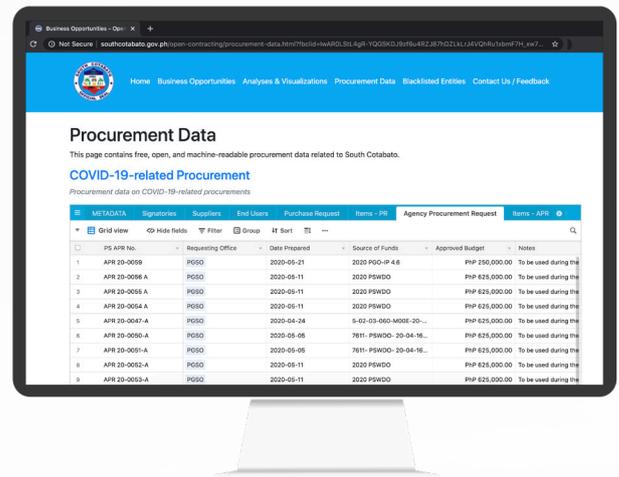


BEST PRACTICE IN PUBLISHING COVID-19 PROCUREMENT DATA: THE SOUTH COTABATO EXPERIENCE

The fight against COVID 19 has required a rapid and efficient procurement of life-saving goods and services. Governments around the world resorted to emergency procedures and negotiated arrangements. How they manage emergency procurement procedures and delivery will play a major role on how effective, efficient and transparent they can contain COVID-19 and how many lives they can save in a timely manner.

The Philippine national government passed the **“Bayanihan to Heal as One Act”** enabling procuring entities such as LGUs to conduct procurement activities related to COVID 19 in an expeditious manner. Other local government budgets are also reallocated to augment COVID 19 funds. These procurement policies which allow the government to respond swiftly to the needs of communities should be implemented with transparency and accountability to ensure sound and participatory decision-making. These policies also generate valuable information that should be made available to the public and used for monitoring and evaluating how public money is being spent.



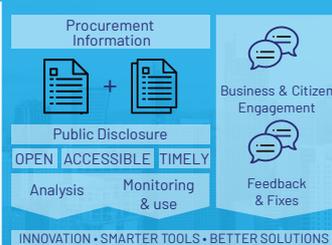
Provincial Government of South Cotabato COVID-19 Published Data (<http://southcotabato.gov.ph/open-contracting/procurement-data.html>)

The Provincial Government of South Cotabato, the first LGU which adopted Open Contracting in the Philippines, has spearheaded the collection and presentation of their COVID 19 procurement data in June 2020 from the vast procurement datasets uploaded in their Open Contracting Portal (<http://southcotabato.gov.ph/open-contracting/business-opportunities.html>). Their commitment to integrity and open governance made them realize that the rich source of COVID 19 procurement data can assist them in improving their future preparedness for crises similar to this as well as provide insights that can be useful for promoting investments and local socio-economic development.

South Cotabato’s Open Contracting Portal is not merely a repository of scanned purchase orders and notice of awards. What it has done is to convert these documents into machine readable format so these can be readily used for data analysis and preparing reports.

WHAT IS OPEN CONTRACTING?

Open Contracting is about publishing and using OPEN, ACCESSIBLE, and TIMELY information on government contracting to engage citizens and businesses in identifying and fixing problems.



It connects...



It involves the full chain of government deal-making, from the planning stage, and covers tenders, awarding, and implementation of all public contracts.



The Province of South Cotabato with the support of the European Chamber of Commerce of the Philippines (ECCP) conducted a series of consultation and focus group discussions with the contractors, Bids and Awards Committee, business sector and CSOs on how to improve the procurement process of the province in 2018. Results of these consultations led to the drafting and creation of these open contracting mechanisms.

COMMITMENT TO INTEGRITY AND GOOD GOVERNANCE

South Cotabato's journey towards enhancing integrity and good governance performance started several years ago.



In 2017, South Cotabato was again included in another 3-year EU-KAS funded project called the “**Local Government Integrity Circles Network**” or **LoGIC Network**. In this LoGIC project, South Cotabato engaged municipal and city LGUs in its provincial LoGIC program.



