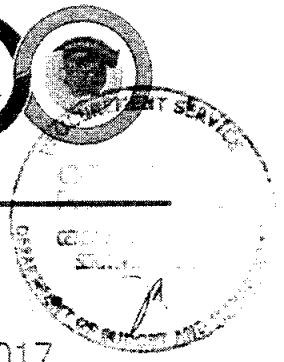




Republic of the Philippines  
Department of Budget and Management  
**PROCUREMENT SERVICE**

RR Road, Cristobal Street, Paco, Manila, Philippines 1007  
Trunk line: 688-7750 Direct line: 563-9365 & 563-9395



**OFFICE ORDER**

No. 133-17  
November 21, 2017

**SUBJECT: CREATION OF THE BUSINESS PROCESS REVIEW  
TEAM**

1.0 In the exigency of the service, a Business Process Review (BPR) Team is hereby created:

**Team Leader** : Ms. Mary Ann G. Peñaflor  
**Assistant Team Leader** : Ms. Rosalinda V. Dapito  
Mr. Mark Anthony D. Huertas

**Technical Support Staff**

IT Service Division : Mr. Karl Michael R. Espejo  
Mr. Renel Rigor A. Bockot  
Ms. Marjorie Mae M. Cruzat  
  
IT Research and Planning Division : Mr. Mark Evans Agsalud  
Ms. Princess Sabio

Group	Division	Decision Maker	Process Owner
Operations Group	Sales Division	Mr. Ariel R. Cunanan	Ms. Magie B. Mendoza
			Ms. Ana Zosith A. Canares
	Warehouse and Logistics Division	Ms. Nenita S. Oaper	Ms. Catherine Anne D. Mirabel
			Mr. Jeffrey M. Bertumen
	Depot Operations Division		Mr. Dave Y. Valderrama
			Ms. Consolacion S. Cinco
Procurement Group I	Inspection Division	Mr. Jorge L. Mendoza III	Ms. Noralyn D. Salvador
		Mr. Mervin Ian D. Tanquintic	Mr. El Jon Bunao
	Procurement Division I	Engr. Rosana D. Yambao	Mary Buenady A. Corpuz
			Engr. Chanel Fiji C. Melo
			Ms. Ma. Danica P. Abengoza
Procurement Group I	Procurement Division II	Engr. Manuel S. Avila	Ms. Princess Joy B. Flores

Procurement Group I	Procurement Division III	Mr. Eduard R. Saddi	Ms. Sharon Y. Baile Ms. Noelle Anne M. Reyes
	Procurement Division IV	Ms. Estrellita G. Fule	Ms. Rose Alvidale G. Ladiad Mr. Nikko C. Valenzona
	Procurement Division V	Ms. Teresita J. Dela Cruz	Mr. Vic Anthony A. Tubon Mr. Webster M. Laureñana
Procurement Group II	Procurement Division VI	Mr. Joseph Conrad D. Dueñas	Ms. Rhazel C. Rigoroso Mr. Marc DR. Hordejan
	Procurement Division VII	Ms. Ma. Gemma M. Villanueva	Mr. Arnold F. Bondoc Mr. Yuji C. Hoshina
	Procurement Division VIII	Mr. Jaime M. Navarrete Jr.	Ms. Mary Norma E. Calderon Mr. Paul Jasper V. de Guzman
	Procurement Division IX	Ms. Dalisay Contrina P. dela Chica	Ms. Ma. Jennifer R. Jimenez Mr. Vincent Joseph D. Disu
	Procurement Division X	Atty. Michelle Anne B. Recto	Mr. Jack G. Mercado Mr. Jayson C. Erquiza
Administrative and Finance Group	Comptroller Division	Mr. Allan Raul M. Catalan	Ms. Rosalina R. De Vera Ms. Fatimah Amsrha A. Peñaflor Ms. Maria Eden A. Magno Mr. Oriel M. Ontimare
	Treasury Division	Mr. Arnold James Dupia	Ms. Ma. Joanna Victoria L. Maglay
	General Administrative Division	Engr. Edgar Allan Rocha	Mr. Edgardo T. Lim Jr. Mr. Roldan V. Rubi

- 2.0 The core team shall be responsible in evaluating the current business processes for the purpose of improvement of the procedures and operations of the Procurement Service. This business processes will be defined and approved based on the best practices and later be aligned to our Enterprise Resource Planning Software (FACT ERP.ING).

3.0 The following critical areas shall be evaluated by the core team:

Division	Process
Warehouse Division	<ul style="list-style-type: none"><li>- Receiving of Stocks</li><li>- Releasing of Stocks</li><li>- Preparation of Delivery Receipt</li></ul>
Sales Division	<ul style="list-style-type: none"><li>- Preparation of Sales Order and Sales Return</li><li>- Monitoring of Price</li></ul>
Inspection Division	<ul style="list-style-type: none"><li>- Inspection and Evaluation Report Preparation</li><li>- Purchase Invoice Preparation</li><li>- Purchase Return Process</li></ul>
Procurement Division	<ul style="list-style-type: none"><li>- Creation of New Items</li><li>- Preparation of Purchase Order /Amendment to Order</li><li>- Contract Implementation Process</li></ul>
Comptroller Division	<ul style="list-style-type: none"><li>- Set-up of System Controls</li><li>- Management of Vendors/ Customer Listing</li><li>- Disbursement Process</li><li>- Recording of Accruals</li><li>- Adjustment of Entries (Credit Note/Debit Note)</li></ul>
Treasury Division	<ul style="list-style-type: none"><li>- Collections and Budgeting</li></ul>
Administrative Division	<ul style="list-style-type: none"><li>- Preparation of Letter Order</li><li>- Fixed Asset Management</li><li>- Inventory of Consumables</li></ul>
Depot Operations	<ul style="list-style-type: none"><li>- Preparation of Stock Transfer Request and Transfer of Stocks to Regional Depots</li></ul>

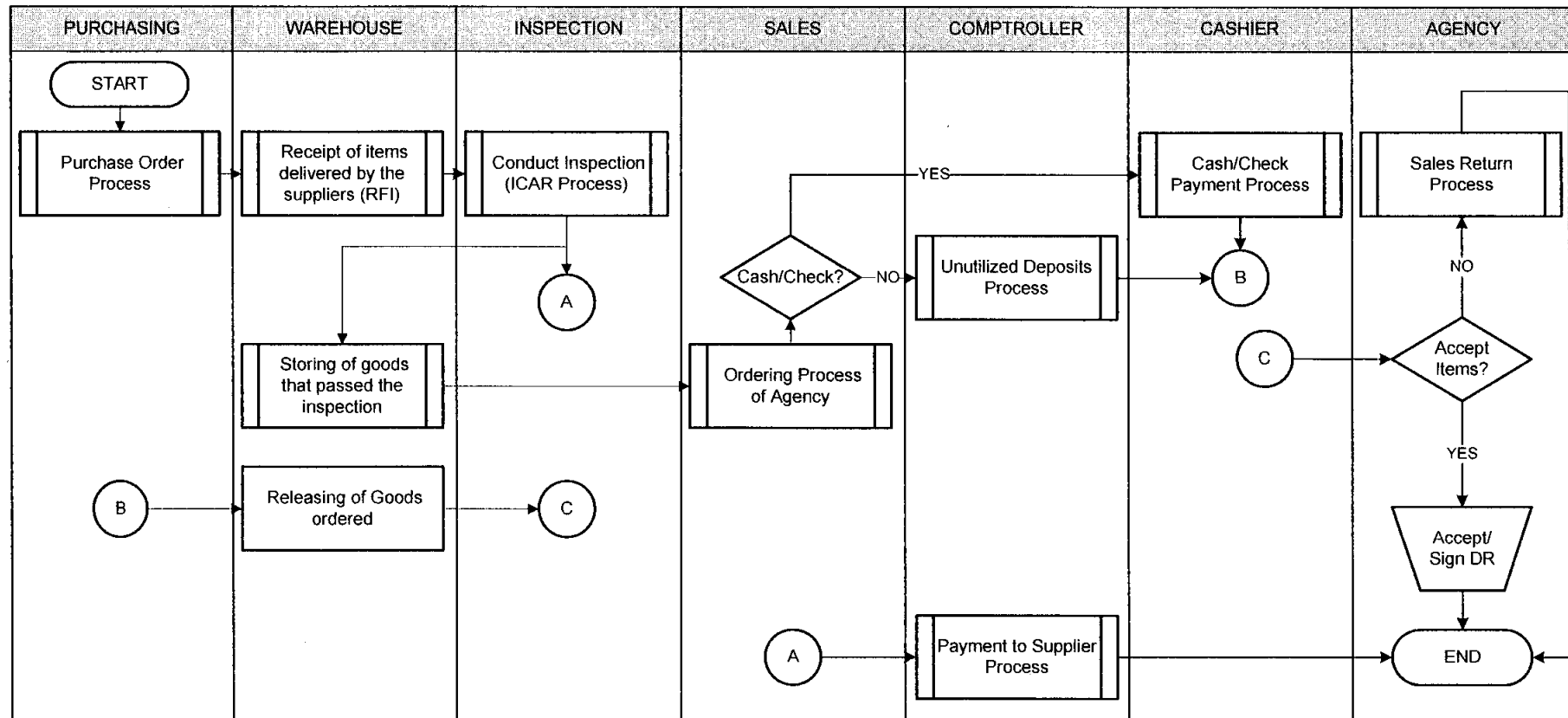
4.0 The duration of the review shall be from November 23 to December 5, 2017 from 9:00 am to 4:00 pm. Attached is the schedule of activities of the review as Annex A.

