

Practices of Philippine Government Agencies in Shopping and Small Value Procurement

Joey S. Layog
West Visayas State University
joey.layog@wvsu.edu.ph

Date Submitted:
April 16, 2026

Date Accepted:
May 15, 2026

Date Published:
June 06, 2026

DOI:
10.5281/zenodo.20569752

ABSTRACT

This study determined the practices of Philippine government agencies in shopping and small value procurement (SVP) and identified areas requiring improvement as a basis for a proposed training design. A descriptive research design was employed among 100 selected Bids and Awards Committee members from national government offices, government-owned and controlled corporations (GOCCs), state universities and colleges (SUCs), and local government units (LGUs). Data were gathered through a validated researcher-made questionnaire adapted and modified from the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184. The instrument consisted of 20 shopping-practice items and 20 SVP-practice items. Ranking, median, Kruskal-Wallis test, and post-hoc Mann-Whitney U test were used at the .05 level of significance. The most prevalent shopping

practices included the presence of an approved Annual Procurement Plan (APP), an approved purchase request, the timely issuance of a purchase order to the winning bidder, the preparation of an abstract of quotations, and PhilGEPS posting of purchase orders above the applicable threshold. The most prevalent SVP practices similarly emphasized the approved APP, purchase request, abstract of quotations, timely issuance of purchase orders, and PhilGEPS posting. Significant differences among agency types were found in selected shopping practices involving requests for quotation, supplier documentation, obtaining responsive suppliers, monitoring extensions in PhilGEPS, and BAC-member presence during RFQ opening. For SVP, a significant difference was found in monitoring extensions in the submission of RFQs through PhilGEPS. The findings indicate generally strong observance of foundational procurement requirements but uneven implementation of selected procedural controls. A focused capacity-building program is recommended to strengthen compliance, consistency, accountability, and transparency.

Keywords: *Annual Procurement Plan, Bids and Awards Committee, government procurement, PhilGEPS, shopping, small value procurement*

INTRODUCTION

Public procurement is a critical government function because it determines how public funds are translated into goods, services, and operational support. Procurement systems must promote economy, efficiency, accountability, transparency, fairness, and integrity. Weak observance of procurement procedures can expose agencies to irregular payments, process breaches, contractual non-compliance, and other integrity risks.

In the Philippine setting, Republic Act No. 9184 and its revised implementing rules established the framework for government procurement during the period covered by the study. Competitive bidding was the default mode, while alternative modes such as shopping and small value procurement were allowed under prescribed conditions. Shopping was used for specific purchases of readily available goods, while small value procurement applied to eligible acquisitions within allowable thresholds and procedural safeguards.

The effectiveness of these procurement modes depends not only on the existence of written rules but also on the consistent observance of required procedures by procuring entities. Agency personnel must prepare and approve procurement documents, issue requests for quotation, verify supplier qualifications, prepare abstracts of quotations, observe PhilGEPS-posting requirements, and complete award and purchase-order processes within prescribed timelines.

This study examined shopping and SVP practices among national government offices, GOCCs, SUCs, and LGUs. It identified prevalent and less prevalent practices, determined the level of observance of procedural requirements, tested differences across agency types, and proposed a training design for practices requiring improvement.

Literature Review

Public Procurement and Accountability

Procurement includes the planning, sourcing, selection, purchasing, receiving, and approval processes required to obtain goods and services. Public procurement differs from private purchasing because it is bound by public-accountability requirements and must demonstrate fairness, transparency, value for money, and compliance with established rules. Albano et al. (2016) emphasized the continuing evolution of public procurement and the importance of innovation and knowledge sharing in strengthening public institutions.

Procurement auditing and regular review are essential because process controls can weaken when requirements are inconsistently applied. Vishal (2017) described procurement audit as a systematic review of procurement activities to identify discrepancies, inefficiencies, and opportunities for improvement. This perspective supports the need to assess actual observance of procurement practices rather than assume that written guidelines are uniformly implemented.

Shopping and Small Value Procurement

Shopping and SVP are procurement modalities intended to facilitate timely acquisitions under defined conditions. The source manuscript anchored the instrument on the 2016 Revised IRR of Republic Act No. 9184. Shopping under Section 52 involves requests for quotations for readily available goods or ordinary equipment from suppliers of known qualifications. SVP under Section 53.9 applies to eligible procurement requirements within prescribed thresholds and requires documentary and procedural safeguards.

