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1. Provinces, Cities and Municipalities:

1.1. The BAC shall be composed of one (1) representative each from the regular offices under the Office of the Local Chief Executive such as, but not limited to the following: Office of the Administrator, Budget Office, Legal Office, Engineering Office, General Services Offices. The end user office shall always be represented in the BAC. The Chairman of the BAC shall be at least a third ranking permanent official of the procuring entity. The members of the BAC shall be personnel occupying plantilla positions of the procuring entity concerned.

The local chief executive shall designate the members of the BAC. The members shall elect among themselves who shall act as the Chairman and Vice-Chairman.

1.2. The members to be designated by the local chief executive to the BAC shall be at least five (5), but not more than seven (7).

1.3. In no case shall the local chief executive and/or the approving authority be the Chairman or a member of the BAC.

1.4. For purposes of determining the rank, the first ranking permanent official shall be the governor, in the case of provinces, and the mayor, in the case of cities and municipalities; the second ranking permanent official shall be the vice governor, in the case of provinces, and the vice mayor, in the case of cities and municipalities; and, the third ranking permanent official shall be the head of any of the regular offices under the Office of the Local Chief Executive: Provided, however, That the vice governor or the vice mayor shall not be designated as member of the BAC as its office is not one of the regular offices under the Office of the Local Chief Executive.

2. Barangays:

2.1. The BAC shall be composed of at least five (5), but not more than seven (7) regular members of the Sangguniang Barangay, except the Punong Barangay.

2.2. The Punong Barangay, being the local chief executive, shall designate the members of the BAC. The members shall elect among themselves who shall act as the Chairman and Vice-Chairman.

2.3. In no case shall the local chief executive and/or the approving authority be the Chairman or a member of the BAC.

APPROVED this 10th day of March, 2004 at Pasig City, Philippines.

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APPENDIX 2

REVISED GUIDELINES FOR CONTRACT PRICE ESCALATION

1. SCOPE

1.1 These guidelines shall govern requests for contract price escalation during contract implementation of all contracts for the procurement of goods and infrastructure projects under extraordinary circumstances pursuant to and in accordance with Section 61 of Republic Act No. 9184 (R.A. 9184), otherwise known as Government Procurement Reform Act and its Implementing Rules and Regulations (IRR). No contract price escalation for consulting services shall be allowed.

1.2 These guidelines shall apply to all branches, constitutional commissions and offices, agencies, departments, bureaus, offices and instrumentalities of the Government, including government-owned and/or controlled corporations (GOCCs), government financial institutions (GFIs), state universities and colleges (SUCs), and local government units (LGUs).

2. PURPOSE

These guidelines are being formulated to meet the following objectives:

2.1 To prescribe the rules and procedures in the approval by the Government Procurement Policy Board (GPPB) of requests for price escalation;

2.2 To ensure that the task mandated by Section 61 of R.A. 9184 shall be undertaken competently, objectively and expeditiously by the GPPB and the National Economic and Development Authority (NEDA); and

2.3 To establish the legal and technical parameters for an objective determination of events that will result to extraordinary circumstances in accordance with the Civil Code of the Philippines.

3. DEFINITION OF TERMS

3.1 **Price Escalation.** Refers to an increase in the contract price during contract implementation on the basis of the existence of extraordinary circumstances as determined by the NEDA and upon prior approval of the GPPB.

3.2 **Extraordinary Circumstances.** Refers to an event or occurrence, or series of events or occurrences during contract implementation which give/s rise to price escalation as may be determined by the NEDA, in accordance with the provisions of the Civil Code of the Philippines, as enumerated in Section 4 hereof.

3.3 **Extraordinary Inflation or Deflation.** Refers to the decrease or increase of the purchasing power of the Philippine currency which is unusual or beyond the common fluctuation in the value of said currency, in accordance with the two (2) standard deviation rule computed under Section 5.2.b of these guidelines and such decrease or increase could not have been reasonably foreseen or was manifestly beyond the contemplation; of the parties at the time of the establishment of the

obligation.

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As amended by GPPB Resolution 03-2011, dated 28 January 2011, published in the Manila Times on 6 April

9.2 The GPPB shall prepare the Consolidated Blacklisting Report every quarter, based on the submitted Blacklisting Orders as provided for in Section 9.1(a) hereof and disseminate the same to procuring entities and the Commission on Audit (COA). The report shall be further posted in the GPPB website and the Government Electronic Procurement System (G-EPS) and shall indicate the number of times a person/entity has been blacklisted, the type of offense/violation committed, the penalty imposed, and the blacklisting agency concerned. The GPPB shall delist from such report those whose sanctions are lifted automatically after serving the given penalty as provided for in Section 8.1 hereof and those whose sanctions are lifted through the issuance of Delisting Orders.

9.3 In the case of procurement of infrastructure projects, should a blacklisting agency decide to refer the case of its blacklisted person/entity to the Philippine Contractors Accreditation Board (PCAB) for license suspension/revocation, it shall submit to PCAB a copy of the decision accompanied with supporting documents.

9.4 All existing blacklisting reports of the Government or any of its procuring entities, as well as the list of constructors whose licenses are suspended or revoked by the PCAB as of the date of effectivity of the IRR, are hereby adopted and made part of the GPPB Consolidated Blacklisting Report upon the issuance of these guidelines.

10. AMENDMENTS

10.1 In the implementation of these guidelines, the GPPB may introduce modifications thereto through the amendment of its specific provisions as the need arises.

10.2 Any amendment to these guidelines shall be applicable to government projects advertised for bid after the effectivity of the said amendment

11. EFFECTIVITY

These Guidelines or any amendments thereof shall take effect immediately after publication in the Official Gazette or a newspaper of general nationwide circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies of these guidelines.

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- a) to have any portion delivered or performed and paid at the contract terms and prices; and/or
- b) to cancel the remainder and pay to the Supplier an agreed amount for partially completed or performed goods and for materials and parts previously procured by the Supplier .

If the Supplier suffers loss in its initial performance of the terminated contract, such as purchase of raw materials for goods specially manufactured for the Procuring Entity which cannot be sold in open market, it shall be allowed to recover partially from the contract, on a *quantum meruit* basis. Before recovery may be made, the fact of loss must be established under oath by the Supplier to the satisfaction of the Procuring Entity before recovery may be made.

9. Notice by Contractor/Consultant. The Contractor/Consultant must serve a written notice to the Procuring Entity of its intention to terminate the contract at least thirty (30) calendar days before its intended termination. The Contract is deemed terminated if it is not resumed in thirty (30) calendar days after the receipt of such notice by the Procuring Entity.

V. AMENDMENTS

1. In the implementation of these Guidelines, the Government Procurement Policy Board (GPPB) may introduce modifications hereto through the amendment of its specific provisions as the need arises.
2. Any amendment to these Guidelines shall be applicable to government projects advertised for bid after the effectivity of the said amendment.

VI. EFFECTIVITY

These Guidelines or any amendments thereof shall take effect immediately after fifteen (15) days following the publication in the Official Gazette or a newspaper of general nationwide circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies of these Guidelines.

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As amended by GPPB Resolution 018-2004, dated 22 December 2004, and published in the Official Gazette on 16 May 2005

8.2 In the acquisition of goods, supplies and services, including construction materials and equipment, the AFPCOE shall abide with the provisions of R.A. 9184 and its IRR.

8.3 The Implementing Unit may hire additional labor to augment their organic personnel, if necessary; Provided, however, that the civilian labor component for the project shall not be more than sixty percent (60%), and, as far as practicable, shall be sourced from the project locality. The AFPCOE shall ensure that unskilled laborers hired are paid minimum wage applicable to the area, and that semi-skilled and skilled workers are paid wages not exceeding the prevailing market rates in the area. In hiring the laborers and workers, the Implementing Unit may adopt either the direct hiring system or the "pakyaw" system. In the case of "pakyaw" system, Section 3 of the GPPB Guidelines for the Implementation of Projects Undertaken "By Administration" or Force Account shall be followed.

8.4 The Implementing Unit may likewise lease supplemental equipment and tools as may be needed, chargeable against project funds, in accordance with existing laws, rules and regulations on the lease of equipment. Furthermore, the same should be provided for in the approved program of work. The AFPCOE may also enter into lease contracts with option to purchase, if warranted.

9.0 AUTHORITY TO CHARGE FEES FOR RENTAL OF EQUIPMENT

In order to ensure the operational readiness and maintenance of the construction equipment of the AFPCOE, the AFP shall be authorized to charge up to one hundred percent (100%) of the authorized current Department of Public Works and Highways (DPWH) equipment rental rate for the utilization of AFP equipment in the implementation of projects, to cover the cost of equipment utilization in the project, including depreciation, operation, repair and maintenance. The rental fees collected shall be deposited in the National Treasury as mandated by Executive Order 338, dated 17 May 1996, and shall be disbursed in accordance with the provisions of COA-DBM-DOF Joint Circular No. 1-97 dated 02 January 1997.

10.0 EFFECTIVITY

10.1 These Guidelines or any amendments thereto shall take effect fifteen (15) days after publication in the Official Gazette or a newspaper of general circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies of these guidelines.

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Issued through GPPB Resolution 09-2005, dated 28 April 2005, and published in the Official Gazette on 13 June 2005

APPENDIX 6

GPPB CIRCULAR 06-2005 TIE-BREAKING METHOD

1.0 Purpose

This circular is issued to advise government agencies on how to resolve cases where an occurrence of a tie among bidders takes place, i.e., two or more of the bidders are determined and declared as the Lowest Calculated and Responsive Bidder (LCRB), for the procurement of goods and infrastructure projects, or the Highest Rated and Responsive Bidder (HRRB) for the procurement of consulting services.

2.0 Coverage

All Departments, Bureaus, Offices and Agencies of the National Government, Government-Owned or Controlled Corporations (GOCCs), State Universities and Colleges (SUCs), and Local Government Units (LGUs).

3.0 Rules and Regulations

3.1 In accordance with the considerations advanced/maintained in Policy Matter No. 02-2005, issued by the Government Procurement Policy Board, procuring entities are hereby given guidance on how to resolve cases involving a tie, after post-qualification, among bidders determined and declared as LCRB or HRRB.

3.2 Procuring entities are hereby required to identify at the onset of the bidding process, and thereafter include in the bidding documents as instruction or a matter of information to prospective bidders, a ready and clear measure to be used in the event two or more of the bidders have been post-qualified as LCRB or HRRB. In all cases, the measure determined by the procuring entity shall be non-discretionary and non-discriminatory such that the same is based on sheer luck or chance. The procuring entity may use "draw lots" or similar methods of chance.

3.3 However, in lieu of the pre-determined criteria set and declared in the bidding documents, the procuring entity may opt to bring the concerned bidders to agree on a better selection criteria which should also be non-discretionary/non-discriminatory and is similarly based on sheer luck or chance.

4.0 For compliance.

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Issued on 05 August 2005

5.5. The procurement of unavailable goods must be through competitive or public bidding unless conditions prescribed under R.A. 9189 and its IRR warrant resort to alternative methods of procurement.

6. THERE IS NEED TO PREVENT SITUATIONS THAT DEFEAT COMPETITION RESTRAIN TRADE

6.1. In cases where the procuring entity intends to procure goods from an exclusive local manufacturer, supplier, distributor, or dealer through direct contracting under Section 50 (c) of the IRR, when said method is recommended by the BAC and approved by the Head of the Procuring Entity, and reflected in the approved Annual Procurement Plan, it shall, before commencing any negotiations with a local supplier, post through the website of the procuring entity, if any, and in the Philippine Government Electronic Procurement System (PhiGEPS), an invitation to foreign manufacturers submit a manifestation of its intention to participate. Should any foreign manufacturer submit such manifestation within the period prescribed in the invitation, the procuring entity shall commence the conduct of public bidding. If no foreign manufacturer submits such manifestation within the said period the procuring entity may proceed with the intended procurement through direct contracting with the said exclusive local manufacturer, supplier, distributor, or dealer.

