



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF CUSTOMS**

*A modernized and credible customs administration that upholds good governance and is among the world's best*

## **NOTICE OF CANCELLATION OF PROCUREMENT PROCESS**

***Project: Supply and Delivery of Operational Equipment for the Enforcement and Security Service (ESS)***

Please be advised per meeting dated 21 October 2024, the Bureau of Customs - Bids and Awards Committee cancelled the procurement activities for the project "***Supply and Delivery of Operational Equipment for the Enforcement and Security Service (ESS)***" with a Project ID No.: BOC-GOODS-2024-11, for failure to observe the factors as provided under to Section 20.1 (a) and (c), of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184, to wit-

20.1 Prior to the advertisement or the issuance of the Invitation to Bid/Request for Expression of Interest for each procurement undertaken through a competitive bidding, the BAC, through its Secretariat, shall call for a pre-procurement conference. The pre-procurement conference shall be attended by the BAC, the Secretariat, the unit or officials, including consultants hired by the Procuring Entity, who prepared the Bidding Documents and the draft Invitation to Bid/Request for Expression of Interest for each procurement. During this conference, the participants, led by the BAC, shall:

a) **Confirm the description and scope of the contract, the ABC, and contract duration;**

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c) **Determine the readiness of the procurement at hand,** including, among other aspects, the following:

I. The availability of appropriations. In the case of EPA, the inclusion of the procurement project in the proposed funding source, i.e., the GAA, appropriations ordinance, corporate budget, or loan agreement, as the case may be;

II. completeness of the Bidding Documents and their adherence to relevant general procurement guidelines;

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It must be noted that per Government Procurement Policy Board (GPPB) Manual Volume I, the Approved Budget of Contract (ABC) must be included as part of the Bid Documents. To determine the ABC, GPPB Volume I provides-

In determining the ABC, the PMO or end-user unit, with the assistance of the TWG (when necessary), must



consider the different cost components, namely:

1. **The cost or market price of the product or service itself;**
2. Incidental expenses like freight, insurance, taxes, installation costs, training costs, if necessary, and cost of inspection;
3. The cost of money, to account for government agencies usually buying on credit terms;
4. Inflationary factor, since the planning phase is usually done one year ahead of the actual procurement date;
5. Quantities, considering that buying in bulk usually means lower unit prices; and
6. The supply of spare parts and/or maintenance services, if these are part of the contract package.

In this case, the BAC could not proceed with the procurement activity considering that last 11 October 2024, it was found that the project lacks the following documents-

- a. Technical Specification/Terms of Reference approved by the Deputy Commissioner;
- b. Quotations reflecting the exact specification sought by the end-user and stating the market price of the goods sought to be procured;
- c. Commissioner-Approved Disposition Form relative to the procurement of the project
- d. Certificate of Availability of Allotment/Fund

While the above-mentioned documents are not specifically mentioned under RA 9184, nevertheless, these documents are required to be observed as a matter of BOC policy to ensure that the project follows existing laws. Further, by reason of the absence of quotations responsive to the specifications sought by the end user, it was impossible for the BAC to justify how it arrived at its cost estimates.

Considering the foregoing, the conduct of procurement activities relative to this project is temporarily suspended pending the submission of the above documents.

For information and guidance.

for: **ATTY. ERWIN T. MENDOZA**  
Chairperson, BAC