5.0 For compliance.

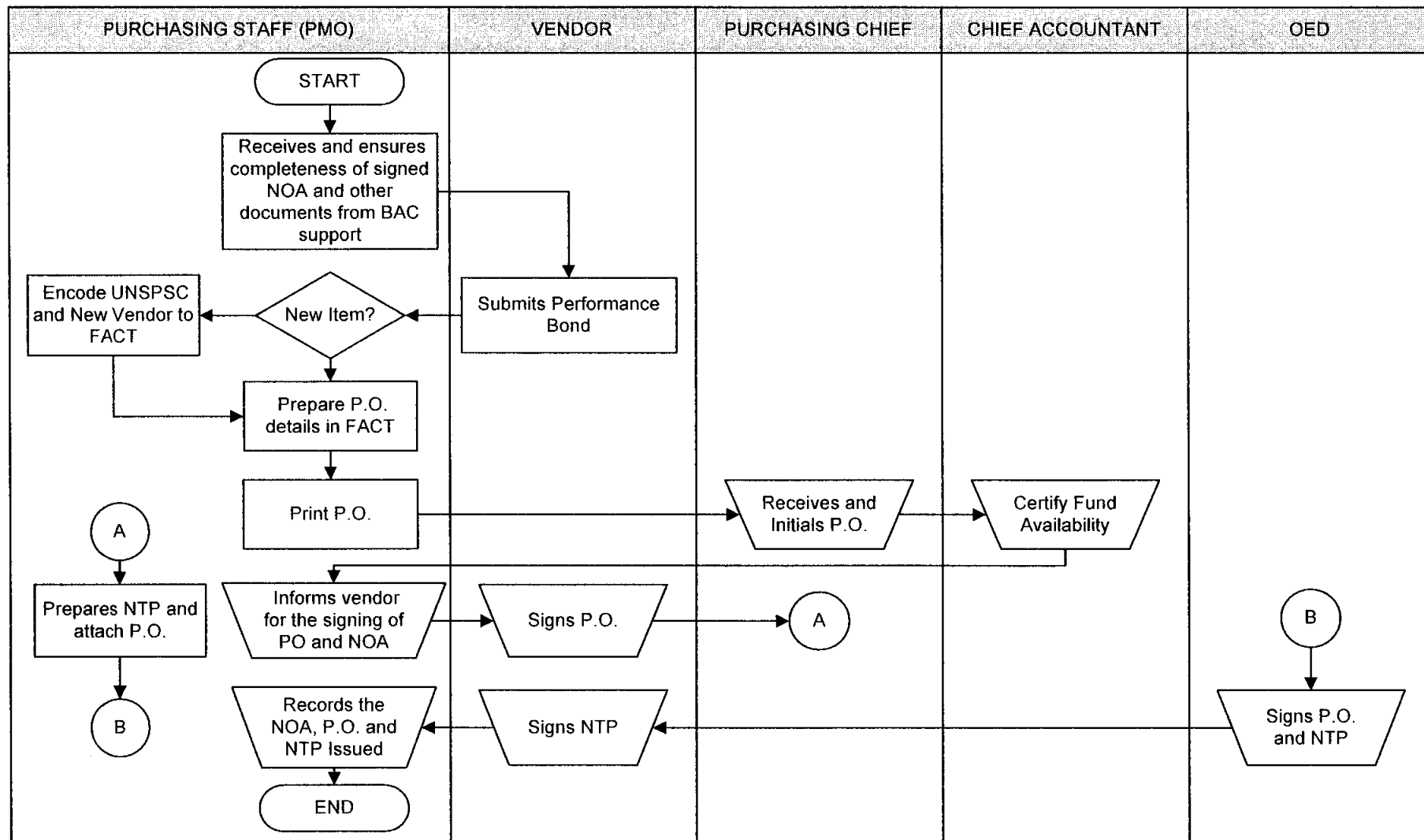
  
**BINGLE B. GUTIERREZ**  
Executive Director

Date	Modules and Sub-Modules		Concerned Division/s
23-Nov-17	Presentation / Discussion of System Controls		Comptroller
	Discussion of Masterfiles		
		Chart of Accounts	Comptroller
		Customer Set-up and Groupings	Comptroller / Sales
		Vendor Set-up and Groupings	Comptroller / PD
		Items / Products	Comptroller / WALD / PD / Sales
		Document Class	All Concerned Divisions
		User Defined Fields	All Concerned Divisions
		User Defined Tables	All Concerned Divisions
		Document Numbering And Master Codes	All Concerned Divisions
		Cost Centers	Comptroller / Treasury
11/24/2017	Discussion of General Ledger/Cash/Bank		
		Contra Voucher	Comptroller / Treasury
		Voucher	Comptroller / Treasury
		Recurring Voucher	Comptroller / Treasury
		Journal	Comptroller / Treasury
		Recurring Journal	Comptroller / Treasury
		Bank Reconciliation	Comptroller / Treasury
	Discussion of Fixed Asset Management (PPE)		
		Set-up	GAD
		Purchase Invoice	Inspection Division
		Sales Invoice	GAD
		Sales Return	GAD
		Trading Stock to fixed asset	GAD
		Transfer of asset	GAD
		Depreciation calculation	GAD
		Disposal of assets	GAD
11/27/2017	Accounts Receivable - Sales		
		Proforma Invoice / Quotation	Comptroller / Sales
		Sales Order (APR)	Comptroller / Sales
		Sales D/O (DR)	Comptroller / Sales
		Sales Invoice	Comptroller / Sales
		Sales Return	Comptroller / Sales
		Customer Receipt and Payments	Comptroller / Sales / Cashier
		Customer Debit and Credit Notes	Comptroller / Sales
		Party Journal	Comptroller / Sales
		ST from Sales	Comptroller / Sales
		Adjustment of Documents (Credit Notes and Advances)	Comptroller / Sales
11/28/2017	Accounts Payable - Purchases		
		Indent/ Requisitions	Purchasing Divisions
		Purchase Inward Quotations	Purchasing Divisions
		Purchase Orders	Purchasing Divisions / GAD
		Purchase D/O (RFI)	WALD
		Purchase Invoice (ICAR)	Inspection Division
		Purchase Return	PD / Inspection / WALD
		Procurement Wizard	PD / Comptroller
		Vendor Receipt and Payment	Comptroller / Treasury
		Vendor Debit and Credit Notes	Comptroller / Treasury
		Party Journals	Comptroller / Treasury
		ST from Purchase	Comptroller / Treasury
		Adjustment of Documents (Credit Notes and Advances)	Comptroller / Treasury
11/29/2017	Inventory and Warehousing		
		Adjustment of stocks	Comptroller / WALD / DOD
		Transfer of stocks	WALD / DOD
	Document Design		All Concerned Divisions
	Report Writer		All Concerned Divisions
	Discussion of Issues/GAPs		All Concerned Divisions
12/5/2017	Presentation / Discussion of "To be" Process		All Concerned Divisions