7. RECIPROCITY RULE IN THE PROCUREMENT OF GOODS

7.1. In the procurement of goods, a supplier, manufacturer and/or distributor who is a citizen, corporation or association of a country whose laws or regulations grant reciprocal rights or privileges allowing Filipino nationals to participate in public procurement in their country, are allowed to participate in government procurement projects.

7.2. The procuring entity shall confine from the list of countries, provided in Annex "I" of the IRR and as shown in the GPPB website, with which the Philippines enjoys reciprocal rights on matters of eligibility of its nationals in public procurement abroad. Pending the issuance of the list or in case the foreign bidders country is not in said list, the bidder claiming eligibility by reason of their country's extension of reciprocal rights to Filipinos shall submit a certification from the relevant government office of their country stating that Filipinos are allowed to participate in their government procurement activities for the same item/product.

7.3. The said certification shall be validated during post-qualification of bidders.

8. EFFECTIVITY

These Guidelines or any amendments hereto shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general nationwide circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies of these guidelines.

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6.1.2. In case procurement is made through any of the alternative methods prescribed in the IRR of R.A. 9184 that do not require the conduct of competitive bidding, and offers are received in foreign currency, the Philippine Peso amount of the contract shall be computed based on the exchange rate prevailing on the day of the signing of the contract.

6.1.3. In case of repeat order under Section 51 of the MR' of R.A. 9184, the contract price, either in Philippine Peso or in foreign currency, must be the same as or lower than that in the original contract; Provided, however, that the price is still the most advantageous to the Government, after price comparison and verification.

7. PAYMENTS USING LETTERS OF CREDIT (LCs)

7.1. For procurement projects fully utilizing domestic funds, where the goods will be supplied by a local or foreign supplier, the procuring entity, may open LCs or similar instruments in favor of such local or foreign supplier.

7.2. In cases where the procuring entity has to incur additional expenses resulting from the opening of LC where it assumes the risk of foreign currency fluctuation from time of LC opening with the issuing bank until it is eventually negotiated foreign negotiating bank in the place of the foreign supplier, said expenses covered by the provisional sum.

8. EFFECTIVITY

These Guidelines or any amendments hereto shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general nationwide circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies of these guidelines.

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Issued through GPPB Resolution 020-2005, dated 07 October 2005, and published in the Official Gazette on 09 January 2006

6. FUNDING SOURCE

The funds to be used for the grant of the free legal assistance, liability insurance or medical assistance shall be taken from the agency's annual appropriation.

Protest fees, proceeds from the sale of bidding documents, and any other additional funds derived from other income-generating activities of the agency may be used to augment the funding source provided in this section.

7. AMENDMENTS

In the implementation of these guidelines, the GPPB may introduce modifications thereto through the amendment of its specific provisions as the need arises.

8. EFFECTIVITY

These guidelines or any amendments thereof shall take effect within fifteen (15) days after publication in the Official Gazette or a newspaper of general nationwide circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies of these guidelines

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3.4 The manner of payment of honoraria and overtime pay to entitled government personnel to be charged against collections from successfully completed procurement projects (activities prior to awarding of contracts to winning bidders) enumerated under item 6.1.1 and savings cited under item 6.2 shall be In accordance with item 6.5, except use of savings by national government agencies which shall follow the General Provision of the GM on the disbursement of funds, i.e., through the National Treasury and/or authorized servidng banks under the Modified Disbursement Scheme.

3.5 In cases of deficiency in collections from procurement activities and non- availability of agency savings, the amount of honoraria and overtime pay shall be adjusted proportionately for all those entitled thereto.

4.0 Saving Clause

All other provisions of BC 2004-5A not consistent with this Circular shall remain in force and effect.

5.0 Effectivity

This Circular shall take effect Immediately.

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4.2 The formation of Pakyaw Groups should actively involve the Barangay leaders and the community. A Project Facilitator (PF) shall be appointed by the implementing agency to assist in the organization of the Pakyaw Groups and in the preparation of the Pakyaw Contracts. The PF shall, for purposes of informing the community of the project and of organizing pakyaw groups, shall convene community meetings, with the assistance of the Barangay Chairperson/s. The PF shall cause the registration of all unemployed or underemployed members of the community who are interested to join Pakyaw groups being formed for the project.

4.3 The Pakyaw workers should be formed into groups of workers based on the lump sum works. In case of competitive selection, pakyaw groups which were not selected for a particular lump sum work may choose to compete for other works requiring pakyaw groups.

4.4 Where there is competition for the award of Pakyaw works, the pakyaw labor contract shall be awarded through competitive selection with at least three (3) Pakyaw Groups participating. There is deemed to be a competition for the award of pakyaw contracts when the number of laborers who registered during the community meeting is more than what is reasonably needed for the lump sum work required under the project. The competitive selection shall be done on a "per-output" basis. And the winner(s) shall be determined based on what group(s) undertake(s) to deliver the desired output at the lowest rate, either per Item of output or per lump sum work, within the required period.

4.5 For purposes of Item 4.4 hereof, the number of members per group shall be determined by the Project Facilitator to ensure that at least three Pakyaw groups are organized for the competitive selection. The determination by the Project Facilitator of the number of members per Pakyaw Group shall be exercised with regard to the objective of providing work to as many laborers as possible.

4.6 A Group Leader shall be elected from among the members of the group who shall be the signatory to the Pakyaw Contract and any other documents pertaining to the work on behalf of the Pakyaw Group. He may be replaced at any time by the group through an election for that purpose, after due notice to the Project Facilitator and the Barangay Chairperson. Any such replacement shall not invalidate any previous Pakyaw Contract.

4.7 In no case may Pakyaw Groups be regular or licensed contractors or organized by and/or under the management of a regular or licensed contractor. Laborers supplied by job-contractors/labor-only contractors are likewise disqualified to become members of the Pakyaw groups when the jobcontracting/labor-only contracting is specifically carried out for the purpose.

4.8 The amount of a pakyaw labor contract per project shall not exceed Five Hundred Thousand Pesos (P500,000.00) per pakyaw group.

5.0 Repealing Clause

This set of guidelines repeals GPPB Resolution 13-2005 approving and adopting the Guidelines for the Implementation of Infrastructure Projects through Negotiated Procurement under Sec. 54.2 (d) of IRR/24 of RA 9184 and by Administration.

6.0 Effectivity

These Guidelines or any amendments hereto shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general nationwide circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies of these guidelines.

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As amended by GPPB-Resolution 03-2011, dated 28 January 2011, published in the Manila Times on 6 April 2011 Issued through GPPB Resolution 018-2006, dated 06 December 2006, and published in the Official Gazette on 09 April 2007

entails interruption of internet access and, thus, any public service dependent on such access. Thus:

3.3.1.1 Contractual agreements previously entered into with ISPs shall be respected.

3.3.1.2 At the end of each year, however, the procuring entity must assess the quality of service provided by its ISP. For instance, it must compare the cost charged by said ISP and the range of services it offers as against other service providers in the area. It may also consider new technologies that may prove less costly. In assessing the quality of service provided by its ISP, procuring entities are encouraged to consult the National Telecommunications Commission, or Commission on Information and Communication Technology, or other relevant government agencies regarding any new policy or directive in the Implementation or use of new technology.

3.3.1.3 If the results of said assessment or cost-benefit analysis continue to favor the existing ISP, then the procuring entity may simply renew its services. If it does not, then the procuring entity should bid said services in accordance with subsection 3.3.2 of these guidelines.

3.3.2 *New ISPs*

If the procuring entity does not presently engage an ISP or, after conduct of a cost-benefit analysis as required in the preceding subsection, is not satisfied with the performance of its existing ISP, the following procurement methods are prescribed:

3.3.2.1 If there are more than one service contractor operating within the area, public bidding.

3.3.2.2 If there is only one service contractor operating within the area, direct contracting.

4. REPORTORIAL REQUIREMENT

Procurement of water, electricity, telecommunications, and internet service shall be stated in the Annual Procurement Plan of the procuring entity. It shall include the estimated budget for each service and the procurement method employed.

5. EFFECTIVITY

These guidelines shall take effect immediately.

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Issued through GPPB Resolution 019-2006, dated 06 December 2006, and published in the Official Gazette on 09 April 2007

contracts shall be governed by the applicable rules of the Commission on Audit and/or Civil Service Commission. *Pakyaw Contracting System* shall be governed by Section 4 of the GPPB Revised Guidelines for the Implementation of Infrastructure Projects by Administration.

c. All procurement to be undertaken by the Servicing Agency, including those required for the project, shall continue to be governed by the provisions of R.A. 9184.

d. All projects undertaken through Agency-to-Agency Agreements shall be subject to pertinent budgeting, accounting, and auditing rules.

6. PROCEDURAL REQUIREMENTS

a. The end-user unit shall undertake a Costbenefit analysis, taking into consideration the following factors: prevailing standard cost for the project in the market, absorptive capacity of the Servicing Agency, and such other factors.

b. It shall likewise secure a certificate from the relevant officer of the Servicing Agency that the latter complies with all the conditions prescribed under Section 5 (a) and (b).

c. Based on the assessment and recommendation of the end-user unit, the BAC shall issue a resolution recommending the use of Agency-to-Agency Agreement to the head of the Procuring Agency.

d. Upon approval of the BAC resolution, the Procuring Agency shall enter into a Memorandum of Agreement (MOA) with the Servicing Agency.

e. For purposes of information, the Procuring Agency shall post the Notice of Award in the following areas:

- i. Philippine Government Electronic Procurement System or (PhilG-EPS);
- ii. Website of the Procuring Agency, if any; and
- iii. Any conspicuous place in the premises of the Procuring Agency.

7. EFFECTIVITY

These guidelines shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

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As amended by GPPB Resolution 12-2013, dated 26 April 2013, published in The Manila Times on 12 November 2013

Issued through GPPB Resolution 018-2007, dated 31 May 2007, and published in the Official Gazette on 14 January 2008

7.2. Cost for 5-VAT and other governmental costs which fall equally on all prospective suppliers are presumed to be included in the computation of the bid price.

8. BID EVALUATION AND COMPARISON OF BIDS

8.1. For purposes of bid evaluation and/or comparison of bids, regardless of the index used, the Lowest Calculated Bid shall be determined by identifying the bidder who offered the lowest Bid Price.

8.2. For purposes of payment, the discount or premium and the delivery cost stated in the contract shall be fixed from the time of the bidding through the term of the contract.

9. ACTUAL PRICES PAYABLE

9.1. The amount to be paid by the procuring entity for POL requirements actually delivered and duly received by it shall be: (I) the WPP less the discounts offered, if any, plus the delivery cost charged, at the date of actual delivery; or (ii) the MOPS or ICIS-LOR, plus the premium imposed and the delivery cost charged, referenced to the average of the MOPS or ICIS-LOR of the calendar month immediately preceding the date of actual delivery.

9.2. For staggered deliveries, the procuring entity shall make, after every delivery, an accounting of the amount actually payable based on the date of the delivery receipt to determine the allowable unit/volume that may still be ordered from the remaining amount allotted for each POL product. The procuring entity shall be allowed to make adjustments in the units/volume to be delivered per type of product to conform to the remaining amount in the total contract price.

9.3. Fax contracts stipulating consignment whereby a supplier makes a delivery of POL products to a procuring entity's holding area and payment is based on volume consumed, the actual price payable shall be determined based on the weighted average of the applicable index from the date the order is placed up until the cut-off date for payments agreed upon by the parties. The same rule shall apply for contracts where a major supplier delivers the POL products to the procuring entity through its authorized stations and/or distribution centers.

9.4. If during contract implementation, the total contract price for the project would have been consumed notwithstanding that the requirements were not fully delivered in the units/volume contemplated, no further order and payments shall be made. This provision shall form part of the bid documents.

