

DECISIONS OF THE BOARD OF REGENTS

1388th BOR Meeting 04 April 2024

I. MATTERS ARISING FROM THE PREEVIOUS MEETING OF THE BNOARD

A. 1387th BOR Meeting held on 29 February 2024

- 1. On the proposal to increase the limit of the delegated authority to the Vice President for Administration, Chancellors, President, and the Board of Regents on Procurement matters which was approved by the Board of Regents at its 1387th meeting held on 29 February 2024**

1.1 Chair De Vera explained that he was unable to participate in the discussion of this matter during the last Board meeting because he was on official travel in Istanbul, Turkey. He then raised a concern regarding the delegation of authority to the UP Manila Chancellor and the Philippine General Hospital (PGH) Director on procurement matters, as well as the designation of the PGH Director as the Head of the Procuring Entity (HOPE) for PGH procurement matters, both of which were approved during the preceding BOR meeting. He pointed out that PGH is not separated administratively from UP Manila and remains under UP Manila. Under the Procurement Law (RA 9184), there is only one HOPE per administrative unit and therefore, the UP Manila Chancellor remains as the HOPE for all matters in UP Manila. He also clarified that he has no objection in increasing the limit of delegated authority to the Chancellors and the PGH Director but if the approval limit of the PGH Director is higher than that of the UP Manila Chancellor then that will technically separate PGH from UP Manila administratively. If the intention is to separate UP Manila and PGH administratively, then it requires a separate and lengthy discussion with the Board particularly on the implications of such a major decision.

- 1.2 Regent Go likewise explained that he, too, had left early last meeting for another meeting in Baguio and was unable to participate in the discussion. He subscribed to the position of Chair De Vera that the PGH Director should not have an authority higher than that of the UP Manila Chancellor.

I. MATTERS ARISING ... (cont'd)

1. 1387th BOR Meeting held on 29 February 2024 (cont'd)

1. On the proposal to increase the limit of the delegated ... (cont'd)

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1.3 In response, President Jimenez explained that the decision to increase the limit of delegated authority of the Chancellors and PGH Director was primarily to make the disbursement and procurement processes in UP faster and more efficient, and to reduce the number of procurement matters which are elevated to the BOR for approval. It is also aligned with the thrust of the UP System to strengthen and empower the Constituent Units (CUs) administratively. Regarding the authority delegated to the PGH Director on PGH procurement matters, he clarified that the delegated amount was based on historical data of PGH procurements which regularly go beyond the P100 million limit that was delegated to the Chancellors. Hence, if the procurement approval level for PGH is set to the same amount as the Chancellors, the number of PGH procurements submitted to the BOR for approval would not be reduced at all, thus defeating the purpose of the proposal.

1.4 Regent Pagdanganan manifested that when this matter was deliberated on by the Board, there was a discussion on the expansion of the role of PGH, not just in Manila but also across the country. Insofar as the Board is concerned, he added that since the proposal came from the Office of the President through the Office of the Vice President for Legal Affairs, there was a presumption of regularity and due diligence on the part of the University in terms of compliance with existing laws, rules, and regulations.

1.5 At this point, Vice President for Legal Affairs Abraham Rey Acosta assured the Board that the proposal was well-studied and does not violate any provisions of the Procurement Law. He clarified that, in fact, there is a proviso in the law with respect to the definition of HOPE for cases where there is a decentralized procurement, to wit:

I. MATTERS ARISING ... (cont'd)

1. 1387th BOR Meeting held on 29 February 2024 (cont'd)

1. On the proposal to increase the limit of the delegated ... (cont'd)

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“In a department, office, or agency where the procurement is decentralized, the head of such decentralized unit shall be considered as the head of the procuring entity subject to the limitation and authority delegated by the head of the department, office, or agency.”

1.6 Vice President Acosta explained that such is the case with the CUs, where each CU is a decentralized unit that has its own procurements, subject to the authority delegated by the Board of Regents. The Head of the CU, which is the Chancellor, is considered as the HOPE of the CU, subject to the limitation and authority delegated by the BOR. In this case, PGH is considered as a decentralized unit insofar as procurement matters are concerned, since it had already long been granted the authority to approve procurements of up to 75% of the procurement amount granted to the UP Manila Chancellor. With the recently approved delegated procurement authority of the PGH Director now being higher than that of the UP Manila Chancellor, then the PGH Director being the head of the unit can be considered as the HOPE for PGH procurement matters.

1.7 Regent Ramota recommended looking into the distinction between the academic and administrative supervision of UP Manila over PGH, particularly academic programs under PGH as a training hospital of the UP Manila College of Medicine and other allied medical professions. He also reiterated that PGH is a unit of UP Manila and its Director is part of the management team of the UP Manila Chancellor. He recalled that one of the action points in the previous meeting was for the UP System Administration to come up with the presentation of the organizational structure and clear distinction or arrangements on the relationship between or among existing institutions.

I. MATTERS ARISING ... (cont'd)

1. 1387th BOR Meeting held on 29 February 2024 (cont'd)

1. On the proposal to increase the limit of the delegated ... (cont'd)

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- 1.8 Regent Go moved that the Board retain the status quo on the delegated authority prior to the approval of the increased limit on 29 February 2024. He suggested that a Technical Working Group (TWG) be created to study the situation of UP Manila and PGH and to submit to the BOR its recommendations. Regent Pastorfide seconded the motion. Chair De Vera amended the motion of Regent Go to hold in abeyance the delegated authority for UP Manila Chancellor and PGH Director only until the Board has sufficiently taken up the matter of administrative and academic issues concerning UP Manila and PGH, and to continue with the delegated authority for all other UP units. Regent Go seconded the motion.
- 1.9 President Jimenez said that he will schedule a special meeting of the Board of Regents on this matter because the issues raised by Chair De Vera are complex and inter-related. Chair De Vera emphasized that there should be mandatory consultations with UP Manila stakeholders regarding these issues. Regent Go seconded the motion.
- 1.10 Regent Pagdanganan manifested that while the TWG is looking at the legality of the pending proposal, the University must also ensure that there are interim measures for PGH procurement, particularly on medical equipment needed by the hospital.
- 1.11 Secretary Lara clarified the Board actions, as follows:
- a. The Board is suspending the approval of the new delegated authority of the UP Manila Chancellor and PGH Director on procurement matters, including the designation of the PGH Director as Head of the Procuring Entity (HOPE) for PGH procurement matters; and,

I. MATTERS ARISING ... (cont'd)

1. 1387th BOR Meeting held on 29 February 2024 (cont'd)

1. On the proposal to increase the limit of the delegated ... (cont'd

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- b. A Special Meeting of the Board of Regents shall be called to discuss this matter. In the meantime, the delegated authority and the HOPE for UP Manila and PGH reverts to the status quo prior to the 1387th BOR Meeting held on 29 February 2024.

1.12 There being no objections to the relative motions duly made and seconded, and duly reiterated by Secretary Lara, the same were approved.

Board Actions: The Board SUSPENDED the approval of the following:

- 1. The new delegated authority of the UP Manila Chancellor on procurement matters;**
- 2. The new delegated authority of the PGH Director on procurement matters; and,**
- 3. The designation of the PGH Director as Head of the Procuring Entity (HOPE) for PGH procurement matters.**

A Special Meeting of the Board of Regents shall be called to discuss this matter. In the meantime, the delegated authority and the HOPE for UP Manila and PGH reverts to the status quo prior to the 1387th BOR Meeting held on 29 February 2024.