In 2014, they were one of the 9 pilot LGUs engaged by the 3-year EU-KAS funded project “**Partnerships for Integrity & Jobs**” or **Project I4J**. Under this program, the Provincial Government of South Cotabato implemented **27 integrity mechanisms** with the support of the **South Cotabato Integrity Circle (SCIC)**. The SCIC was a group established through an Executive Order with members representing the LGU, local business community, and local CSOs.



Moreover, in 2018, South Cotabato was chosen to be part of the five local governments around the world to join the international program, “**Open Government Partnership (OGP) Local Program**”. In the OGP Local Program, the province intensified its program by making five (5) OGP commitments, namely, 1. Access to Information; 2. Public Monitoring of Infrastructure; 3. Transparency in Public Procurement; 4. Participatory Tech in Extractives; and 5) Open Legislation.

<https://www.opengovpartnership.org/members/south-cotabato-philippines/>



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As the head of the BAC Secretariat, some of the questions that came out was how to encourage more bidders to participate, what kind of innovations should the office adapt in order to attract them. Limitations in the dissemination of information and disclosure of certain documents as provided by RA 9184 proved to be quite inhibiting since divulging these information and documents could enhance transparency and the integrity of the procurement process.

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Mr. John Magbanua
BAC Secretariat
Provincial Government of South Cotabato

MAKING PUBLIC PROCUREMENT OPEN

In partnership with the Dutch NGO **Hivos**, the **European Chamber of Commerce of the Philippines** supported the Provincial Government of South Cotabato (PGSC) in implementing one of their OGP commitments - Open Contracting. **Open Contracting** is an international procurement best practice that addresses different procurement concerns. It can vary from increasing transparency, government budget to building trust of the business partners.

South Cotabato has an institutionalized Integrity Circle where representatives of the LGU, local business sector and local CSOs discuss together and identify the specific problems that need to be prioritized and addressed as well as recommend the best actions that can be taken to solve the problems. This is the same framework adopted by the **OGP – a multi-stakeholder forum platform**. Thus it was on this basis that the OC was introduced and implemented.

With the technical support facilitated by ECCP, several consultations and focus group discussions with other relevant stakeholders such as contractors and CSOs as observers were conducted to validate the issues identified by the South Cotabato Integrity Circle.



Series of Focus Group Discussions and Consultations, June 2018

THE PROCUREMENT PROBLEM



In PGSC, many infrastructure projects suffer from delayed implementation (slippages) and completion. There are times when the project quality is poor. Among other factors, the slippages and poor quality of projects are also attributed to systemic issues on the procurement process such as the limited number of quality suppliers/contractors participating in bids and the delayed response to concerns of contractors.

While the provincial government discloses 100% of the bidding documents required by law through the Philippine Government Electronic System (PHILGEPS) and posts bidding information in its website as well as in three conspicuous physical places, these cannot be accessed in machine-readable or editable formats by the public. These technical documents are also not presented in a manner that would be interesting any easy for the general public to understand or utilize. Hence, the limited transparency and accessibility of procurement documents contributed to the identified procurement issues. There is also a limited number of capacitated CSOs and business sector

representatives who can participate as observers in the bidding process as required by law. In fact, despite the issuance of invitations, there have been limited to no interests among the CSOs or business sector to serve as observers during the regular bidding processes.

If not addressed, these problems will continue to hinder the timely delivery or achievement of expected results to the disadvantage of intended beneficiaries. The delays in delivering public goods, services and infrastructure will result in the limited mobility of people and goods, lack of access to basic social services, and weak rural-urban integration.

Given these, PGSC included Open Contracting as one of their commitments to their OGP action plan. Their OC commitment aims to make the public procurement process more efficient and transparent, and the procurement data more business friendly, useful/readable and gender-sensitive, through the development of online and offline open contracting mechanisms. The online mechanisms address the concern about increasing the number of observers monitoring the whole procurement process with the use of machine readable data.