10. EFFECT

These Guidelines amend GPPB Resolution No. 09-2006, dated 10 April 2006, and shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general nationwide circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies.

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7.2 Release of funds to the NCO shall follow the payment schedule prescribed by the MOA or contract.

7.3 No funds may be released prior to signing of the MOA or contract.

7.4 The selected NGO shall return any amount not utilized upon completion of the project.

8. EFFECTIVITY

These guidelines shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general nationwide circulation.

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APPENDIX A

ADDITIONAL SET OF TECHNICAL PARAMETERS

A. Security Services

1. Stability

- (a) Years of Experience
- (b) Liquidity of the Contractor
- (c) Organizational Set-up

2. Resources

- (a) No. of Licensed Firearms
- (b) No. and Kind of Communication Devices
- (c) No. and Kind of Motor Powered Vehicles
- (d) No. of Licensed Guards

3. Security Plan

4. Other Factors

- (a) Recruitment and Selection Criteria
- (b) Completeness of Uniforms and Other Paraphernalia

B. Janitorial Services

1. Stability

- (a) Years of Experience
- (b) Liquidity of the Contractor
- (c) Organizational set-up

2. Resources

- (a) No. and Kind of Equipment and Supplies
- (b) No. of Janitors and Supervisors

3. Housekeeping Plan

4. Other Factors

- (a) Recruitment and Selection Criteria
- Completeness of Uniforms and Other Paraphernalia

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4.4 The aforesaid contract extension is undertaken due to circumstances beyond its control and the procuring entity concerned cannot award a new contract within a month after the expiration of the term of the original contract.

4.5 The contemplated extension is merely an emergency measure to maintain status quo in the operations of the Procuring Entity and to avoid interruption of service.

4.6 The current service provider has not violated any of the provisions of the original contract.

4.7 The terms and conditions of the original contract shall not be changed or modified, except when changes or modifications will redound to the advantage of the government at no additional cost to the Procuring Entity.

5.0 PROCEDURAL REQUIREMENTS

5.1 All contract extensions shall be subject to the prior approval of the Head of the Procuring Entity or his/her duly authorized representative upon recommendation of the Bids and Awards Committee.

5.2 In addition to the foregoing, if the proposed contract extension exceeds six (6) months, the Head of the Procuring Entity or his/her duly authorized representative shall immediately report to the Government Procurement Policy Board in writing of its intent to extend beyond six months.

6.0 REPEALING CLAUSE

These Guidelines repeal GPPB Resolution 08-2005 and the amendments thereto per GPPB Resolution 03-2006, dated 28 April 2005 and 11 March 2006, respectively.

7.0 EFFECTIVITY

7.1 These guidelines or any amendments hereto shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general nationwide circulation.

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Issued through GPPB Resolution 023-2007, dated 20 September 2007, and published in the Manila Times on 26 October 2007.

III.	Neighborhood Data	X (.05) =	
IV.	Venue	X (.35) =	
FACTOR VALUE			

Note: Weight of each rating factor may be changed as long as total weight per classification is equivalent to 100. Figures in parenthesis are samples. Procuring entity must determine passing rate before inviting bids from Lessors. A bid is determined to be responsive if it is equal to or higher than the passing rate.

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d. RFQs shall also be posted for a period of seven (7) calendar days in the Philippine Government Electronic Procurement System (PhilG-EPS) website, website of the procuring entity, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity. However, in the following instances, this posting requirement shall not be applicable:

- i. When there is an unforeseen contingency requiring immediate purchase under Section 52.1(a) of the IRR; or
- ii. RFQs with ABCs equal to Fifty Thousand Pesos (Php 50,000.00) and below.

e. After the deadline for submission of price quotations, an Abstract of Quotations shall be prepared setting forth the names of those who responded to the RFQ, their corresponding price quotations, and the lowest quotation (for goods or infrastructure projects) or highest rated offer (for consulting services) submitted.

f. For Shopping under Section 52.1 (b), at least three (3) price quotations must be obtained.

g. The deadline for submission may be extended if none or less than the required number of price quotations are received. Extensions of deadline shall be posted in accord with subparagraph 3(d) of these Guidelines.

h. Award of contract shall be made to the lowest quotation (for goods or infrastructure projects) or, after successful negotiations, the highest rated offer (for consulting services) which complies with the specifications and other terms and conditions stated in the RFQ.

i. For information purposes, all awards shall be posted in the PhilG-EPS website, website of the procuring entity, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity except for those with ABCs equal to Fifty Thousand Pesos (Php 50,000.00) and below. The procuring entity must validate whether it is entering into a contract with a technically, legally and financially capable supplier, contractor or consultant by requiring the submission of relevant documents or through other means.

4. EFFECTIVITY

These Guidelines shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general nationwide circulation.

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Issued through GPPB Resolution 09-2009, dated 23 November 2009, and published in the Daily Tribune on 2 December 2009

B. Accountable forms identified as such by procuring entities, such as the following:

1. LTO and LTFRB accountable forms
2. POEA accountable forms
3. MMDA accountable forms
4. OW WA accountable forms
5. TESDA accountable forms
6. National Statistics Office accountable forms
7. Bureau of Customs accountable forms
8. SSS accountable forms
9. GSIS accountable forms
10. MARINA accountable forms
11. MMDA accountable forms
12. LRA accountable forms
13. DFA accountable forms
14. PAG-IBIG accountable forms
15. DBP accountable forms
16. PPA accountable forms
17. PRC accountable forms
18. PHILPOST accountable for
19. NM accountable forms
20. On accountable forms
21. MIAA accountable forms
22. SBMA accountable forms
23. BFAD accountable forms
24. PEZA Forms 8104; 8105; 8106; 8110; 8112
25. PCSO Lotto Cards
26. NBI Clearance Forms (Local and Travel)
27. DepEd forms (Form 138; For 137; Test Materials)
28. MMDA Motor Vehicle Violations Receipts

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GUIDELINES ON COMPARISON OF BIDS SUBMITTED BY COOPERATIVES

1.0 Purpose

This circular is being issued to clarify the procedure for comparison of bids submitted by cooperatives in line with the principle that all bids shall be evaluated on an equal footing to ensure fair and competitive bid comparison.

2.0 Coverage

All Departments, Bureaus, Offices and Agencies of the National Government, including State Universities and Colleges, Government Owned and/or Controlled Corporations, Government Financial Institutions, and Local Government Units.

3.0 Guidelines on Comparison of Bids Involving Cooperatives and Non-Cooperatives

3.1 Under Section 32.2.2 of the Implementing Rules and Regulations (IRR) of Republic Act 9184, all bidders shall be required to include the cost of all taxes, such as, but not limited to, value added tax, income tax, local taxes, and other fiscal levies and duties which shall be itemized in the bid for and reflected in the detailed estimates. Such bids, including said taxes, shall be the basis for bid evaluation and comparison.

3.2 Since cooperatives are granted tax exemptions by law, they enjoy a clear advantage over non-cooperatives.

3.3 To ensure that all bids shall be evaluated on an equal footing, all taxes itemized by non-cooperatives in their bids and which cooperatives are exempt from shall be added to the bids of cooperatives strictly for purposes of evaluation and comparison.

3.4 If, after evaluation and comparison, the bid submitted by a cooperative is still determined to be the lowest bid, the taxes added during bid evaluation shall be removed. Award of contract shall be based on the original bid price, subject to Section 34.4 of the IRR.

4.0 This Circular shall take effect immediately.

5.0 For guidance and compliance.

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9. **Infrastructure** pertains, but is not limited, to the following sectors/services:

- a) Architecture
- b) Construction supervision
- c) Engineering
- d) Transportation systems and facilities
- e) Irrigation and drainage
- f) Value engineering
- g) Vertical structures

10. **Labor and Employment** pertains, but is not limited, to the following sectors/services:

- a) Manpower Development b) Working Conditions
- c) Occupational Safety and Hazards
- d) Wage Classification

11. **Law** pertains, but is not limited, to the following sectors/services:

- a) Contract review and drafting
- b) Disputes settlement
- c) Legal management
- d) Legal representation
- e) Legislative liaison

12. **Management** pertains, but is not limited, to the following sectors/services:

- a) Economic management
- b) Government and civil society
- c) National government administration
- d) Sub-national government administration
- e) Support to NGOs

13. **Sociology** pertains, but is not limited, to the following sectors/services:

- a) Community Development
- b) Community Resettlement

14. **Other Sectors** as may be recognized by the GPPB such as, but not limited to, the following sectors/services:

- a) Civil aviation
- b) Military
- c) Multimodal transport and sector development
- d) Tourism
- e) Transport and storage

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9. IMPLEMENTATION AND TERMINATION OF ORDERING AGREEMENTS

9.1. The Warranty provision for goods under Section 62 of RA 9184 and its IRR shall be observed under the Ordering Agreement, and shall be posted for each Delivery Order Contract.

9.2. After receipt by the supplier/service provider of the Delivery Order Contract from the procuring entity, it shall deliver/perform the items within the period specified in the Ordering Agreement, unless a different time is provided in the Delivery Order Contract; in which case, the period stated in the latter shall prevail.

9.3. Extension of delivery/performance time shall be upon written request of the supplier/service provider and upon approval by the procuring entity after consideration of reasonable and justifiable causes.

9.4. Failure to deliver/perform within the agreed period, including any time extension, will make the supplier/service provider liable to the procuring entity for liquidated damages at least equal to one-tenth of one percent (.001) of the cost of the unperformed portion of the total amount of the awarded items under the Ordering Agreement for every day of delay.

9.5. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the total amount of the awarded Items under the Ordering Agreement, the procuring entity shall rescind the same, without prejudice to other courses of action and remedies open to it.

9.6. Without prejudice to the provisions of applicable laws, rules, and guidelines, the Ordering Agreement shall automatically terminate under the following conditions:

- a) When the total estimated quantity specified in the Ordering Agreement has been exhausted; or
- b) When the specified duration of the Ordering Agreement has expired.

9.7. All other rules governing contract implementation and termination under RA 9184, its IRR, and relevant procurement policies shall be applicable.

10. REPEAT ORDER

10.1. No Repeat Order for an item In the Order Agreement List shall be allowed until after the procuring entity has exhausted the estimated quantity for the same item specified therein or after the Ordering Agreement has expired, whichever comes first; and subject to the conditions provided in Section 51 of R.A 9184 and its IRR. For this purpose, the Repeat Order shall be availed of only within six (6) months from the date of the last or final Delivery Order Contract for a specific item where the estimated quantity has been exhausted, or, the expiration of the Ordering Agreement.

10.2. In case Repeat Order is allowed and resorted to, the twenty five percent (25%) maximum allowable quantity shall be based on the aggregate quantity of actual items ordered and delivered.

11. EFFECTIVITY

These Guidelines or any amendments hereto shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general nationwide circulation and upon filing of three (3) certified copies with the University of the Philippines Law Center.

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Issued through GPPB Resolution 01-2012, dated 27 January 2012, and published in The Daily Tribune on 20 August 2012

SUBSCRIBED AND SWORN to before me this ____ day of [month] [year] at [place of execution], Philippines. Affiant/s is/are personally known to me and was/were identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant/s exhibited to me his/her [insert type of government identification card used], with his/her photograph and signature appearing thereon, with no. _____ and his/her Community Tax Certificate No. ____ issued on ____ at ____.

Witness my hand and seal this day of [month] [year].

NAME OF NOTARY PUBLIC Serial No. of
Commission _____
Notary Public for _____ until _____
Roll of Attorneys No. _____
PM No. __ [date issued], [place issued]
IBP No. __, [date issued], [place issued]

Doc. No. _____
Page No. _____
Book No. _____
Series of _____ .