## Current Process Flow



**Diagram 1. Common Use Top View Process**



**Diagram 2. Purchase Order Process**

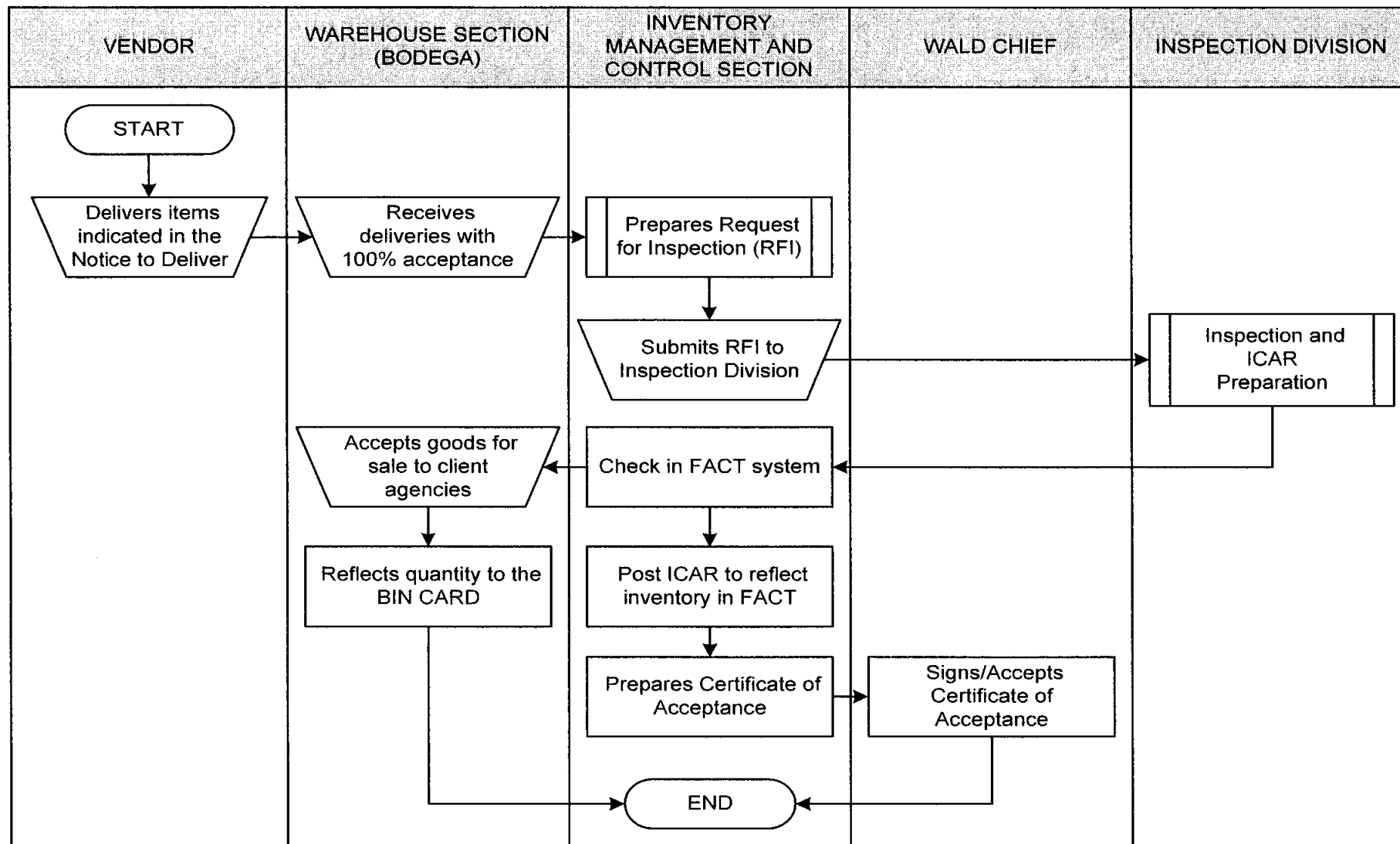
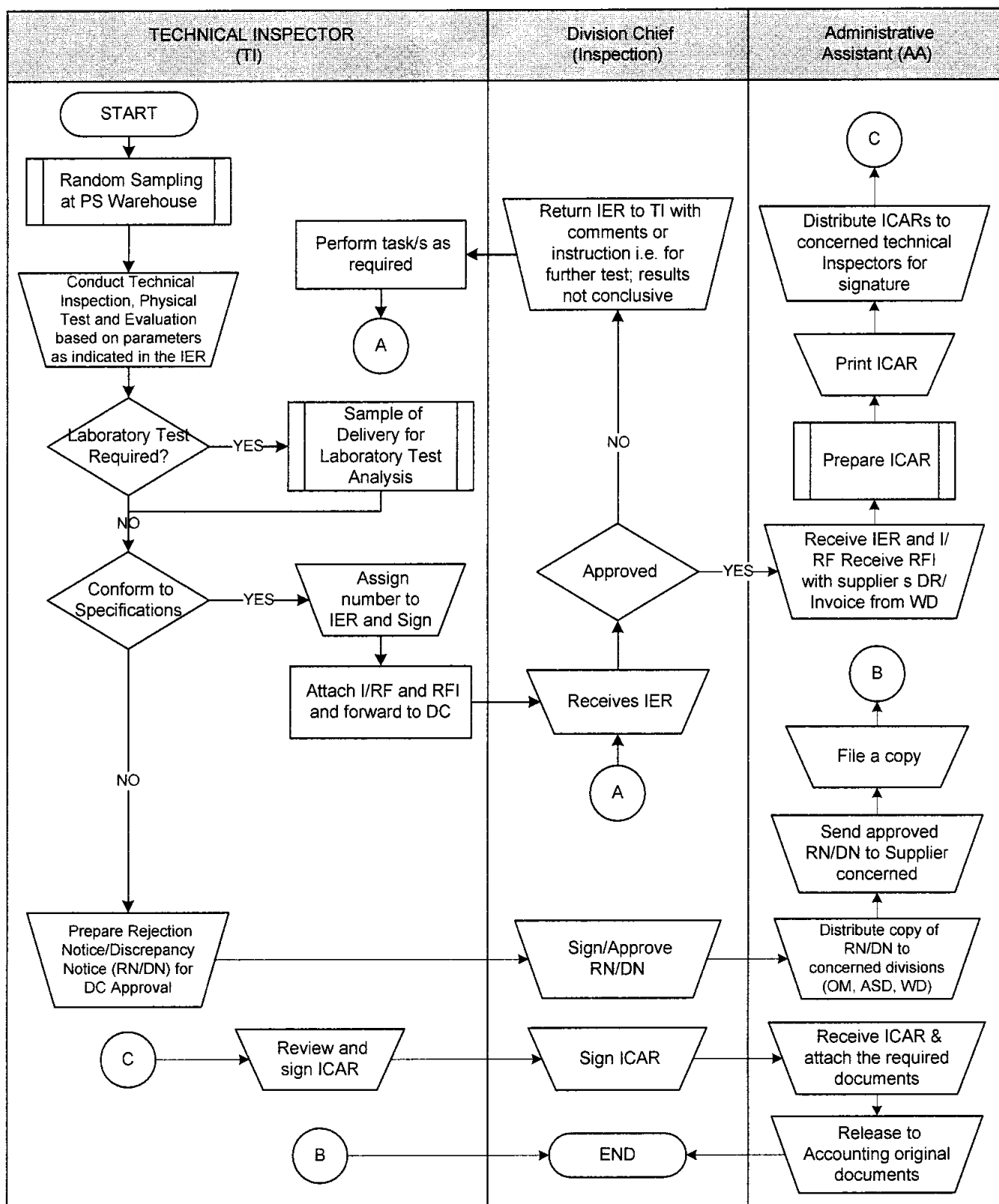


