

TERMS OF REFERENCE

*Procurement of a Third-Party Certification Body Services for
ISO 9001:2015 Quality Management System (QMS)
Of the Department of Agriculture Central Office (DA-CO)*

I. BACKGROUND

The Government Quality Management Program (GQMP), a national government-funded program that promotes quality improvement in the public sector was created through the issuance of Executive Order No. 695 institutionalizing the structure, mechanisms, and standards to implement a Government Quality Management Program (GQMP) to effect improvement in public sector performance by ensuring the consistency of products and services through quality processes that can be achieved through an effective Quality Management System (QMS).

Through the General Appropriations Act of 2022, the Development Academy of the Philippines was mandated to provide Technical Assistance on the Development, Expansion, and Consolidation of ISO 9001:2015 QMS, Risk Management and Service Quality Improvement to thirteen (13) GQMP beneficiary agencies in which the Department of Agriculture is one of the beneficiary agencies. Hence the project entitled **“Development of a Quality Management System Certifiable to ISO 9001:2015 Standard for the Department of Agriculture”** was started with the technical assistance of the Development Academy of the Philippines.

The QMS journey of the Department of Agriculture started in May 2022 and as of March 23, 2023, all fourteen activities and trainings have been completed by the Development Academy of the Philippines including the Technical Guidance on Management Review last February 16-17, 2023 and the Readiness Assessment last March 20, 2023. Earlier on November 28, 2022, a simulation internal audit was conducted in selected offices in the DA Central Office by those who completed the training on Guidelines on Auditing Management from November 16-18, 2022.

To complete the ISO Certification of the Department of Agriculture Central Office, a certification body needs to be contracted. This will consider procurement of a certifying body of services competent to comprehensively evaluate the entire QMS and attest the DA-CO's conformity to the ISO 9001:2015 Standards, valid for three (3) years.

II. OBJECTIVES

To obtain certification of the DA Central Office (DA-CO) including the Food Development Center (FDC) located in Bonifacio Global City, Taguig City to ISO 9001:2015 Standards

Specific Objectives:

1. To conduct stage 1 audit or pre-assessment audit;
2. To prepare a certification audit plan;
3. To conduct a stage 2 or certification audit; and

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4. To prepare an audit report detailing observations, conformity, opportunities for improvement (OFI) and nonconformity (NC) to ISO 9001:2015 Standards or on documented procedures and action plan on how to address at the end of the on-site audit.

III. SCOPE OF WORK

The Third-Party Certification Body is expected to conduct Stage 1 and Stage 2 audits in 53 Offices within 40 audit days as follows:

Office/Service	Number of Divisions
Office of the Secretary	1
Office of Undersecretaries/Designate	8
Office of Assistant Secretaries/Designate	8
Internal Audit Service	2
Planning and Monitoring Service	3
Project Development Service	2
Policy Research Service	3
Administrative Service	6
Financial Management Service	3
Information & Communications Technology Service	4
Legal Service	2
Agribusiness and Marketing Assistance Service	3
Field Operations Service	3
Food Development Center (including Director's Office)	5
Total	53

and to provide the following services:

1. Preparation and submission of an Audit Program, Audit Checklist, Document Request, etc.;
2. Conduct of Stage 1 or Pre-Assessment Audit such as the conduct of opening meeting, discussion of the audit program, objectives, risks and opportunities, scope and activities; reviewing and improving the audit program; preparing audit activities; conduct of the audit activities; monitoring of the audit program; completion of the audit; and the preparation and submission of the audit report.
3. Conduct of Stage 2 or Certification Audit;
4. Issuance of ISO 9001:2015 Certificate (valid for 3 years).

IV. REPORTING AND EVALUATION

To ensure proper management, implementation, and monitoring of the project, the ISO 9001:2015 QMS Third-Party Certification Body shall work closely with the concerned divisions/staff, including the following key officials/personnel/groups:

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1. The Office of the Undersecretary for Administration;
2. The Office of the Vice Chairperson of QMS ISO Certification Committee;
3. The QMS Project Secretariat headed by the Management Division; and
4. Other concerned Offices/Staff.

