





Republic of the Philippines
Department of Education
OFFICE OF THE UNDERSECRETARY

MEMORANDUM

TO : ALL REGIONAL DIRECTORS
MINISTER OF BASIC, HIGHER, AND TECHNICAL EDUCATION,
BARMM

FROM : 
A TTY/REVSEE A. ISOBEDO
Undersecretary
Field Operations, Palarong Pambansa Secretariat, and DEACO


MALCOLM S. GARMA
Assistant Secretary
National Academy of Sports and Field Operations

SUBJECT : PROCESS OF ACCEPTANCE OF 3RD AND 4TH QUARTER SLMs FOR
DELIVERY TO THE DROP-OFF POINTS IN THE FIELD OFFICES

DATE : October 6, 2021

This is in reference to the queries of some Regional Directors (RDs) during the Regular Meeting of the Regional Operations Group held on October 04, 2021, 6:00 pm, regarding the acceptance of 3rd and 4th quarter SLMs that will be delivered to the drop-off points in the field offices.



Please be informed that the procedure on the delivery, inspection, acceptance, and recording of procured learning resources (LRs) is stipulated in DepEd Order No. 42, s. 2018. Section 3 of the said Order provides that the Schools Division Offices (SDOs) may transfer the LR's to schools via property transfer report (PTR) or inventory custody slip (ICS).

However, DepEd Order No. 41, s. 2021 provides new guidelines on the acceptance and documentation of Central Office (CO) procured goods for delivery to the ROs/SDOs, as summarized in its Annex A. Further, the Office of the Assistant Secretary for Procurement and Administration, through the Asset Management Division (AMD), shall roll out and inform Supply Officers regarding the new procedures and processes.

Attached are copies of the DO 42, s. 2018 and DO 41, s. 2021, for your reference. For

your information.

Thank you very much.

DEPARTMENT OF EDUCATION RECORDS SECTION, REGIONAL OFFICE - CAR	
RECEIVED OCT 15 2021 BY: _____ TIME _____	Republic of the Philippines Department of Education Cordillera Administrative Region
October 14, 2021	
To : Schools Divisions Superintendents School Principals (Elementary & Secondary) Division Supply Officers School Supply Officers / Property Custodians All others Concerned	
For information, guidance, and strict compliance.	
 ESTELA L. CARIÑO EdD, CESO III Director IV / Regional Director	

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Republic of the Philippines
Department of Education

29 SEP 2021

DepEd ORDER
No. **041**, s. 2021

**INSPECTION AND ACCEPTANCE PROTOCOLS FOR THE PROCUREMENT
OF GOODS IN THE DEPARTMENT OF EDUCATION**

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

1. The Department of Education (DepEd) issues the enclosed **Inspection and Acceptance Protocols for the Procurement of Goods in the Department of Education** as part of its continuing efforts to improve and strengthen the internal controls on the inspection mechanisms implemented in the procurement process.
2. This policy aims to set standards, consolidate and update the existing rules and procedures of the Department relative to the inspection and acceptance of goods, in line with the principle of streamlined procurement process stated in Republic Act. No. 9184 or the Government Procurement Reform Act. It also aims to reinforce the guidelines provided by DepEd Order No. 27, s. 2020 on the reconstitution of inspectorate teams and ensure the submission of documentary requirements prescribed by the Government Accounting Manual (GAM) for National Agencies Volumes I and II.
3. The inspection and acceptance protocols shall apply to pre-delivery inspection, inspection and acceptance at the delivery site, and post-delivery inspections in the Central Office, Regional Offices, Schools Division Offices and Schools.
4. The provisions stipulated in the enumerated references below which are inconsistent with this Order are hereby repealed.
5. This Order shall take effect immediately upon its issuance. Certified true copies of this DepEd Order shall be filed with the University of the Philippines Office of the National Administrative Register (UP-ONAR) at the University of the Philippines (UP) Law Center, UP Diliman, Quezon City.
6. For more information, please contact the **Office of the Assistant Secretary for Procurement and Administration**, Mabini Building, Department of Education Central Office, DepEd Complex, Meralco Avenue, Pasig City through email at asec.pa@deped.gov.ph or at telephone no. (02) 8634-1169.
7. Immediate dissemination of and compliance with this Order is directed.



To authenticate this document,
please scan the QR code.



DEPED-OSEC-446348


LEONOR MAGTOLIS BRIONES
Secretary

Encl:

As stated

References:

DepEd Order Nos.: (27, s. 2020) and 26, s. 2020

DepEd Order Nos. 42, s. 2018; 35, s. 2017; 05, s. 2010; and 45, s. 2006

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

POLICY

PROCUREMENT

RULES AND REGULATIONS

MCR, DO- Inspection and Acceptance Protocols ...
0259/September 10, 2021



INSPECTION AND ACCEPTANCE PROTOCOLS FOR THE PROCUREMENT OF GOODS IN THE DEPARTMENT OF EDUCATION

I. RATIONALE

In its pursuit of continuing operational reforms and observance of the governing principles of government procurement pursuant to Republic Act (RA) No. 9184 or the Government Procurement Reform Act, the Department of Education (DepEd) issued DepEd Order No. 27, s. 2020 entitled, *Guidelines on the Reconstitution of Inspectorate Team in the Department of Education Central Office, Regional and Schools Division Offices, and Schools* which provides for the procedure in reconstituting Inspectorate Teams at the different governance levels of the Department and aims to establish an efficient selection process for highly competent, dedicated and responsible inspectors that is essential in the administration and execution of DepEd procurement projects.

The reconstitution of Inspectorate Teams, however, is only one part of the reconstruction of the inspection mechanisms in the Department. Of equal importance is the creation of standards which will ensure that the inspection and acceptance of goods are carried out in accordance with government procurement rules and regulations and relevant accounting and auditing requirements. While DepEd has issued in the past a number of inspection guidelines and policies which are cited herein as references, the needs and demands of the present time call for a more capacitating and encompassing set of methods and standards especially with the establishment of the DepEd Integrated Logistics Management System.

Therefore, the Department hereby issues this policy which will equip inspectors with updated knowledge and sufficient understanding and discipline in the area of inspection that is a crucial element of the procurement process.

II. SCOPE

The rules, standards and procedures contained in this policy comprehend three phases of inspection, namely: pre-delivery inspection, inspection and acceptance at the delivery site, and post-delivery inspection. It applies to all goods procured by the Central Office (CO), Regional Offices (ROs), Schools Division Offices (SDOs) and public schools. Procurement of services and infrastructure projects are excluded from the scope of this policy.

III. DEFINITION OF TERMS

For purposes of this Order, the following terms are defined and understood as follows:

- a. **Acceptable Quality Level (AQL)** is a statistical measurement that sets the percentage of the maximum acceptable number of defective goods in a given

sample size. In setting the AQL, the implementing unit (IU) or the end-user (EU) shall consider the nature, complexity and volume of the goods to be inspected. In any case, the AQL shall not be lower than 5% and not higher than 10%. Both minor and major defects shall be taken into account in applying the AQL.

To illustrate, a project lot with a total quantity of 1,500 items and with a sample size of 10% will have 150 samples drawn, either randomly or by interval. If the Sampling Plan sets the AQL at 5%, the acceptable number of defective items in the 150 samples is 7.5 or 8. This means that no more than 8 units from the 150 samples should fail in the inspection; otherwise, the whole lot is rejected. However, the Inspectorate Team may proceed to conduct inspection by item, in which case only the defective items will be rejected.

- b. **Certificate of No Claim Against the Warranty** refers to a document which certifies that the goods delivered, inspected and accepted have undergone post-delivery inspection and found free of defects, or that defective items, if any, were duly rectified or replaced; and that all the conditions imposed under the contract have been fully satisfied. The issuance of this certificate shall cause the release of the retention money to the supplier.
- c. **DepEd Integrated Logistics Management System (DILMS)** refers to the whole structure of logistical solutions designed to enhance the efficient and effective distribution and delivery of procured goods, facilitate contract monitoring and data gathering, and bridge the gap between procurement management and asset management for improved governance of supply chain and resource management functions in the Department.
- d. **Inspection Order** refers to the written instruction to the Inspectorate Team by the Office of the Assistant Secretary for Procurement and Administration (OASPA) through the Contract Management Division (CMD) in the CO, or by the Regional Director, Schools Division Superintendent or Head of the Administrative Division/Section, as may be authorized, or by the School Head or Principal, authorizing and directing them to conduct inspection and acceptance of goods. The inspection order states the particulars of the inspection such as a brief description of the project, the goods for inspection, the date, time and venue of inspection, and special instructions, if any.
- e. **Logistics Services** refers to all services carried out by a designated third-party logistics provider relating to the handling and distribution of goods, including but not limited to collection, hauling, tagging, pick-up, loading, unloading, storage or warehousing, stock management and delivery to the final destination (i.e., recipient schools).
- f. **Sampling Plan** is an instrument used in determining the sample size of a given quantity of goods for inspection and the Acceptable Quality Level. This

shall be prepared by the IU/EU for projects consisting of goods the nature and volume of which require inspection by sampling.