The central challenge is balancing efficiency with control. Simplified procurement procedures should reduce unnecessary delay without weakening competition, supplier verification, documentation, posting requirements, and oversight. Accordingly, the present study focused on the procedural practices observed by government agencies when conducting shopping and SVP.

Comparative Decision-Making and Procurement Practice

The study drew conceptual support from Auction Theory, Bidding Theory, and Consumer-Behavior Theory. Auction and bidding perspectives emphasize the comparison of offers and the importance of market information in identifying suitable suppliers. Consumer-behavior perspectives highlight the possibility that buyers' preferences may affect purchasing decisions. In public procurement, these preferences must remain bounded by transparent procedures, documentary requirements, and auditability.

Need for Capacity Building

The public-procurement environment continues to change as agencies respond to transparency demands, technology requirements, and evolving procurement policies. Training is therefore essential for BAC members, BAC secretariats, technical working groups, end users, and procurement personnel. An evidence-based assessment of observed practices can help agencies target procedural gaps and strengthen compliance.

METHODS

Research Design

The study employed a descriptive research design. It assessed the observance of shopping and SVP practices among participating government agencies without manipulating any variable. The design was appropriate because the study aimed to document existing practices, identify procedural gaps, compare agency groups, and propose an enhancement program.

Participants and Sampling Technique

The respondents were 100 selected Bids and Awards Committee members from Philippine government agencies. They were classified into four groups: national government offices, GOCCs, SUCs, and LGUs. The source manuscript states that participating agencies were identified randomly and that the data-gathering period was from October 1, 2024 to January 1, 2025.

Table 1. *Distribution of Respondents by Agency Type*

Agency Type	Frequency	Percentage
National government offices	32	32.00%
Government-owned and controlled corporations	26	26.00%
State universities and colleges	22	22.00%
Local government units	20	20.00%
Total	100	100.00%

Research Instrument

A researcher-made questionnaire adapted and modified from Republic Act No. 9184 and its revised IRR was used. Part I gathered respondent and agency information. Part II contained shopping-practice items, while Part III contained SVP-practice items. Respondents rated each item using a five-point scale: 5 - always, 4 - often, 3 - sometimes, 2 - seldom, and 1 - never. The source manuscript reported reliability coefficients of .829, .740, .745, and .817 for the relevant questionnaire components.

Data Gathering Procedure

Permission was secured from the management of West Visayas State University - Calinog Campus and from the heads of the participating government agencies. After approval, the researcher personally distributed the questionnaires to the respondents. Completed questionnaires were retrieved, organized, encoded, and analyzed using appropriate statistical procedures.

Data Analysis

Ranking was used to identify the most and least prevalent shopping and SVP practices. Median was used to determine the level of observance, interpreted as follows: 4.51-5.00, very high; 3.51-4.50, high; 2.51-3.50, average; 1.51-2.50, low; and 1.00-1.50, very low. Kruskal-Wallis test was used to examine differences across agency types, and post-hoc Mann-Whitney U tests were applied to significant results. The source manuscript states that statistical analysis was conducted using SPSS at the .05 level.

Ethical Consideration

The researcher obtained authorization from the relevant institutional and agency authorities before data gathering. Respondents were informed that their answers would be treated confidentially and used solely for the objectives of the study. Reporting focused on aggregate findings rather than personally identifiable responses.

RESULTS AND DISCUSSION

Most and Least Prevalent Shopping Practices

Table 2. *Five Most and Five Least Prevalent Shopping Practices*

Category	Shopping Practice	Score	Rank
Most prevalent	Approved APP when conducting shopping	491	1
Most prevalent	Approved purchase request	487	2
Most prevalent	Purchase order sent to winning bidder within recommended turnaround time	486	3
Most prevalent	Abstract of quotations prepared	478	4
Most prevalent	Purchase order posted to PhilGEPS when amount is above ₱50,000	468	5
Least prevalent	RFQs sent to four or more suppliers	199	21
Least prevalent	Observers present during RFQ opening	219	20
Least prevalent	Suppliers present during RFQ opening, virtually or physically	231	19
Least prevalent	RFQs sent to three suppliers	247	18
Least prevalent	100% of BAC members present during RFQ opening	281	17

The leading shopping practices reflected documentary and posting controls that are generally embedded in routine procurement workflows. By contrast, the least prevalent practices involved broader supplier solicitation, observer participation, supplier attendance during RFQ opening, and full BAC-member attendance. These areas indicate potential procedural weaknesses that require targeted review.