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4.6. The proceeds from the sale of the bidding documents shall continue to be used for the payment of honoraria as provided for in Budget Circular No. 2004-5A, dated 7 October 2005, or to augment the funds for the procuring entity's legal assistance and indemnification package as provided in the Guidelines for Legal Assistance and Indemnification of Bids and Awards Committee Members and its Support Staff.

5. STANDARD RATES

The cost of bidding documents shall correspond to the ABC range as indicated in the table below. This shall be the maximum amount of fee that procuring entities can set for the acquisition of bidding documents.

Approved Budget for the Contract	Maximum Cost of Bidding Documents (in Philippine Peso)
500,000 and below	500.00
More than 500,000 up to 1 Million	1,000.00
More than 1 Million up to 5 Million	5,000.00
More than 5 Million up to 10 Million	10,000.00
More than 10 Million up to 50 Million	25,000.00
More than 50 Million us to 500 Million	50,000.00
More than 500 Million	75,000.00

6. REPEALING CLAUSE

Any other guidelines, administrative order, office order, rule or regulation and/or parts thereof contrary to or Inconsistent with the provisions of these Guidelines is hereby repealed, modified, or amended accordingly.

7. EFFECTIVITY

These guidelines shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general nationwide circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies of these guidelines.

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Issued through GFPB Resolution 04-2012, dated 24 February 2012, and published in The Daily Tribune on 20 August 2012.

4.6.1 In case the procuring entity identifies itself as the relevant government authority with the expertise on the particular type of procurement concerned, the HOPE shall also submit a certification attesting to the fact that the procuring entity has expertise on the subject matter of procurement by virtue of its mandate and nature of its functions and operations.

4.7 The GPPB-TSO shall acknowledge receipt of the pre-selected list and shall post the list in the GPPB or PhilGEPS website for the purpose of transparency.

4.7.1 The function of the GPPB-TSO shall partake of a ministerial nature and shall not include the validation of the qualifications of the suppliers or consultants contained in the list.

4.7.2 Concerns on the propriety of the self-generated or pre-selected list shall be directed to the procuring entity that issued/adopted the list for a particular procurement activity in accordance with the protest mechanism provided under Section 55 of the IRR of RA 9184.

4.8 Pursuant to Section 49.4, the procuring entity shall post the procurement opportunity to be undertaken through Limited Source Bidding in the PhilGEPS website, website of the procuring entity concerned, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity concerned for seven (7) calendar days, upon receipt of said acknowledgment letter.

4.8.1 Except for the advertisement requirement provided under Section 21.2.1 (a) of the IRR of RA 9184 in the use of Limited Source Bidding as an alternative procurement modality, the procuring entity shall adopt the rules on competitive bidding as prescribed in RA 9184 and its IRR.

6. REPEALING CLAUSE

Any other guidelines, administrative order, office order, rule or regulation and/or parts thereof contrary to or inconsistent with the provisions of these Guidelines are hereby repealed, modified or amended accordingly.

7. EFFECTIVITY

These Guidelines shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general nationwide circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies of these guidelines.

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Issued through GPPB Resolution 06-2012, dated 30 March 2012, and published in The Daily Tribune on 20 August 2012.

7.2. All existing electronic merchant registries used and maintained by PEs shall be Integrated into the GOP-OMR. Upon integration, the PE shall henceforth use the GOP-OMR for government procurement purposes, and shall cease using the prior registry.

7.3. The PE shall coordinate with the PhiIGEPS office to determine whether the existing registry is compatible with the GOP-OMR.

7.4. After a finding of compatibility, the PE shall integrate its registry with the GOP-OMR. If the registries are incompatible, the PE shall cease using its registry and use the GOP-OMR. The PE shall be given sufficient amount of time to effect the shutdown of its electronic registry and the shift to the use of the GOP-OMR. The PE and the PhiIGEPS office shall coordinate with each other for this purpose.

8. REGISTRIES WITH OTHER FUNTIONALITIES

If a PE uses and maintains an electronic registry with functionalities aside from submission and/or recording of eligibility requirements, it shall use the GOP-OMR as its merchant registry but may be allowed to continue using the other functionalities of its system.

9. MANUAL REGISTRIES

PEs that maintain manual registries shall be encouraged to shift to the use of the GOP-OMR. If the PE decides to retain the use of its manual registry, It may do so; provided, however, that when the PE shifts to an electronic registry, it shall use the facilities of the GOP-OMR. After the shift, the PE shall henceforth use the GOP-OMR for government procurement purposes.

10. AMENDMENTS

In the Implementation of these Guidelines, the Government Procurement Policy Board (GPPB) may introduce modifications through the amendment of its provisions as the need arises.

11. EFFECTIVITY

These Guidelines shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general nationwide circulation, and upon filing with the University of the Philippines Law Center of three (3) certified copies of these guidelines

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Issued through GPM Resolution 12-2012, dated 1 June 2012, and published in The Daily Tribune on 28 December 2012.

14.7 The BAC, through the Secretariat, shall post, within three (3) calendar days from Its issuance, the Notice of Award in the PhilGEPS, the website of the procuring entity, if any, and any conspicuous place in the premises of the procuring entity.

14.8 After the contract signing and submission of the Performance Bond, the Bid Notice Creator shall update the "proceed date" and the "contract start and end dates" and upload a copy of the Notice to Proceed and approved Contract in the PhiIGEPS.

15. APPLICATION OF RA 9184 AND ITS REVISED IRR

In case of silence, ambiguity, or vagueness of the provision embodied in this Guidelines, the procedures and processes contained in RA 9184 and its revised IRR shall suppletorily apply.

16. EFFECTIVITY

These Guidelines shall take effect fifteen (15) calendar days after its publication in the Official Gazette or in a newspaper of general nationwide circulation.

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Issued through GPPB Resolution 23- 2013, dated 30 July 2013, and published In The Daily Tribune on 3 November 2014.

GPPB ALTERNATE MEMBERS AND INTER-AGENCY TECHNICAL WORKING GROUP MEMBERS

(as of November 2014)

DBM	Undersecretary Laura B. Pascua Assistant Secretary Janet B. Abuel
NEDA	Deputy Director General Rolando G. Tungpalan Assistant Director General Ruben S. Reinoso Jr. Engr. Elmer H. Dorado
DepEd	Undersecretary Francisco M. Varela Director Aida N. Carpennero Ms. Ma. Teresa S. Fulgar
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Private Sector Representative	Mr. Manolito P. Madrasto (PCA)
Resource Persons	Assistant Commissioner Arcadio M. Cuenco Jr. (COA) Executive Director Monchito Ibrahim (DOST- ICTO)

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APPENDIX 1

GPPB RESOLUTION 01-2004 BAC COMPOSITION FOR LGUS

WHEREAS, Republic Act No. 9184 (R.A. 9184), entitled An Act Providing for Modernization, Standardization and Regulation of the Procurement Activities of the Government for other Purposes, was signed into law on January 10, 2003, and took effect on January 26, 2003. On the other hand, its Implementing Rules and Regulations Part A (IRR-A) took effect on October 8, 2003;

WHEREAS, Section 4 of R.A. 9184 provides that it shall apply to the procurement of infrastructure projects, goods and consulting services, regardless of source of funds, whether local or foreign by all branches and instrumentalities of Government, its departments, offices and agencies, including government-owned and/or controlled corporations and local government units;

WHEREAS, Section 76 of R.A. 9184 amends Title Six, Book Two (Property and Supply Management in Local Government Units) of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, and Section 76 provides that any other law, presidential decree or issuances, executive order, letter of instruction, administrative order, proclamation, charter, rule or regulation and/or parts thereof contrary to or inconsistent with provisions of R.A. 9184 is repealed, modified or amended accordingly;

WHEREAS, Section 75 of IRR-A further amends Chapter Five, Title One, Book One of R.A. 7160, which refers to the Local Prequalification, Bids and Awards Committee;

WHEREAS, crucial to the implementation of R.A. 9184 and its IRR-A in the local government level is the creation of the Bids and Awards Committee (BAC) in all local government units (LGUs) including the barangays;

WHEREAS, on December 11, 2003, the Government Procurement Policy Board (GPPB) tasked the Government Procurement Policy Board-Technical Support Office (GPPB-TSO) and the Department of Interior and Local Government (DILG) to study and make a proposal on the possible composition of the BAC at the barangay level including the determination of the ranking of officials who may be designated as Chairman of the BAC in other LGUs;

WHEREAS, in compliance with the instructions of the GPPB, the DILG submitted a draft proposal as to the composition of the BAC on January 29, 2004, and the members of the GPPB, during its meeting on March 10, 2004, unanimously agreed to adopt, with certain amendments, the BAC composition in LGUs including the barangays, as proposed by GPPB-TSO and DILG;

WHEREAS, for the effective dissemination of the BAC composition at the local government level, including the barangays, the DILG is hereby directed to issue a memorandum circular reflecting the BAC composition contained herein for LGUs' compliance.

NOW, THEREFORE, for and in consideration of the foregoing, WE, the Members of the **Government Procurement Policy Board**, by virtue of the powers vested in US by law, hereby **RESOLVE** to adopt and confirm, as WE hereby adopt and confirm the following BAC composition in LGUs, including the barangays, to wit:

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Reiterated by the GPPB through GPPB Resolution No. 14-2013 dated 26 April 2013

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APPENDIX 3

UNIFORM GUIDELINES FOR BLACKLISTING OF MANUFACTURERS, SUPPLIERS, DISTRIBUTORS, CONTRACTORS AND CONSULTANTS

1. SCOPE

These guidelines shall govern the blacklisting of manufacturers, suppliers, distributors, contractors and consultants (contractors for brevity) involved in government procurement for offenses or violations committed during competitive bidding and contract implementation, in accordance with Section 69.4 of the Implementing Rules and Regulations (IRR) of Republic Act No. 9184 (R.A. 9184), otherwise known as the Government Procurement Reform Act.

These guidelines shall apply to all branches, constitutional commissions and offices, agencies, departments, bureaus, offices, and instrumentalities of the Government, including government-owned and/or controlled corporations (GOCCs), government financial institutions (GFIs), state universities and colleges (SUCs), and local government units (LGUs).

2. PROHIBITION ON BLACKLISTED PERSONS/ENTITIES TO PARTICIPATE IN THE BIDDING OF GOVERNMENT PROJECTS/CONTRACTS

A person/entity that is blacklisted by a procuring entity and/or included in the Government Procurement Policy Board (GPPB) Consolidated Blacklisting Report shall not be allowed to participate in the bidding of all government projects during the period of disqualification unless it is delisted as provided for in these guidelines.

A joint venture or consortium which is blacklisted or which has blacklisted member/s and/or partner/s as well as a person/entity who is a member of a blacklisted joint venture or consortium are, likewise, not allowed to participate in any government procurement during the period of disqualification.

In the case of corporations, a single stockholder, together with his/her relatives up to the third civil degree of consanguinity or affinity, and their assignees, holding at least twenty percent (20%) of the shares therein, its chairman and president, shall be blacklisted after they have been determined to hold the same controlling interest in a previously blacklisted corporation or in two corporations which have been blacklisted; the corporations of which they are part shall also be blacklisted.

3. DEFINITION OF TERMS

3.1 Appellate Authority. The department, office or government unit exercising general and/or administrative supervision/control over the blacklisting agency. Department level agencies shall exercise appellate authority over offices, agencies, bureaus, government units, GOCCs and SUCs under their jurisdiction. *Provided, further,* that blacklisting decisions of government agencies that are not subject to general and/or administrative supervision/control of any department, office or government unit shall be final and executory.

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APPENDIX 4

GUIDELINES ON TERMINATION OF CONTRACTS

I. PURPOSE, SCOPE, AND APPLICATION

These guidelines aim to promote fairness in the termination of procurement contracts and to prescribe contract conditions and measures to enable government to protect its interests. For this purpose, policies and procedures relating to the whole or partial termination of government procurement contracts of goods, infrastructure projects, and consulting services are herein established.