- g. **Transfer Manifest Inbound** refers to a document which records the transfer of pre-inspected goods from the supplier to the third-party logistics provider. It contains a list of the items and quantity that are hauled or picked up from the supplier's warehouse, to be stored at the third-party logistics provider's warehouse, and to be delivered to the recipient units in the field offices and/or units.
- h. **Transfer Manifest Outbound** refers to a document which records the delivery of goods by the third-party logistics provider to a recipient unit. This form gives a brief description and quantity of the items delivered and duly received by the RO/SDO Supply Officer or School Property Custodian whose signature appears thereon.

IV. POLICY STATEMENT

This policy aims to set standards in the conduct of inspection and acceptance activities in the Department. It is also intended to support the governing principles of government procurement, particularly the streamlining of procurement process, by simplifying, updating and consolidating inspection protocols, references and documents.

This policy likewise aims to ensure adherence to relevant accounting and auditing standards through the proper accomplishment and submission of government forms for reporting of transactions. The implementation of the herein prescribed protocols shall assist and guide DepEd inspectors, property custodians and/or supply officers across all governance levels in the performance of their assignments, duties and responsibilities in ensuring that delivered goods are properly inspected and received for the use of recipient units, teachers and learners.

V. PROCEDURES

A. DEPLOYMENT OF THE INSPECTORATE TEAM

1. CO Inspectorate Team

- a. The Office of the Assistant Secretary for Procurement and Administration shall form an Inspectorate Team from the CO Pool of Inspectors in accordance with the procedures laid down by DO 27, s. 2020. The Office, through the Contract Management Division (CMD), shall issue an Inspection Order directing the Team to conduct an inspection for a specific project and providing, among others, the date and time of inspection, inspection site, brief description and quantity of goods to be inspected and special instructions, if any. The detailed technical specifications of the items for inspection, as appearing or indicated

in the contract, memorandum of agreement or purchase order, shall be attached to the Inspection Order.

- b. Upon receipt of the Inspection Order, the Team Leader of the Inspectorate Team shall call, and for that purpose give notice to its members, for a pre-inspection meeting to be conducted at least one day prior to the scheduled date of inspection. The agenda of the said meeting shall include the specific assignments or instructions to the members, duration of inspection, transportation concerns, inspection technique as determined during the pre-contract implementation conference, and the preparation of project references and inspection and acceptance documents.

2. RO, SDO and School Inspectorate Team

- a. Procurement by the Central Office
 - i. The CMD, through its Logistics Management Team, shall send a notice of delivery to the recipient ROs, SDOs or Schools at least three (3) days before the scheduled date of delivery. The CMD shall attach to the notice of delivery the final detailed technical specifications of the items as appearing or indicated in the Inspection and Acceptance Report (IAR).
 - ii. Upon receipt of the notice of delivery from the CMD, the Regional Director, Schools Division Superintendent, or the Head of the Administrative Division/Section, as may be authorized, or the School Principal, shall immediately issue a Field Inspection Order to the RO/SDO/School Inspectorate Team duly constituted pursuant to DO 27, s. 2020, and attach thereto the detailed technical specifications of the goods. A Field Inspection Order template is attached as Annex "B" to this Order. The template may be modified to provide further details or instructions to the Inspectorate Team.
 - iii. The Team Leader of the Inspectorate Team may call for a Pre-Inspection Meeting at least one day before the scheduled date of delivery to discuss with the team members pertinent matters relating to the inspection, as may be necessary.
- b. Procurement by the RO or SDO
 - i. Upon receipt of request for pre-delivery inspection or notice of delivery from the supplier, the Regional Director, Schools Division Superintendent, or the Head of the Administrative Division/Section, as may be authorized, or the School Principal, shall immediately issue an Inspection Order to the RO/SDO/School Inspectorate Team. The detailed technical specifications provided by the concerned Bids and Awards Committee (BAC), as appearing or indicated in the contract, memorandum of agreement or purchase order, shall be attached to the Inspection Order. The Inspection Order template attached as Annex "B" to this Order may be adopted and modified accordingly.

- ii. The Team Leader of the Inspectorate Team may call its members to a Pre-Inspection Meeting, as may be necessary.

B. PRE-DELIVERY INSPECTION

1. General Guidelines

- a. *References for Inspection.* The implementing or end-user unit (IU/EU) must prepare and provide a copy of the relevant Inspection and Test Protocol or inspection handbook or manual, Sampling Plan, if any, and the approved sample or its equivalent detailed technical specifications to the CMD, in the case of the CO, and the Property and Supply Unit/Section, in the case of RO/SDO, on or before the scheduled pre-contract implementation conference. In case of appreciable deviation of the approved sample from the original technical specifications, the approved and accepted sample shall be made as final reference. These reference materials shall be attached to the Inspection Order, in addition to the detailed technical specifications.
- b. *Inspection Techniques.* Inspection may be conducted either by sampling or by item.
 - i. **Inspection by Sampling.** Inspection shall be conducted through sampling technique when the quantity and/or nature of the goods entail a significant amount of time and effort to inspect the entire quantity of items. Inspection through sampling can either be random sampling or interval sampling, and may cover a sample of at least ten percent (10%) of the total quantity of goods.
 - (1) *Random Sampling* – A number of units constituting at least 10% units of the entire number of goods for inspection are picked randomly by the inspectors for observation, inspection or testing. Random sampling is commonly used in items with serial number or other form of identification.
 - (2) *Interval Sampling* – The total items are first divided into lots or batches, depending on the volume and complexity of the items. Several units are drawn from each lot or batch by selecting every nth unit until the desired sample size of at least 10% is taken out from the total quantity of goods. This applies to items without serial number or other form of identification.
 - (3) If the nature and volume of the goods allow inspection by sampling, the IU/EU in the CO, RO or SDO must prepare a Sampling Plan which must indicate the sample size of at least ten percent (10%) of the total quantity of procured goods, and the Acceptable Quality Level (AQL) within the range of 5% to 10%. The IU/EU shall furnish the CMD or the Property and Supply Unit in the RO/SDO a copy of the said Sampling Plan before the pre-contract implementation conference.

- ii. **Inspection by Item.** Inspection is conducted by item, that is, one hundred percent (100%) of the goods must be examined, if:
 - (1) the nature of the goods requires a thorough examination of contents, parts, components and functionality, as previously determined by IU/EU and communicated to the Contract Management Division or the Property and Supply Unit in the RO/SDO;
 - (2) the rejection rate is high during inspection by sampling, that is, the number of defective goods exceeded the AQL as prescribed in the Sampling Plan; or
 - (3) the goods to be inspected are electrical, electronic and mechanical equipment or devices.

- c. *Procurement by the CO for delivery to the ROs/SDOs/Schools.* The pre-delivery inspection of goods shall be conducted by the CO Inspectorate Team. The IAR shall be accomplished at this stage by three (3) members of the Inspectorate Team and the Chief of the Asset Management Division (AMD). The findings and result of the pre-delivery inspection, including the inspection method used, shall be summarized through a Pre-Delivery Inspection Report.

- d. *Procurement by the CO with Logistics Services for delivery to the ROs/SDOs/Schools.* The pre-delivery inspection of goods shall be conducted by the CO Inspectorate Team. The IAR shall be accomplished by three (3) members of the CO Inspectorate Team and the AMD Chief at the supplier's warehouse in the following manner:
 - i. The inspection portion shall be signed immediately after the goods passed the inspection.
 - ii. The acceptance portion shall be signed (a) after the Team Leader had affixed his/her signature on the sealed packaging of the goods that passed the inspection and are ready for hauling, or (b) if the goods are to be hauled on a different date or dates, after the goods had been completely hauled by the third-party logistics provider.