The Undersecretary-Designate for Administration being the Chairperson of the ISO 9001:2015 Certification Initiative or his duly designated representative, shall evaluate the quality of work delivered by the ISO 9001:2015 QMS Third-Party Certification Body based on this TOR to ensure the quality and relevance of work being conducted, and based on this, shall issue a written project acceptance/approval, retention, or discontinuance.

Based on mutual agreement, related additional duties and responsibilities may be assigned to the ISO 9001 QMS Third-Party Certification Body.

V. PROCURING ENTITY'S RESPONSIBILITY

The following comprise the general responsibilities of the Department of Agriculture-Central Office as client:

1. Designation of a counterpart support team or a Technical Working Group (TWG) who will work closely with the Third-Party Certification Body regarding technical and administrative requirements, including monitoring of the progress of the various activities;
2. Provision of room/office space and desktop computer for the use of the Third-Party Certification Body, as may be needed in the course of the audit;
3. Provision of all the necessary/required information/data related to the project and identification of participants as may be needed in pursuing the tasks under this TOR;
4. Ensure availability and participation of the auditees during the opening meetings/briefing and discussion of audit findings during closing conference and active involvement of the DA management and staff and other concerned officials and personnel on matters pertaining to the certification audit;
5. Adherence of the identified participants to timelines set according to the schedule of audit per work plan. For any request for change or cancellation of schedule, however, at least a one (1) week notice shall be given and the said change/adjustment shall be made based on mutual agreement by both parties; and
6. Based on mutual agreement, related additional duties and responsibilities may be assigned to the ISO 9001 QMS Third-Party Certification Body.

VI. THIRD-PARTY CERTIFICATION BODY'S RESPONSIBILITY

The ISO 9001:2015 QMS Third-Party Certification Body shall provide information that indicates experience, capacity, and capability to undertake the work outlined herein, within the specified timelines. As part of this, the Third-Party Certification Body is expected to provide an indication of public QMS-related engagements and related certification works that are currently underway, planned, or completed.

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This will be considered in the assessment of the Third-Party Certification Body's QMS-related experience profile.

The ISO 9001:2015 QMS Third-Party Certification Body undertakes to perform the Services with the highest standards of professional and ethical competence and integrity. Any studies, reports, or other materials, graphics (images, photos, etc.), software, or otherwise, prepared by the Third-Party Certification Body for the Procuring Entity shall belong to and remain the property of the Procuring Entity.

The following are the general responsibilities of the Third-Party Certification Body:

1. Commitment to treat with utmost confidentiality, all information and materials gathered and used relating to this engagement or the Procuring Entity's business or operations based on the provisions of RA 10173 or the Data Privacy Act of 2012;
2. Adherence to audit schedules; any changes or adjustments of schedules shall be agreed upon by both parties. For any request for change or cancellation of schedule, however, at least a one (1) week notice shall be given and the said change/adjustment shall be made based on mutual agreement by both parties;
3. Assignment of a resident Project Manager or Audit Team Leader acceptable to the Procuring Entity who shall ensure that all audit activities and timelines are in accordance with the terms agreed by both parties. The resident Project Manager or Audit Team Leader shall exercise all the CB's rights and obligations towards the Procuring Entity under this Contract, including without limitation the receiving of instructions and payments from the Procuring Entity.
4. Payment of taxes such as Value-Added Tax (VAT), and Expanded Withholding Tax.
5. Entering into a subcontract for the performance of any part of the services shall not be allowed.