Diagram 3. Request for Inspection Process



**Diagram 4. Conduct of Inspection and ICAR Preparation (In-House Inspection) Process**



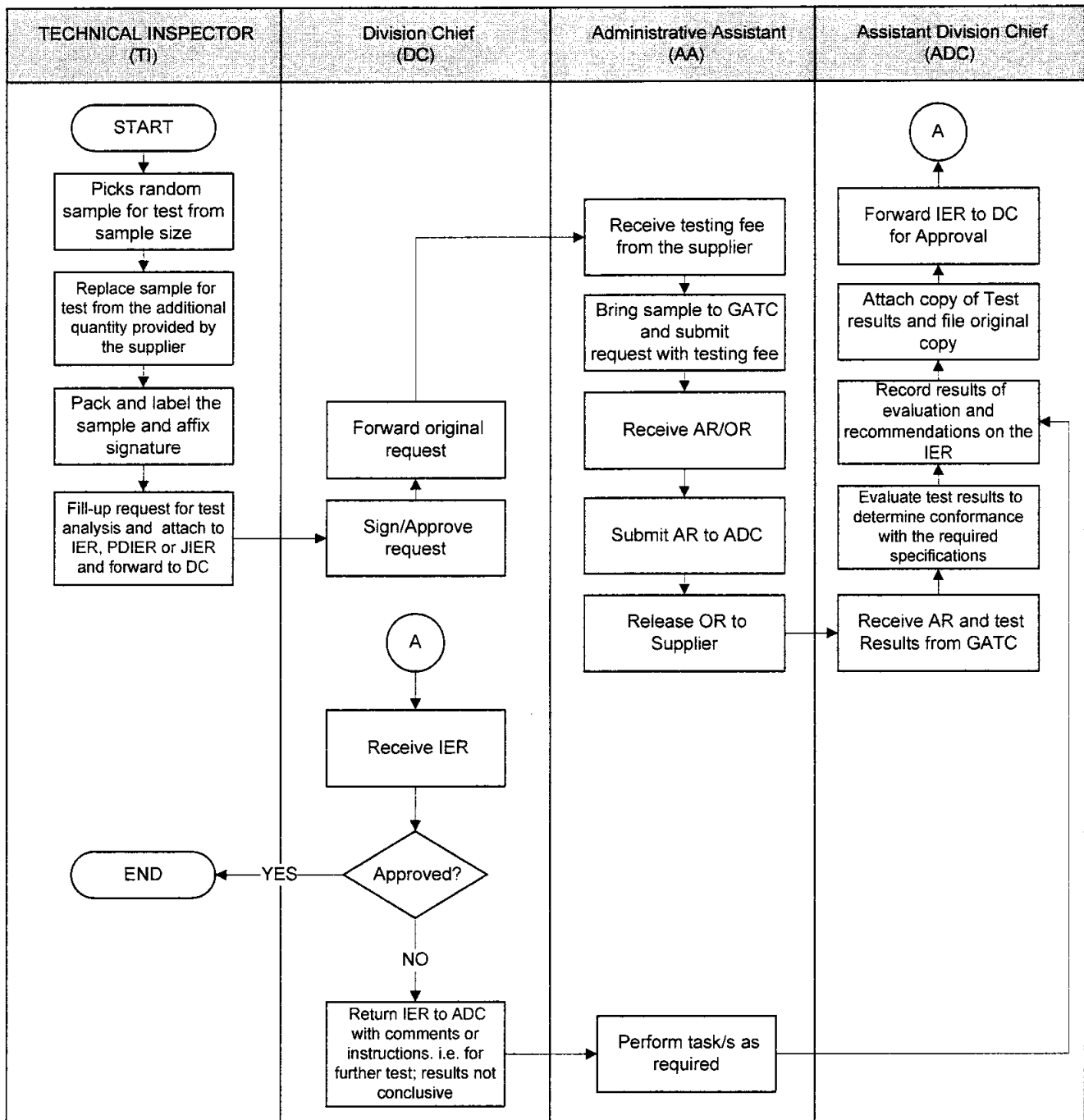


