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**EVALUATION OF THE EFFICIENCY AND EFFECTIVENESS OF THE  
REGIONAL PROCUREMENT SERVICE DEPOTS IN THE PHILIPPINES:  
A CASE OF REGION 1**

A thesis presented in partial  
fulfilment of the requirements for the degree of  
Master in Public Policy

at Massey University, Albany,  
New Zealand.

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2008

## **ABSTRACT**

The focus of this research is to examine the efficiency and effectiveness of recent procurement reform done by the Government of the Philippines, particularly the centralized procurement system for common-use supplies, materials, and equipment. The centralized procurement system is adopted with the intent of taking advantage of the savings inherent to bulk purchasing, streamlining procurement procedures, and reducing opportunities for corruption in the procurement of the abovementioned items. By legislative authority under Republic Act No. 9184, the centralized procurement system was made mandatory among all government agencies, government owned and controlled corporations and local government units in the purchase of their supplies, materials and equipment requirements.

With the introduction of tighter budget and the stronger pressure for good governance, the contributions of procurement policy and institutions of procurements to the achievement of good governance and potential relation to development has been gaining global recognition. Given the association of procurement to the way public money is spent, the issue on corruption is also central to this research. There has been a growing recognition of the relationship between corruption and development – the more corrupt a country is, the more underdeveloped it becomes. With the daunting task of battling against corruption, the country's strategy is to direct its efforts in combating corruption in specific areas, like public procurement.

This thesis demonstrates that the centralized procurement system offers a significant reduction in processing times in the conduct of procurement. Additionally, it offers opportunities for savings generation with the cheaper prices of goods and the reduction of administrative cost associated with procurement. More over, it provides a procurement framework where opportunities for administrative corruption are reduced. This leads to the conclusion that the centralized procurement system is efficient in that it reduces administrative processing time and concomitant costs. This, in the long run, will benefit the procuring entities and ultimately the tax payers.

However, the emphasis placed on achieving administrative savings is at the expense of other measures of effectiveness such as quality of goods being supplied and the quality of services being extended to client agencies. Moreover, the lack of effective inventory and control system may pave the way to greater waste. Without an effective inventory and control system as well as an improved quality control system, the centralized procurement system that works faster and cheaper may not be better after all.

## **ACKNOWLEDGEMENTS**

I would like to thank a number of people who helped me in the conduct of this research. Many thanks to my thesis supervisors, Dr. Grant Duncan and Mr. Jeff Chapman, for their invaluable guidance as I go along with the research.

I feel much gratitude to the personnel of the Region 1 PS Depot for their support and cooperation and for allowing me access to documented archives of the Procurement Service. I very much appreciate the help and support of Atty. Janet B. Abuel for allowing me the use of the DBM RO I Office as my headquarters during the time I am gathering my data. I am most grateful to Ms. Carmelita P. Raymundo for her unending encouragement and motivation in finishing this undertaking.

To my family and my friends, who have been most supportive and made my "thesis life" more enjoyable, thank you very much.

## TABLE OF CONTENTS

Title Page	i
Abstract	ii
Acknowledgement	iv
Table of Contents	v
List of Tables	viii
List of Figures	ix
List of Flow Charts	x
List of Appendices	xi
Chapter 1 Introduction	
1.1 Statement of Purpose	1
1.2 Research Focus	3
1.3 Overview of the Philippines	6
1.4 Philippine Procurement System	9
1.4.1 Legal Framework	9
1.4.2 Organizational Structure	13
1.4.2a Procuring Entities	13
1.4.2b Procurement Practices and Processes	15
Chapter 2 Literature Review	
2.1 What is Government Procurement	18
2.2 Locating Government Procurement in Public Policy	20
2.2.1 Economic Objectives	20
2.2.2 Political Objectives	22
2.3 Using International Organizations to Improve Procurement	22
2.4 Public Sector Reform and Government Procurement	23
2.4.1 New Public Management	24
2.4.2 Philippine Public Sector Reform	27
2.4.3 The Need for Government Procurement Reform	28
2.4.4 Procurement Reform in the Philippines	30
2.4.4a Splintered and Chaotic Procurement Regime	31
2.4.4b Domestic and International Pressure for Good Governance	32
2.5 Government Procurement and Corruption	35
2.5.1 Corruption and Development	36
2.5.2 Prevalence of Corruption in the Philippines	38
2.6 Transparency in Government Procurement	41
2.7 Centralized and Decentralized Structure	41
Chapter 3 Methodology	
3.1 Research Design	43
3.1.1 Criteria	45
3.2 Tools of Inquiry	45