- e. *Procurement by the RO/SDO for delivery to recipient SDOs/Schools.* The pre-delivery inspection of goods shall be conducted by the RO/SDO Inspectorate Team. The IAR shall be accomplished at this stage by three (3) members of the RO/SDO Inspectorate Team and the Supply Officer or Property Custodian of the recipient units. The findings and result of the pre-delivery inspection, including the inspection method used, shall be summarized through a Pre-Delivery Inspection Report.

- f. *Tests.* The pre-delivery inspection shall include the conduct of tests (e.g., functional, stress, endurance, etc.) as may be prescribed by the IU/EU or as may be indicated in the Inspection and Test Protocol specific to the items for inspection.

- g. *Packaging and sealing of goods.* The goods that passed the pre-delivery inspection including the required tests shall be packed and sealed by the

supplier in accordance with the prescribed packaging instructions and materials and in the presence of the Inspectorate Team. The Team Leader shall affix his/her signature or stamp on the packaging and indicate the date of pre-delivery inspection.

- i. The inspectors shall check if the packaging is sufficient to withstand rough handling and exposure to extreme temperatures, salt and precipitation during transit. Packaging size and weight shall take into consideration the remoteness of the goods' final destination and the absence of heavy handling facilities at all points of transit.
 - ii. The inspectors shall ensure that the packed items are sealed tightly, safe from tampering and secured against the risk that rejected or defective goods may be surreptitiously inserted in the package.
- h. *Post-inspection meeting.* A brief post-inspection meeting shall be presided by the Team Leader of the Inspectorate Team to discuss any relevant concerns or observations, the details of which are to be reflected in the Pre-Delivery Inspection Report.

2. **Additional Guidelines for Specific Items**

- a. *Science and Mathematics Equipment (SME) and Technical-Vocational-Livelihood (TVL) Tools and Equipment.* The inspection technique to be adopted shall be based on the nature and total quantity of the goods. Large volume items, as may be determined by the Bureau of Learning Resources (BLR-Cebu) and approved by the Inspectorate Team, shall be inspected randomly using the Sampling Plan prepared by BLR-Cebu. If, however, the quality of the goods is poor as manifested by high percentage of rejection (above AQL), the random inspection must shift to per-item inspection. For small volume items and electrical, electronic and mechanical equipment or devices, inspection by item shall be conducted.
- b. *School Furniture.* The inspection methods shall be in accordance with the provisions of DepEd Order No. 35, s. 2017. Accordingly, random inspection shall be performed during pre-delivery inspection, and per-item inspection upon delivery to the recipient schools.
- c. *Printed Learning Materials and Supplementary Learning Resources (SLRs).* The inspection technique to be adopted shall be based on the Sampling Plan prepared by BLR. Quality assurance procedures must be completed prior to the printing of Learning Materials and SLRs.
- d. *Test Materials (Non-classified Materials, Test Booklets, Scannable Answer Sheets and School Headers, and Certificates of Rating).* At least three (3) inspections for big testing projects such as National Career Assessment Examination (NCAE), Accreditation and Equivalency (A&E) Test, Philippine Educational Placement Test (PEPT), National Achievement Test (NAT) Grade 6, 10 and 12 shall be conducted, viz: (i) first inspection – at least 10% to 20%

of the test materials are already printed; (ii) second inspection – at least 50% to 60% of the test materials are already printed; and (iii) third inspection – 100% of the test materials are already printed. For small testing projects such as Qualifying Examination in Arabic Language and Islamic Studies (QEALIS) and Educational Management Test (EMT), only one inspection shall be conducted after all test materials are printed.

- e. *DepEd Computerization Program (DCP) Packages and Other Electronic Equipment.* The inspection technique to be adopted during the pre-delivery inspection shall be based on the inspection or sampling plan prepared by the Information and Communication Technology Service (ICTS). However, upon delivery to the project sites, sampling methods of inspection shall not be applicable; thus, the items must be individually inspected.

C. INSPECTION AND ACCEPTANCE AT THE DELIVERY SITE

1. The Inspectorate Team of the recipient unit must commence the inspection and acceptance process within twenty-four (24) hours from delivery of the goods, and shall complete the same as soon as practicable.
2. The inspection and acceptance process in the different governance levels shall be in accordance with the following procedures:
 - a. Procurement by the Central Office

For delivery to the various offices in the Central Office	For delivery to the ROs/SDOs/Schools (pre-inspected by the CO)
i. Upon delivery, the Chief of the AMD shall sign the “Received” portion of the Delivery Receipt (DR) from the supplier and forward the same to the Inspectorate Team for the inspection of the goods. The AMD shall also prepare the IAR.	i. Upon delivery, the RO/SDO Supply Officer or School Property Custodian shall sign the DR from the supplier and forward the same to the Inspectorate Team for the inspection of the goods.
ii. The Inspectorate Team shall then conduct inspection of the delivered goods in accordance with the applicable guidelines for pre-delivery inspection stated in Part V. B. of this Order and the applicable manual or Inspection and Test Protocol, if any.	ii. The Inspectorate Team shall then inspect the items as to physical form or condition and quantity. If the items are in order, the Inspectorate Team shall prepare and sign the RO/SDO/School Inspection Report and recommend the acceptance of the items to the RO/SDO Supply Officer or School Property Custodian. Rejected goods, if any, shall be briefly described in the said report and returned to the supplier for rectification or replacement.

<p>iii. If the goods conform to the technical specifications and the DR, three members of the Inspectorate Team and the AMD Chief shall sign the IAR. Rejected goods, if any, shall be notated in the IAR and returned to the supplier for rectification or replacement.</p>	<p>iii. The RO/SDO Supply Officer or School Property Custodian shall prepare and sign the RO/SDO/School Acceptance Report. He/she shall also sign the Property Transfer Report (PTR) to document the transfer of accountability from the CO to the recipient unit.</p>
<p>iv. The AMD shall then issue and sign the "Received from" portion of the Inventory Custodian Slip (ICS) or Property Acknowledgement Receipt (PAR), as the case may be.</p>	<p>iv. The RO/SDO Supply Officer or School property Custodian shall prepare and sign the "Received from" portion of the Inventory Custodian Slip (ICS) or Property Acknowledgement Receipt (PAR), as the case may be.</p>
<p>v. The officer who shall take accountability over the goods received shall sign the "Received by" portion of the ICS or the PAR, as the case may be.</p>	<p>v. The accountable officer in the recipient unit shall sign the "Received by" portion of the ICS or PAR. These forms document the transfer and establishment of accountability of the receiving officer or personnel over the goods.</p>
	<p>vi. The School Property Custodian shall prepare the Report on Deliveries (Property Form 1) required under DO No. 45, s. 2006. The SDO and RO Supply Officers shall also prepare the Consolidated Report (Property Forms 2 and 3).</p>

b. Procurement by the CO with Logistics Services

<p>For delivery to the various offices in the Central Office</p>	<p>For delivery to the ROs/SDOs/Schools (pre-inspected by the CO)</p>
<p>Not applicable</p>	<p>i. Upon delivery by the third-party logistics service provider, the RO/SDO Supply Officer or School Property Custodian shall sign the Transfer Manifest Outbound from the supplier and forward the same to the Inspectorate Team for the inspection of the goods.</p>
	<p>ii. The RO/SDO/School Inspectorate Team shall then inspect the items as to physical form or condition and quantity. If the items are in order, the Inspectorate Team shall prepare and sign the RO/SDO/School Inspection Report and recommend the acceptance of the items to the RO/SDO Supply</p>

	Officer or School Property Custodian. Rejected goods, if any, shall be briefly described in the said report and returned to the supplier, through the logistics service provider, for rectification or replacement.
	iii. The RO/SDO Supply Officer or School Property Custodian shall prepare and sign the RO/SDO/School Acceptance Report. He/she shall also sign the PTR to document the transfer of accountability from the CO to the recipient unit.
	iv. The same procedure under items iv and v in the preceding table shall be performed by the RO/SDO Supply Officer or School property Custodian and accountable officer.