II. DEFINITION OF TERMS

- 1. Coercive Practice** means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract.
- 2. Collusive Practice** means a scheme or arrangement including practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels to prevent free and open competition.
- 3. Corrupt Practice** means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution. It also means entering, on behalf of the Government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profits or will profit thereby; and similar acts as provided in Republic Act 3019.
- 4. Fraudulent Practice** means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Procuring Entity.
- 5. Head of the Procuring Entity** refers to:
 - (i) the head of the agency or his duly authorized official, for national government agencies;
 - (ii) the governing board or its duly authorized official, for government-owned and/or controlled corporations; or
 - (iii) the local chief executive, for local government units. Provided, that in a department, office or agency where the procurement is decentralized, the Head of each decentralized unit shall be considered as the Head of the Procuring Entity subject to the limitations and authority delegated by the head of the department, office or agency.
- 6. Implementing Unit** refers to the unit or office having direct supervision or administration over the implementation of the contract such as the Project Management Office or the End-User Unit.
- 7. Termination in Part** means the termination of a part but not all, of the work that has not been completed and accepted under a contract.
- 8. Termination in Whole** means the termination of all of the work that has not been completed and accepted under a contract.

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APPENDIX 5

GUIDELINES ON IMPLEMENTATION OF INFRASTRUCTURE PROJECTS UNDERTAKEN BY THE AFP CORPS OF ENGINEERS

1.0 POLICY STATEMENT

The Armed Forces of the Philippines Corps of Engineers (AFPCOE), being an integral part of the Government, has the capability to undertake infrastructure projects. As such, it is the policy of the Government to engage the services of the AFPCOE in directly implementing projects as provided in these guidelines.

2.0 PURPOSE AND COVERAGE

These guidelines shall streamline and provide rules governing the implementation of infrastructure projects undertaken by the AFPCOE.

3.0 DEFINITION OF TERMS

3.1 End-User Agency - The agency that is the beneficiary of the project or source of funds of the project to be implemented by the AFPCOE.

3.2 Implementing Unit - The AFPCOE unit tasked to undertake the project as covered by a Construction Directive issued by the AFP Chief of Engineers or the Chief Engineers of the major services, namely: Army, Navy, And Air Force.

3.3. Job Order - The hiring of laborers for piece work or Intermittent job of short duration not exceeding six (6) months and pay is on a daily or hourly basis. The Implementing Unit may recruit workers from the locality and directly hire them to provide the required labor for the project being undertaken, subject to applicable laws, rules and regulations. The Implementing Unit prepares a payroll that serves as the basis for the payment of wages to the workers.

3.4 "Pakyaw" system -The system of hiring laborers where the Implementing Unit invites, through appropriate procurement procedures, "pakyaw" groups to submit price quotations for the labor component required for a specific piece of work. The "pakyaw" groups shall comprise a group of laborers residing within the vicinity of the project site, and shall not be a regular licensed contractor.

3.5 Projects Undertaken by Administration - An infrastructure project is said to be undertaken by administration, from the point of view of the AFPCOE, if the Implementing Unit undertakes the project using its organic personnel through force account and/or "pakyaw" system, equipment and tools, as well as procures the construction supplies and materials necessary for project completion, and manages the project implementation.

4.0 TYPES OF PROJECT THAT MAY BE UNDERTAKEN BY ADMINISTRATION

The following types of projects may be undertaken by administration by the AFPCOE:

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APPENDIX 7

GUIDELINES IN THE DETERMINATION OF ELIGIBILITY OF FOREIGN SUPPLIERS, CONTRACTORS, AND CONSULTANTS TO PARTICIPATE IN GOVERNMENT PROCUREMENT PROJECTS

1. GENERAL POLICY

In line with the economic, policies enunciated in the Constitution, particularly on the promotion of Filipino labor, domestic materials, and locally produced goods, Republic Act No. 9184, in consonance with Republic Act No. 5183, adopts as general principle the preference for Filipino nationals in the award of Government's procurement contracts.

However, in light of the principles of economic exchange and expansion of trade and exports with other countries on the basis of equality and reciprocity, with due regard to the government's initiatives in the prohibition and/or regulation of monopolies and other situations that restrain trade and fair competition, qualified foreign nationals may be eligible to participate in the public procurement of goods, infrastructure projects and consultancy services; provided, however, that provisions on domestic preference, Most- Favored National (MFN) status and non-discrimination treatments under applicable laws and treaties are complied with.

2. SCOPE, APPLICATION AND PURPOSE

These guidelines shall govern procurement of goods, infrastructure projects, and consulting services by all Departments, Bureaus, Offices and Agencies of the National Government, Government-Owned and/or Controlled Corporations, Government Financing Institutions, State Universities and Colleges, and Local Government Units and are formulated to clarify procurement policy on the eligibility of foreign bidders to participate in domestically-funded public procurement opportunities, within the framework of national and international economic and trade policies.

3. DEFINITION OF TERMS

For purposes of these guidelines, the following terms or words and phrases shall be defined as follows:

3.1 **Foreign Consultant** refers to an individual, sole proprietorship, partnership, corporation or joint venture other than those provided under Section 24.3.1 of the IRR of R.A. 9184.

3.2 **Foreign Contractor** refers to a citizen of a foreign country or an entity where Filipino ownership or interest is less than seventy five percent (75%) offering infrastructure related services other than consulting services.

3.3 **Foreign Supplier** refers to a citizen of a foreign country or an entity where Filipino ownership or interest is less than sixty percent (60%) who is engaged in the manufacture or sale of the merchandise or performance of the general services covered by his bid.

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APPENDIX 8

GUIDELINES ON PROCUREMENTS INVOLVING FOREIGN-DENOMINATED BIDS, CONTRACT PRICES AND PAYMENT USING LETTERS OF CREDIT

1. POLICY STATEMENT

Pursuant to Section 61 of Republic Act No. 9184 and its counterpart provision in the Implementing Rules and Regulations (IRR), for the given scope of work in procurement contracts as awarded, all bid prices shall be considered as fixed prices and, therefore, not subject to price escalation during contract implementation, except under extraordinary circumstances. Thus, to ensure that this policy is carried out, it is required, as a matter of general rule and procedure, that all contracts be denominated and paid in Philippine currency; except when the procuring entity agrees that obligations shall be settled in any other currency at the time of payment, subject to conditions provided for under these guidelines.

2. SCOPE AND APPLICATION

These guidelines shall apply to procurement of goods involving foreign denominated bids, contract prices in foreign and local currencies, and payments for such contracts when done through Letters of Credit (LCs).

3. PURPOSE

These guidelines are formulated: (1) to implement the policy on fixed-pricing under Section 61 of Republic Act No. 9184 (R.A. 9184), otherwise known as "Government Procurement Reform Act," (2) to provide procedural details in the submission and evaluation of bids when the bidders are all-foreign or mixed local and foreign; and finally, (3) to address situations where, by the use of letters of credit as mode of payment to manufacturers, suppliers and/or distributors, there is a resulting increase/decrease of the actual amount of expenditure of the procuring entity resulting from the appreciation/depreciation of the peso from the day of bid opening through the time of the opening of LC until the time of its negotiation, including the accrual of expenses by reason of the opening of letters of credit.

4. PREPARATION OF BIDDING DOCUMENTS

4.1. The procuring entity shall include in the Bidding Documents, as a separate item in the Schedule of Requirements and in the Special Conditions of Contract, a provisional sum to cover the possible increase of the actual amount of expenditure of the procuring entity resulting from the appreciation/depreciation of the peso from the day of bid opening through the time of the opening of LC until the time of its negotiation, including the accrual of expenses by reason of the opening of letters of credit.

4.1.1. The provisional sum shall be a fixed nominal amount as may be determined by the procuring entity depending on the type of goods to be procured. However, the provisional sum shall not exceed ten percent (10%) of the Approved Budget for the Contract (ABC). The provisional sum shall be included in the Annual Procurement Plan. The same shall revert to the fund of the procuring entity as savings in case of non-use.

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As amended by GPPB Resolution 03-2011, dated 28 January 2011, published in the Manila Times on 6 April 2011

APPENDIX 9

GUIDELINES FOR LEGAL ASSISTANCE AND INDEMNIFICATION OF BIDS AND AWARDS COMMITTEE (BAC) MEMBERS AND ITS SUPPORT STAFF

1. SCOPE

These guidelines shall govern the indemnification package for public officials providing services in and for the Bids and Awards Committee (BAC) pursuant to and in accordance with Section 73 of Republic Act No. 9184 (R.A. 9184), otherwise known as "Government Procurement Reform Act" and its Implementing Rules and Regulations (IRR) 114 . These guidelines shall apply to all branches, agencies, departments, bureaus, offices and instrumentalities of the Government, including Government-Owned and/or Controlled Corporations (GOCCs), Government Financial Institutions (GFIs), State Universities and Colleges (SUCs), and Local Government Units (LGUs).

2. PURPOSE

These guidelines are formulated to meet the following objectives:

- 2.1. To prescribe the rules and procedures in granting legal assistance and indemnification to the Bids and Awards Committee (BAC) members and BAC Support Staff.
- 2.2. To ensure that the mandate to insulate government procurement personnel from the unnecessary loss, damage or injury arising from the lawful exercise of their functions is Implemented in accordance with the provisions of R.A. 9184.
- 2.3. To establish the legal parameters for the effective implementation of the legal assistance and indemnification provided for BAC members and BAC Support Staff.

3. DEFINITION OF TERMS

- 3.1. **BAC.** Refers to the Bids and Awards Committee as defined and established in accordance with Rule V of the Implementing Rules and Regulations (IRR) 115 of RA 9184.
- 3.2. **BAC members.** Refer to the regular and provisional members of the BAC determined accordance with Rule V of the IRR.
- 3.3. **indemnification.** Refers to the assistance or remuneration given to the members of the BAC and/or the BAC Support Staff for any loss, damage, or injury caused to them by reason of the lawful performance of their duty.

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As amended by GPPB Resolution 03-2011, dated 28 January 2011, published in the Manila Times on 6 April 2011

GUIDELINES ON THE GRANT OF HONORARIA TO GOVERNMENT PERSONNEL INVOLVED IN GOVERNMENT PROCUREMENT

DOM BUDGET CIRCULAR 2004-5A

1.0 Background

Budget Circular (BC) No. 2004-SA, dated March 23, 2004, provides the guidelines on the grant of honoraria to government personnel involved in government procurement consistent with Republic Act 9184 (Government Procurement Reform Act). Certain provisions thereof need further clarification particularly on the entitlement to honoraria when alternative modes of procurement are used, the definition of a "successful procurement project", and the funding source for payment of honoraria.

2.0 Purpose

To amend BC No. 2004-5 and reissue the guidelines on the grant of honoraria to qualified personnel.

3.0 Coverage

This circular shall apply to all national government agencies (NGAs), and Its instrumentalities, including state universities and colleges (SUCs), government- owned or -controlled corporations (GOCCs) and local government units (LGUs).

4.0 Rationale

Honoraria is a form of compensation granted to individuals for the performance of tasks or involvement in activities beyond their regular functions. Equity calls for equal compensation for performance of substantially similar duties, with substantially similar degrees of responsibility. Propriety dictates that only persons who have successfully completed their tasks or participated in accomplished activities ought to be accomplished.

5.0 Guidelines

5.1 The chairs and members of the Bids and Awards Committee (BAC) and the Technical Working Group (TWG) may be paid honoraria only for successfully completed procurement projects. In accordance with Section 7 the Implementing Rules and Regulations Part A (IRR-A) of RA No. 9184, a procurement project refers to the entire project identified, described, detailed, scheduled and budgeted for in the Project Procurement Management Plan prepared by the agency.

A procurement project shall be considered successfully completed once the contract has been awarded to the winning bidder.

