



PROCUREMENT SERVICE

Department of Budget and Management (PS-DBM)

ADB e-Procurement Education Program Country Report

28 April 2025

General Information

(Population, GDP, Socio-economical Background)



The Philippines is an archipelago of 7,641 islands situated in Southeast Asia, covering a total land area of 300,000 km.

The country is administratively composed of 17 regions, subdivided into 81 provinces, 146 cities, and 1,488 municipalities.

The estimated population is 114 million with an annual growth rate of 0.8%.

For 2024, Gross Domestic Product (GDP) rate is 5.7 percent.

Inflation Rate is 1.8% as of March 2025.

National Policies and Strategies on Public Procurement and e-Procurement



- A. Republic Act No. 9184 or the Government Procurement Reform Act (GPRA)** was signed in 2003, which paved the way for the modernization, standardization, and regulation of government procurement activities and brought significant achievements such as:
1. Consolidation of sixty laws pertaining to public procurement and institutionalization of transparency measures including the use of electronic procurement and the participation of Civil Society Organizations. The Law covers all national agencies, government owned and controlled corporations, all government entities and instrumentalities.
 2. The creation of the Government Procurement Policy Board vested with sole authority to oversee procurement reform and protect the national interest in all matters affecting public procurement.
 3. Mandatory use of the Government Electronic Procurement System (G-EPS) for the procurement of common supplies and to promote transparency and efficiency through the establishment of a central government procurement website to be the primary source of information on all government procurement transactions
 4. The development of a procurement manual and standard bidding documents and forms (harmonized with those of the major international financing institutions: World Bank, ADB and JBIC)

National Policies and Strategies on Public Procurement and e-Procurement



- B. Administrative Order No. 17** issued in 2017 - Directed the use of the Procurement Service and the Philippine Government Electronic Procurement System (PhilGEPS) in procurement activities in accordance with Republic Act No. 9184, and improved the operation of the Procurement Service.
- B. Republic Act No. 11032, or the Ease of Doing Business and Efficient Government Service Delivery Act** of 2018 - aimed to streamline government procedures to promote business competitiveness by reducing bureaucratic red tape and expediting the issuance of permits, licenses, and certificates, among others. The law primarily enhances the right to information under the Bill of Rights by ensuring that government transactions are transparent and efficient, giving the public greater access to timely government services.
- B. New Government Procurement Act (RA No. 12009)** was enacted in July 2024, it revises the 21-year-old Government Procurement Reform Act (RA No. 9184) to address inefficiencies and modernize processes.

Government Organizational Structure & relevant stakeholders



- A. The **Procurement Service of the Department of Budget and Management (PS-DBM)** is the central acquisition arm of the government tasked to procure **Common-use Supplies and Equipment (CSE)**

Mandate

- Operation of a government-wide procurement system. Centralized procurement of CSE for all National Government Agencies (NGA), Government-Owned and Controlled Corporations (GOCCs), state universities and colleges (SUCs), and Local Government Units (LGUs).
- Price monitoring of common use supplies, materials and equipment.
- Identification of supplies, materials and such other items, including equipment and construction materials, which can be economically purchased through centralized procurement and which is within the scope of its activity.
- Identification of the sources of supply which are able to offer the best prices, terms and other conditions for items procured by the government.
- Continuous evaluation, development and enhancement of its procurement system, coverage and procedure.
- Management and maintenance of the Government Electronic Procurement System or the PhilGEPS.
- Membership in the Government Procurement Policy Board.

Government Organizational Structure & relevant stakeholders



PS-DBM is headed by the Executive Director (ED), supported by three (3) Functional Groups each lead by a Deputy Executive Director namely:

1. Administrative, Finance and Legal Group
 - a. Administrative and Finance Office
 - b. Legal Office
2. Information and Communications Technology (ICT) and Procurement
 - a. Procurement Office
 - b. PhilGEPS Office
3. Operations, Logistics and Supply Chain.
 - a. Operations Office
 - b. Regional Operations Office

Additionally, the agency has established nationwide presence with eleven (11) regional regional depot and fifteen (15) LGU depots, strategically positioned to ensure efficient distribution and accessibility of goods and services across the country.