c. Procurement by the RO or SDO

For delivery to the RO/SDO	For delivery to the Recipient Schools (pre-inspected by the RO/SDO)
i. Upon delivery, the RO/SDO Supply Officer shall sign the "Received" portion of the DR from the supplier and forward the same to the Inspectorate Team for the inspection of the goods. The RO/SDO Supply Officer shall also prepare the IAR.	i. Upon delivery, the School Property Custodian or Supply Officer shall sign the DR from the supplier and forward the same to the School Inspectorate Team (SIT) for the inspection of goods.
ii. The RO/SDO Inspectorate Team shall then inspect the delivered items in accordance with the applicable guidelines for pre-delivery inspection stated in Part V. B. of this Order and the applicable manual or Inspection and Test Protocol, if any.	ii. The SIT shall then conduct inspection of the delivered goods as to physical form or condition and quantity. If the goods are in order, the SIT shall prepare and sign the School Inspection Report and recommend the acceptance of the items to the School Property Custodian. Rejected goods, if any, shall be briefly described in the said report and returned to the supplier for rectification or replacement.
iii. If the goods are in order, the RO/SDO Inspectorate Team shall sign the inspection portion of the IAR, and the RO/SDO Supply Officer shall sign the acceptance portion. Rejected goods shall be	iii. The School Property Custodian shall prepare and sign the School Acceptance Report. He/she shall also sign the PTR to document the transfer of accountability from the RO/SDO to the school.

returned to the supplier for rectification or replacement.	
iv. The RO/SDO Supply Officer shall prepare and sign the "Received from" portion of the ICS or PAR, as the case may be, and issue the same to the accountable officer for the establishment of accountability. The accountable officer shall sign the "Received by" portion.	iv. The School property Custodian shall prepare and sign the "Received from" portion of the ICS or PAR, as the case may be, and issue the same to the accountable officer for the establishment of accountability. The accountable officer shall sign the "Received by" portion.

3. In the course of the preparation and accomplishment of the abovementioned forms and reports to document the inspection and acceptance activity, the concerned officers in the CO, ROs, SDOs and Schools must strictly comply with the relevant provisions of the Government Accounting Manual Volumes I and II.
4. Expenses to be incurred by the Inspectorate Team in the RO, SDO or school in the performance of its functions shall be charged to their Maintenance and Other Operating Expenses (MOOE), subject to the usual auditing and accounting rules and regulations.

D. POST-DELIVERY INSPECTION

1. A post-delivery inspection shall be conducted by the Inspectorate Team of the recipient unit during installation, commissioning, start up, or initial use within the warranty period stated in the contract, purchase order or memorandum of agreement, which commences to run from the date of issuance of a Certificate of Final Acceptance. This post-delivery inspection shall not bar claims for any latent or hidden damage that may be exhibited during the warranty period which shall render the supplier liable for repair or replacement.
2. The post-delivery inspection is intended to ensure that all accepted goods are free from manufacturing defects and with the right quality as described in the technical specifications.
 - a. Goods are considered defective when they are "unfit for the use for which it is intended" or "its fitness for such use is diminished to such an extent that, had the vendee been aware thereof, he would not have acquired it or would have given a lower price for it" (Civil Code of the Philippines, Art. 1561).
 - b. Under the Government Procurement Manual (GPM) Volume II, a defect can either be (i) a patent defect, which is one that is apparent to the buyer on normal observation, or (ii) a latent defect, which is one that is not apparent to the buyer by reasonable observation. Both latent and patent defects are covered by the warranty expressly required in R.A. 9184 and its 2016 Implementing Rules and Regulations (IRR).
 - c. Ordinary wear and tear due to normal usage of the goods is excluded from the coverage of the supplier's warranty obligation.

3. Upon completion of inspection, the Inspectorate Team shall prepare a Post-Delivery Inspection Report stating therein the quantity and condition of the goods and a recommendation to the head of the procuring unit for claims against the warranty should there be manufacturing defects discovered on the goods inspected.

E. INSPECTION AND ACCEPTANCE DOCUMENTS

The following documents shall be used to record and report inspection and acceptance activities in all the governance units of DepEd. Each of these documents should present clearly and truthfully the information relating to the transaction or activity that it is meant to represent and validate. Only the signing officer who is physically present may sign the form, report or record. By affixing his/her signature thereto, he/she effectively certifies that he/she personally witnessed the delivery and/or inspection and acceptance of goods, and that the details and information provided in the documents are true and correct of his personal knowledge. The signing authorities must likewise be in accordance with DO No. 008, s. 2021 (Revised Signing Authorities for Administrative and Financial Matters in the Department of Education), as amended.

1. **Pre-Delivery Inspection Report**

This document shall state, among others, the findings and result of the pre-delivery inspection, including the inspection technique used. It shall state the quantity of accepted and rejected items, if any, and the reason(s) for rejection. The report must be signed by all members of the Inspectorate Team who were present during the inspection. Copies of the report shall be submitted to the IU, AMD and CMD, in the case of CO, and to the RO/SDO Property and Supply unit, in the case of RO/SDO, within two (2) days from the completion of inspection.

2. **Inspection and Acceptance Report (IAR)**

This form shall be used to document the inspection and acceptance of goods. The inspection portion of the IAR must be signed by three (3) members of the Inspectorate Team, one of which must be the end-user unit representative. The acceptance portion must be signed by the AMD Chief, RO/SDO Supply Officer or School Property Custodian, or their duly authorized representative, who must be physically present during the inspection.

3. **RO/SDO/School Inspection Report**

This report is used to document the inspection as to physical form or condition and quantity by recipient units on goods procured by the CO/RO/SDO. It is signed by all members of the Inspectorate Team, and shall be complemented by a RO/SDO/School Acceptance Report.

4. **RO/SDO/School Acceptance Report**

This report is used to document the physical acceptance of the items delivered to the recipient units. This report is prepared by the Supply Officer or Property Custodian of the recipient units after inspection of the items.

5. Transfer Manifest Outbound

This form shall be signed by an agent or representative of the third-party logistics service provider and by the Supply Officer or Property Custodian of the recipient unit.

6. Inventory Custodian Slip (ICS)

This form is used by the concerned Supply Officer or Property Custodian to issue tangible items amounting to less than Php15,000.00 (semi-expendable property) to the accountable for the purpose of establishing accountability over the items.

7. Property Acknowledgement Receipt (PAR)

This document is used to document the transfer of custodianship of property amounting to Php15,000.00 and above (non-expendable items) from one accountable officer to another.

8. Property Transfer Report (PTR)

This form shall be used when there are transfers of property from one accountable officer to another.

9. Post-Delivery Inspection Report

This report documents the inspection conducted by the Inspectorate Team within the warranty period for the purpose of ensuring that the goods received are free from manufacturing defects. It shall state briefly the condition of the goods as inspected and the recommendation to the head of the procuring unit for claims against the warranty should there be manufacturing defects discovered.

10. Certificate of Final Acceptance

This document certifies that the goods had been inspected and accepted as reflected in the Inspection and Acceptance Report, and that the goods conform to the technical specifications as stipulated in the contract. The issuance of this certificate shall cause the release of the performance security, provided DepEd has no claims against the supplier. It shall be prepared by the AMD Chief in the CO, the Head of the Asset Management Section or Property and Supply Unit in the RO/SDO, and noted by the authorized representative and signatory of the contract, purchase order or memorandum of agreement.

11. Certificate of No Claim Against the Warranty

This document certifies that the goods accepted have undergone post-delivery inspection and found free of manufacturing defects. It is issued after the minimum warranty period of three (3) months, in the case of supplies, and one (1) year, in the case of equipment, from the date of issuance of a Certificate of Final Acceptance. The issuance of this certificate shall cause the release of the retention money to the supplier. It shall be prepared and certified by the authorized signing authorities provided under DO No. 008, s. 2021.

F. INSPECTION IN AREAS UNDER COMMUNITY QUARANTINE

1. Under DO No. 026, s. 2020 (Guidelines on the Conduct of Inspection and Delivery of Goods in Areas Under Enhanced Community Quarantine, Modified Enhanced Community Quarantine and General Community Quarantine), pre-delivery inspections shall only be allowed in areas under MECQ and GCQ, unless permitted by DepEd and cleared with the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF-MEID).
2. Under DO No. 027, s. 2020, in the event that inspectors from the Central Office are restricted to travel to and from the inspection site, the Secretary through the Office of the Assistant Secretary for Procurement and Administration may issue a Deputation and Inspection Order to an Inspectorate Team in the RO or SDO level.

VI. MONITORING AND EVALUATION

The Office of the Assistant Secretary for Procurement and Administration, through the Asset Management Division and Contract Management Division, and the Administrative Divisions/Sections in ROs/SDOs shall continuously gather feedback and monitor the implementation of this Order.

The heads of all implementing units and/or offices shall ensure that these protocols are strictly enforced in the conduct of inspection and acceptance of goods procured either by the CO or the field offices. Evaluation reports or recommendations may be submitted to the abovementioned Offices for further enhancement of this policy. Evaluation reports may include practical observations made, difficulties or issues encountered, assessment of the adoption of procedures and proposals for additional measures.