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APPENDIX 11 REVISED GUIDELINES FOR THE IMPLEMENTATION OF INFRASTRUCTURE PROJECTS BY ADMINISTRATION

1.0 Purpose and Coverage

These guidelines shall provide rules for the implementation of projects "by administration" by all Departments, Bureaus, Offices and Agencies of the National Government (NGA), Government-Owned and/or Controlled Corporations (GOCCs), Government Financing institutions (695), State Universities and Colleges (SUCs), and Local Government Units (LGUs). Projects undertaken "by administration" by the Armed Forces of the Philippines Corps . of Engineers (AFPCOE) shall be governed by the guidelines issued by the GPPB through Resolution 09-2005 dated 28 April 2005.

2.0 Definition of Terms

For purposes of these guidelines, the following terms shall be defined as follows:

2.1 "**By Administration**" refers to the procedure by which the implementation of an infrastructure project is carried out under the administration and supervision of the concerned agency through its own personnel.

2.2 **Implementing Agency** refers to any government unit undertaking the construction of an infrastructure project.

2.3 **Job-Contractor** refers to a person or entity who carries out, under his own responsibility, supervision and control, the performance or completion of a specific job, service or work which has been farmed out by another for the latter's benefit

2.4 **Job-order** refers to employment of individuals to undertake piece or lumpsum works, or intermittent jobs of short duration not exceeding six months on a daily basis.

2.5 **Labor-only Contractor** refers to a person or entity that engages In the supply of workers/laborers to an employer but does not have substantial capital or Investment in the form of tools, equipment, machineries, work premises, among others, and the workers recruited and placed perform activities directly related to the principal business of the employer.

2.6 **Pakyaw** refers to a system of hiring a labor group for the performance of a specific work and/or service incidental to the implementation of an infrastructure project by administration whereby tools and materials are furnished by the implementing agency. For the specific work/service output, a lump-sum payment is made either through the group leader or divided among the pakyaw workers and disbursed using a payroll system.

2.7 **Semi-skilled Work/Job** refers to a work/job which needs some skills but does not require doing the more complex work duties. Semi-skilled jobs require alertness and close attention to watching machine processes; or inspecting, testing or otherwise looking for irregularities; or tending or guarding equipment, property, materials, or persons against loss, damage or injury; or other types of activities which are similarly less complex than skilled work, but more complex than unskilled work. A job may be classified as semiskilled where coordination and dexterity are necessary, as

when hands or feet must be moved quickly to do repetitive tasks.

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APPENDIX 12

GUIDELINES ON PROCUREMENT OF WATER, ELECTRICITY, TELECOMMUNICATIONS AND INTERNET SERVICE PROVIDERS

1. SCOPE AND APPLICATION

These guidelines shall govern the procurement of water, electricity, telecommunications (landline and cellular phone), and internet service providers by government agencies as end users. Section 5 (h) of Republic Act No. (R.A.) 9184 defines goods as referring to all items, supplies, materials, and general support services which may be needed in the transaction of public business or in the pursuit of any government undertaking. Such definition necessarily includes the procurement of Internet service providers and public utility services, such as water, electricity, and telecommunication services.

2. PURPOSE

These guidelines are formulated to meet the following objectives:

2.1 Prescribe the appropriate method under R.A. 9184 that applies to the procurement of water, electricity, telecommunications, and Internet service providers; and

2.2 Provide additional guidelines to ensure that contractual arrangements with service providers continue to be favorable to the interest of the government applying cost-benefit analysis and, thus, remain consistent with the principles of R.A. 9184.

3. PROCEDURES AND GUIDELINES

3.1 Water and Electricity Services Considering that water and electricity service providers are granted exclusive franchises to operate within a specific territory, procurement of water and electricity services shall be done through direct contracting under Section 50 (c) of the Implementing Rules and Regulations (IPR)" of R.A. 9184. This provision does not apply to the purchase of bottled water or to the procurement by any agency of the government, whether national or local, in its operation as water or electric concessionaire (e.g. repair of pumping stations). 3.2

Telecommunications(Landline and cellular phones)

3.2.1 Existing lines

Telephone and cellular lines are critical in the day-to-day pursuit of public business. Their continuity ensures proper coordination within the organization and the efficient delivery of public service. Further, telephone and cellular numbers are usually identified with certain government agencies or a range of public services that the government may offer (e.g., 117). As such:

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APPENDIX 13

IMPLEMENTING GUIDELINES ON AGENCY-TO-AGENCY AGREEMENTS

Negotiated Procurement under Section 53.5 of the IRR

1. POLICY RATIONALE

It is the general policy of government to purchase its requirements from the private sector. However, it acknowledges that, in some exceptional cases, procurement from another agency of the government is more efficient and economical for the government.

Thus, in accordance with Section 10 of Republic Act No. (R.A.) 9184 and its Implementing Rules and Regulations (IRR), all procurement shall be done through open and competitive public bidding. Only in highly exceptional cases, and when justified by the conditions prescribed under these guidelines, can the procuring entity procure from another government agency under the r paragraph of Section 533 of the IRR of R.A. 9184.

2. PURPOSE

These guidelines are being issued to strictly prescribe the conditions when a government agency may procure from another government agency without need of public bidding pursuant to the 1st paragraph of Section 53.5 of the IRR of R.A. 9184 (hereinafter, referred to as *Agency-to-Agency Agreements*).

3. SCOPE AND APPLICATION

These guidelines shall govern the procurement of infrastructure projects, consulting services, and goods from another agency of the GOP, which includes all Departments, Bureaus, Offices and Agendes of the National Government, Government-Owned and/or Controlled Corporations, Government Financing Institutions, State Universities and Colleges, and Local Government Units.

However, infrastructure projects undertaken through the Armed Forces of the Philippines Corps of Engineers (AFPCOE) which shall continue to be governed by the Guidelines on Implementation of Infrastructure Projects Undertaken by the AFP Corps of Engineers under Government Procurement Policy Board (GPPB) Resolution No. 09- 2005, are excluded from the application of these guidelines.

4. DEFINITION OF TERMS

For the purpose of these guidelines, the following terms shall have the corresponding meanings:

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As amended by GPPB Resolution 03-2011, dated 28 January 2011, published in the Manila Times on 6 April 2011 As amended by GPPB Resolution 12-2013, dated 26 April 2013, published in the Manila Times on 12 November 2013

REVISED GUIDELINES ON INDEX-BASED PRICING FOR PROCUREMENT OF PETROLEUM, OIL, AND LUBRICANT PRODUCTS

1. SCOPE AND APPLICATION

These guidelines shall govern the use, under extraordinary circumstances, of an index-based pricing scheme for procurement of petroleum, oil, and lubricants (POL) in accordance with Section 61 of Republic Act No. 9184 (R.A. 9184), otherwise known as "Government Procurement Reform Act" and its Implementing Rules and Regulations (IRR) and the GPPB Guidelines for Contract Price Escalation.

These rules and procedures shall govern the procurement of POL by the national government, its departments, bureaus, offices and agencies, including state universities and colleges, government-owned and/or controlled corporations, government financial institutions and local government units when POL is a major operational requirement necessary for the prosecution of their principal mandate. Procurement of POL from retailers or dealers other than major suppliers as hereafter defined, or from those who are engaged in the business of selling the same to the general public for ultimate consumption and which are sold at pump prices shall not be subject to these guidelines.

2. PURPOSE

These guidelines are formulated to meet the following objectives:

2.1. To identify the conditions for the applicability of the index-based pricing scheme in the procurement of POL products by a procuring entity.

2.2. To prescribe the rules and procedures on the use of index-based pricing scheme for the procurement of POL.

3. DEFINITION OF TERMS

a. **Bid Price** -refers to the difference of the WPP of the prospective supplier less discounts given plus delivery cost, in case of procurement using the WPP index; and the sum of MOPS or ICIS-LOR assessments, the premium imposed and delivery cost, in case of procurement using the MOPS or ICIS-LOR index;

b. **Bulk Procurement** -refers to any procurement which, by the totality of its POL requirements and by their sheer volume, necessitates procurement from major suppliers for purpose of economies of scale.

c. **Total Contract Price** - refers to the aggregate of the amounts set by a procuring entity, as the ceiling, to meet the volume requirement for each type of POL product; the value of which shall not exceed the approved budget for the contract (ABC).

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As amended by GPPB Resolution 03-2011, dated 28 January 2011, published in the Manila Times on 6 April 2011

GUIDELINES ON NON-GOVERNMENTAL ORGANIZATION PARTICIPATION IN PUBLIC PROCUREMENT

1. POLICY STATEMENT

Section 23, Article II of the Philippine Constitution prescribes that the State shall encourage the participation of Non-Governmental Organizations (NGOs), community-based, or sectoral organizations in the promotion of the welfare of the nation.

As a general rule, all procurement shall be done through competitive public bidding. However, when an appropriation law earmarks an amount for projects to be specifically contracted out to NGOs, it is the intent of Congress to give due preference to NGOs.

2. SCOPE AND APPLICATION

These guidelines prescribe the allowable modes of selecting an NGO in case an appropriation law or ordinance specifically earmarks an amount for projects to be specifically contracted out to NGOs.

These guidelines shall apply to national government, its branches, constitutional offices, departments, bureaus, offices and agencies, including state universities and colleges, government-owned and/or controlled corporations, government financial institutions, and local government units.

3. PURPOSE

These guidelines are formulated to meet the following objectives:

3.1 If the procuring entity decides to conduct public bidding, to prescribe the rules and procedures that shall govern public bidding limited to NGOs; and

3.2 If the procuring entity decides to enter into negotiated procurement under Section 53.11 of the Implementing Rules and Regulation (IRR) of Republic Act No. 9184 (R.A. 9184), to provide the necessary steps and procedures in the Section of the NGO.

4. GENERAL GUIDELINES

4.1 When an appropriation law or ordinance specifically earmarks an amount for projects to be specifically contracted out to NGOs, the procuring entity may select an NGO through competitive public bidding or negotiated procurement under Section 53.11 of the IRR.

4.2 Non-Governmental Organization or NGO refers to a non-stock, non-profit domestic corporation duly registered with the Securities and Exchange

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APPENDIX 16

GUIDELINES ON THE PROCUREMENT OF SECURITY AND JANITORIAL SERVICES

1.0 POLICY STATEMENT

Under Section 5 (h) of Republic Act No. 9184 (RA. 9184), as reiterated in Section 5 (r) of its Implementing Rules and Regulations (IRR), procurement of general support services, including non-personal or contractual services, such as security and janitorial services, falls under the definition of goods. Thus, in the procurement of security or janitorial services, the winning bid is determined by the lowest calculated and responsive bid.

It is recognized, however, that the proper and efficient procurement of security and janitorial services should be based not solely on cost, but should also take into consideration a range of other factors, such as, but not limited to, length of contract, standards of internal governance, adequacy of resources, levels of training, and adherence to labor and other social legislation.

2.0 SCOPE AND APPLICATION

These guidelines shall govern the procurement of security and janitorial services by government agencies. These guidelines shall not apply to the procurement of other general support services, such as, repair and maintenance of equipment and furniture, tucking, hauling, and other services.

3.0 PURPOSE

These guidelines are formulated to meet the following objectives:

3.0. To prescribe an objective set of parameters in the evaluation of technical proposals for security and janitorial services;

3.1. To provide conditions on the use of multi-year contracts for security and janitorial services.

4.0 ADDITIONAL SET OF TECHNICAL PARAMETERS

4.1 Procuring entities are highly encouraged to evaluate the technical proposal of bidders using the additional set of parameters prescribed in Appendix A of these guidelines. However, considering that procuring entities have different needs and requirements, the minimum standard for each parameter shall be determined by the procuring entity.

Additional technical parameters and minimum standard for each parameter must be expressly stated under Section VII Technical Specifications of the Philippine Bidding Documents for the Procurement of Goods (PBDs).

