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Department of Agriculture  
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## **TERMS OF REFERENCE**

### **For the Engagement of Services of a Certifying Body to Provide Certification Audit for the Issuance of ISO 9001:2015 Certificate and Surveillance Audits for the Quality Management System (QMS) of the Philippine Fiber Industry Development Authority (PhilFIDA)**

#### **I. RATIONALE**

An Administrative Order No. 161 entitled "*Institutionalizing Quality Management System in Government*" was issued on October 5, 2006 to improve the country's competitiveness ranking specifically in the areas of business and government efficiency; to build a quality culture that characterizes customer-driven organizations; to promote transparency and accountability in governance, provide a framework for assessing quality system performance, establish public service quality standards and recognize quality excellence among the government organizations.

Executive Order No. 605: *Institutionalizing the Structure, Mechanisms and Standards to Implement the Government Quality Management Program*, amending for the purpose Administrative Order No. 161, was issued on February 23, 2007 to all departments and agencies of the executive branch, including all government-owned and/or controlled corporations, government financial institutions, state universities and colleges, judiciary and local government units to adopt ISO 9001:2000 Government Quality Management Systems Standards (GQMSS) as part of the implementation of a Government-wide Quality Management Program (GQMP).

The Philippine Development Plan 2017 - 2022 strengthens compliance to EO No. 605 to enhance and sustain government performance in the delivery of quality services by upgrading the Government Quality Management Systems to be more client and citizen-oriented and drive agencies towards performance excellence to boost citizen trust in government.

#### **II. OBJECTIVE**

The overall objective of the engagement is to provide independent confirmation that PhilFIDA QMS meets 9001:2015 requirements, and if found compliant, issue the corresponding Certification and conduct the required Surveillance Audit.

Meeting the following specific objectives is expected to contribute to the attainment of the primary objective:

1. To conduct initial audits (Stage 1 and 2) of PhilFIDA QMS based on ISO 9001:2015 Standard; and

2. To conduct surveillance audits within a three-year period after PhilFIDA's ISO 9001:2015 QMS gains certification.

### **III. DURATION OF SERVICES**

The services subject for procurement shall be for a period of three (3) years. A multi-year contract shall be entered between PhilFIDA and the Certifying Body. Availability of funds shall be incorporated in the budget of the PhilFIDA.

### **IV. QUALIFICATION OF THE CERTIFYING BODY**

The Certifying Body must meet the following minimum qualifications:

1. Duly accredited by the Philippine Accreditation Office, Bureau of Product Standards of the Department of Trade and Industry;
2. Must have at least five (5) years of ISO 9001 auditing experience;
3. Good track record of certifying government agencies for quality management system; and
4. Its audit team, including surveillance, must satisfy the following:
  - Consist of at least two (2) auditors with actual hands-on experience on quality management system who are qualified to conduct audits in the name of the Certifying Body;
  - At least one (1) of the team members shall have relevant public sector specific experience for all relevant processes;
  - No member of the audit team should have provided consultancy for PhilFIDA prior to the audit;
  - At least one (1) auditor of the initial team shall participate in all audits of the three-year audit cycle; and

### **V. RESPONSIBILITIES OF THE CERTIFYING BODY**

1. The Certifying Body shall provide the PhilFIDA its company profile, highlighting related projects, scope of work and implementation methodology. Curriculum vitae of the proposed certification team shall also be submitted;
2. The Certifying Body shall provide its company's proof of accreditation from the Department of Trade and Industry (DTI) – Philippine Accreditation Office.
3. The Certifying Body shall abide with the auditing principles, terminologies and guidelines as specified in the ISO 9001:2015 – Quality Management Systems Requirements;

4. The Certifying Body shall adhere to the agreed scope of work/deliverables which were prior approved by the PhilFIDA;
5. The Certifying Body shall include in the proposal the audit activities and a procedure for client appeals. Any dispute which may arise between PhilFIDA and the Certifying Body shall be resolved amicably in good faith. However, PhilFIDA shall be afforded the right to lodge appeals about the decisions of the audit team through the accreditation body. Further, parties are not precluded from resorting to any legal remedy that may be available to them;
6. The Certifying Body shall provide a full report on the operations audited consistent with the approved scope of work/deliverables to the agency within five (5) working days of each initial, surveillance and re-surveillance audits unless otherwise agreed by PhilFIDA;
7. At least one (1) auditor of the initial team shall participate in all audits of the three (3) year audit cycle. Replacement of any team member shall require prior written approval from PhilFIDA;
8. Shall notify PhilFIDA concerning relevant changes made by the Certifying Body relating to the certification procedures; and
9. All information reviewed and recorded by the Certifying Body audit team shall be treated with utmost confidentiality at all times.