VII. THIRD-PARTY CERTIFICATION BODY QUALIFICATION REQUIREMENTS

The ISO 9001:2015 QMS Third-Party Certification Body shall show proof or sample work to support the following qualification requirements:

A. Qualification and Competencies of Auditors to be Deployed

1. Third-Party Auditors must hold at least a Bachelor's degree in public management, public administration, business administration, engineering or related field and have attended at least forty (40) hours of relevant QMS/ISO training; and
2. Must have undertaken at least five (5) successful certification services within the last five (5) years, with firms/entities, including private companies, on the establishment of QMS towards the achievement of certification to ISO 9001:2015 Standard, supported by submission of Certificate of Satisfactory Service issued by the previous Procuring Entity.

VIII. DELIVERABLES AND PROVISIONAL SCHEDULE

The scope of services of this engagement shall include the following:

Service	Provisional Schedule	Scope of Work	Deliverables
Certification Audit Stage 1 (Pre-Assessment)	Within 3 months after the Notice to Proceed	Preparation of audit plan not later than seven (7) working days prior to the scheduled certification audit	Certification audit plan; inception report/work plan
		Prepare and submit Audit Report detailing observations such as best practices, opportunities for improvement, and any non-conformity to ISO 9001:2015 standards or on documented procedures and suggestions on how to address them within seven (7) calendar days after the conduct of the off-site or onsite audit	Provisional Report of Audit Findings
Conduct of Stage 2 Audit	Within 3 months after submission of the Stage 1 Audit Findings	Conduct of Certification Audit	Final Certification Audit Report
Issuance of ISO 9001:2015 Certificate valid for three (3) years within 30 days from date of auditors' acceptance of the required corrective actions from DA-CO.			ISO 9001:2015 Certificate

IX. DOCUMENTARY REQUIREMENTS

Pursuant to Annex H of the Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, otherwise known as the Government Procurement Reform Act (GPRA), the following requirements shall be submitted by the Third-Party Certification Body together with the technical and financial proposals:

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1. Curriculum Vitae of Auditors including all ongoing/committed contracts and completed contracts within the last five (5) years, among others;
2. The Plan of Approach and Methodology shall be included in the technical proposal that shall be submitted by the Third-Party Certification Body/Bidder. This contains the methods, approaches and proposed implementation activities and the corresponding schedule consistent with the TOR.
3. Philippine Accreditation Bureau (PAB) Certification
4. At least one (1) certificate of satisfactory performance from 9001:2015 certification audit done in a government agency.

X. MODE OF PROCUREMENT

The procurement process for this undertaking shall be executed in accordance with RA 9184 and its Revised IRR through Competitive Bidding.

XI. EVALUATION OF BIDS

The evaluation of bids from the Third-Party Certifying Body (CB) shall be using the *Quality Based Evaluation (QBE)*. The minimum or passing technical score is 80 points with the following criteria:

1. Experience of the Third-Party Certifying Body -----30 points
 2. Qualification of key personnel - -----30 points
 3. Proposed Methodology - -----40 points
- Total of 100 points

XII. DURATION OF ENGAGEMENT AND APPROVED BUDGET FOR THE CONTRACT (ABC)

The engagement of the ISO 9001:2015 QMS Third-Party Certification Body will cover a **period of seven (7) months from the receipt of Notice to Proceed**. The ABC is One Million, Five Hundred Thousand Pesos (P1,500,000.00), inclusive of all applicable government taxes, charges and fees.

COST ESTIMATE BREAKDOWN

Note: Based on the GQMP website, standard cost is **PhP 35,000/audit day**. Estimated total audit days for DA-CO including FDC Taguig is **40 days** covering 53 divisions/office/processes to be audited.

Particulars	Cost
Audit cost @P35,000/day x 40 days (inclusive of meals, transportation, accommodation and other incidental expenses)	1,400,000.00
Miscellaneous (Supplies such as, ink, paper and reproduction cost of audit reports)	100,000.00
Total	1,500,000.00

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XIII. TERMS OF PAYMENT

Payments shall be based on the following terms as evidenced by the submission and acceptance of the required deliverables