Government Organizational Structure & relevant stakeholders



- B. The Government Procurement Policy Board (GPPB) is an inter-agency policy-making body responsible for overseeing procurement guidelines and compliance. Its membership includes: Department of Budget and Management (DBM), Department of Economy, Planning, and Development (DEPDev), Procurement Service of the DBM (PS-DBM), Department of Public Works and Highways (DPWH), Department of Education (DepEd), Department of Interior and Local Government (DILG), Department of Transportation (DOTr), Representative from the Private Sector;
- C. Procuring Entities: National Government Agencies (NGAs), Government-Owned and Controlled Corporations (GOCCs), state universities and colleges (SUCs), and local government units (LGUs) responsible for procurement activities;
- D. Suppliers, Manufacturers, Distributors, Contractors, Consultants, and Service Providers;
- E. Civil Society Organizations (CSOs); and
- F. General Public.

Procuring Entities Registered in PhilGEPS

(Total of 70,735 as of 29 January 2025)



National Government Agencies - 29,410

- Departments, Regional Offices, Executive Offices, Bureaus, Attached Agencies, Schools and Hospitals

Government Owned and Controlled Corporations and Government Financial Institutions - 1,861

State Universities and Colleges (main and satellite campuses) - 524

GOP-OMR

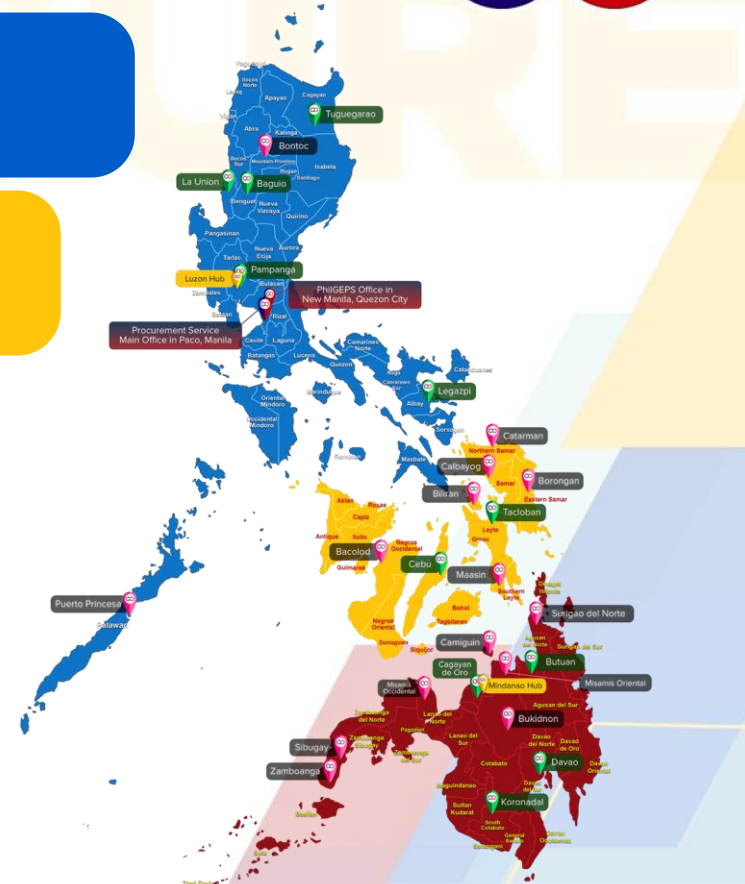
Supplier Registrations

Total = 319,897

- Red -286,727
- Platinum - 33,170

Local Government Units - 38,940

- Provinces, Cities, Municipalities and Barangays



Source: PhilGEPS Development and Operations Division

Total Approved Budget for the Contract vs Total Awarded Contract

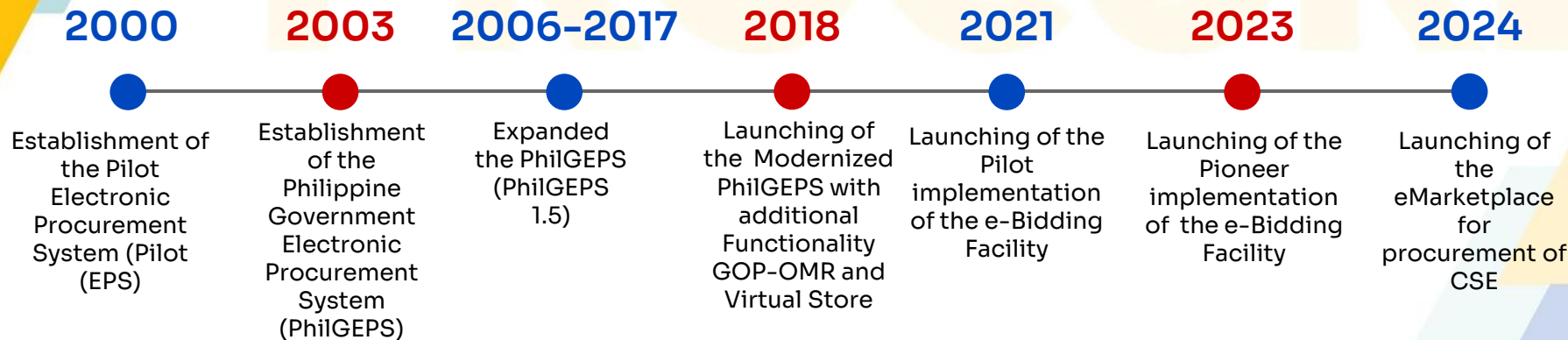


In 2024 the total awarded contracts has reached over Php 1 trillion or 17.54 billion USD, with the majority under Civil Works or Infrastructure. On average, 88.59% of the posted ABC was awarded across the different project classification.