VII. REFERENCES

The following are the references for this Order:

1. DO No. 45, s. 2006 (Guidelines on Delivery, Inspection and Acceptance and Recording of All Properties Procured by DepEd Central Office and DBM Procurement Service)
2. DO No. 05, s. 2010 (Guidelines on Inspection of DepEd Deliveries)
3. DO No. 35, s. 2017 (Revised Guidelines on the Implementation of the Basic Education Facilities Fund)
4. DO No. 42, s. 2018 (Updated Guidelines on Delivery, Inspection, Acceptance and Recording of DepEd Procured Assets)
5. DO No. 26, s. 2020 (Guidelines on the Conduct of Inspection and Delivery of Goods in Areas Under Enhanced Community Quarantine, Modified Enhanced Community Quarantine, and General Community Quarantine)
6. DO No. 27, s. 2020 (Guidelines on the Reconstitution of Inspectorate Team in the Department of Education Central Office, Regional and Schools Division Offices, and Schools)

VIII. EFFECTIVITY / TRANSITORY PROVISIONS

The provisions stipulated in the above enumerated references which are inconsistent with this Order are hereby repealed.

This Order shall take effect immediately upon its issuance.

ANNEXES:

A. Process Flow for the Inspection and Acceptance of Goods for Delivery to the Field Units

- a. Table 1. Inspection and acceptance of goods procured by the CO for delivery to the ROs/SDOs/Schools
- b. Table 2. Inspection and acceptance of goods procured by the CO with Logistics Services for delivery to ROs/SDOs/Schools
- c. Table 3. Inspection and acceptance of goods procured by the RO/SDO for delivery to recipient schools

B. Field Inspection Order Template

C. Pre-Delivery Inspection Report

D. Inspection and Acceptance Report (IAR), Appendix 62, GAM Vol. 2

E. RO/SDO/School Inspection Report

F. RO/SDO/School Acceptance Report

G. Property Transfer Report (PTR), Appendix 76, GAM Vol. 2

H. Transfer Manifest Outbound

I. Property Acknowledgment Receipt (PAR), Appendix 71, GAM Vol. 2

J. Inventory Custodian Slip (ICS), Appendix 59, GAM Vol. 2

K. Post-Delivery Inspection Report

L. Certificate of Final Acceptance

M. Certificate of No Claim Against the Warranty

**Process Flow for Inspection and Acceptance of Goods
for Delivery to the Field Units**

**Table 1. Inspection and acceptance of goods procured
by the CO for delivery to the ROs/SDOs/Schools**

Sequence	Office/Officer in Charge	Activity
1	CMD	Issue an Inspection Order to the CO Inspectorate Team. The detailed technical specifications of the items, as appearing or indicated in the contract, purchase order or memorandum of agreement, shall be attached to the Inspection Order.
2	Team Leader of CO Inspectorate Team	Call for a Pre-Inspection Meeting
3	CO Inspectorate Team	Conduct pre-delivery inspection and sign the inspection portion of the IAR
4	AMD Chief	Sign the acceptance portion of the IAR
5	CO Inspectorate Team	Prepare Pre-Delivery Inspection Report
6	CMD	Send a Notice of Delivery to the RO/SDO/School. The detailed technical specifications of the items, as appearing or indicated in the IAR, shall be attached to the said notice.
7	RD/SDS or the Head of the Administrative Division/ Section or the School Principal	Issue a Field Inspection Order to the Inspectorate Team. The attached template may be modified accordingly to provide further details and instructions.
8	The Team Leader of the field Inspectorate Team	Call for a Pre-Inspection Meeting, as may be necessary
9	RO/SDO/School Property and Supply Officer or the School Property Custodian	Sign the DR upon delivery by the supplier and forward the same to the Inspectorate Team
10	RO/SDO/School Inspectorate Team	Inspect the items delivered as to physical form or condition and quantity. If the items are in order, the Inspectorate Team shall prepare and sign the RO/SDO/School Inspection Report and recommend the acceptance of the items to the Supply Officer or Property Custodian. Rejected items, if any, shall be briefly described in the said report and returned to the supplier for rectification or replacement.
11	RO/SDO Supply Officer or	Prepare and sign the RO/SDO/School

	School Property Custodian	Acceptance Report
		Sign the PTR
		Prepare and sign the ICS or PAR, as the case may be, and issue the same to the accountable officer
12	Accountable Officer	Sign the ICS or PAR, as the case may be
13	(For delivery to Schools) School Property Custodian, RO/SDO Supply Officers	The School Property Custodian shall prepare the Report on Deliveries (Property Form 1) required under DO No. 45, s. 2006, and submit the same together with the original copy of the DR and a copy of the Acceptance Report to the Division Supply Officer. The SDO and RO Supply Officers shall also prepare the Consolidated Report (Property Forms 2 and 3).
14	RO/SDO/School Inspectorate Team	Conduct post-delivery inspection within the warranty period and prepare Post-Delivery Inspection Report

Table 2. Inspection and acceptance of goods procured by the CO with Logistics Services for delivery to ROs/SDOs/Schools

Sequence	Office/Officer in Charge	Activity
1	CMD	Issue an Inspection Order to the CO Inspectorate Team. The detailed technical specifications of the items, as appearing or indicated in the contract, memorandum of agreement or purchase order, shall be attached to the Inspection Order.
2	Team Leader of CO Inspectorate Team	Call for a Pre-Inspection Meeting
3	AMD Chief	Sign the DR from the supplier and forward the same to the CO Inspectorate Team for the inspection of goods
4	CO Inspectorate Team	Conduct pre-delivery inspection and sign the inspection portion of the IAR
5	AMD Chief	Sign the acceptance portion of the IAR. At this stage, the goods that passed the pre-delivery inspection are deemed accepted.
6	CO Inspectorate Team	Prepare the Pre-Delivery Inspection Report
7	CMD	Send a Notice of Delivery to the recipient ROs/SDOs/Schools. The detailed technical specifications of the items, as appearing or indicated in the IAR, shall be attached to the said notice.

8	RD/SDS or the Head of the Administrative Division/ Section or the School Principal	Issue a Field Inspection Order to the Inspectorate Team. The attached template may be modified accordingly to provide further details and instructions.
9	The Team Leader of the field Inspectorate Team	Call for a Pre-Inspection Meeting, as may be necessary
10	RO/SDO/School Property and Supply Officer or the School Property Custodian	Sign the Transfer Manifest Outbound upon delivery by the third party logistics service provider and forward the same to the Inspectorate Team for the inspection of goods
11	RO/SDO/School Inspectorate Team	Inspect the items delivered as to physical form or condition and quantity. If the items are in order, the Inspectorate Team shall prepare and sign the RO/SDO/School Inspection Report and recommend the acceptance of the items to the Supply Officer. Rejected items, if any, shall be briefly described in the said report and returned to the supplier, through the logistics service provider, for rectification or replacement.
12	RO/SDO Supply Officer or School Property Custodian	Prepare and sign the RO/SDO/School Acceptance Report
		Sign the PTR
		Prepare and sign the ICS or PAR, as the case may be, and issue the same to the accountable officer
13	Accountable Officer	Sign the ICS or PAR, as the case may be
14	RO/SDO/School Inspectorate Team	Conduct post-delivery inspection within the warranty period and prepare the Post-Delivery Inspection Report

Table 3. Inspection and acceptance of goods procured by the RO/SDO for delivery to recipient schools

Sequence	Office/Officer in Charge	Activity
1	RD/SDS/Head of the Administrative Division/Section	Issue an Inspection Order to the RO/SDO Inspectorate Team. The detailed technical specifications provided by the BAC, as appearing or indicated in the contract, memorandum of agreement or purchase order, shall be attached to the Inspection Order.
2	Team Leader of the RO/SDO Inspectorate Team	Call for a Pre-Inspection Meeting, as may be necessary

3	RO/SDO Inspectorate Team	Conduct Pre-Delivery Inspection and sign the inspection portion of the IAR
4	RO/SDO Supply Officer	Sign the acceptance portion of the IAR
5	RO/SDO Inspectorate Team	Prepare the Pre-Delivery Inspection Report
6	RO/SDO Supply Officer	Send a Notice of Delivery to the recipient schools and prepare PTR. The detailed technical specifications of the items, as appearing or indicated in the IAR, shall be attached to the said notice.
7	School Principal	Issue an Inspection Order to the School Inspectorate Team. The attached template may be modified accordingly to provide further details and instructions.
8	The Team Leader of the School Inspectorate Team	Call for a Pre-Inspection Meeting, as may be necessary
9	School Property Custodian	Sign the DR upon delivery by the supplier and forward the same to the Inspectorate Team
10	School Inspectorate Team	Inspect the items delivered as to physical form or condition and quantity. If the items are in order, the SIT shall prepare and sign the School Inspection Report and recommend the acceptance of the items to the School Property Custodian.
11	School Property Custodian	Prepare and sign the School Acceptance Report. Rejected items, if any, shall be briefly described in the said report and returned to the supplier for rectification or replacement.
		Sign the PTR
		Prepare and sign the ICS or PAR, as the case may be, and issue the same to the accountable officer
12	Accountable Officer	Sign the ICS or PAR, as the case may be
13	School Inspectorate Team	Conduct post-delivery inspection within the warranty period and prepares Post-Delivery Inspection Report

(File/Reference No.)