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[Appendix19 GUIDELINES FOR SHOPPING AND SMALL VALUE PROCUREMENT](#)

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3.4 **Fortuitous Event.** Refers to an occurrence or happening which could not be foreseen, or even if foreseen, is inevitable. It is necessary that the contractor or supplier is free from negligence. Fortuitous events may be produced by two (2) general causes: (1) by Nature, such as but not limited to, earthquakes, storms, floods, epidemics, fires, and (2) by the act of man, such as but not limited to, armed invasion, attack by bandits governmental prohibitions, robbery, provided that they have the force of an imposition which the contractor or supplier could not have resisted.

3.5 **WPI.** Refers to the Wholesale Price Index, which measures the monthly changes in the general price level of commodities, usually in large quantities, that flow into the wholesale trading system.

3.6 **CPI.** Refers to the Consumer Price Index, which measures the monthly changes in the average retail prices of goods and services commonly purchased by a particular group of people in a particular area.

3.7 **PPI.** Refers to the Producer Price Index, which measures the average change in the unit price of a commodity as it leaves the establishment of the producer.

4. EXTRAORDINARY CIRCUMSTANCES

For purposes of these Guidelines, the term "extraordinary circumstances" shall refer to the following articles of the Civil Code of the Philippines:

4.1 Article 1174, as it pertains to Ordinary Fortuitous Events or those events which ordinarily happen or which could be reasonably foreseen but are inevitable, such as, but not limited to the following:

- a. Typhoons;
- b. Thunderstorms;
- c. Flooding of lowly areas; and
- d. Vehicular accidents

Provided that the following requisites are present:

- (i) The cause of the extraordinary circumstance must be independent of the will of the parties;
- (ii) The event must be either unforeseeable or unavoidable;
- (iii) The event must be such as to render it difficult but not impossible for the supplier or contractor to fulfill his obligation in a normal manner or within the contemplation of the parties;
- (iv) The supplier or contractor must be free from any participation in or aggravation of the injury to the procuring entity; and
- (v) The allowance for price escalation should an ordinary fortuitous event occur is stipulated by the parties or the nature of the obligation requires the assumption of risk.

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5.9 Finality of Decision

The decision of the agency shall become final and executory after the lapse of seven (7) calendar days from the receipt of the notice of decision or resolution on the motion for reconsideration. If a protest is filed, the affirmed, modified or reversed decision shall become final and executory upon receipt thereof by the agency and person/entity concerned.

Upon finality of the decision suspending the contractor, the Head of Procuring Entity or appellate authority shall issue a Blacklisting Order disqualifying the erring contractor from participating in the bidding of all government projects.

6. PROCEDURE FOR BLACKLISTING DURING THE CONTRACT IMPLEMENTATION STAGE

Upon termination of contract due to default of the contractor, the Head of the Procuring Entity shall immediately issue a Blacklisting Order disqualifying the erring contractor from participating in the bidding of all government projects. The performance security of said contractor shall also be forfeited.

7. STATUS OF BLACKLISTED PERSON/ENTITY

Before the issuance of a Blacklisting Order, the erring contractor may participate in the procurement of any government project except in the agency where he is suspended. But if Blacklisting Order is issued prior to the date of the notice of award (NOA), the blacklisted person/entity shall not be qualified for award and such project/contract shall be awarded to another bidder pursuant to R.A. 9184 and its IRR.

If the Blacklisting Order is issued after award of a government project/contract to the blacklisted person/entity, the awarded project/contract shall not be prejudiced by the said order: *Provided, however*, that the said offense(s) committed by the blacklisted person/entity is/are not connected with the awarded project/contract.

8. DELISTING

8.1 A blacklisted person/entity shall be automatically delisted after the period for the penalty shall have elapsed, unless the blacklisting agency requests the GPPB to maintain the blacklisted person/entity in the GPPB Consolidated Blacklisting Report due to justifiable reasons. In the latter case, the blacklisted person/entity shall be delisted only upon the backlisting agency's issuance of a Delisting Order.

9. METHODOLOGY FOR NOTIFICATION TO THE GPPB

9.1. Unless otherwise provided in these guidelines, the blacklisting agency concerned shall submit to the GPPB, within seven (7) calendar days after the issuance of the blacklisting order/delisting orders made by the agency, the following documents:

- a) Blacklisting Order duly signed by the Head of the Procuring Entity/appellate authority containing, among others, Department/Office Order or Board Resolution number, name and address of the blacklisted person/entity, license number, if applicable, Authorized Managing Officer (AMO), name of project/contract and location/amount, specific ground(s)/offense(s)

committed as provided in Section 4 hereof, sanction imposed and its date of start and completion, date of issuance of the order to blacklist, and other conditions which can extend duration of sanctions in Sections 4 hereof.

b) Delisting Order duly signed by the blacklisting agency containing, among others, Department/Office Order or Board Resolution number, name and address of the blacklisted person/entity, name of project/contract and location, specific sanction being lifted and the number of previously issued blacklisting Department/Office Orders or Board Resolutions, effectivity date of delisting, and date of delisting approval.

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- a) that the contract is being terminated for any of the ground(s) afore-mentioned, and a statement of the acts that constitute the ground(s) constituting the same;
- b) the extent of termination, whether in whole or in part;
- c) an instruction to the Supplier/Contractor/Consultant to show cause as to why the contract should not be terminated; and
- d) special instructions of the Procuring Entity, if any.

The Notice to Terminate shall be accompanied by a copy of the Verified Report.

3. Show Cause. Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier/Contractor/Consultant shall submit to the Head of the Procuring Entity a verified position paper stating why the contract should not be terminated.

If the Supplier/Contractor/Consultant fails to show cause after the lapse of the seven (7) day period, either by inaction or by default, the Head of the Procuring Entity shall issue an order terminating the contract.

4. Rescission of Notice of Termination. The Procuring Entity may, at anytime before receipt of the Supplier's/Contractor's/Consultant's verified position paper to withdraw the Notice to Terminate if it is determined that certain items or works subject of the notice had been completed, delivered, or performed before the Supplier's/Contractor's/Consultant's receipt of the notice.

5. Decision. Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the Head of the Procuring Entity shall decide whether or not to terminate the contract. It shall serve a written notice to the Supplier/Contractor/Consultant of its decision and, unless otherwise provided, the Contract is deemed terminated from receipt of the Supplier/Contractor/Consultant of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate.

6. Contract Termination Review Committee (CTRC). The Head of the Procuring Entity may create a committee to assist him in the discharge of his function under these Guidelines. All decisions recommended by the CTRC shall be subject to the approval of the Head of the Procuring Entity.

7. Take-over of Contracts. If a Procuring Entity terminates the contract due to default, insolvency, or for cause, it may enter into a negotiated procurement pursuant to Section 53(c) of R.A. 9184 and its IRR.

8. Procuring Entity's Options in Termination for Convenience in Contracts for Goods. The goods that have been performed or are ready for delivery within thirty (30) calendar days after the Supplier's receipt of Notice to Terminate shall be accepted by the Procuring Entity at the contract terms and prices. For goods not yet performed or ready for delivery, the Procuring Entity may elect:

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5.3 The SND or his duly authorized representative shall approve projects undertaken by administration, In accordance with the provisions of Section 23.5 of the Implementing Rules and Regulation (IRR) of Republic Act 9184 (R.A. 9184). If the end-user is another government entity, the Chief of Engineers of the AFP or the Engineering Brigade Commander concerned and the Head of the End-User Agency or his duly authorized representative shall enter into a Memorandum of Agreement (MOA), subject to the approval of the AFP Chief-of-Staff and the SND or his duly authorized representative.

6.0 FUNDS MANAGEMENT

6.1 The approved MOA or the Memorandum shall be the basis for the transfer of funds from the End-user Agency to the GHQ-AFP. The funds shall be taken up in the Trust Account for Inter-Agency Transferred Funds for Infrastructure, which will be set up in the books of accounts of the GHQ-AFP. The GHQ-AFP shall release the funds and corresponding Cash Cover to the Implementing Unit subject to the conditions herein specified.

6.2 Liquidation for funds transferred shall be the responsibility of the Implementing Unit, subject to existing COA rules and regulations.

7.0 ARCHITECTURAL AND ENGINEERING (A&E;) AND ADMINISTRATION AND SUPERVISION (A&S;) EXPENSES

The budget for the project may include a provision for Architectural and Engineering (A&E;), as well as Administration and Supervision (A&S;) expenses, as necessary. A&E; expenses shall be used to support the preparation of plans, specifications, estimates and other documents related to and necessary for the commencement of the project. A&S; expenses, on the other hand, shall be used to support the project management requirements of the unit, including, but not limited to, material testing and quality control, travel for project inspection, and overhead expenses. The SND shall issue guidelines to determine the appropriate amount of A&E; as well as A&S; expenses. For projects funded by other agencies, however, A&E; expenses shall not exceed three percent (3%) of the project cost, and A&S; expenses shall not exceed three percent (3%) of the project cost, to be supported by the approved program of work in the MOA.

8.0 PROCUREMENT OF EQUIPMENT, SUPPLIES AND MATERIALS, AND SERVICES FOR THE PROJECTS UNDERTAKEN BY AFPCOE

8.1 Subject to the agreement of the DND-AFP and the End-user Agency, either the DND BAC or AFP BAC, or End-user Agency BAC shall handle all procurement of equipment, labor, supplies, materials, consultancy services and other requirements of the AFPCOE in the implementation of its mandate. In case the End-user Agency is responsible for the procurement of construction supplies and materials, the Implementing Unit shall be responsible only for hiring of labor, provision of equipment, and project management.

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4.3. In the procurement of consulting services, foreign consultants may be hired if local consultants do not have the sufficient expertise, capability, and capacity to render the services required under the project, as determined by the head of the procuring entity, in accordance with Section 24.3.3 of the IRR of R.A. 9184. 104

5. GOODS ARE NOT AVAILABLE FROM LOCAL SUPPLIERS

5.1. In the procurement of goods not available from Local Suppliers, the procuring entity may invite foreign suppliers, manufacturers and/or distributors to participate in the procurement process.

5.2. For purposes of these guidelines, goods are not available from Local Suppliers when, at any time before advertisement for their procurement, it is determined that no Local Supplier is capable to supply the required goods to the Government, in which case, foreign suppliers, manufacturers and/or distributors may be invited to participate in the bidding. Therefore, the head of the procuring entity or his duly authorized representative shall certify that, after diligent market research conducted by the procuring entity, the goods sought to be procured are not available from Local Suppliers. In addition, when applicable, the procuring entity shall secure a certification from the appropriate Government regulatory body, such as, but not limited to, the Bureau of Product Standards of the Department of Trade and Industry (DTI) for electrical products, mechanical/building & construction materials, chemicals, foods and other consumer products, and the Bureau of Food and Drugs of the Department of Health (DOH) for drugs, medicine, and other related medical devices, that based on its available records, the goods sought to be procured are not available from Local Suppliers.

5.3. If despite the availability of the goods sought to be procured, no local supplier is interested to participate in the procurement process, the head of the procuring entity shall certify that it has advertised the same for public bidding and shall make a statement that no local supplier participated in the bidding and that the same is due to reasons not attributable to the procuring entity.

5.4. In the case mentioned in Item 5.3, for purposes of inviting foreign suppliers, the bidding requirements and conditions, as advertised, shall not be modified or changed. Otherwise, modifications and/or changes in the requirements and conditions of the bidding shall disallow the procuring entity to resort to invitation of foreign bidders.

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4.1.2. In the preparation of the Annual Procurement Plan, the procuring entity shall disaggregate, when applicable, the funds allocated for the project and the provisional sum. The sum total of both funds shall be the ABC.

4.2. The face value of the LC shall be determined in accordance with the following procedures which shall be stated in the bidding documents:

4.2.1. The amount of the foreign-denominated portion of the bid stated in the contract shall be converted to Philippine peso based on the foreign exchange rate at the date of the LC opening.

