



Republic of the Philippines
Department of Education



Tanggapan ng Kalihim
Office of the Secretary


JAN 27 2009

DepED ORDER
No. 9, s. 2009

DISSEMINATION OF GPPB CIRCULAR NO. 2-2008
(Clarification on the Role of the Special Allotment Release Order (SARO)
in the Procurement Process)

To: Undersecretaries
Assistant Secretaries
Bureau Directors
Directors of Services, Centers and Heads of Units
Regional Directors
Schools Division/City Superintendents
All Others Concerned

1. For the information and guidance of all concerned, enclosed is a copy of the Government Procurement Policy Board (GPPB) Circular No. 02-2008 dated August 2008, "**Clarification on the Role of the Special Allotment Release Order (SARO) in the Procurement Process**".
2. Hereunder are clarifications on the role of SARO in procurement as mentioned in Section 4.0 of said Circular, to wit:
 - a. In accordance with Section 7 of Republic Act (RA) No. 9184, procurement may commence as long as such activity is included in the APP of the procuring entity concerned. Prior issuance of the SARO is not a pre-condition to the advertisement and/or posting of the invitation to apply for eligibility and to bid, in case of public bidding, or the posting of the notice of procurement, in the case of the alternative methods of procurement; and
 - b. Issuance of the SARO is, however, required before issuance of the notice of award by the procuring entity. At this point, the SARO must be in place to ensure that the certification on availability of funds, required under Section 40, Chapter 5, Book VI of Executive Order No. 292, shall be properly issued by the chief accountant of the procuring entity before any disbursement is incurred.
3. Immediate dissemination of and compliance with this Order is directed.


RAMON C. BACANI
Undersecretary
Officer-in-Charge

Encl.: As stated

Reference: None

Allotment: 1—(D.O. 50-97)

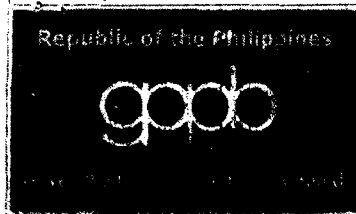
To be indicated in the Perpetual Index
under the following subjects:

BIDS

POLICY

PROCUREMENT

Sally: dissemination of GPPB cir. 2-2008 (SARO)
January 23, 2009



Unit 2506 Raffles Corporate Center,
F. Ortigas Jr. Road, Ortigas Center,
Pasig City, Philippines 1605

CIRCULAR 02-2008

1 August 2008

TO : Heads of Departments, Bureaus, Offices and Agencies of the National Government, Government Owned and/or Controlled Corporations, Government Financial Institutions, State Universities and Colleges, and Local Government Units

SUBJECT : Clarification on the Role of the Special Allotment Release Order in the Procurement Process

1.0. Purpose

This circular is issued to inform procuring entities about the proper role of the Special Allotment Release Order in the procurement process.

2.0. Coverage

All Departments, Bureaus, Offices and Agencies of the National Government; Government-Owned and/or –Controlled Corporations (GOCCs), including State Universities and Colleges (SUCs); and Local Government Units (LGUs).

3.0. Definition of Terms

3.1 *Annual Procurement Plan* or *APP* refers to the document that reflects the entirety of the procurement activities that will be undertaken by the procuring entity within the calendar year.

It contains the following information: (i) name of the project/procurement; (ii) project management office or end-user unit; (iii) general description of the project/procurement; (iv) procurement method to be adopted; (v) time schedule for each procurement activity; and (vi) the Approved Budget for the Contract.

3.2 *Approved Budget for the Contract* or *ABC* refers to the following:

3.2.1 In the case of national government agencies, the budget for the contract duly approved by the head of the procuring entity based on its APP and embodied in the agency budget as reflected in the General Appropriations Act (GAA) or to be proposed in succeeding GAAs.

3.2.2 In the case of GOCCs, including government financial institutions, and SUCs, the corporate budget for the contract approved by their governing boards pursuant to either Executive Order No. 518, s. 1979 or Republic Act No. (R.A.) 8292;

3.2.3 In case of LGUs, the budget approved by the *Sanggunian*.

3.3 *Special Allotment Release Order* or *SARO* refers to a specific authority issued to one or more identified agencies to incur obligations not exceeding a given amount during a specified period for the purpose indicated.

4.0. Role of SARO in Procurement

4.1. In accordance with Section 7 of R.A. 9184, procurement may commence as long as such activity is included in the APP of the procuring entity concerned. Prior issuance of the SARO is not a pre-condition to the advertisement and/or posting of the invitation to apply for eligibility and to bid, in case of public bidding, or the posting of the notice of procurement, in case of the alternative methods of procurement.

4.2. Issuance of the SARO is, however, required before issuance of the notice of award by the procuring entity. At this point, the SARO must be in place to ensure that the certification on availability of funds, required under Section 40, Chapter 5, Book VI of Executive Order No. 292, shall be properly issued by the chief accountant of the procuring entity before any disbursement is incurred.

5.0. For guidance.

(Sgd)

ROLANDO G. ANDAYA, JR.

Chairperson