(Date)

FIELD INSPECTION ORDER

INSPECTORATE TEAM:

Team Leader

Regular Member - Property Supply Office

Regular Member - Accounting Section/Unit

Provisional Members - End-User Unit

PROJECT:

PROJECT NO.:

INSPECTION SITE:

DATE AND TIME:

The Regional Office/Schools Division Office/School Inspectorate Team composed of the abovenamed Inspectors is hereby authorized and directed to conduct the inspection of the following goods:

Items	Quantity

A copy of the detailed technical specifications of the items is attached to this Order.

The Inspectorate Team must adhere strictly to the standards and procedures laid down in DepEd Order No. __, s. 2021 or the *Inspection and Acceptance Protocols for the Procurement of Goods in the Department of Education*. The inspection and acceptance reports required thereunder must be accomplished without delay.

Regional Director/Schools Division Superintendent/
Head of the Administrative Division/Section/School Principal

PRE-DELIVERY INSPECTION REPORT

Supplier:				
Project:				
Contract No:				
Inspection Order Ref. No. & Date				Date of Inspection:
Inspection Technique: By Item (100%) By Sampling Sampling Type (random or interval): _____ ; Sample Size and AQL (in percentage): _____ :				
Item No.	Item Description	Unit	Quantity	Remarks
Notes, if any:				
Inspectorate Team (Signature Over Printed Name)				
_____ Team Leader		_____ Representative, End-User Unit		
_____ Representative, Asset Management Division/Section/Property Supply Office		_____ Representative, End-User Unit		
_____ Representative, Accounting Division/Section/Unit		_____ Provisional Member		

INSPECTION AND ACCEPTANCE REPORT

Entity Name: _____

Fund Cluster: _____

Supplier: _____
PO No./Date: _____
Requisitioning Office/Dept.: _____
Responsibility Center Code: _____

IAR No.: _____
Date: _____
Invoice No.: _____
Date: _____

<i>Stock/ Property No.</i>	<i>Description</i>	<i>Unit</i>	<i>Quantity</i>

INSPECTION

Date Inspected: _____

Inspected, verified and found in order as quantity and specifications

Inspectorate Team

ACCEPTANCE

Date Received: _____

Complete

Partial (pls. specify quantity)

Supply and/or Property Custodian

RO/SDO/SCHOOL INSPECTION REPORT

*(To be accomplished by the RO/SDO/School Inspectorate Team
in the inspection of goods procured by the CO/RO/SDO upon delivery)*

Supplier:				
Project:				
Contract No:				
Inspection Order Ref. No. & Date		Date of Inspection:		
Item No.	Item Description	Unit	Quantity	Remarks
Notes, if any:				
<p>The above indicated items were inspected as to physical form or condition and quantity. We hereby recommend the acceptance of the items which passed the inspection procedure.</p> <p style="text-align: center;">Inspectorate Team (Signature Over Printed Name)</p>				
_____		_____		
Team Leader		Representative, End-User Unit		
_____		_____		
Representative, Asset Management Division/Section/Property Supply Office		Representative, End-User Unit		
_____		_____		
Representative, Accounting Division/Section/Unit		Provisional Member		

RO/SDO/SCHOOL ACCEPTANCE REPORT

*(To be accomplished by the RO/SDO/School Supply Officer or Property Custodian
after the inspection of goods procured by the CO/RO/SDO)*

Supplier:				
Project:				
Contract No:				
Inspection Order Ref. No. & Date				Date of Acceptance:
Item No.	Item Description	Unit	Quantity	Remarks
Notes, if any:				
I hereby acknowledge the delivery and physical acceptance of the above indicated goods.				
_____ Supply Officer/Property Custodian (Signature Over Printed Name)				

PROPERTY TRANSFER REPORT

Entity Name: _____

Fund Cluster: _____

From Accountable Officer/Agency/Fund Cluster: _____

PTR No.: _____

To Accountable Officer/Agency/Fund Cluster: _____

Date: _____

Transfer Type: (check only one)

Donation

Relocate

Reassignment

Others (Specify) _____

Date Acquired	Property No.	Description	Amount	Condition of PPE

Reason for Transfer:

	Approved by:	Released/Issued by:	Received by:
Signature: _____	_____	_____	_____
Printed Name: _____	_____	_____	_____
Designation: _____	_____	_____	_____
Date: _____	_____	_____	_____

TRANSFER MANIFEST OUTBOUND

Date: _____						
CARGO FORWARDER						
ADDRESS						
Tel. No.						
DESTINATION	DISPATCH NO.	MAIL TYPE	NO. OF BAGS	PCS	WEIGHT	FLIGHT NO.

TRANSFERRED BY:

RECEIVED BY:

 Signature over Printed Name of
 Cargo Agent/Representative

 Signature over Printed Name of
 Supply Officer/Property Custodian

 Date

 Date

PROPERTY ACKNOWLEDGMENT RECEIPT

Entity Name: _____

Fund Cluster: _____

PAR No.: _____

Quantity	Unit	Description	Property Number	Date Acquired	Amount

<p>Received-by:</p> <p>_____ Signature over Printed Name of End User</p> <p>_____ Position/Office</p> <p>_____ Date</p>	<p>Issued by:</p> <p>_____ Signature over Printed Name of Supply and/or Property Custodian</p> <p>_____ Position/Office</p> <p>_____ Date</p>
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INVENTORY CUSTODIAN SLIP

Entity Name: _____

Fund Cluster: _____

ICS No.: _____

Quantity	Unit	Amount		Inventory Item No.	Estimated Useful Life
		Unit Cost	Total Cost		

Received from:

Signature over Printed Name

Position/Office

Date

Received by:

Signature over Printed Name

Position/Office

Date

POST-DELIVERY INSPECTION REPORT

Supplier:				
Project:				
Contract No:				
Date of Acceptance:		Warranty Period:		
Date of Inspection:				
Item No.	Item Description	Unit	Quantity	Remarks
Notes, if any:				
Inspectorate Team (Signature Over Printed Name)				
_____ Team Leader		_____ Representative, End-User Unit		
_____ Representative, Asset Management Division/Section/Property Supply Office		_____ Representative, End-User Unit		
_____ Representative, Accounting Division/Section/Unit		_____ Provisional Member		

CERTIFICATE OF FINAL ACCEPTANCE

This is to certify that (quantity) units of (goods) for the Project _____
_____ under Contract No. _____ and with the total
Contract Price of _____
were inspected and accepted as reflected in the Inspection and Acceptance Report
dated _____.

It is further certified that the said (goods) conform to the technical
specifications stipulated in the contract.

This Certificate is issued for the purpose of releasing the performance security
to the Supplier, _____.

Issued this ____ day of (month) (year) in _____.

CERTIFIED BY:

NOTED BY:

CERTIFICATE OF NO CLAIM AGAINST THE WARRANTY

This is to certify that (quantity) units of (goods) for the Project _____
_____ under Contract No. _____ and with the total
Contract Price of _____
were delivered, accepted, and found free of manufacturing defects during the
minimum warranty period of _____, specifically from _____ to
_____.

It is further certified that all conditions imposed under the Contract have been
fully satisfied.

This Certificate is issued for the purpose of releasing the retention money to the
Supplier, _____.

Issued this ____ day of (month) (year) in _____.

