



Republic of the Philippines
OFFICE OF THE SECRETARY
Elliptical Road, Diliman
1100 Quezon City

MEMORANDUM ORDER

No. 34

Series of 2021

TO : UNDERSECRETARY FOR ADMINISTRATION AND FINANCE
UNDERSECRETARY FOR OPERATIONS AND AGRI-FISHERIES
MECHANIZATION
ALL HEADS OF DA BUREAUS, ATTACHED AGENCIES/
CORPORATIONS
ALL REGIONAL EXECUTIVE DIRECTORS
BIDS AND AWARDS COMMITTEE (BAC) OF ALL DA OFFICES


SUBJECT : NUMBER OF YEARS OF MARKET PRESENCE ON BRAND
REQUIRED IN THE PROCUREMENT OF FOUR-WHEEL
TRACTORS

It has come to our attention that the number of years of market presence on brand required in the procurement of four-wheel tractors by concerned DA bureaus, attached agencies/corporations, and regional field offices varies, such that for PHilMech, RFOs I, III and VI is 30 years; SRA is 25 years, and RFO II is ten years. Moreover, this office received numerous complaints on the 25- and 30-years requirements as this discriminates other tractor suppliers from participating in the bidding.

All procuring entities, pursuant to RA No. 9184, are reminded that the procurement of tractors shall be competitive, requiring quality, durability, and reliability of products to be supplied and prohibits tailor fitting of specifications and requirements.

In view of the above, the following guidelines and action plans are hereby issued to standardize the market presence requirement:

1. The brand market presence requirement shall be **ten (10) years**. This relates with the useful life of 10 years for the agricultural, fishery, and forestry machinery and equipment as stipulated in Annex A of the COA Circular 2003-007 or the Revised Estimated Useful Life in Computing Depreciation for Government Property, Plant and Equipment. The 10-year market presence requirement will also allow more market players to participate in the procurement and avoid the allegation of tailor fitting the bidding process.


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2. In addition, the following requirements shall be strictly required and enforced:


- a) Compliance with the Philippine National Standards/ Philippine Agricultural and Biosystems Engineering Standards (PNS/PABES) Guidelines for Four-wheel Tractor;
- b) Minimum one-year warranty starting from the date of receipt of the end-user;
- c) No reported major breakdowns for products under warranty in the last two (2) years;
- d) Presence of accessible service center in the target delivery areas;
- e) Repair of defective units and provision of other after-sales services within 72 hours upon receipt of complaint/s;
- f) Provision of at least two maintenance visits within the warranty period.

The Bureau of Agricultural and Fisheries Engineering (BAFE), together with the Regional Agricultural Engineering Divisions (RAEDs) and in collaboration with NAFIAT and Agricultural Machinery Testing and Evaluation Center (AMTEC) shall immediately undertake a rapid assessment of the distributed farm tractors of DA under its banner programs, RCEP, and other programs. The quick evaluation shall gather feedbacks from recipient farmer organizations on the status, reliability, and durability of farm tractors. A similar market survey shall also be conducted on new market players who are planning to participate in the procurement of four-wheel tractor.

Based on the result of the assessment, the BAFE shall coordinate with AMTEC to immediately develop and implement a durability testing protocol for four-wheel tractors. The durability testing protocol shall be harmonized and referenced with other countries. The AMTEC, as the premier testing center of the country, must have one of its primary services on durability testing. As such, the BAFE, BAR and the Undersecretaries for Administration and Finance and Operations and Agri-Fisheries Mechanization shall coordinate with DBM, AMTEC, and UP System for the upgrading of AMTEC (facilities, equipment, and personnel) as the premier testing center in the country pursuant to Sections 27 and 38 of RA No. 10601.

This Order shall take effect immediately.

Done this 12th day of May 2021.


WILLIAM D. DAR, Ph.D.
Secretary

DEPARTMENT OF AGRICULTURE

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