



REPUBLIC OF THE PHILIPPINES  
**DEPARTMENT OF BUDGET AND MANAGEMENT**  
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

**SUPPLEMENTAL/BID BULLETIN (SBB) NO. 2**

This SBB No. 2 dated July 2, 2024, for **Project ID No. DBM-2024-54, “Engagement of a Project –Based Consultant for the Conduct of Organizational Development Study in the Department of Budget and Management,”** is issued pursuant to Section 22.5 of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184, to clarify, modify or amend items in the Bidding Documents. Accordingly, this shall form an integral part of the Bidding Documents.

PARTICULAR(S)/QUERY(IES)	AMENDMENT(S)/CLARIFICATION(S)
<p style="text-align: center;"><b>Section VI. Terms of Reference</b></p> <p style="text-align: center;"><b>ENGAGEMENT OF A PROJECT-BASED CONSULTANT FOR THE CONDUCT OF ORGANIZATIONAL DEVELOPMENT STUDY IN THE DEPARTMENT OF BUDGET AND MANAGEMENT</b></p> <p style="text-align: center;">xxx</p> <p><b>III. Scope of Work</b></p> <p>The scope of work of the consultant shall be as follows:</p> <ol style="list-style-type: none"> <li>1. Review of the Department’s organizational structure and policies, e.g., performance management system and human resource management systems, including succession planning, among others;</li> <li>2. Conduct of interviews of DBM employees (from top management to rank-and-file) to gather adequate information necessary for the project;</li> </ol>	<p style="text-align: center;"><b>Section VI. Terms of Reference (Revised)</b></p> <p style="text-align: center;"><b>ENGAGEMENT OF A PROJECT-BASED CONSULTANT FOR THE CONDUCT OF ORGANIZATIONAL DEVELOPMENT STUDY IN THE DEPARTMENT OF BUDGET AND MANAGEMENT</b></p> <p style="text-align: center;">xxx</p> <p><b>III. Scope of Work</b></p> <p>The scope of work of the consultant shall be as follows:</p> <ol style="list-style-type: none"> <li>1. Review of the Department’s organizational structure and policies, e.g., performance management system and <del>human resource management systems, including succession planning,</del> <b>PLANNING MANUAL AND PROCEDURES</b>, among others;</li> <li>2. Conduct of interviews of DBM employees (from top management to rank-and-file) <b>AND SURVEYS</b> to gather adequate information necessary for the project;</li> </ol>

PARTICULAR(S)/QUERY(IES)	AMENDMENT(S)/CLARIFICATION(S)
<p>3. Formulation and recommendation of measures/interventions to sustain and/or strengthen the existing organizational policies (e.g., Performance Management System, Strategic Planning Framework, Succession Planning, among others) and the key budget and management strategic thrusts and priorities relevant to the DBM Strategic Plan; and</p> <p style="text-align: center;">xxx</p>	<p>3. Formulation and recommendation of measures/interventions to sustain and/or strengthen the existing organizational policies (e.g., Performance Management System, <b>AND</b> Strategic Planning Framework, <del>Succession Planning</del>, among others) and the key budget and management strategic thrusts and priorities relevant to the DBM Strategic Plan; and</p> <p style="text-align: center;">xxx</p>
	<p><b>Attached are the following documents which should be used as part of the Bidding Documents to be submitted by the bidders:</b></p> <p><b>1. Section VI. Terms of Reference (Revised)</b></p>
<p><b>Queries:</b></p> <p>1. What policies and systems are you most concerned with, and which should be scoped in?</p>	<p><b>Clarifications:</b></p> <p>1. The study aims to (i) assess and determine the DBM’s organizational culture and structural and operational strengths and weaknesses; (ii) determine and recommend appropriate interventions; and (iii) review and recommend measures to further enhance the DBM Strategy Map, Strategic Plan, and Balanced Scorecard through the review of organizational policies and systems of the Department, i.e., DBM Strategic Performance Management System and DBM Planning Manual and Procedures, among others.</p>