PREPARED BY:

CERTIFIED CORRECT BY:



Republic of the Philippines
Department of Education

21 SEP 2018

DepEd O R D E R
No. **042**, s. 2018

**UPDATED GUIDELINES ON DELIVERY, INSPECTION, ACCEPTANCE
AND RECORDING OF DEPED PROCURED ASSETS**

To: Undersecretaries
Assistant Secretaries
Bureau and Service Directors
Regional Secretary, ARMM
Regional Directors
Schools Division Superintendents
All Others Concerned

1. The Department of Education (DepEd) issues the **Updated Guidelines on Delivery, Inspection, Acceptance, and Recording of DepEd Procured Assets** acquired by the DepEd central office, region, schools division and school offices, including various supplies, materials and equipment procured through the Department of Budget and Management-Procurement Service (DBM-PS), and school buildings constructed by the Department of Public Works and Highways (DPWH).

2. This policy aims to ensure effective, transparent, efficient and standard implementation of processes and procedures on delivery, inspection, acceptance, and recording for all deliveries of formed assets. Specifically, these guidelines intend to clarify the roles, duties and accountabilities of concerned offices, serve as guide during the process from contract implementation up to recording stage, and provide uniform mechanisms for adherence of concerned implementing offices.

3. These guidelines cover the following enclosures:

- Enclosure No. 1 - School Furniture, Learning Resources, Science and Math Equipment and Various Tools and Equipment; and Computerization Packages (DCP);
- Enclosure No. 2 - School Buildings and other Facilities (New Construction and Repairs); and
- Enclosure No. 3 - Supplies, Materials, and Equipment Procured Through DBM-PS and Through Cash Advance.

4. All DepEd orders, memoranda, and other related issuances, rules, regulations and provisions, which are inconsistent with these guidelines are repealed, rescinded, or modified accordingly.

5. This Order shall take effect immediately upon its issuance. Non-compliance to this policy shall be dealt with accordingly.

6. For more information, contact the **Asset Management Division-Administrative Service (AMD-AS)**, Teodora Alonzo Building, Department of Education (DepEd) Central Office, DepEd Complex, Meralco Avenue, Pasig City at telephone no. (02) 635-0551.

7. Immediate dissemination of this Memorandum is desired.


LEONOR MAGTOLIS BRIONES
Secretary

Encl.:

As stated

Reference:

N o n e

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

ASSETS
BUDGET
BUILDINGS
DELIVERY
EQUIPMENT
POLICY
PROCUREMENT
SCHOOL
SUPPLIES

UPDATED GUIDELINES ON DELIVERY, INSPECTION, ACCEPTANCE AND RECORDING OF DEPED PROCURED ASSETS

I. Rationale

Pursuant to Presidential Decree No. 1445 (Government Auditing Code of the Philippines), it is the policy of the State that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government.

In 2006, DepEd Order No. 45, s. 2006 (Guidelines on Delivery, Inspection and Acceptance and Recording of all Properties Procured by DepEd Central Office and DBM Procurement Service) was issued to provide policies and guidelines at different governance levels of the department.

However, the specific procedures and processes across all levels should be given emphasis from deliveries up to recording of procured assets, specially the big ticket projects: DepEd Computerization Projects (DCP), School Furniture, Learning Materials, Science and Math Equipment, and all common and non-common use supplies and equipment.

II. Scope

These guidelines cover the delivery, inspection, acceptance and recording procedures for all deliveries of DepEd procured assets; infrastructure projects including New Construction and Repair of School Buildings and Other Facilities; procurement of common and non-common supplies, materials and equipment, at all levels of the Department: Central Office (CO), Regional Office (RO), Schools Division Offices (SDO) and Public Schools, both implementing and non-implementing units. This also includes assets procured through the Department of Budget and Management Procurement Service (DBM-PS) as the procuring arm of the national government. All offices in DepEd are expected to adhere to these guidelines for uniformity in operational procedures, preparation of reports, recording and booking up of all assets. Stakeholders, particularly the winning supplier, service providers and contractors must observe the herein guidelines accordingly.

I. Definition of Terms

For reference purposes, the term “Proponent Office” shall refer to the office that plays the major role in the process, from procurement to

recording procedures, in every Governance Level depending on the Project, as indicated herein:

PROJECT	PROPONENT OFFICE		
	CO	RO	SDO
School Furniture	Education Facilities Division (EFD)	Educational Support Services Division (ESSD)	School Governance and Operation Division (SGOD) – Education Facilities Unit
Learning Resources, Science and Math Equipment and various Tools and Equipment	Bureau of Learning Resources (BLR)		
Computerization Packages (DCP)	Information and Communication Technology Service (ICTS)		

The terms “Supply Office” and “Accounting Office” shall refer to the corresponding counterpart Proponent Offices, as follows:

	CO	RO	SDO
Supply Office	Asset Management Division	Asset Management Section	Property and Supply Unit
Accounting Office	Accounting Division	Accounting Section	Accounting Unit

II. Policy Statement

This policy provides guidance to offices concerned for the purpose of effective, transparent, efficient, and standard implementation of processes and procedures on delivery, inspection, acceptance, and recording of procured assets/properties of DepEd.

As a general policy, all assets procured by the Department of Education (DepEd), should be in accordance with Republic Act No. 9184 and must be accounted and recorded in the books of accounts maintained by the Accounting Division and in the asset registry of Asset Management Division (AMD), Administrative Service of the Department of Education (DepEd) Central Office, and the equivalent offices in the RO, SDO, and schools.

Specifically, all inventory items (common and non-common use supplies, materials and equipment) that will be procured for the current year should be included in the DepEd’s Annual Procurement Plan (APP). The APP for Common-Use Supplies and Equipment (APP-

CSE) shall be submitted annually to the Department of Budget and Management (DBM) and DBM-PS.

III. Procedures

SCHOOL FURNITURE, LEARNING RESOURCES/ MATERIALS/TEXTBOOKS, AND COMPUTERIZATION PACKAGES

1. The Proponent Office shall prepare all documentary requirements for the procurement of their Big Ticket Projects.
2. Upon receipt of the original copies of the Contract/s of the winning supplier/s from the Procurement Service, the Proponent Office will conduct a Pre-Implementation Meeting with the Supply Office, the Accounting Office and the Supplier to discuss the provisions of the contract, particularly on the technical specifications, delivery schedule, inspection, acceptance, payment, and the various documentary requirements.
3. The Proponent Office, together with the Supply Office and the Accounting Office shall conduct a Pre-Delivery Inspection at the warehouse/production site/plants of the winning supplier/s to ensure the quality and compliance to the technical specifications of the procured goods before delivery/distribution to the various recipient schools.
4. The Supply Office shall prepare the Property Transfer Report (PTR) on the basis of the Contract and Allocation/Distribution List per Region/Division provided by the Proponent Office during the Pre-Implementation Meeting.
5. Likewise, the Supply Office will inform the Division Supply Officers of the deliveries to be made by various suppliers and provide them a copy of the distribution list and schedule of deliveries. The PTRs will be one of the delivery documents that the winning supplier will bring during delivery to recipient schools. Upon determination that deliveries are complete and in order, the school property custodian can now sign the PTR.
6. An inspection will be made on the delivered items by the Schools Inspectorate Team. The Schools Inspectorate Team shall sign the Inspection Report if the deliveries comply with the requirements; if not, the deliveries will be rejected.
7. Upon signing of the Inspection Report by the School Inspectorate Team, the "acceptance" portion of the Inspection and Acceptance Report (IAR) and "received by" portion of the Property Transfer Report (PTR) shall then be signed by the School Property Custodian.

8. After the deliveries, the supplier shall submit the pertinent documents (Purchase Order/Contract, Delivery Receipt/Sales Invoice, IAR and PTR) to the Proponent Office for preparation of payment.
 - 8.a The Proponent Office shall forward all signed PTRs to the Supply Office for preparation of Summary of Deliveries.
 - 8.b The Supply Office shall transmit signed PTRs and Summary of Deliveries to the Accounting Office for the preparation of Journal Entry Voucher (JEV) and for dropping from the books of accounts.
 - 8.c The Accounting Office shall transmit copies of the JEV to the Division Office-Accountant for booking-up of all deliveries made to schools without books of accounts. Likewise, the Accounting Office shall transmit a separate JEV to the School Accountant/Bookkeeper for deliveries made to schools with books of accounts.
9. The School Property Custodian is responsible for the distribution and issuance of the delivered school furniture to the accountable person in the schools (e.g. Class Adviser), who will then sign the Inventory Custodian Slip (ICS)/Property Acknowledgement Receipt (PAR) for proper accountability.

