

PROCUREMENT FLOW¹

- (1) The process initially starts from either:
 - a. Procurement Directive (PD) coming from higher headquarters or
 - b. a requisition for procurement from a unit or office which is then approved by the Commander of the Logistics unit. After this, the Logistics staff will issue a PD on the items to be procured. Then again, this PD shall be approved by the Commander of the Logistics unit.
- (2) The procurement unit would then carefully plan and determine the mode of procurement of said PD.
 - a. If the mode of procurement is public or selective bidding, the AFP Logistics Center (AFPLC) Bids and Awards Committee (BAC) undertakes the whole activity.
 - b. If other modes of procurement are undertaken other than selective bidding, the procurement unit prepares the Purchase Order (PO) or Work Order (WO) and on the process, select through open canvass proposal, the manufacturer/supplier/distributor to be awarded of said PO/WO.
- (3) All the contracts and PO/WO are prepared by the AFPLC BAC and Procurement Unit, respectively.
- (4) The contracts/PO/WO have to be reviewed by various offices.
 - a. The contracts/PO/WO are dispatched to the Logistics Staff who will review the transactions and in turn recommends for its approval or disapproval to the Commander.
 - b. The contracts/PO/WO also have to pass to the Comptroller for another review and prepare the Request for Obligation and Allotment (ROA) report. The ROA report is attached to the contracts/PO/WO.
- (5) The contracts/PO/WO with the ROA are forwarded to Field Accounting Unit (FAU) for obligation.
- (6) The contracts/PO/WO are finally forwarded to the Commander for his approval or disapproval if within his level of authority².
- (7) When these contracts/PO/WO are approved, these documents are sent back to the procurement unit through the proper channels
- (8) The procurement unit will serve the contracts/PO/WO to the manufacturer/supplier/distributor.

¹ This annex was drafted by Commissioners Robles and Narciso together with their Executive Assistants (LTSG Anduiza and CAPT Salgado) based on the testimony of MGEN Cicero L Castellano AFP, the Deputy Chief of Staff for Logistics, J4, AFP before the Commission on 29 August, 2003.

² DO # 47, DND dated April 30, 1996

- (9) The proponents are obligated to deliver said supplies within a certain period as prescribed and indicated in the contracts/PO/WO based on the date it was served them. Penalties are instituted for delays or failure of delivery.
- (10) As for the delivery, the proponent brings the supplies to the warehouse or office to be temporarily accepted by the Supply Accountable Officer (SAO) to ascertain the completeness of the quantity delivered based on the contracts/PO/WO.
- (11) The SAO then informs the Technical Inspection and Acceptance Committee (TIAC) of said delivery to conduct the required inspection.
- (12) The TIAC conducts the inspection of said supply and determines if it meets the prescribed specifications. After the inspection, they will either recommend to accept the supply by signing the TIAC report or reject it outright.
- (13) Aside from the TIAC's inspection, the Commission on Audit (COA) and Commodity Managers are also being requested to conduct a pre-audit inspection to confirm the delivery.
- (14) In the same manner, inspection of transactions are done by:
 - a. The Unit Management Staff if the amount of the transaction is less than PhP 1M and
 - b. PEMRAD if above PhP 1M
- (15) After all the inspections, the Disbursement Voucher DV for the contracts/PO/WO are prepared by the Procurement Office attaching all the necessary documents.
- (16) These documents are forwarded to the Finance Service Unit (FSU) for processing and indexing.
- (17) Then it goes to the FAU for journalization/certification on the availability of funds (CAF) which is stamped on the DV.
- (18) These documents are again to fiscal control by:
 - a. The Unit Management Staff if below PhP 1M and
 - b. PEMRAD if the DV amount is above PhP 1M.
- (19) After thorough verification of the DV with its supporting documents, the checks/ACIC are prepared by the FSU.
- (20) The check is signed and countersigned by:
 - a. The Commander, AFPLC and CO, FSU if PhP 1M and below
 - b. The DCS for Comptroller, J6, AFP and CO, AFPFC if between PhP 1M-2M
 - c. The TDCSAFP and CO, AFPFC if PhP 2M and above
- (21) However, if there is no NCA/NTA, the Office of J6, AFP still has to request for fund release (SARO/GARO) from the Department of Budget and Management for this purpose.
- (22) When funds are available, the check is released to the manufacturer/supplier/distributor.
- (23) After the payment of the transactions, the materiel/supplies/services procured can now be issued to the end-users based on the issuance directive coming from higher headquarters or Major Service Command/AFPLC.