Diagram 5. Sample of Delivery for Laboratory Test Analysis Process

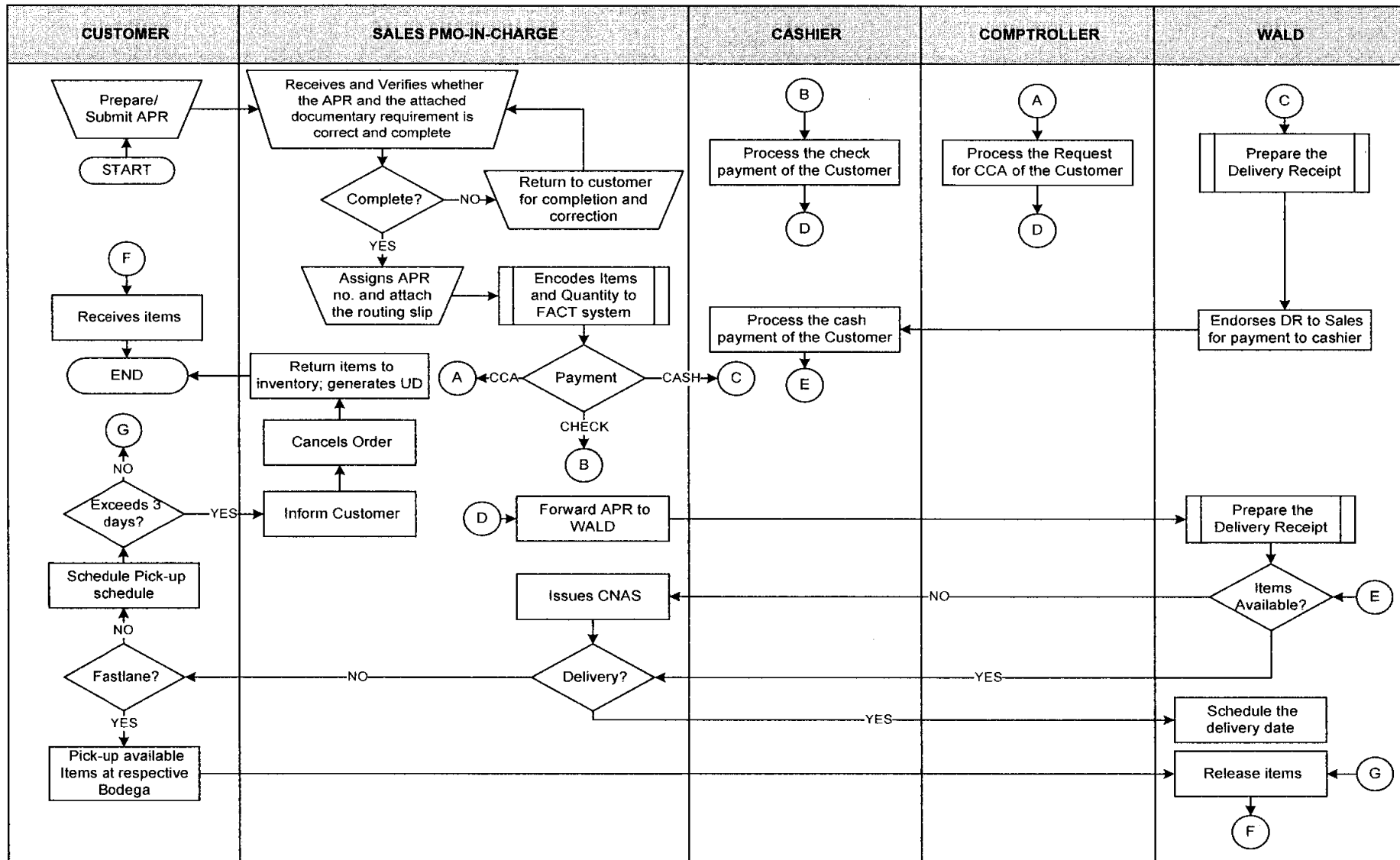


Diagram 6. Ordering Process

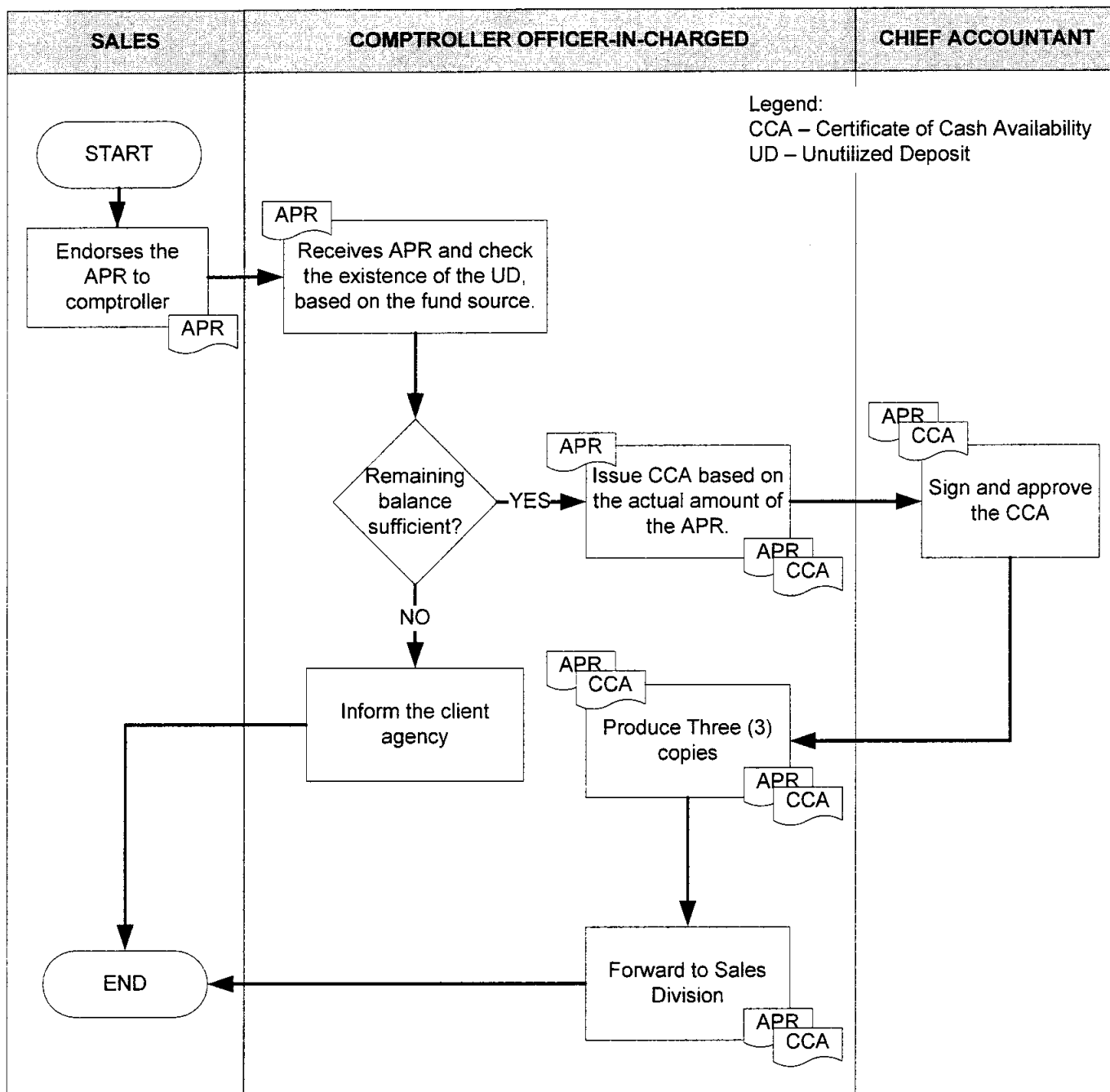
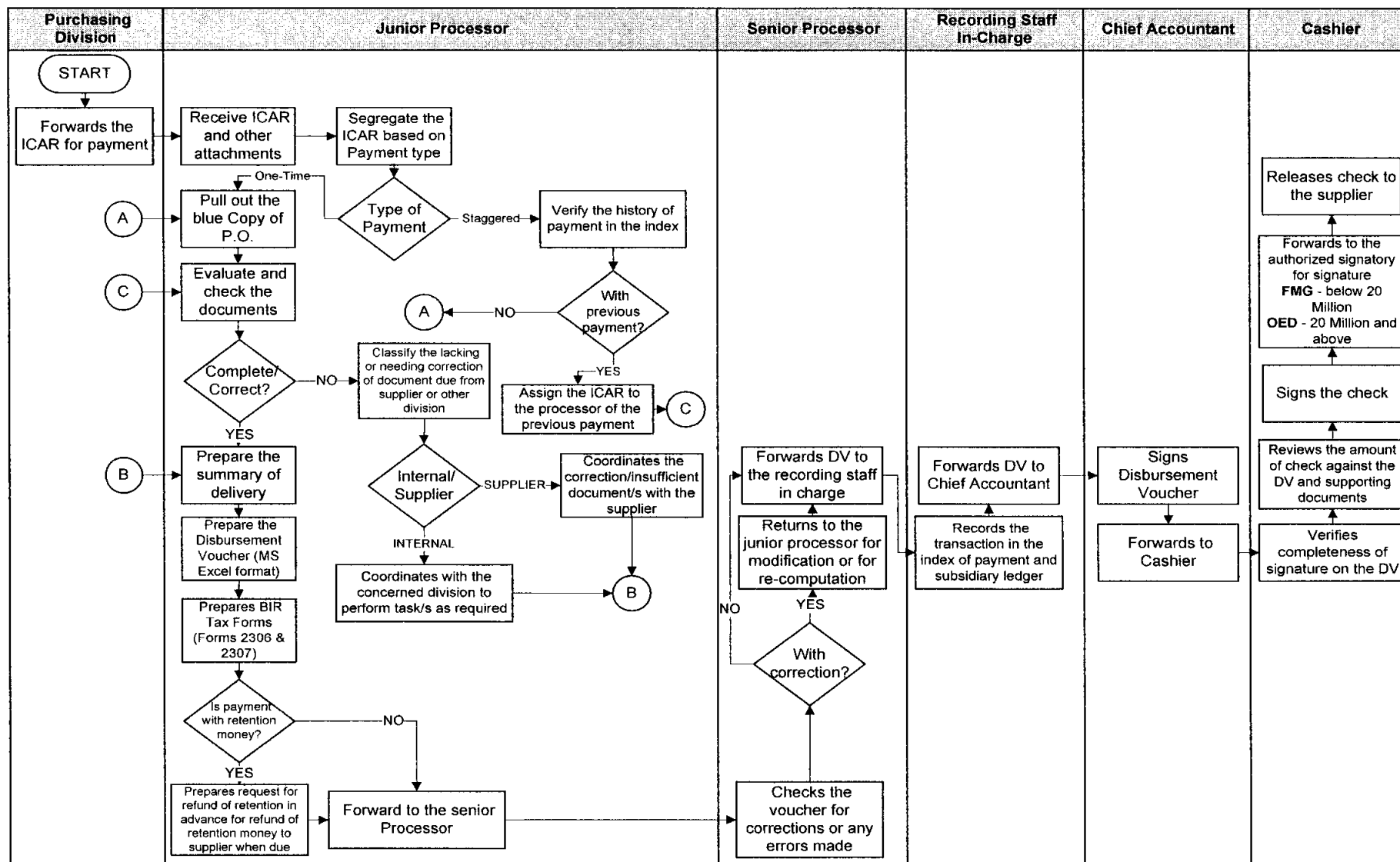