BRINGING SERVICES CLOSER TO SOUTH COTABATENOS BY OPENING CONTRACTING AND PROCUREMENT DATA

Making the procurement process more OPEN, EFFICIENT, and INCLUSIVE will enhance the capacity of the provincial government to implement quality infrastructure projects AS SCHEDULED, and consequently, DELIVER EFFECTIVE and EFFICIENT SERVICES TO THE PUBLIC. The improved quality if procured goods and services will increase LOCAL COMPETITIVENESS and accelerate LOCAL ECONOMIC GROWTH.

The Province of South Cotabato has committed to make the public procurement process more efficient and transparent, and the procurement data more useful, readable, and gendersensitive, through the development of ONLINE and OFFLINE OPEN CONTRACTING MECHANISMS.



ONLINE & OFFLINE OPEN CONTRACTING MECHANISMS

These mechanisms aim to improve local competitiveness and to make the procurement process more efficient, transparent, and inclusive.



These online and offline OC mechanisms were officially introduced and implemented through the issuance of an **Administrative Order (AO)** in March 2019. PGSC also formed a technical working group (TWG) to facilitate the implementation of the AO as well as to secure the achievement of the milestones in the commitment. TWG members comprised of the representatives of the departments involved in the procurement process.

ONLINE MECHANISM: USER CENTERED APPROACH

Technically setting up the OC portal was a huge challenge and important milestone. However, even more essential is ensuring that users of the portal are considered in the development process. For South Cotabato, all these improvements were achieved through a series of consultations and workshops prior and during the design of the webpage in order to identify and incorporate the requirements of the target users of this portal. Among the users identified are the LGUs, contractors, CSOs including the academe.

A user centered design workshop with the stakeholders was conducted to understand the need of each user, the features that users want to have and the data that are of interest to them. The workshops were attended by contractors (i.e. current bidders and non-bidders), business sector representatives (i.e. experienced bidding observers and those who are not), CSO representatives (i.e. experienced bidding observers and those who are not), and LGU representatives.



User Centered Design Workshop, March 2019



Integrity Week, September 2019

Stakeholders were directly and actively involved in co-designing the OC portal and for this reason, when the portal was launched during the **September 2019 Integrity Week**, it received immediate positive feedback as it met the requirements of the users. A partnership with the **Notre Dame of Marbel University (NDMU)** as the program's academic research partner was also pursued. This opened a new avenue for promoting the use of open contracting data for information sharing, analyses and researches in support of the open government goals of the province. In line with this, the **"1st South Cotabato Open Contracting Challenge: A Research Grant Competition"** was organized from February to June 2020. Four research groups were engaged to undertake research studies using PGSC's procurement data <http://southcotabato.gov.ph/open-contracting/procurement-data.html>.

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By putting all these systems in place, we are able to utilize procurement data in decision making and developmental planning. We do this by considering important data such as women participation in bidding and presence of civil society organizations during bidding in creating policies to better improve existing processes and services of the provincial government.

Through this experience, we found that having constant communication with the people resulted in a more holistic implementation of programs and services. We also learned that through constant engagement with them, we were able to know about their problems and discuss possible solutions with them. In essence, we are bringing people closer together in shaping a more open government.

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Ms. Jen Bretana

Provincial Planning and Development Office
Provincial Government of South Cotabato



THE RESULTS

In the short period that the OC program was implemented, it can be noted that there were quite a number of positive outcomes reported.



Decrease in the number of failed bids from **32 in 2018** to **3 in 2019**



Increase in the number of **completed infrastructure projects** from **120 in 2018** to **128 in 2019**



Increase in the number of **new bidders** from **173 in 2018** to **202 in 2019**



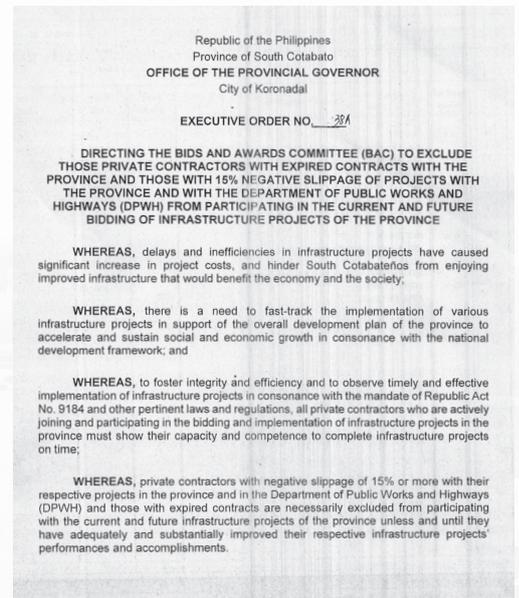
Increase in the **number of projects posted** in the OC portal from **0 in 2018** to **19 in 2020**



