



Republic of the Philippines  
**DEPARTMENT of AGRARIAN REFORM**

MEMORANDUM CIRCULAR

No. 02

Series of 1991

SUBJECT: RULES AND PROCEDURES IN THE REVIEW OF DAR  
CONTRACTS AND AGREEMENTS IN THE CENTRAL OFFICE

I. PRELIMINARY STATEMENT

These Rules and Procedures shall govern the review and evaluation of all contracts and agreements in the Central Office wherein the Department of Agrarian Reform (DAR) is a party or those entered into by a DAR official representing the DAR within the scope of his authority and in connection with his official duties and responsibilities.

II. PRINCIPLES AND POLICIES

The following principles and policies, among others, shall govern the evaluation and review of DAR contracts and agreements:

1. The validity of a contract or agreement shall be based on its conformity to applicable statutes and laws. Where the contract or agreement is not contrary to law, morals, good customs, public order or public policy, its validity must be sustained;
2. A contract or agreement involving the expenditure of public funds shall be solely for a public purpose;
3. No contract or agreement shall be entered into or authorized unless the proper accounting official shall

have certified that there is an appropriation for the purpose and that the amount necessary to cover the proposed contract or agreement for the current fiscal year is available. Such certification shall be attached to and become an integral part of the contract or agreement.

These rules shall not apply to contracts or agreements approved by the Prequalification, Bids and Awards Committee (PBAC) or those normally covered by a Purchase Order;

4. No alteration or amendment shall be made after the award and due execution of a contract by public bidding except those provided in the amendatory clause thereof and those allowed by law. In case of failure on the execution of the contract after the lapse of the reglementary period, another public bidding shall be required.
5. Except contracts for personal services, consultancy contracts relating to projects, regardless of amount, shall be approved by the Secretary in accordance with the Guidelines on the Hiring of Consultants promulgated by the National Economic and Development Authority (NEDA). The NEDA shall be furnished by the Department with copies of all consultancy contracts involving amounts in excess of One Million (P1,000,000.00) Pesos.

6. In any question as to the validity of the contract, the accepted accounting and auditing rules provided under P. D. 1445 shall prevail.

### III. CONTRACT REVIEW COMMITTEE

In the interest of the service and in order to ensure timely, effective and accurate evaluation and review of all proposed contracts and agreements entered into by and between the DAR and other contracting entities, a Contract Review Committee (CRC) is hereby created, composed of the following:

Chairperson - - - - - Assistant Secretary  
JOSEFINA M. SIDIANGCO

Vice Chairperson - - - Assistant Secretary  
ROLANDO LL. QUERUBIN

Members:

Legal Review

Atty. Rodolfo C. Sabio or his alternate

Finance and Internal Control

Director Leticia B. Pichay or her alternate

Technical Review

The Assistant Secretary and/or  
Director of Office/Bureau Concerned

IV. RESPONSIBILITIES OF THE COMMITTEE

A. Legal Review

The legal review shall ensure the legal soundness of the proposed contract/agreement. It shall determine, among others, whether the elements for validity of the contract are present; the requirements for the award are complied with; and the terms and conditions in the proposed documents are legally feasible.

B. Finance and Internal Control

The financial and internal control review shall cover an evaluation of the financial implications of the proposal. It shall see to it that the processes for funds availment are complied with.

C. Technical Review

The technical review shall cover the technical soundness of the proposal. It shall justify the urgency of the contract and determine whether the institution contracted possesses the expertise or competence in the proposed field of undertaking.

V. SECRETARIAT

The Internal Control Unit under the Office of the Undersecretary for Finance, Management and Administration shall serve as the Secretariat of the committee. It shall: 1) schedule the meetings of the committee; 2) prepare materials and documents; 3)

prepare the agenda of the meetings; 4) keep records of the deliberations; 5) furnish members of the committee with the minutes of all meetings, and, (6) perform other related functions.

#### VI. PROCEDURES

The following procedures shall govern the evaluation and review of all proposed DAR contracts or agreements:

1. Before approval of the contract by the Secretary or his duly authorized representative, the responsible Assistant Secretary and/or Director of the Office/Bureau concerned, shall submit to the CRC a formal request for review of the proposed contract or agreement;
2. The CRC shall immediately convene to review the proposed contract or agreement within three (3) days from the receipt of the request. A written recommendation shall be submitted by the CRC within seven (7) working days from its initial meeting.
3. In case of favorable recommendation by the CRC, the Chairman of the Committee shall affix her initials on the duplicate copies of the contract. In cases of rejection, a memorandum shall be submitted by the CRC, stating the reasons for such rejection.

4. The concerned Office/Bureau may ask for reconsideration of the recommendation of the CRC on the proposed contract or agreement within three (3) days from the receipt of the same. Otherwise, the recommendation or comment of the CRC shall be presented to the authorized signatory of the contract.
  
5. The Secretary of the Department of Agrarian Reform shall have the power to annul, amend or reverse the recommendation of the Committee.

All Orders, Circulars and Memoranda inconsistent with this Memorandum Circular are hereby revoked, repealed and/or amended accordingly.

Diliman, Quezon City, 22 February 1991

  
BENJAMIN T. LEONG  
Secretary