Project Classification	ABC Amount Posted (Php)	Total Corresponding Awarded Contracts (Php)	Percentage
Civil Works	1,059,223,733,376.83	1,040,420,480,075.77	98.22%
Consulting Services	6,138,074,781.44	5,833,602,264.84	95.04%
Goods	500,756,520,467.74	397,635,068,834.37	79.41%
Goods - General Support Services	42,690,996,306.44	34,866,069,533.75	81.67%
Total (Php)	1,608,809,324,932.45	1,478,755,220,708.73	88.59%
2024 GAA	5,767,600,000,000.00	5,767,600,000,000.00	
% of Total(x) over GAA	27.89%	25.64%	

Source: PhilGEPS eGov Procurement Development and Operations Division, December 2024
General Appropriations Act (GAA), Department of Budget and Management

Past and Current Level of Stage on e-Procurement



E.O
322

R.A. 9184

July 24, 2024 to
Present R.A.
12009

Legal & Regulatory Component Relevant to e-Procurement



New Government Procurement Act (RA No. 12009), established in 2024 is a game-changing piece of legislation curated to enhance the existing procurement systems under the 21-year-old Republic Act (RA) No. 9184 through:

- (i) Fit- for-purpose modalities to achieve value for money,
- (ii) Strengthen procurement planning of procuring entities with mandatory market scoping and strategies to be used as tools,
- (iii) Modernize procurement processes with the use of emerging technologies and innovative solutions,
- (iv) Institutionalize sustainable public procurement principles and practices with environmental, social and economic considerations, life cycle, gender parity, poverty alleviation, and fair opportunities to vulnerable and marginalized sectors,
- (v) Enhance transparency and ensure greater accountability with open government, participatory procurement and use of beneficial ownership information in procurement, and
- (vi) professionalize procurement practitioners to foster a skilled and competent workforce dedicated to excellence in government procurement.

Legal & Regulatory Component Relevant to e-Procurement



Furthermore, **Section 20 of RA No. 12009** provides the following provisions:

- To promote greater transparency, accountability, operational efficiency, and value for money, the PhilGEPS shall be the single electronic portal that shall serve as the primary source of information and channel in the conduct of all procurement activities of the government.
- All Procuring Entities shall register with the PhilGEPS and ensure their access to an online network to facilitate open, speedy, and efficient online transmission, conveyance, and use of electronic data messages or electronic documents.
- Procuring Entities with established electronic procurement systems shall provide for the seamless interface of systems with the PhilGEPS to ensure efficient sharing of procurement information.
- The PhilGEPS shall include the following innovative features and solutions:
 - a. Electronic Bulletin Board** - facility utility utility that allows users to view/display/print bid notices.
 - b. Registry of suppliers, manufacturers, distributors, contractors, consultants, and service providers** - a centralized electronic database of all manufacturers, suppliers, distributors, contractors, consultants, and service providers registered under the system.
 - c. Electronic Catalogue** - is the electronic listing or database containing the CSE that can be procured from the PS-DBM.
 - d. Virtual Store** - this feature allows Procuring Entities with PhilGEPS to procure CSE online from the PS-DBM.
 - e. Electronic Marketplace** -Offers diverse products and services taking off from the priority products of the pilot run, to wit: motor vehicles, cloud computing, airline tickets, and software licenses.
 - f. Electronic Reverse Auction** - a feature that enables a Procuring Entity registered with PhilGEPS to invite suppliers to bid for goods and services within a set timeframe. Suppliers compete by lowering prices, with the contract awarded to the lowest complying bid.
 - g. Electronic Small Value Procurement** - a facility that allows Procuring Entities to resort to small value procurement electronically.
 - h. Electronic payment** - an inclusive digital payment system enabling various electronic methods for government purchases through the Virtual Store, Electronic Marketplace, and PhilGEPS transactions.
 - i. Electronic Bidding** - A comprehensive facility covering the entire procurement process for Goods, Infrastructure Projects, and Consulting Services, including planning, posting, pre-bid conference, bid receipt and opening, evaluation, post-qualification, contract awarding, management, implementation, and payment, in compliance with GPPB guidelines.

Identifying Major Challenges & Pending Issues on e-Procurement



1. Challenge/issue on adopting e-procurement (e-bidding facility);
2. Availability of reliable procurement data, data interconnectivity and interoperability;
3. Data accessibility/machine-readability; and
4. Lack of awareness and understanding of the data and formats necessary for effective monitoring of procurement activities.

Source: <https://www.opengovpartnership.org/>

Chapter 4: Future Strategies and Solution on e-Procurement



Outcomes	Expected Outputs	Expected Completion Date	Stakeholders
A. Increase in the utilization of the modernize PhilGEPS	<i>i.</i> Capacity Building and expansion of pool of trainers <i>ii.</i> Conduct Information Campaign through orientation, seminar and training (face-to-face and online)	2025 - 2028	PS-DBM, other stakeholders
B. Interconnectivity of government databases and systems with the modernized PhilGEPS	<i>i.</i> Establish Data Sharing Agreements <i>ii.</i> Coordinate with relevant government agencies to ensure the integration and execution of mPhilGEPS interconnectivity, considering the readiness and availability of APIs for seamless data exchange.	2026	PS-DBM, GPPB, DBM, SEC and other stakeholders
C. Enhancement of the modernized PhilGEPS (with Terms of Reference to be identified through stakeholder participation) with the primary aim of <u>strengthening open data</u> features, allowing publication of relevant procurement information that are <u>user-friendly, machine-readable</u> and in timely formats. Additional incorporation of new technology such as Artificial intelligence.	<p>The features and information to be enhanced in the modernized PhilGEPS (version 2), such as the Open Data and Statistical Bulletin, shall lead to open access to procurement data.</p> <p>Public, civil society organizations, and Procuring Entities can make data-driven decisions that will improve public procurement practices.</p> <p>Through the mPhilGEPS enhancement, identification of patterns, trends, and potential bottlenecks in procurement processes will be less challenging and will lead to better-informed policy reforms. This data-driven approach which is achievable through the system can enhance the efficiency and effectiveness of public procurement in the Philippines.</p>	2025 - 2028	PS-DBM, other stakeholders

Chapter 4: Future Strategies and Solution on e-Procurement



Milestones	Expected Outputs	Expected Completion Date	Stakeholders
D. Multi-stakeholder engagements through peer learnings, focus-group discussions, technical assistance for data monitoring and improvements on proactive disclosure	<i>i.</i> Informed and inclusive participation of bidders through orientations. <i>ii.</i> Mirroring best practices of Procuring Entities in the international arena, including that of neighbor countries through peer-learning activities. <i>iii.</i> PS-DBM's issuance of improved Price Setting Guidelines. <i>iv.</i> Crafting research agenda with focus on efficiency of RA 12009, through convening of development partners and civil society organizations	2025-2027	PS-DBM SEC ADB UNDP WB Government of neighboring countries