

PROCUREMENT AGENTS IN THE PHILIPPINES



Regional Conference on Use of Procurement Agents in Public Procurement

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Legal Framework

- **Republic Act No. 9184 – The Government Procurement Reform Act (2003) and Implementing Rules and Regulations**
- **Allows procurement servicing for government agencies**
 - ✓ **Agency to agency procurement**
 - ✓ **Thru procurement agents**
 - Government**
 - Private – consultants, procurement agents**
 - ✓ **Procurement management**
 - Consultants are hired to assist Procuring Entities directly or train their staff**



Procurement Agents - Objectives

- **Hasten project implementation, especially for those without procurement capability or proficiency**
- **Efficient and timely delivery of goods, works and consulting services**
- **Intervention based on expertise and experience that are beneficial to Procuring Entities**
- **Infusion of private sector market experience and innovations through knowledge and technology transfer**



Procurement Agents

- **Government**
 - **Philippine International Trading Corporation**
 - **Procurement Service**
- **Private Sector** – not yet implemented; guidelines yet to be issued



Challenges

- **Challenges for PA - Government**

- **Volume of transactions**
- **Weak procurement planning by Procuring Entities – accuracy of technical specifications; scope of work**
- **Lack of standards - to aid in drawing up technical specifications**
- **Lack of policy support – special procedures for procurement agents**



Challenges

• Challenges for PA – Private

➤ Not yet implemented – setbacks:

- Potentials and advantages not yet recognized
- Availability, readiness and maturity of market participants vs. nature of government procurement
- “Comfort level” – in the engagement between government and private PAs
- Fear of abuse – graft and corruption; collusion
- Government readiness to shift procurement paradigm – from “government purchasing” to “private sector purchasing for government”
- Government capacity to address all policy requirements to set the stage for this innovation



Next Steps

- **PA – Government**

- **Serious and judicious procurement planning**
- **Setting up standards to help in drawing up technical specifications**
- **Continuing capacity building for government PAs and Procuring Entities**
- **Review of organizational capacity of the Procurement Service**



Next Steps



- **PA – Private**

- **Evaluate the feasibility of PA in the context of the Philippines**
 - ✓ **Advantages and disadvantages**
 - ✓ **Readiness of the government**
 - ✓ **Readiness of the private sector**
 - ✓ **Policy requirements in the implementation of the PA system**



Thank You!