Diagram 7. Payment Process



**Diagram 8. Disbursement Voucher for Trade Suppliers Process**

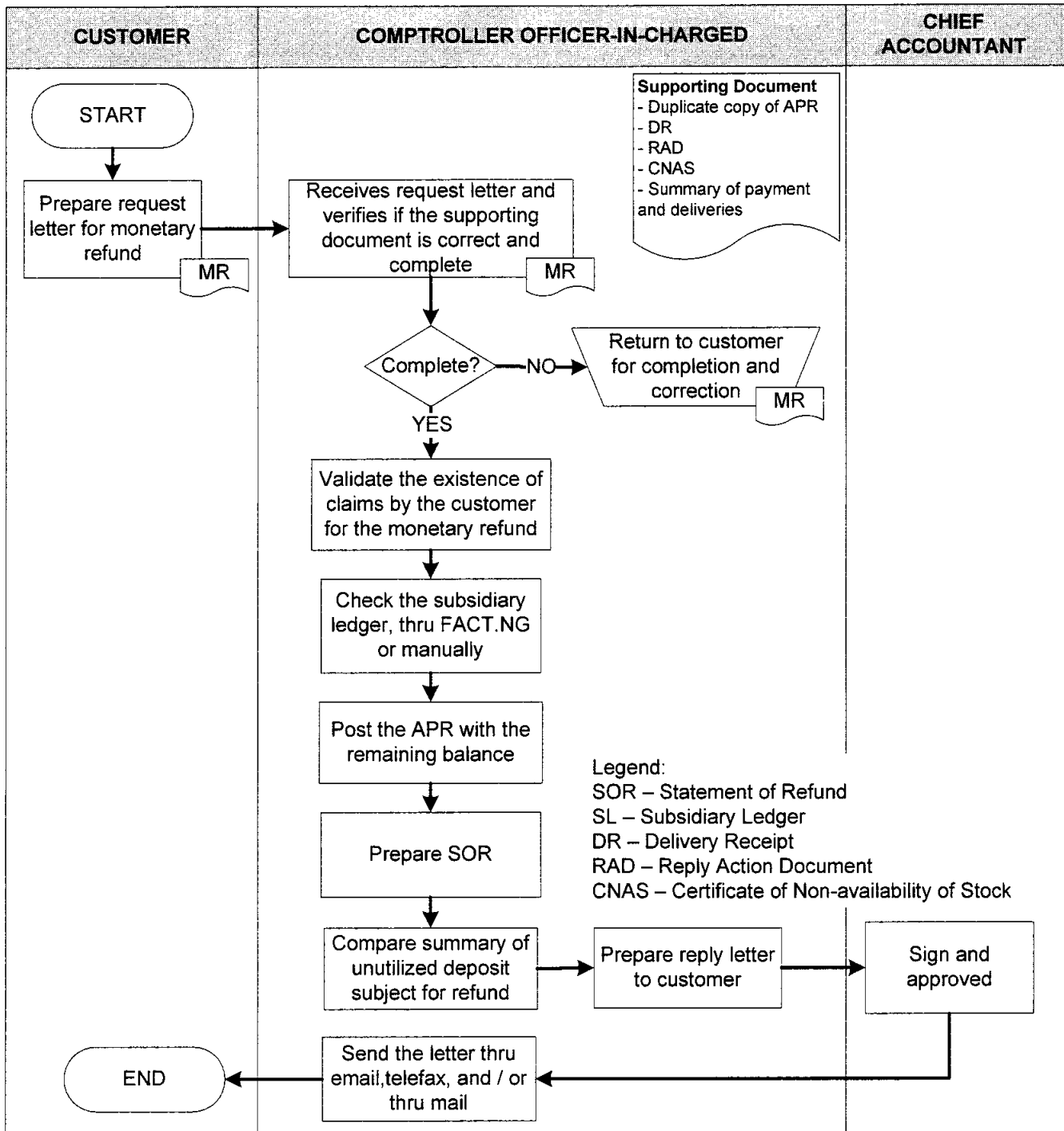


Diagram 9. Preparing Monetary Refund of Unutilized Deposit Process

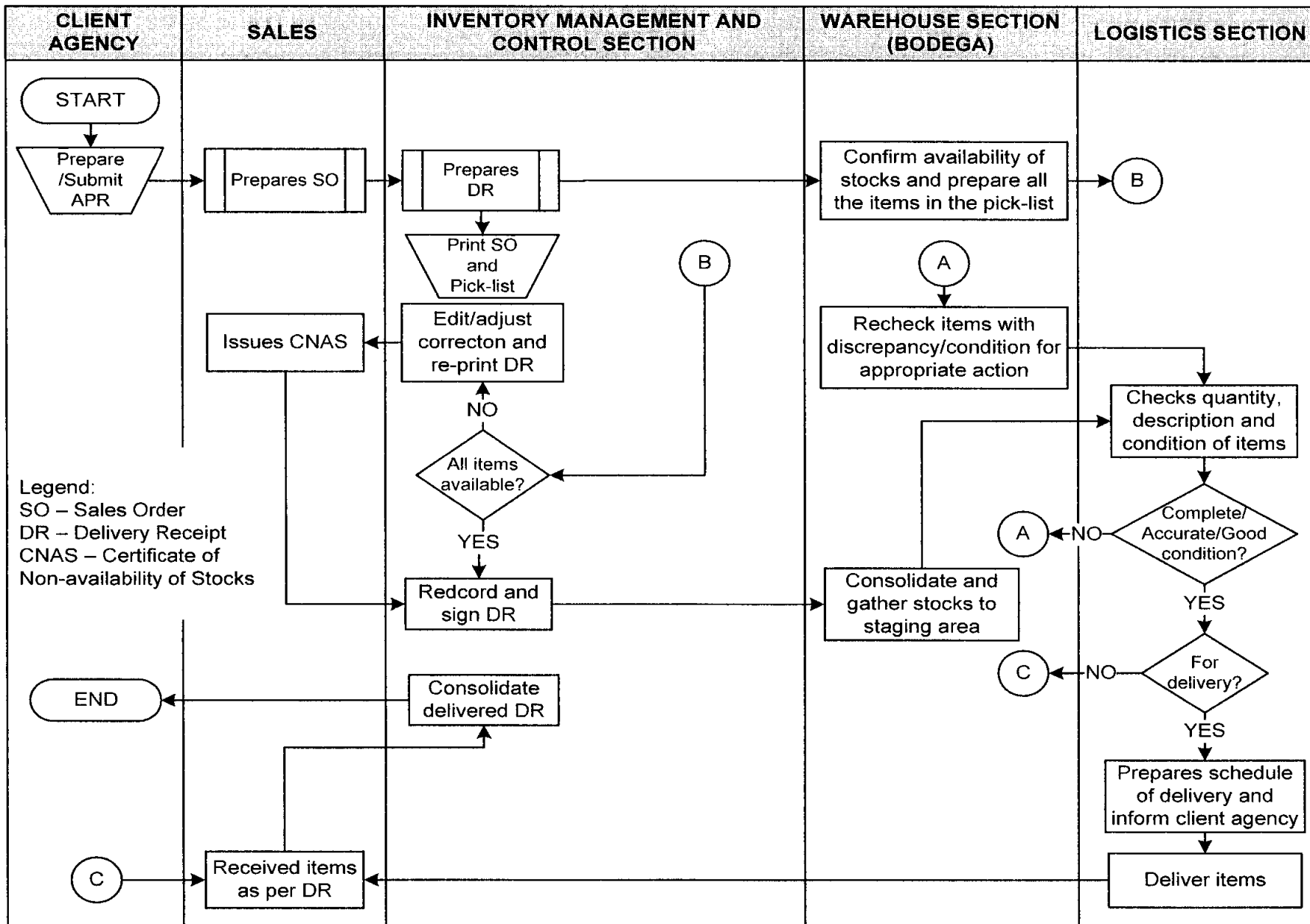
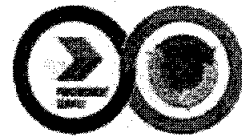


Diagram 10. Releasing of Items Process



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**OFFICE ORDER**

No. 005-18  
January 8, 2018

**SUBJECT: BUSINESS PROCESS REVIEW (BPR) WORKSHOP**

1.0 In relation with the result of the Business Process Review (BPR) conducted by the IT Services Division, the following PS personnel as attached in Annex A are hereby authorized to attend a two (2) day workshop to discuss on the results and issues before implementing changes in the FACT ERP. NG. from January 10-11, 2018, 8:00 am to 5:00 pm to be facilitated by ~~the~~ Mr. Dennis Nacario at the DBM Multipurpose Hall.