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<p>2. What is the scope and extent of the review in terms of governance level? Does it cover just the Central Office or extend to Regional Offices?</p> <p>3. Regarding item IV.B, second bullet: Why is an inventory of the existing policy needed? Could you please elaborate on this?</p> <p>4. Regarding item IV.B, third bullet: What are your expectations for us to look into the policy?</p> <p>(a) Are you considering an evaluation more focused on the outcome?</p> <p>(b) If not, does this mean evaluating more on 1) Presence, 2) Consistency, and 3) Alignment?</p> <p>5. Would there be any change in the focus of the diagnosis given the recent pronouncement of the President of the Philippines made on the use of PMS?</p> <p>6. Would you consider the 4 PRIME HRM System as one of the priorities of this diagnosis?</p> <p>(a) In the PRIME HRM, the integration of systems (level 4) correlates to an existing and functional Succession Plan. This will still be reviewed and evaluated (as described under 4.b)</p>	<p>2. The conduct of the organizational development study in the DBM shall cover both the DBM Central and Regional Offices.</p> <p>3. The inventory of existing policy is needed to ensure a complete accounting of all existing policies of the Department and streamlining the implementation, establishing interoperability and eliminating duplications or inconsistencies, if any.</p> <p>4. The project-based consultant is expected to focus on both the outcome and evaluation of presence, consistency and alignment of policies.</p> <p>5. There will be no change/s in the diagnosis as provided in the Terms of Reference.</p> <p>6. No. The priority of the diagnosis for this project shall focus on determining appropriate interventions, carrying out strategies, setting performance targets, and recommending various measures that will help improve the related systems and methodologies in the Department. However, the consultant is not precluded from injecting any components of PRIME HRM framework in undertaking the project.</p>

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<p>7. Do you also plan to work on the PRIME HRM? What is DBM’s current status on PRIME HRM Maturity Level?</p> <p>8. What would be the best platform for data gathering? Would you consider online methods?</p> <p>9. Are there any other projects that you think might compete for the availability of target participants? Is the mentioned project a management priority?</p> <p>10. We also request the following documents:</p> <p>(a) Organizational Structure (or Chart) and Staffing Pattern (OSSP)</p> <p>(b) Profile of the Organization showing the number of Plantilla, COS, and JOs. Duly categorized into Top/Middle Management, Technical, and R&amp;F. (Not necessarily the names)</p> <p>(c) Strategy Map</p>	<p>7. The DBM is working on its PRIME HRM, currently recognized by the CSC at Level 2 for the pillars of (a) Recruitment, Selection, and (b) Promotion and Performance Management.</p> <p>8. This study requires the conduct of interviews and surveys of DBM employees (from top management to rank-and-file) to gather adequate information necessary for the project, subject to the availability of DBM employees concerned. The use of Microsoft Teams or Google Meet may be considered/explored.</p> <p>9. The Department is currently conducting the study on risk management, alongside its primary function of budget execution and authorization. The Department will also conduct the Operational Planning for FY 2025 within the months of October and November of 2024.</p> <p>10. The DBM Organizational Structure and Strategy Map are uploaded and accessible on the official website through these links: <a href="https://www.dbm.gov.ph/index.php/organizational-overview">https://www.dbm.gov.ph/index.php/organizational-overview</a> and <a href="https://www.dbm.gov.ph/wp-content/uploads/Reports/DBM-2023-Annual-Report.pdf">https://www.dbm.gov.ph/wp-content/uploads/Reports/DBM-2023-Annual-Report.pdf</a></p> <p>On the other hand, the other requested documents shall be provided to the consultant during the project implementation.</p>

**Other matters:**

- The “No Contact Rule” shall be strictly observed. Bidders are not allowed to communicate with any member of the Bids and Awards Committee, Technical Working Group or Secretariat effective July 9, 2024, right after the opening of bids.
  
- For guidance and information of all concerned.

**RAMON VICENTE B. ASUNCION**

*Assistant Secretary and Concurrent Director IV  
Vice Chairperson, DBM-BAC*

## *Section VI. Terms of Reference (Revised)*

### **ENGAGEMENT OF A PROJECT-BASED CONSULTANT FOR THE CONDUCT OF ORGANIZATIONAL DEVELOPMENT STUDY IN THE DEPARTMENT OF BUDGET AND MANAGEMENT**

#### **I. Background and Rationale**

Mandated to promote the sound, efficient, and effective management and utilization of government resources for the achievement of the national development goals, the DBM conducted its Strategic Planning Conference (SPC) on November 23 to 25, 2022 to effectively and efficiently steer the budget and management processes over the next six years (2023-2028) relevant to the key budget and management thrusts and priorities of the Department pursuant to the policy directions and priorities of the Marcos Administration.