## **VI. SELECTION OF CERTIFYING BODY**

1. The PhilFIDA Central Office Bids and Awards Committee shall select the most qualified certification body using the quality cost-based methodology and shall strictly adhere to the provisions of Republic Act No. 9184 and its revised implementing rules and regulations; and
2. The PhilFIDA Central Office Bids and Awards Committee shall adopt the applicable evaluation procedure embodied under the Revised Implementing Guidelines of RA No. 9184.

## **VII. SCOPE OF SERVICES**

1. The scope of audit shall cover the entire PhilFIDA Quality Management System processes in its central, regional and satellite offices. However, upon written agreement or as stipulated in the Contract of Service, the Certifying Body may conduct certification and surveillance audits randomly for at least four (4) operating units - the central office and three (3) regional/satellite offices.
2. The scope of works shall cover ISO 9001:2015 certification audit on two (2) stages, and at least one (1) surveillance audit every year for two (2) consecutive years after the issuance of certificate;

3. The addresses of the operating units for audit shall be as follows:

- PhilFIDA Central Office - Diliman, Quezon City
- PhilFIDA Region I - La Trinidad, Benguet
- PhilFIDA Region IV - Diliman, Quezon City
- PhilFIDA Region V - Legazpi City
- PhilFIDA Region VII - Cebu City
- PhilFIDA Region VIII - Tacloban City
- PhilFIDA Region IX - Pagadian City
- PhilFIDA Region X - Cagayan de Oro City
- PhilFIDA Region XI - Davao City
- PhilFIDA Region XIII - Butuan City
- PhilFIDA Satellite Office VI- Iloilo City

4. The total manpower of PhilFIDA comprises of 460 personnel including the contract of service or job order personnel, broken down as follows:

Office	Permanent Plantilla – Filled-up	CTI/CTO	Contract of Service/Job Order	Total
Central - Office	75	9	29	113
Region I	15	3	11	29
Region IV	21	2	2	25
Region V	51	9	17	77
RSO – Iloilo	13	3	7	23
Region VII	21	2	1	24
Region VIII	35	2	6	43
Region IX	20	8	9	37
Region X	13		1	14
Region XI	33	9	15	57
Region XIII	13		5	18

5. The validity of certification shall be three (3) years with surveillance audits every year thereafter. Audit for surveillance shall be carried out on an annual basis within three (3) months prior to the anniversary month of the Certificate's validity
6. The Certifying Body shall prepare and submit certification audit plan, conduct certification audit, submit audit report detailing observations, opportunities for improvement and any non-conformity to ISO 9001:2015 Standards or on documented procedures and suggestions on how to address them within five (5) working days after the conduct of the on-site audit.

## VIII. CONFIDENTIALITY AND IMPARTIALITY CLAUSE

1. Except with the prior written consent of the PhilFIDA, the Certifying Body shall not at any time communicate to any person or entity any confidential information acquired in the course of the services, nor shall the Certifying Body make public the

findings/observations/recommendations formulated in the course of, or as a result of the services given.

2. The Certifying Body shall value the importance of impartiality in the certification of the system and shall use all reasonable efforts to manage possible conflicts of interest and ensure the objectivity of the certification process.

**IX. APPROVED BUDGET FOR CONTRACT**

An amount of **Five Hundred Thousand Pesos (PhP500,000.00)** is allotted for the undertaking chargeable against the regular funds of PhilFIDA – Planning Division.

1. In consideration of the amount stated above, the bid price shall include audit process for three (3) years, eleven (11) Certificates with frame, eleven (11) personalized tarpaulin banner for central, regional and satellite offices, five (5) sticker each operating units.
2. Travelling expenses and hotel accommodation shall be charged to PhilFIDA on actual cost incurred.
3. The Certifying Body shall render a final audit report whether to issue a Certificate on the first year and succeeding years for their effectiveness of the PhilFIDA’s management system.
4. Payments thereof shall be based on the completion of the activities as evidence by the submission and acceptance of the required deliverables for the identified scope.
5. PhilFIDA may refuse to make payments when terms and conditions of the services are not satisfactorily performed by the Certifying Body.

**X. MODE OF PAYMENT OR ENGAGEMENT FEE**

In consideration of the services performed by the Certifying Body, the PhilFIDA shall pay them the amount in Philippine Pesos which shall be paid in tranches:

<b>Activities/Deliverables</b>	<b>Payment (VAT inclusive)</b>
<b>Mobilization Fee:</b> After Approval of Contract	10%
<b>Stage 1 Audit:</b> After Initial Audit and Reporting	25%
<b>Stage 2 Audit:</b> After Certification Audit and Issuance of ISO 9001:2015 Certificate	35%
<b>2<sup>nd</sup> Year Surveillance Audit:</b> Annual Surveillance Audit and Reporting	15%
<b>3<sup>rd</sup> Year Surveillance Audit:</b> Annual Surveillance Audit and Reporting	15%