Most and Least Prevalent Small Value Procurement Practices

Table 3. *Five Most and Five Least Prevalent SVP Practices*

Category	SVP Practice	Score	Rank
Most prevalent	Approved APP when conducting SVP	492	1
Most prevalent	Approved purchase request	490	2
Most prevalent	Abstract of quotations prepared	488	3
Most prevalent	Purchase order sent to winning bidder within recommended turnaround time	483	4
Most prevalent	Purchase order posted to PhilGEPS when amount is above ₱50,000	460	5
Least prevalent	Observers present during RFQ opening	210	23
Least prevalent	Suppliers present during RFQ opening, virtually or physically	230	22
Least prevalent	100% of BAC members present during RFQ opening	281	21
Least prevalent	Notice of award posted to PhilGEPS when amount is above ₱50,000	282	20
Least prevalent	Non-winning bidders informed through a letter signed by the BAC chair	286	19

The SVP findings similarly show strong observance of foundational planning and documentation requirements. However, lower prevalence was reported for observer presence, supplier attendance during RFQ opening, full BAC attendance, PhilGEPS posting of notices of award, and notification of non-winning bidders.

Level of Observance of Shopping Practices

Table 4. *Summary of Shopping Practices by Level of Observance*

Level	Number of Practices	Examples
Very high	6	Approved APP; approved purchase request; PhilGEPS posting of purchases above ₱50,000; abstract of quotations; timely purchase order; PhilGEPS posting of purchase order
High	6	Updated market survey; supplier documentary requirements; responsive suppliers after RFQ distribution; award to lowest quotation; timely notice of award; PhilGEPS posting of notice of award
Average	6	RFQs to three suppliers; bid evaluation; PhilGEPS monitoring of RFQ extension; BAC RFQ opening; full BAC attendance; notification of non-winning bidders
Low	3	RFQs to four or more suppliers; supplier attendance during RFQ opening; observer attendance during RFQ opening

Shopping practices were strongest in the documentation and posting stages. Practices that required broader participation and monitoring tended to fall within the average or low categories. This suggests that agencies may comply more consistently with document preparation than with procedural safeguards that require coordinated attendance, expanded solicitation, and monitoring.

Level of Observance of Small Value Procurement Practices

Table 5. *Summary of SVP Practices by Level of Observance*

Level	Number of Practices	Examples
Very high	8	Approved APP; approved purchase request; PhilGEPS posting of purchases above ₱50,000; RFQ to one supplier; RFQ to two suppliers; abstract of quotations; timely purchase order; PhilGEPS posting of purchase order
High	5	Updated market survey; RFQs to four or more suppliers; supplier documentary requirements; responsive supplier after RFQ; award to lowest quotation
Average	7	RFQs to three suppliers; bid evaluation; PhilGEPS monitoring of RFQ extension; BAC RFQ opening; full BAC attendance; timely notice of award; notification of non-winning bidders
Low	2	Supplier attendance during RFQ opening; observer attendance during RFQ opening

The SVP profile also reveals uneven observance. While essential planning and documentation practices were commonly followed, several practices linked to participation, notice, and monitoring were observed less consistently. These results support the need for periodic compliance reminders and capacity-building sessions.

Differences in Shopping Practices Across Agency Types

Table 6. *Shopping Practices with Significant Differences Across Agency Types*

Shopping Practice	Result
RFQs are sent to three suppliers	Significant differences across selected agency pairs
Suppliers submit documents such as business permits and PhilGEPS registration numbers	Significant differences across selected agency pairs
At least three suppliers are obtained after RFQ distribution	Significant differences across selected agency pairs
Extension in RFQ submission above ₱50,000 due to valid reason is monitored in PhilGEPS	Significant differences across selected agency pairs
100% of BAC members are present during RFQ opening	Significant differences across selected agency pairs

Kruskal-Wallis and post-hoc Mann-Whitney analyses showed that agency type was associated with differences in selected shopping practices. The significant results involved supplier solicitation, documentary requirements, the number of responsive suppliers, PhilGEPS monitoring of submission extensions, and full BAC-member presence during RFQ opening. These differences show that procedural implementation was not uniform across the participating agencies.

Differences in Small Value Procurement Practices Across Agency Types

Table 7. *SVP Practice with Significant Differences Across Agency Types*

SVP Practice	Agency Comparison	z-value	p-value
Extension in the submission of RFQ above ₱50,000 due to valid reasons is monitored in PhilGEPS	National agencies vs. LGUs	z = 2.123	p = .034
	GOCCs vs. LGUs	z = 2.619	p = .009
	SUCs vs. LGUs	z = 2.860	p = .004

For SVP, a significant difference was found in the monitoring of RFQ-submission extensions through PhilGEPS. National agencies, GOCCs, and SUCs had higher levels of observance than LGUs in the reported pair-wise comparisons. This result identifies a specific monitoring practice that may require additional support among local government units.