Increase in the number of **market surveys conducted** from **0 in 2019** to **2 in 2019**

The OC program also gave PGSC a tool to measure the performance of contractors and to assess more clearly the project delivery situation in the province. With new data made available through the PGSC OC program, it revealed that about 90% of contractors have slippages in project delivery. On the basis of this alarming finding that Governor Tamayo issued **Executive Order 38A** prohibiting underperforming contractors (i.e. with 15% slippages) to participate in the current and future bidding of infrastructure projects. The Governor acted on the matter to level the playing field by rewarding performing contractors with the opportunity to continue to bid for projects and penalizing non-performing contractors by limiting their participation in the bidding process while encouraging new bidders to participate in the bidding process. In this manner and with the availability of good performance data, the Governor was able to manage the situation better and to affirm his commitment towards implementing open contracting in his administration.

The Governor also mentioned in his keynote speech during the 2019 Integrity Week, that it is important to promote the OC process as this will make the PGSC more efficient in managing and completing projects while promoting a faster delivery of services to the people. The Bids and Awards Committee Secretariat, Mr. John Magbanua, was also able to identify which part of the bidding process was causing most of the delay through the reports generated by the system.



Executive Order 38A

“ The BAC Secretariat in general, has become more knowledgeable in new technological innovations in making the procurement process accessible online. The suppliers and contractors, on the other hand, have become more participative in bidding and are now keen in completing their projects. The general public, through the CSO observers, are now more engaged in the procurement process with their active attendance during bidding. Overall, the program, for one, helped increase the number of bidders that resulted in less failure in procurements and savings in government spending without compromising the quality of procured goods and services. Second, more CSOs are interested in becoming observers in the procurement process. There is also a more inclusive opportunity for interested suppliers, contractors, media, students/researchers and other stakeholders to be engaged and have access to data and information in all the stages of the procurement process. ”

Mr. John Magbanua
BAC Secretariat

Provincial Government of South Cotabato



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Having the open contracting and open data principles incorporated in the procurement process of the PGSC equip us with the tools and information that help us manage the province better. In the words of the well-renowned economist Peter Drucker, “What you cannot measure, you cannot manage.” Indeed, open contracting has allowed us to organize the process with greater transparency and increased stakeholder participation. Open data also helped us generate good data for monitoring and measuring performance. Finally, add to this the strong support of the community in making open contracting and open data a reality. With all these at hand, we are able to manage the future of the province better, and together, we can deliver a more progressive Province of South Cotabato to the next generation.

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Governor Reynaldo Tamayo, Jr.
Province of South Cotabato

INTEGRITY BUILDING IN THE NEW NORMAL

The current health emergency brought about by COVID-19 highlights the importance of fast action, transparency and stakeholder participation in the procurement process in order to achieve the timely and efficient delivery of goods and services to the public. This is particularly important now given that the fight against the COVID-19 pandemic is a matter of saving lives and safeguarding livelihoods. Communities need immediate attention.

PGSC's pre-COVID-19 commitment to open contracting has made it more ready to handle the challenges of public emergencies, may it be the public health emergency it now faces or another kind of emergency in the future. The best practices offered by open contracting which were adopted by the PGSC have equipped it with a system and the capacity to serve its communities with speed, efficiency, integrity and transparency.

The new normal demands innovations on online public information/service delivery, closer public-private partnerships, greater transparency and accuracy of information, as well as increased participation of stakeholders in support of the **“Bayanihan Spirit”** or **“Open Government”** for effectively managing emerging challenges. The strong commitment of PGSC to support continuous improvements in its open contracting process as well as its unwavering dedication to deliver the 5 OGP commitments will enable South Cotabato to govern and perform better in the emerging new normal.



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