The Department further enhanced the commitments set in the strategic plan through the Bureaus/Services/Offices (B/S/Os) of the Functional Groups (FGs) which conducted various Post-Planning Activities and Management Reviews, defining their respective strategies, milestones, and performance targets, including their success indicators, timelines, and required resources for programs, activities, and projects (P/A/Ps).

The DBM implements the Strategic Performance Management System (SPMS) as the primary tool in performance planning and commitment-setting, monitoring and coaching, review and evaluation, and rewarding/development. SPMS also serves as the mechanism that aligns office and individual objectives to organizational goals and puts premium to continuous human resource development.

To further strengthen the alignment and cascading of commitments and targets, the Department employed the Balanced Scorecard (BSC) as a planning tool in the SPC. The adoption of BSC allowed a department-wide approach in determining strategies to attain the goal and visions of the Department in consideration of the essential aspects of its organization. Hence, the perspectives of finance (budget utilization), stakeholders (e.g., customer satisfaction), process (process improvement), and learning and innovation (organizational development) signposted the planning sessions.

However, the inaugural application of the BSC approach entailed challenges among the B/S/Os in preparing the respective BSCs, mostly resulting in activity-based strategic plans focused on the delivery of the mandates and functions of FGs that needed further integration and interoperability to inclusively achieve the Department's goal.

In addition, the B/S/Os were observed to be rating-conscious, cautiously formulating safe targets that could be achieved with outstanding score; hence, challenging the commitment to continual improvement.

The engagement of a consultant aims to aid the top management in identifying the gaps and opportunities for improvement and undertaking appropriate interventions to address the encountered challenges through an organizational diagnosis. The engagement will further strengthen the target-setting and facilitate the implementation of strategies and performance commitments of the Department to ensure the fulfillment of the mandate, attainment of the visions and mission, and achievement of strategic and operational objectives.

The output/s shall also be used as main reference/s in the forthcoming Strategic Plan Midterm Review in CY 2025 and succeeding planning activities of the Department.

## **II. Project Objectives**

In the implementation of this Project, the DBM will engage the services of a consultant, through a consultancy firm, who has the knowledge and expertise on organizational development, strategic planning, leadership, management development, and change dynamics.

The consultancy firm shall select/nominate the consultant it will deploy in engaging with the Department for the project. On the other hand, the consultant to be deployed by the firm is not precluded from composing a team, with no additional cost on the part of DBM, to provide all the assistance or technical support necessary to achieve the following objectives of this engagement:

1. Assess and determine the organizational culture, and structural and operational strengths and weaknesses of the DBM;
2. Determine and recommend appropriate interventions to optimize the strengths, address the weaknesses, and improve the Department's capacity in handling its internal and external stakeholders, carrying out the strategies, and setting performance targets in the DBM Strategy Map and other planning documents; and
3. Review and recommend measures for further enhancing the DBM Strategy Map and Strategic Plan, using the BSC.

### III. Scope of Work

The scope of work of the consultant shall be as follows:

1. Review of the Department's organizational structure and policies, e.g., performance management system and Planning Manual and Procedures, among others;
2. Conduct of interviews of DBM employees (from top management to rank-and-file) and surveys to gather adequate information necessary for the project;
3. Formulation and recommendation of measures/interventions to sustain and/or strengthen the existing organizational policies (e.g., Performance Management System, and Strategic Planning Framework, among others) and the key budget and management strategic thrusts and priorities relevant to the DBM Strategic Plan; and
4. Preparation and submission of inception and progress reports on the implementation of the Project, indicating the project milestones cited in Item VII hereof.