2.0 For compliance.

  
**BINGLE B. GUTIERREZ**  
Executive Director

# Annex A

## Business Process Review Champions

Division	Decision Maker	Process Owner	Alternate
Sales Division	Ariel R. Cunanan	Magie Mendoza	Zosith Canares
Warehouse and Logistics Division	Ariel R. Cunanan	Cathy Mirabel	Jeffrey Bertumen
Depot Operations Division	Dave Valderrama	Boycie Tarca	Mylene Qulambao
Inspection Division	Jorge Mendoza, III	Noralyn Salvador	El Ion Bunao
Procurement Group I	Dir. Joele H. Eayte	Ma. Jennifer Jimenez /Sharon Baile	Rose Ladlad
Procurement Group II	Dir. Julie Lozano	Rhazel Rigoroso	Norma Calderon
Comptroller Division	Allan Raul Catalan	Fatimah Amsrha Peñaflor	Mark Anthony Huertas
Treasury Division	Arnold James Dupla	Ma. Joanna Victoria Maglay	Abigail Malay
General Administrative Division	Engr. Edgar Allan Rocha	Edgardo Lim	

Facilitator:

Mr. Dennis Nacario

*James Dupla*  
*Joanna Maglay*

Technical Support

Mary Ann Peñaflor  
Karl Michael Espejo  
Renel Rigor Bockot

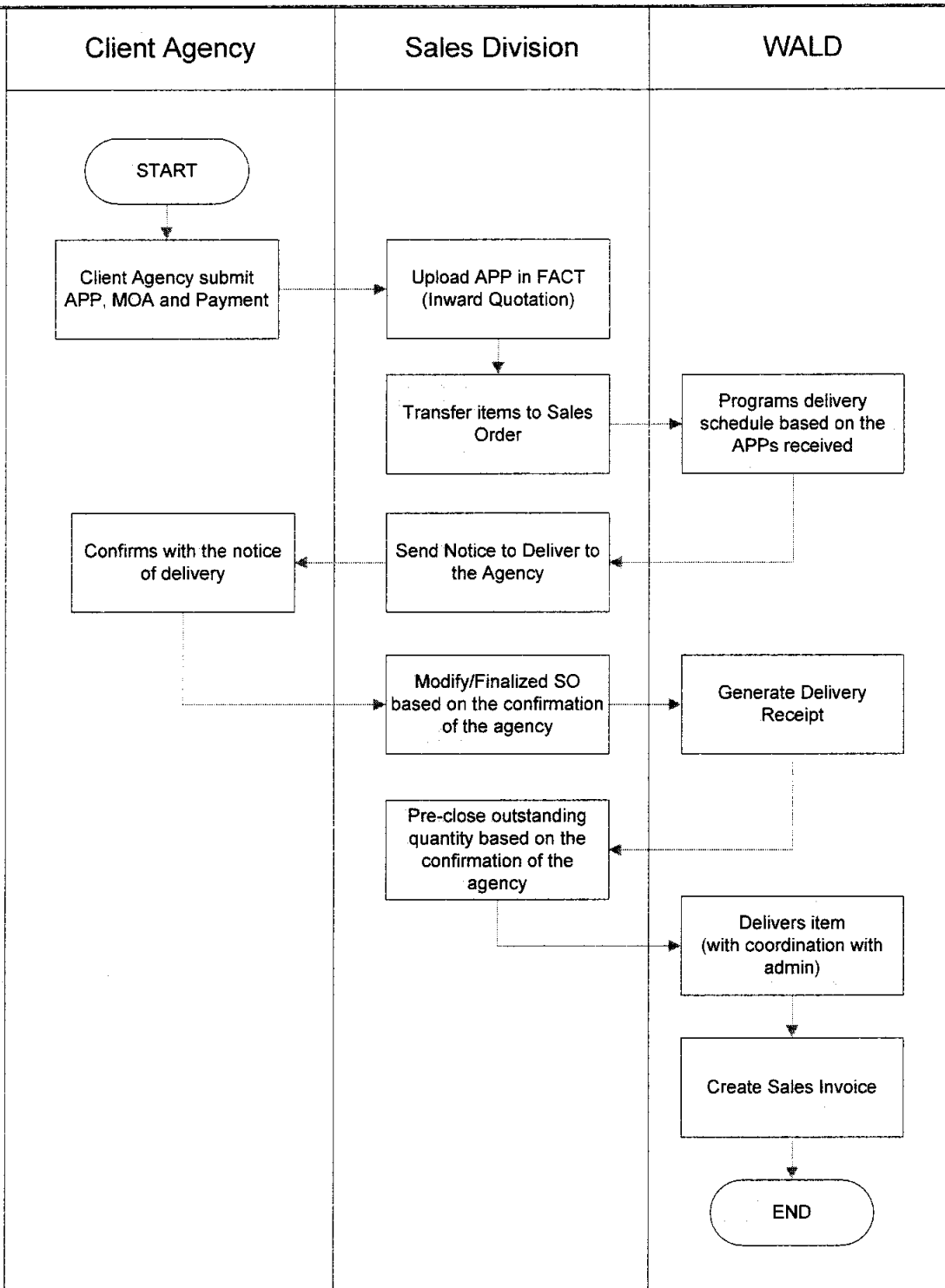


## Annex B

ERP System Module	Issues	Recommendation
Accounts Receivable - Ordering Process	Requires outstanding APR and can only be closed upon the availability of the item.	"Single Fund Concept", does not need to maintain outstanding APR but instead, convert un-utilized funds to any available item
	There should be a specific outstanding APR in order to issue a CCA by the Comptroller Division.	All outstanding APR will be pre-closed and Sales Division will issue the SOFB.
	Sales Division manually maintain and monitor outstanding APR's in order to issue DR's.	With the "Common Fund Concept", Sales Division is no longer required to maintain and monitor open APR's.
	Sales Division is required to encode all items in the client APR with or without available stock.	Client agencies can submit a soft copy of the APR which is provided by the PS as a downloadable excel file, then the Sales Division upload this file into the ERP system.
	Demand Planning Module is not yet configure and setup, and never been used by the PS.	The Demand Planning Module will be set-up on the system, that will allow the management to determine when and quantity much goods to be procured.
Purchasing Process (Accounts Payable)	Monitoring of specific contract and project is handled by Procurement Division, "end to end process".	Recommend to create a separate Contract Management entity for PS
	Supporting documents are provided by the Comptroller Division for every PO prior to payment for the supplier.	Added features at the system wherein users can attach electronic copy of the supporting documents.
	Cost Centers are not yet configured, in-house or Non-trade procurement are done within the same module and are only separated with document classification.	Cost centers should be configured and a separate module for in-house or Non-trade procurement.
Recording of GFA Transactions	GFA transactions are incorporated with the trade products and treated as an inventorial instead of service.	GFA transaction will be treated as a service and a separate document classification.
	Hard to monitor and maintain balance of client agencies because it is incorporated with the other trade products.	Easily to separate GFA transactions with the other trade products.

	Delayed payment to Airline due to late issuance of Purchase Invoice	Implement a lump-sum payment to Airline. No need to indicate individual transaction/agency in the Purchase Invoice
Transfer of Stocks (TOS)	Frequent modification of TOS transaction due to capacity and consideration of amount and freight cost of the items to be delivered by Forwarder.	Limitation of FACT to have CBM set-up per items/packaging. Additional User Defined Field will be set-up to include the Loading Number, Waybill Number and Loading Date
Master File (System Controls)	Stock valuation control uses by the system is weighted average, which is selling price is computed manually.	FIFO stock valuation, which will allow batch inventory of items and aging products.
	Document classification is manually inputted to the system that is prone to error.	Fixed Document class for every system user, already embedded at their account.
	Not all setup are configured, prone to error and some process are still done manually.	Setup configuration for all system controls, maximize the full capability of the system and helps automate manual process.