3.2.1 Self-Administered Questionnaire	46
3.2.2 Focus Group Discussion	47
3.2.3 Document Analysis	48
3.3 Ethical Consideration	49
3.3.1 Voluntary Participation/Informed Consent	49
3.3.2 Confidentiality and Anonymity	50
3.3.3 Research Findings	51
3.4 Limitations of the Methods	51
Chapter 4 Results Presentation	
4.1 Focus Group Discussion with the PS Officials	53
4.1.1 Events Surrounding the Decision to Centralize the Procurement of Common-Use Supplies, Materials & Equipment	54
4.1.1a Simplification of Procurement Process	54
4.1.1b Savings Generation	57
4.1.1c Corruption	59
4.1.2 Effects of the CPS on the Procurement Operations	62
4.1.3 Implementing CPS at the Regional Level	63
4.1.4 Responsive PS Depot Services	66
4.1.4a Product Quality	66
4.1.4b Personnel Service Quality	67
4.1.4c Timeliness	69
4.1.4d Stocks Availability	70
4.1.4e Lack of Established Inventory System	73
4.1.4f Inconsistencies with Other Government Policies	74
4.1.4g Payment Scheme	75
4.1.5 Regional Inter-Agency Bids and Awards Committee (RIABAC)	76
4.1.6 Post Script	78
4.2 Survey with Client Agencies	78
4.2.1 Demographic Data	79
4.2.2 Respondents' Background and Opinion on the Centralized Procurement System	81
4.2.3 Respondents' Assessment on the Quality of Service of the Region 1 PS Depot	88
4.2.4 Additional Questions to Aid in the Improvement of Operation of the PS Depot	94
Chapter 5 Conclusion	
5.1. Analysis: Rationale for the Decision to Centralize Procurement	101
5.1.1 Simplification of Procurement Process	102
5.1.2 Savings Generation	102
5.1.3 Corruption	103
5.2 Analysis: Responsiveness of the Services of the PS, a Case of Region 1	103

5.2.1 Timeliness	104
5.2.2 Cost	104
5.2.3 Quality	105
5.2.4 Payment Scheme	105
5.2.5 Personnel Service Quality	106
5.2.6 Regional Inter-Agency Bids and Awards Committee	107
5.2.7 Procurement Service and the PhilGEPS	107
5.3 Conclusions	108
References	111



## **List of Tables**

Table 1.1 2005-2007 Table of Supplies and Materials Expenditure	4
Table 1.2 Table of Honorarium Rate per Procurement Activity	15
Table 2.1 Result of a Survey Presented by the World Bank on the Amount of Funds Lost Due to Corrupt Practices as Perceived by the Respondents	33
Table 2.2 2007 CPI Regional Highlights: Asia Pacific	39
Table 4.1 Components of the PhilGEPS	62
Table 4.2 Established Regional Depots in the Philippines	64
Table 4.3 2005-2006 Sales of the PS Depots	65

## **List of Figures**

Figure 1.1 Organizational Structure of the Philippine Government	6
Figure 1.2 Map of the Philippines	10
Figure 2.1 Perception of the Degree of Corruption in the Philippines	33
Figure 2.2 Transparency International CPI Philippine Score 2001-2007	38

## **List of Flow Charts**

Flowchart 1 Procurement Flowchart Under the Old System	55
Flowchart 2 Procurement Flowchart under the PS System	56

## **List of Appendices**

Appendix 1 Self-Administered Questionnaire	117
Appendix 2 Letter Request for Access to Institution	121
Appendix 3 Information Sheet for Survey Participants	122
Appendix 4 Information Sheet for FGD Participants	124
Appendix 5 Consent Form for FGD Participants	126
Appendix 6 Authority for the Release of Tape Transcript	127
Appendix 7 Confidentiality Agreement with FGD Participants	128