

DSWD OPINION NO. 25 S. 2024
MEMORANDUM

FOR : ASSISTANT SECRETARY RODOLFO M. SANTOS, CESO II
Policy and Plans Group

FROM : THE ASSISTANT SECRETARY FOR GENERAL
ADMINISTRATION AND SUPPORT SERVICES GROUP AND
CONCURRENT OFFICER-IN-CHARGE, LEGAL SERVICE

SUBJECT : LEGAL OPINION ON THE REQUEST FOR CLARIFICATION
ON THE GUIDELINES ON THE RENEWAL OF REGULAR AND
RECURRING SERVICES

DATE : 05 MARCH 2024

This pertains to your MEMORANDUM dated 19 February 2024 seeking clarification if there is still a need to obtain a Multi-Year Contractual Authority (MYCA) from the Department of Budget and Management (DBM) to cover the cost of services of a Certifying Body, for three (3) years covering FY 2024-2026.

As a brief background, a Surveillance Audit was successfully conducted by the hired Certifying Body, making the ISO 9001:2015 Certification of the DSWD valid until the end of the current year. Accordingly, the DSWD is now aiming for the ISO 9001:2015 Recertification. For the ISO recertification process, the DSWD needs to procure again the services of a duly-accredited ISO 9001:2015 Certifying Body.

Foremost, Department of Budget and Management Circular Letter No. 2023 – 7 entitled “Prescribed Guidelines on the Issuance of Multiyear Contractual Authority (MYCA)” provides for the coverage, definition, and the guidelines on “Multi-Year Contractual Authority (MYCA)” and “Regular and Recurring Services (General Support Services)”, to wit:

“3.0 COVERAGE

This Circular covers departments, bureaus, offices, agencies and operating units of the national government, including commissions/offices under the Constitutional Fiscal Autonomy Group (CFAG) and SUCs undertaking multi-year contracts (MYCs) for locally-funded multi-year projects, including regular and recurring procurement services, except those funded by PPP and FAPs.

4.0 DEFINITION OF TERMS

For the purpose of this Circular, the following terms shall mean as follows:

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4.7 Multi-Year Contractual Authority (MYCA) - formerly known as Multi-Year Obligational Authority (MYOA), a document issued by DBM, either for LFPs or for regular and recurring services, in order to authorize the recipient entity to enter into multi-year contracts for the full project cost of multi-year programs/projects. It contains an annual breakdown of the full project cost, to ensure that agencies include in their budget proposal for the ensuing years, the amount programmed for the said years.

4.11 Regular and Recurring services (General Support Services) - services that are essential, indispensable, or necessary to support the operations of the procuring entity or for the enhancement of the welfare of its personnel. Such services include but are not limited to:

- 4.11.1 Janitorial and security services;
- 4.11.2 Supply of drinking water;
- 4.11.3 Telecommunications requirements; and
- 4.11.4 Rental of office and equipment, among others.”

5.0 GUIDELINES

5.1 A MYCA shall be required prior to commencement of any procurement activity relative to multi-year contracts for MYPs. The total project cost reflected in the MYCA shall be the basis or reference for the ABC as provided in R.A. No. 91845 and its revised Implementing Rules and Regulations (IRR). Meanwhile, the annual breakdown indicated in the MYCA shall be the basis for the CAP.

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5.3 For regular and recurring services, the DBM shall issue MYCA only under the following instances:

5.3.1 Savings will be generated in a contract that would exceed one (1) year;

5.3.2 Delivery of timely services would be hampered if annual bidding will be conducted; and

5.3.3 Locked-in contracts for specific cases, e.g., IT contracts of proprietary conditions, etc., which would make it more advantageous for the NGA to undergo the same.

Government agencies have the option to renew the ongoing contract to not more than one year, subject to a favorable assessment or evaluation of contractor's performance, but in no case shall the total contract renewal exceed two years.” (emphasis ours)”

ISO 9001 is a globally recognized standard for quality management. It helps organizations of all sizes and sectors to improve their performance, meet customer expectations and demonstrate their commitment to quality. Its requirements define how to establish, implement, maintain, and continually improve a quality management system (QMS). Implementing ISO 9001 means that the organization has put in place effective processes and trained staff to deliver flawless products or services time after time.

While the procurement of ISO 9001 cannot be considered a regular and recurring service, it is a locally-funded multi-year project given its nature as a recognized standard for quality management that is annually implemented over a three (3) year period.

Since the Surveillance Audit was already conducted last 2023 for ISO 9001:2015 Certification with validity up to the end of the current year, the contract with the previous certifying body had already expired. Thus, the procurement of a new certifying body, and not a renewal of contract of the former certifying body, is appropriate.

Per communication with the proponent, there is still an ongoing procurement process for the services of a duly-accredited ISO 9001:2015 Certifying Body for FY 2024-2026. Thus, a MYCA shall be required for this multiyear project.

Kindly, fill out the attached Customer Feedback Form and return the same to the Legal Service.

For your consideration.

Thank you.


ATTY. GINA V. WENCESLAO

CMUG/SIFR/10065
03/324

Approved by:


ATTY. EDWARD JUSTINE R. ORDEN
Undersecretary for GASSG