# Ordering of Common-Use

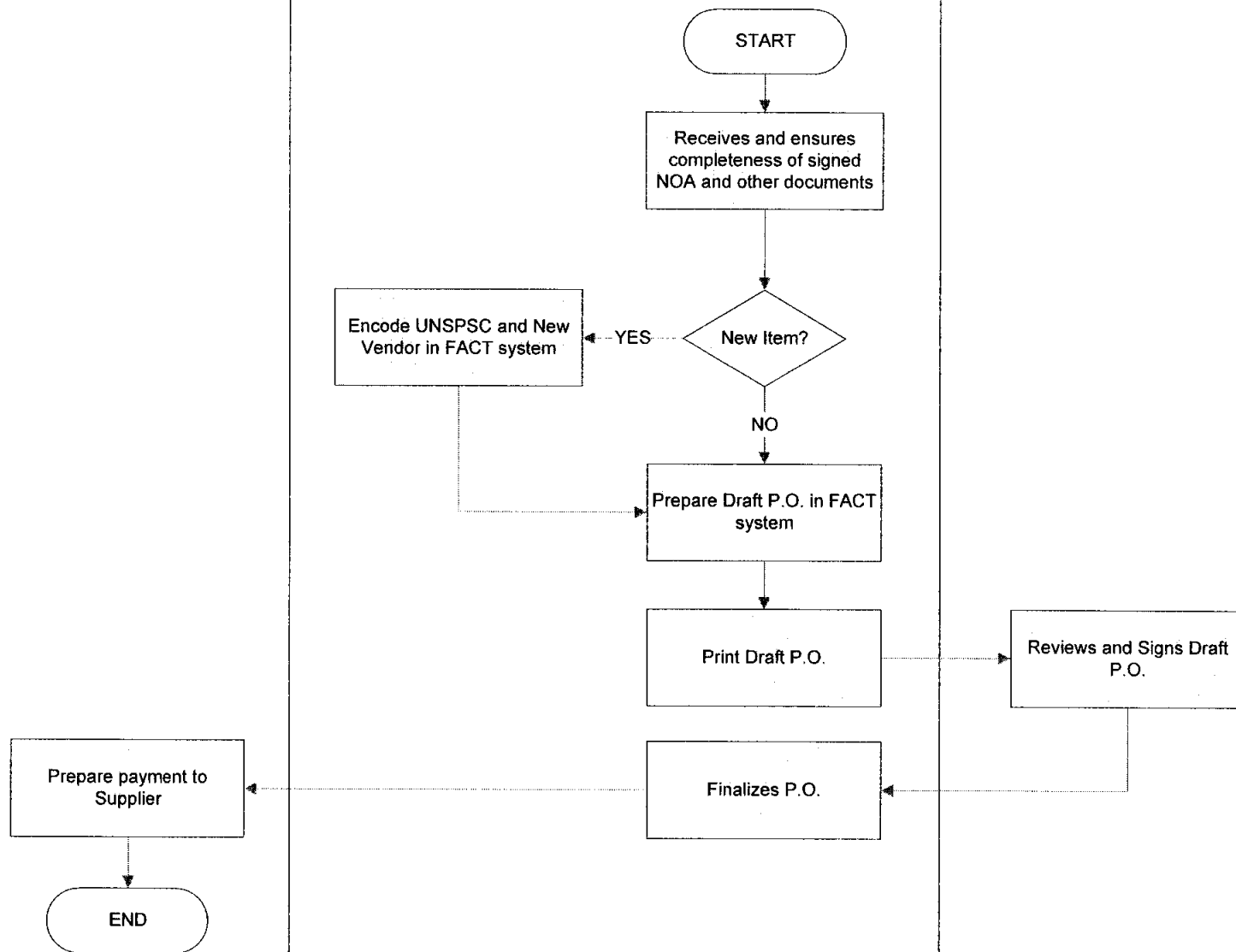


# Purchase Order

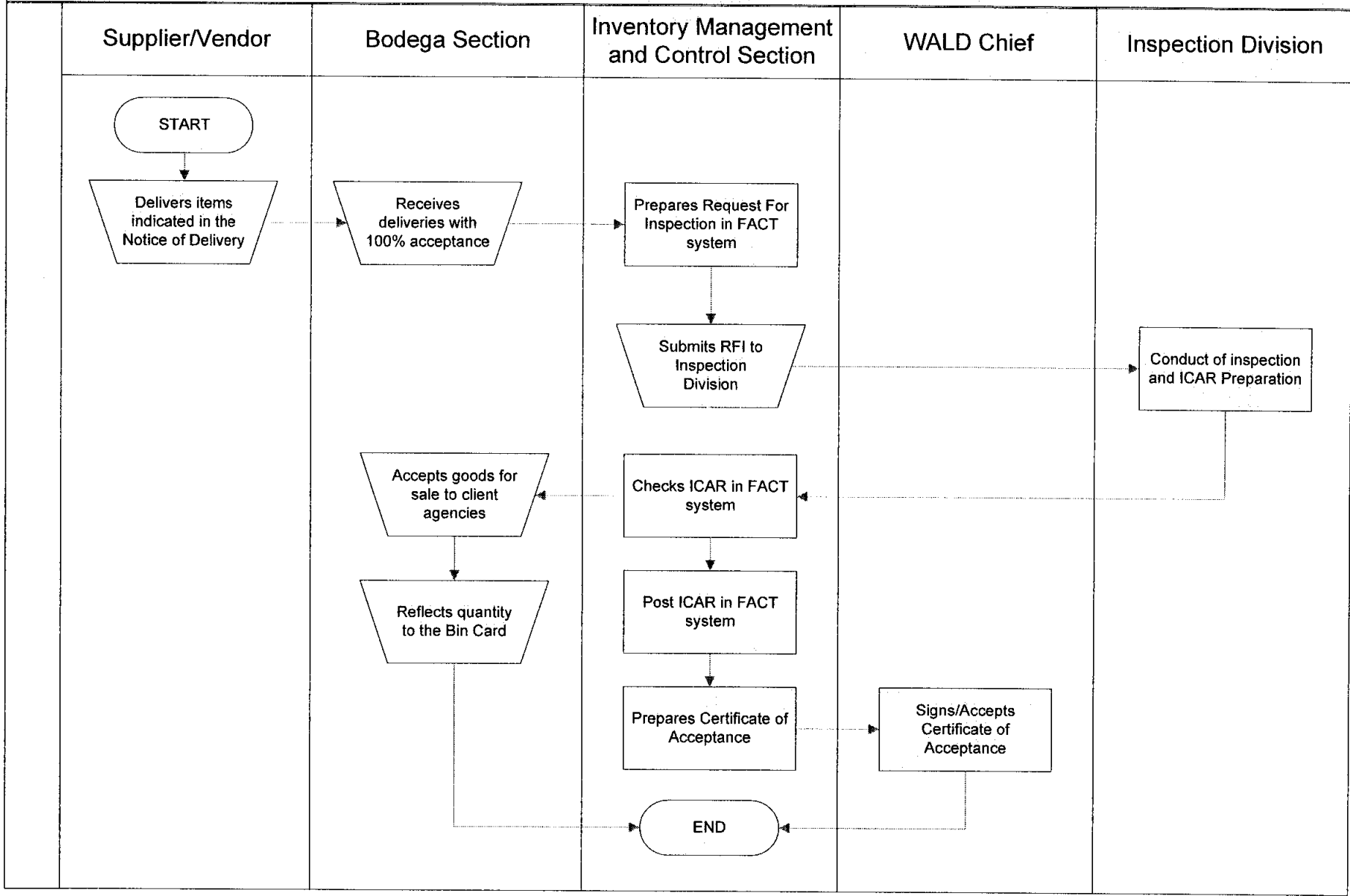
Comptroller

Purchasing Staff  
(PMO)

Purchasing Chief



# Request For Inspection



# dering of Common-Use