### IV. Deliverables

The consultant shall submit the following outputs/deliverables to the DBM:

- a. **Inception Report** which will include the review of relevant documents, methodology, and sources of data to be used in the Project, and the proposed Work Plan;
- b. **DBM Organizational Diagnosis Report** which would contain the following:
  - Organizational assessment on the culture, structure and operational strengths and weaknesses;
  - Inventory of existing organizational policies;
  - Review and evaluation of effectiveness of existing organizational policies, P/A/Ps; and
  - Recommendations in strengthening and sustaining the DBM organizational policies, including the DBM Strategy Map.
- c. **Terminal Report** to highlight the following:
  - Roadmap that identifies courses of action and corresponding timelines in implementing the recommendations submitted by the consultant according to Item IV. b. hereof;
  - Overall experiences/observations of the consultant under the Project;
  - Factors (e.g., social, political, legal, behavioral, among others) that contributed to the successful completion of the Project;
  - Challenges encountered in pursuing the Project and how these were solved; and
  - Suggestions/recommendations to improve undertaking of similar Projects in the future to ensure smooth and successful implementation.



## **V. Qualifications of the Firm and the Consultant**

### **A. Qualification of the Firm**

The firm shall have at least ten (10) years of experience of consultancy services and preferably certified under ISO 9001:2015 Standard or any related other ISO standard/s.

*Note: the following shall be submitted during the shortlisting:*

1. *Bureau Internal Revenue (BIR) Certificate of Registration (COR BIR Form 2303)*
2. *Proof/s of certification under iso 9001:2015 or any related iso standard/s will be submitted during shortlisting; and*
3. *Certification of number of personnel from the firm's human resource unit*

### **B. Qualification of the Consultant**

The **lead consultant** should possess the following qualifications:

- a. Postgraduate degree in Management, Public Administration, Business Administration or other related fields; and
- b. At least ten (10) years of experience in organizational development, strategic planning, leadership and management development, and change dynamics, preferably with government agencies, five (5) years of which in managerial, supervisory or lead capacity.
- c. Attended at least 20 hours of organizational development and other related trainings.

## **VI. Working and Reporting Requirements**

The consultant shall work in close coordination with the Corporate Planning and Management Service (CPMS), the Internal Management (IM) Group Assistant Secretary, and/or the IM Functional Group Head (FGH).

The DBM shall provide the necessary logistical and staff support to enable the consultant to carry out his/her activities and tasks, including the conduct of the Orientation on DBM organizational structure and policies for the CPMS and other identified DBM officials and key personnel.

The FGH of the IM Group shall review the submitted outputs/deliverables of the consultant and recommend to the DBM Secretary the acceptance thereof, including the recommendation for the approval of appropriate payments for the purpose.

## VII. Duration and Cost of the Project

The consultant shall be engaged by the DBM to undertake the activities under this Project for a period of **six (6) months**.

The consultant shall be paid a total amount not exceeding **THREE MILLION PESOS (Php 3,000,000.00)**<sup>[1]</sup> for six (6) months, inclusive of applicable taxes, pursuant to existing Philippine Tax Laws. The cost of the necessary administrative expenses related to this Project shall be borne by the DBM, subject to existing budgeting, accounting, and auditing rules and regulations.

The consultant shall be paid based on the progress of the engagement as follows:

Schedule of Payments		Milestones	Submission of Deliverables
First tranche of payment	20% of total project cost	Submission and acceptance of the <b>Inception Report</b>	Within thirty <b>(30) calendar days</b> from receipt of the Notice to Proceed
Second tranche of payment	50% of total project cost	Submission and acceptance of the <b>DBM Organizational Diagnosis Report</b>	Within One hundred twenty <b>(120) calendar days</b> from acceptance of the Inception Report
Third and final tranche of payment	30% of total project cost	Submission and acceptance of the <b>Terminal Report</b>	Within thirty <b>(30) calendar days</b> from acceptance of the DBM Organizational Diagnosis Report

## VIII. Performance Expectations from the Consultant

The consultant to be engaged for this Project shall undertake the activities/tasks with the highest standards of professional and ethical competence and integrity.

In addition, subject consultant is expected to observe the following:

- He/she shall not engage in any activity or action, or make any kind of public pronouncement which may adversely affect the implementation of the Project; and

- He/she shall enter into a Non-Disclosure Agreement (NDA) with the DBM to prevent disclosing to another party any confidential information relating to this Project without the prior consent of the DBM even after the termination or completion of the Contract.

Moreover, the ownership of the deliverables/outputs, reports, and other materials to be produced by the consultant shall be vested exclusively with the DBM. Copies of such materials, in parts or entirety thereof, could be retained, used or reproduced by the consultant, subject to the permission of the DBM.

[\[1\]](#) *Based on the DBM FY 2024 Annual Procurement Plan*