Proposed Training Design

The findings support a focused capacity-building program for BAC members, BAC secretariats, technical working groups, end users, and procurement-support personnel. The training design prioritizes practices that were less prevalent, below the high level of observance, or significantly different across agency types.

Table 8. *Proposed Capacity-Building Program for Shopping and SVP*

Training Component	Focus	Target Participants	Mode	Expected Output
Procurement-policy updating	Review applicable procurement law, IRR, and latest GPPB issuances	BAC members, BAC secretariat, procurement staff	Seminar-workshop	Updated procedural awareness
RFQ preparation and supplier solicitation	Reinforce distribution of RFQs and documentation of responsive suppliers	BAC secretariat, end users, procurement unit	Case-based workshop	More consistent RFQ procedures
Supplier documentary compliance	Validate permits, PhilGEPS registration, and required records before award	BAC, TWG, procurement unit	Document-checking simulation	Improved supplier verification
PhilGEPS posting and monitoring	Strengthen posting requirements and monitoring of RFQ extensions	BAC secretariat, procurement staff, LGU focal persons	Hands-on system review	Timely and traceable PhilGEPS actions
RFQ opening and participation	Clarify BAC attendance, observer participation, and documentation requirements	BAC members, observers, secretariat	Process-mapping session	Improved observance during RFQ opening
Internal compliance review	Conduct periodic validation of shopping and SVP files	HOPE, BAC chair, internal audit and procurement staff	Quarterly file review	Reduced procedural gaps

CONCLUSION

Philippine government agencies generally demonstrated strong observance of foundational shopping and SVP requirements, particularly the preparation of approved procurement documents, abstracts of quotations, timely purchase orders, and PhilGEPS postings. Nevertheless, selected practices were less consistently observed. These included expanded supplier solicitation, observer and supplier participation during RFQ opening, full BAC-member attendance, notification practices, and monitoring of RFQ-submission extensions. The significant

differences across agency types show that procedural implementation was not uniform. The findings support the implementation of regular procurement-policy updates, file-validation activities, and targeted capacity-building programs to strengthen accountability, transparency, fairness, and efficiency.

Recommendations

1. Procuring entities, particularly BAC members and BAC secretariats, should periodically validate shopping and SVP documents before signing abstracts of quotations, notices of award, and purchase orders.
2. Procurement personnel should regularly review applicable procurement manuals and the latest Government Procurement Policy Board issuances to maintain updated and compliant practices.
3. Government agencies should conduct in-service seminars or workshops when external training budgets are limited.
4. National government offices, GOCCs, SUCs, and LGUs should allocate resources for continuing procurement-capacity development and encourage broad personnel participation.
5. LGUs should receive focused assistance on monitoring extensions in RFQ submissions through PhilGEPS because this practice showed significant differences in the SVP results.
6. Future researchers may examine implementation under the New Government Procurement Act and its IRR, conduct agency-specific studies, and evaluate the effectiveness of the proposed training design.

References

- Albano, G. L., Snider, K. F., & Thai, K. V. (2016). *Charting a course in public procurement innovation and knowledge sharing*. PrAcademics Press.
- Albrecht, J., & Whitmeyer, L. (2023). *Comparison shopping: Learning before buying from duopolists*.
- Commission on Audit. (2017). *Updated guidelines in the audit of procurement: Negotiated procurement - small value procurement*.
- Congress of the Philippines. (2003). Republic Act No. 9184: Government Procurement Reform Act.
- Government Procurement Policy Board. (2016). 2016 revised implementing rules and regulations of Republic Act No. 9184.
- Government Procurement Policy Board. (2023). *Guidelines for shopping and small value procurement*.
- Levin, J. (2004). *Auction theory*. Stanford University. <https://web.stanford.edu/~jdlevin/Econ%20286/Auctions.pdf>
- Republic Act No. 12009. (2024). *New Government Procurement Act*.
- Riley, J. (2016). *Bidding theory*. National Bureau of Economic Research. <https://www.nber.org/system/files/workingpapers/w22038/visions/w22038.rev0.pdf>
- SAP. (2018). *What is procurement? A comprehensive guide*. <https://www.sap.com/sea/products/spend-management/what-is-procurement.html>
- Vishal, P. (2017). *What is procurement audit and why is it important?* <https://proqsmart.com/blog/what-is-procurement-audit/>