INFRASTRUCTURE PROJECTS AND OTHER FACILITIES
(New Construction and Repair)

1. School Buildings Constructed by DPWH

- a. The School Governance and Operations Division through the Education Support Unit shall monitor the progress of construction of school buildings being implemented by the Department of Public Works and Highways (DPWH).
- b. Upon completion, acceptance, and turn-over of the school building construction projects, the Schools Division Superintendent shall request for the Journal Entry Voucher (JEV) taking up the dropping of the school building account in the DPWH books and other pertinent documents relative to all completed projects from the Accountant of DPWH District Engineering Offices (DEO).
- c. The DepEd Division Accountant shall record in their Books of Accounts the accepted and completed school building projects for recipient schools without set of books, while the school

bookkeeper shall record in their books the completed school building as recipient.

- d. The Division Accountant shall provide a copy of the completion documents to the Division Supply Officer to record the school building as an Asset/Property of the School.

2. Infrastructure Projects Implemented by DepEd

- e. The Proponent Office shall prepare all documentary requirement for the procurement and implementation of the infrastructure projects to be implemented by the Department.
- f. The DepEd Engineer of the implementing unit shall function as Project Engineer and shall be in-charge of regular monitoring and inspection of the infrastructure projects.
- g. The EFD and a representative from the Office of the Undersecretary for Administration shall monitor and inspect the project implementation as the need arises.
- h. The Proponent Office shall furnish the Supply Office copies of the completion documents of all infrastructure projects completed in order to record the projects as assets of the Department.

COMMON/NON-COMMON USE SUPPLIES, MATERIALS AND EQUIPMENT THROUGH DBM-PROCUREMENT SERVICE AND THROUGH CASH ADVANCES

1. Common Use Supplies, Materials and Equipment Available at DBM-PS

- a. All offices/schools in the Department are required to prepare their APP-CSE for the year to be submitted to their respective Supply Office for consolidation, as follows:

Office/Schools	In-charge Supply Office
All offices in the Central Office	Asset Management Division (AMD)
All offices in the Regional Office	Asset Management Section (AMS)
All offices in the Schools Division Office (SDO) and schools that are categorized as non-implementing units (non-IUs)	Property and Supply Unit
Schools categorized as Implementing Units (IUs)	School Supply Office

- b. All submitted APP-CSE from the respective offices/schools shall be consolidated by the in-charge Supply Office, to be approved by the Head of Procuring Entity.
- c. Upon approval of the Head of Procuring Entity, the APP-CSE shall be submitted to DBM-PS, copy furnished the DBM, as required by PhilGEPS. The submitted APP-CSE shall be the basis of DBM-PS in their regular procurement. Likewise, the APP-CSE shall serve as basis of DBM-PS in allocating the items to be delivered/issued to the procuring Supply Office.
- d. If the items indicated in the submitted APP-CSE are large in quantity, the DBM-PS shall schedule delivery/ies to the procuring Supply Office. Otherwise, the items will be picked-up from the DBM-PS Depot.
- e. When the items indicated in APP-CSE are available in stock with the DBM-PS, the latter shall notify the procuring Supply Office of its availability. The Supply Office shall conform with the said notice by preparing the necessary documents required for its payment. The said document shall be submitted to DBM-PS together with the payment. Payments can be made through Cash, Check or charge to the Single Fund account of the procuring Supply Office in which the unutilized fund are deposited.
- f. If the items indicated in the APP-CSE are not available with the DBM-PS, the latter shall issue a Certificate of Non-Availability of Supplies (CNAS) which will serve as basis for the Supply Office to purchase the items from other sources outside DBM-PS.
- g. In urgent cases when the Supply Office needs to purchase supplies, materials or equipment at the DBM-PS, walk-in purchase from the PS retail store is advised.
- h. All deliveries from DBM-PS shall be received by the representative of the In-charge Supply Office. If the quantities are complete based on the Delivery Receipt (DR), the representative shall sign on the received portion of the DR.
- i. The delivered items shall then be inspected by the designated Inspectorate Team as to technical specifications, quantity and other requirements as deemed necessary. Upon satisfaction of the inspection protocol, the Inspection and Acceptance Report (IAR) shall then be signed by the Inspectors and the Supply Officer/Property Custodian, respectively.

- j. Upon receipt of the items, the Supply Office can now stock the items in their warehouse or stockroom and likewise prepare Stock Cards/Property Cards. All issuances must be supported with Inventory Custodian Slip/Property Acknowledgement Report with corresponding Request Issue Slip (RIS) prepared/submitted by the requisitioning offices duly signed by the Property Custodian and Head of Office.
- k. The Supply Office shall forward the original copies of the Delivery Receipts to their respective Accountants/Bookkeepers for recording of the delivered items in the books.
- l. The Supply Office shall prepare daily Report of Supplies and Materials Issued (RSMI) to be submitted to the Accounting Office/Bookkeeper in order to record the issuances.

2. Non Common Supplies, Materials and Equipment procured by DBM-PS

- a. In cases when the Department (usually the Central Office) requests the assistance of the DBM-PS in the procurement of Non-Common Supplies, Materials and Equipment, Vehicles, Furniture, and the like, the following documents are to be prepared:
 - 1) Letter Request signed by the Secretary of Education
 - 2) Memorandum of Agreement per project.
 - 3) Agency Procurement Request (APR) which includes the Technical Specifications and Cost.
 - 4) Distribution List and Allocation List, if applicable
- b. The Head of the Procuring Entity shall designate members of the Bids and Awards Committee (BAC) and Technical Working Group (TWG) representing the Department, and Technical Inspectors and Acceptance Committee (TIAC) per project.
- c. Request from DBM-PS approved copy of the Purchase Order/Contracts in order to validate/monitor the deliveries and effect the recording in the books of accounts.
- d. The Asset Management Division (AMD) upon receipt of the delivery documents, will prepare Stock Cards/Property Cards and the Property Transfer Report (PTR) to effect the transfer of accountabilities to the recipient schools/offices.
- e. The delivered items shall then be inspected by the designated Inspectorate Team as to technical specifications, quantity and other requirements as deemed necessary. Upon satisfaction of the inspection protocol, the Inspection and

Acceptance Report (IAR) shall then be signed by the Inspectors and the Supply Officer/Property Custodian, respectively.

- f. Upon acceptance of the items, the Supply Office/recipient school/office shall then stock the items in their warehouse or stockroom and likewise prepare Stock Cards/Property Cards. All issuances must be through Request Issue Slip (RIS) prepared/submitted by the requisitioning offices duly signed by the Property Custodian and Head of Office.
- g. The Supply Office shall forward the original copies of the Delivery Receipts, Duplicate copy of Agency Procurement Request (APR), IAR and PTR if applicable, to their Accountants/bookkeepers for recording of the delivered items.

3. Common and Non-Common Supplies, Materials and Equipment procured through Cash Advance

- a. All supplies, materials and equipment needed by various offices in DepEd must be reflected in their respective APP-CSE.
- b. As mandated by RA 9184, all Common-use Supplies, Materials and Equipment must be procured through DBM-PS. However, for items that are urgently needed and not available in the stockroom of the Supply Office and at DBM-PS, the items can be procured using the cash advances/contingency fund, provided that the items are in the approved APP-CSE of the requisitioning office. If not indicated therein, the items will not be allowed to be procured and no cash advances shall be granted.
- c. If procurement is allowed through outsourcing, the items to be procured must be supported by the following:
 - 1. Duly inspected Delivery Receipts/Sales Invoice
 - 2. Inventory Custodian Slip (ICS)/Acknowledgement Receipt of Equipment
 - 3. At three (3) Quotations, if applicable
 - 4. BAC authority for alternative mode of procurement

IV. Monitoring and Evaluation

The AMD through its various programs, activities and projects shall continuously gather feedback on the implementation of these guidelines. There shall be an established regular monitoring and evaluation mechanism that will review the extent of adherence to these guidelines. The Central Office is the responsible office to

monitor the Regional Offices; the Regional Office to their Schools Division Offices; and the Schools Division Offices to their respective schools.

V. References

The following are referenced in this Order:

1. Presidential Decree No. 1445 (Government Auditing Code of the Philippines)
2. DepEd Order No. 45, s. 2006 (Guidelines on Delivery, Inspection and Acceptance and Recording of all Properties Procured by DepEd Central Office and DBM Procurement Service)

VI. Effectivity/Transitory Provision

Provisions stipulated in DepEd Order No. 45, s. 2015, and other previous issuances which are inconsistent with this Order are hereby repealed.

This Order shall take effect immediately upon its issuance