRA applies to three procurement types: infrastructure projects, goods and consulting services, and covers both the National Government Agencies and the Local Government Units. The GPRA also standardized the procurement procedures that must be adopted by all agencies of government and required the issuance of the procurement manuals and standard bidding documents, all expected to contribute to the smooth flow of the procurement process.

The immediate objective of the PTF grant was to ensure that the local government units were complying with the GPRA and its implementing rules and regulations. Findings of the study will form part of the PWI's catalog of case studies for use in training, and would serve as inputs to a Code of Ethics for procurement personnel.

Procurement Watch, Inc. helped secure the passage of the GPRA by providing policy analysis, technical assistance, advocacy support, as well as the conduct of information campaigns for both the private and public sectors. It was also a major player in the formulation of the Implementing Rules and Regulations, led by an Inter-Agency Technical Working Group, led by the Department of Budget and Management, the government agency leading procurement reforms in the country.

PROJECT IMPLEMENTATION

For the project, PWI hired the services of two Technical Support Officers for 6 months, to draft the public bidding checklist for the procurement of goods, consulting services and infrastructure projects. The Technical Support Officers observed the proceedings of bid openings of projects of some government corporations. They also utilized the draft Implementing Rules and Regulations to formulate the draft public bidding checklists,

which were completed by September, 2003. However, it could not be reviewed by the Technical Working Group that drafted the Implementing Rules and Regulations since the IRR had not yet been approved by the President. The IRR was approved and became effective in October, 2003. The Public Bidding Checklists were then subjected to focused group discussions and the final draft was submitted to the Dept. of Budget and Management, which elevated it to the Government Procurement Policy Board for discussion. The GPPB approved the public bidding checklists at the end of 2003.; Since then, the PWI has used the checklists to train civil society “observers” to the Bids and Awards Committees during its training programs.

The monitoring of two procurement activities of three Local Government Units in Metro Manila did not take place, however. PWI offered its services to three LGUs and followed up all three. They were able to get to the point of having a signed Memorandum of Agreement with one LGU but hit a stone wall with the two others. Even with the LGU which signed a Memorandum of Agreement with the project, they did not get to observe a procurement activity. A series of timing issues (the draft IRR having been approved halfway into the project life cycle), the onset of the Christmas season, as well as the campaign season for national elections (and therefore a ban on procurements until after the elections) were the ostensible reasons given by the Local Government Units for not inviting PWI to observe a procurement activity.

It was clear, however, that there were other issues that had come up. One issue was the resentment of the Local Government Units that they had not been consulted on the formulation of the GPRA and on the development of the Implementing Rules and Regulations.

The other issue was that the League of Municipalities had formally asked the GPPB to defer the effectivity of the GPRA on the grounds that the Local Government Units were unprepared to implement it as is. This position allowed the LGUs to not change its bidding procedures to conform to the new law and its IRR.

After follow-ups indicated that there was resistance on the part of the LGUs to the GPRA, PWI decided to give up the monitoring component of the project.

The project spent PHP 336, 276.80 (77%) of the total PHP 434,570.20 PTF grant. A balance of PHP 135,676.36 remains unspent.

IMPACT

The development of the public bidding checklist, the tool that was developed by the project is currently being used extensively by PWI to train civil society “observers” to the Bids and Awards Committee. The feedback has been positive that the checklist is helpful and that the observers do not need to have technical knowledge to be able to assess if the procurement process is transparent and in compliance with the Implementing Rules and Regulations of the GPRA. PWI is an active participant in multisectoral coalitions to fight corruption, and as such, has found its niche—to provide technical assistance and

training to other organizations as they engage in this work. In general, the work of making the procurement process more transparent seems to have been more successful at the national agency level than at the local government level, just because it seems much easier to focus the national media spotlight on national government agencies than on the local government units. Some of the civil society organizations in the anti-corruption coalitions have taken on the task of monitoring the Bids and Awards Committees at the Local Government Unit level, quite possibly achieving in the future what PWI wanted to achieve with the project as originally designed.

LESSONS LEARNED

PWI's Executive Director feels that the project became hostage to a "turf war" between PWI, representing the proponents of the GPRA, and the local government units, who did not feel that they had a stake in the GPRA, not having been consulted beforehand.

While this is probably true, the assessor makes the observation that PWI had not been proactive enough to make adjustments that would ensure that the objectives of the project would be met. These adjustments might have been consulting the League of Municipalities and asking for volunteers from the Local Government Units, rather than identifying the LGUs they wanted to work with. PWI did not have milestones and timelines in the project, nor did they have a contingency plan, resulting in their not being able to substitute other LGUs in enough time to have ensured that they would be able to still complete the project in the time allotted. As it was, the project was completely at the mercy of the identified LGUs, who were not interested in cooperating, and who stonewalled the project.

In this case, because the GPRA and the IRR would have compelled the LGUs to give up their discretion and control of the process, this was something they did not want to do easily. Realizing that this might be the consequence of the new law might have made PWI more proactive about using the supervisory and regulatory influence of the Department of Interior and Local Government or the GPPB to add pressure to the LGUs to cooperate with the project.

At this time, it is the recommendation of PWI to utilize the remaining project funds to write a case study, assessing and determining the reason for the LGU's resistance to comply with the provisions of the law. While the remaining funds are small, I am not sure there is value to writing a case study any longer. I think it might have been expected that there would be resistance because of the issue of control and discretion.

METHODOLOGY

The assessor reviewed submitted documents and did an interview with the Executive Director of PWI.