Deliverables	Payment
Mobilization	15%
After submission and acceptance of Inception Report/Work Plan	10%
After stage 1 audit and submission of Provisional Report and Audit Findings and suggestions on how to address them within seven (7) calendar days after the conduct of the off-site or onsite audit	25%
After Stage 2 Audit and submission of Final Certification Audit Report	25%
Issuance of ISO 9001:2015 Certificate valid for three (3) years	25%

CONFORME:

Bidders' Company Name

Name & Signature of Authorized Representative

Designation

Date

SHORTLISTING CRITERIA FOR THE THIRD-PARTY CERTIFICATION BODY

CRITERIA	TOTAL POINTS
<p>A. Philippine Accreditation Bureau (PAB) Accreditation for the scope “Public Admission” – 40 points</p> <ul style="list-style-type: none"> ▪ Accredited – 40 ▪ Not Accredited – 0 	40
<p>B. Applicable Experience of Third-Party Certification Body – 50 points</p> <p>1. Overall experience of the firm on ISO 9001:2015 Certification – 20 points</p> <ul style="list-style-type: none"> ▪ 5 years and above – 20 ▪ 3-4 years – 15 ▪ 1 to 2 years – 10 ▪ Less than 1 year – 5 ▪ No experience – 0 <p>2. Completed projects of the firm on ISO 9001:2015 Certification – 20 points</p> <ul style="list-style-type: none"> ▪ 10 projects & above – 20 ▪ 6 -9 projects – 15 ▪ 3-5 projects – 10 ▪ 1-2 projects – 5 ▪ No Projects completed – 0 <p>3. Completed government projects on ISO 9001:2015 – 10 points</p> <ul style="list-style-type: none"> ▪ 10 and above government completed projects – 10 ▪ 6-9 government projects – 7 ▪ 3-5 government projects – 4 ▪ 1-2 government projects – 2 ▪ No government projects – 0 	20 20 10
<p>C. Existing workload of the Third-Party Certification Body relative to the capacity to undertake certification – 10 points</p> <ul style="list-style-type: none"> ▪ 5 projects and below – 10 ▪ Above 5 projects – 5 	10
Total Score	100

Note: Passing score required in the shortlisting is 75 points.

TECHNICAL EVALUATION CRITERIA

CRITERIA	TOTAL POINTS
<p>I. Technical Proposal</p>	
<p>A. Expertise Qualification/Quality of Auditors – 30%</p> <ol style="list-style-type: none"> 1. Knowledge of QMS, Auditing, and ISO 9001:2015 Certification based on relevant trainings/seminars/formal conferences attended – 20 points 2. Educational attainment of auditors to be deployed – 10 points <ul style="list-style-type: none"> ▪ With Doctoral Degree – 10 points ▪ With Master’s Degree – 7 points ▪ College Graduate – 5 points 	
<p>B. Experience and Capability of Auditors – 30%</p> <ol style="list-style-type: none"> 1. Positive feedback from previous and current clients of the Third-Party Certification Body – 10 points <ul style="list-style-type: none"> ▪ Highly recommended by at least one (1) of the past clients - 10 ▪ Very satisfactory – 5 ▪ Satisfactory 3 2. Total Work Experience of auditors on ISO 9001:2015 Certification – 10 points <ul style="list-style-type: none"> ▪ 10 years and above – 10 ▪ 5-9 years – 5 ▪ Four and below but not zero – 3 3. Completed Projects of auditors similar to the ISO 9001:2015 – 10 points <ul style="list-style-type: none"> ▪ 5 and above government projects – 10 ▪ 3-4 government projects – 5 ▪ 1-2 government projects – 3 ▪ No government project - 0 	
<p>C. Plan of Approach and Methodology 40%</p> <ol style="list-style-type: none"> 1. Completeness of the proposal and compliance with requirements as defined in the Terms of Reference – 25 <ul style="list-style-type: none"> ▪ Substantially complied – 25 ▪ Incomplete - 15 	

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2. Detailed work plan – 15	
▪ With detailed workplan – 15	
▪ Incomplete work plan – 0	
	<i>Subtotal of Points Earned</i>
	TOTAL POINTS