4.2.2. If at the date of LC opening, the said peso equivalent is lower than the peso amount stated in the contract, the face value of the LC shall be the full amount of the foreign-denominated portion of the bid stated in the contract.

4.2.3. If at the date of LC opening, the said peso equivalent is higher than the peso amount stated in the contract, the face value of the LC shall be the full amount of the foreign-denominated portion of the bid stated in the contract, in which case, the provisional sum shall be used to cover the difference.

4.2.4. If the effect of the foreign exchange fluctuation exceeds the provisional sum, the excess thereof shall be borne by the bidder; and the face value of the LC shall be the foreign equivalent of the peso contract price plus the provisional sum.

4.3. All charges for the opening of the LC and/or incidental expenses thereto (i.e., bank commission, documentary stamp tax, cable, etc.) shall be for the account of the supplier and shall be so stated In the bidding documents.

5. SUBMISSION AND EVALUATION OF BIDS

5.1. All bids may be denominated wholly in local currency or wholly in foreign currency or a combination thereof; provided, however, that foreign component of bids shall cover only imported goods as supported by import documents.

5.2. For purposes of bid evaluation and comparison, bids denominated, in whole or in part, in foreign currency shall be converted to Philippine currency based on the exchange rate prevailing on the day of the bid opening.

6. CONTRACT PRICES

6.1. As a general rule, Contracts shall be denominated and paid in Philippine currency, except when the procuring entity agrees that obligations shall be settled in any other currency, subject to conditions provided for under these guidelines.

6.1.1. In case procurement is done through competitive bidding and offers are received in foreign currency, the foreign bid shall, in determining the contract price, be converted to Philippine Peso based on the prevailing rate on the date of bid opening.

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2. The claimant(s) shall be entitled to indemnification for any injury or disability resulting from the performance of their official functions as defined by law and without any contributory negligence on their part, Provided further, that they exercised due diligence to prevent harm or injury to themselves.
3. The claimant or his/her relatives must notify the head of the procuring entity within seven (7) calendar days from the occurrence of the injury or disability.
4. The medical assistance herein provided shall consist of indemnification for medicines, laboratory and hospitalization expenses, provided that the amount claimed shall not exceed the actual amount incurred, substantiated by receipts and other supporting documents.
5. Indemnification shall only be made upon presentation of the proof of payment in connection with the injury or disability suffered.
6. The medical assistance granted herein shall be granted to the claimant as a matter of right and subject to the conditions mandated by law.

5. PROCEDURE FOR GRANTING LEGAL ASSISTANCE AND INDEMNIFICATION OF BAC MEMBERS

- 5.1. The claimants) shall file their respective claim(s) for legal assistance, liability insurance, or medical assistance as the case may be, with the head of the procuring entity; and shall secure the approval of the latter on the terms and conditions of the engagement of counsel.
- 5.2. The head of the procuring entity shall be given at least fifteen (15) to thirty (30).calendar days to examine, review, verify and validate the authenticity of the documents presented by the claimant.
- 5.3. Upon finding that all the requirements have been duly complied with and that all the necessary documents submitted are genuine, it shall then order the processing of the claims and the subsequent release of funds for the approved claims.
- 5.4. Any expenses incurred in advance by the claimant arising from the performance of his official functions in such capacity shall be subject to reimbursement upon submission of the necessary documents and approval thereof by the head of the procuring entity.
- 5.5. If the BAC member or its support staff is found to be not guilty for gross negligence, misconduct, or grave abuse of discretion, he shall liquidate his cash advances by presenting receipts of payment and other necessary documents mentioned in Item 5.2. On the other hand, if the BAC member or its support staff is found to be guilty for gross negligence, misconduct, or grave abuse of discretion, he shall pay the cash advances made through salary deductions or reimbursement.

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Fees from contractor/supplier registry;
Fees charged for copies of minutes of bid openings, MC resolutions and other MC documents;
Protest fees; and,
Proceeds from bid security forfeiture.

3.1.2 Savings realized from the current year specific budget of the agency under the General Appropriation Act (GAA)

3.1.3 In the case of GOCCs, savings from the DBM-approved corporate operating budgets.

3.1.4 In the case of LGUs, savings from the local budgets approved by their respective Sanggunian subject to the pertinent provisions of R.A. 7160 (Local Government Code of 1991). Savings refer to portions or balances of agencies' budgets as referred to in

3.2 Savings refer to portions or balances of agencies' budgets as referred to in items 3.1.2, 3.1.3 and 3.1.4 free above, from any obligation of encumbrance which are:

3.2.1 still available after the completion or final discontinuance or abandonment of the work, activity or purpose for which the appropriation is authorized;

3.2.2 arising from unpaid compensation and related costs pertaining to vacant positions and leaves of absences without pay; and,

3.2.3 realized from the implementation of collective negotiation agreements which resulted in improved systems and efficiencies and thus enabled an agency to meet and deliver the required or planned targets, programs and services at lesser cost.

3.3 In the use of savings, priority shall be given to augmentation of the amounts set aside for mandatory expenditure items provided under the General Provisions of the General Appropriations Act (GM). It is understood that the use of agency savings for payment of honoraria and overtime pay for procurement activities shall be made only after satisfying said mandatory expenditure items.

3.4 The manner of payment of honoraria and overtime pay to entitled government personnel to be charged against collections from successfully completed procurement projects (activities prior to awarding of contracts to winning bidders) enumerated under item 6.1.1 and savings cited under item 6.2 shall be in accordance with item 6.5, except use of savings by national government agencies which shall follow the General Provision of the GM on the disbursement of funds, i.e., through the National Treasury and/or authorized servicing banks under the Modified Disbursement Scheme.

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- a. emergency arising from natural calamities or where immediate action is necessary to prevent imminent loss of life or property;
- b. to comply with government commitments, as certified by the concerned government authority;
- c. failure to award a contract after competitive bidding for a valid cause;
- d. termination or rescission of contract;
- e. areas with critical peace and order problems as certified by the Local Peace and Order Council;

PROVIDED, that prior authority shall be obtained from the Secretary of Public Works and Highways, if the project cost is Twenty Million (Php20,000,000) up to Fifty Million Pesos (Php50,090,000.00), or from the President of the Philippines, upon the favorable recommendation of the Secretary of Public Works and Highways, if the project cost is more than Fifty Million Pesos (Php50,000,000.00).¹²²

3.4 No contractor shall be used by the procuring entity, directly or indirectly for works undertaken by administration.

3.5 Procurement of tools and construction equipment shall be subject to the rules on public bidding.

3.6 For projects funded by the National Government and implemented by a Local Government Unit, the latter shall be required to post the necessary warranty security in accordance with Section 62 of RA 9184 and its IRR.¹²³

3.7 The manual labor component of projects undertaken by administration may be undertaken in-house by the implementing agency concerned, by job-order or through the pakyaw contracting system. In-house labor is undertaken If the workers are employees or personnel occupying regular plantilla positions in the implementing agency. Job-order contracts shall be governed by relevant Commission on Audit (WA) and/or Civil Service Commission (CSC) rules.

4.0 Pakyaw Contracting System

4.1 Pakyaw labor shall be drawn from the vicinity of the project, or Pakyaw labor groups belong to various Barangay Associations contiguous to the project'site. Unskilled labor should be drawn from the Barangay where the project Is located; semi-skilled labor shall be recruited within the municipality, preferably within the Barangay; skilled labor shall be recruited within province but preferably within the Barangay/Municipality.

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Amended through GPPB Resolution 07-2009, dated 30 September 2009, published to the Daily Tribune on 2 December 2009 As amended by GPPB-Resolution 03-2011, dated 28 January 2011, published in the Manila Times on 6 April 2011

3.2.1.1 Contractual agreements previously entered into with telecommunication companies shall be respected.

3.2.1.2 At the end of each year, however, the procuring entity must assess the quality of service provided by its telecommunication service provider. For instance, it must compare the cost charged by its existing telephone or cellular phone service provider and the range of services it offers as against other service providers in the area.

3.2.1.3 If results of said assessment or cost-benefit analysis continue to favor the existing service provider, then the procuring entity may simply renew its services. If it does not, then the procuring entity should bid said services in accordance with Subsection

3.2.2 of these guidelines.

3.2.1.4 Repeat order under Section 51 of R.A. 9184 may be resorted to by the procuring entity if additional lines are needed during the year. For this purpose, the requirement under Section 51 (c) of the IFtR that the repeat order may only be availed of within six (6) months from the effectivity period stated in the Notice to Proceed arising from the original contract may be dispensed with.¹²⁷

3.2.2 *New Lines*

If the procuring entity does not have an existing telephone service contractor or, after conduct of a cost-benefit analysis as required in the preceding subsection, is not satisfied with the performance of its previous service contractor, the following procurement methods are prescribed:

3.2.2.1 If there is more than one service contractor operating within the area, competitive public bidding;

3.2.2.2 If there is only one service contractor operating within the area, direct contracting.

3.3 *Internet Service Providers (ISP)*

3.3.1 *Existing ISPs*

ISPs provide the initial Infrastructure requirements (e.g., cabling) necessary in the provision of Internet access. Changing ISPs every year may therefore prove to be more costly to government as every new ISP would have to charge the procuring entity for this initial investment. Further, changing ISPs

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a. **Cost-benefit Analysis.** Refers to a tool used to aid decision-making by evaluating the benefits to be attained from an action against the costs for its implementation.

b. **Procuring Agency** shall refer to any of the various units of the Government, including a department, bureau, office, instrumentality, government-owned or controlled corporation (GOCC), or a local government, or a distinct unit therein, which purchases goods, or engages the services of another agency to undertake an infrastructure project or render consultancy services.

c. **Servicing Agency** shall refer to the agency which delivers the goods, undertakes the infrastructure project, or provide consulting services.

5. GENERAL CONDITIONS

a. Agency-to-Agency Agreements may only be resorted to if the following conditions are complied with:

- i. Conduct of a Cost-benefit Analysis by the Procuring Agency indicating that entering into an Agency-to-Agency Agreement with the Servicing Agency is more efficient and economical for the government;
- ii Total amount of all goods, consulting, and infrastructure projects undertaken or to be undertaken through Agency-to-Agency Agreements shall not exceed twenty-five percent (25%) of the Procuring Entity's total procurement budget for each category (i.e., goods, infrastructure, or consulting) as reflected in Its approved APP;
- iii. Servicing Agency has the mandate to deliver the goods and services required to be procured or to undertake the infrastructure project or consultancy required by the Procuring Agency; and
- iv. Servicing Agency owns or has access to the necessary tools and equipment required for the project.

b. In addition, for procurement of infrastructure projects under Agency-to-Agency agreements, the Servicing Agency must comply with the following conditions:

- i. It must have a track record of having completed, or supervised a project, by administration or by contract, similar to and with a cost of at least fifty percent (50%) of the project at hand; and
- ii. It shall not directly or indirectly engage private contractors to undertake the project and may only implement the infrastructure project in-house, by job-order, or through the *pakyaw* contracting system.

In-house labor is undertaken if the workers are employees or personnel *occupying* regular *plantilla* positions in the Servicing Agency. Job-Order

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As amended by GPPB Resolution 12-2013, dated 26 April 2013, published in the Manila Times on 12 November 2013

As amended by GPPB Resolution 20-2012, dated 27 July 2012, published in the Malaya Business Insight on 21 March 2014

POL requirements shall be considered major if the use of the same are necessary in the primary operation of the procuring entity and in the prosecution of its principal mandate. The duration of the contract to cover the POL requirement of the procuring entity shall not exceed one (1) year, without prejudice to the applicability of any guidelines that may govern multi-year contracts.

5. INDEX-BASED PRICING FOR PETROLEUM, OIL AND LUBRICANT PRODUCTS

5.1. The WPP index shall be used in the procurement of the following products:

- i. Premium, Unleaded or Regular Gasoline;
- ii. Automotive Diesel Oil
- iii. Jet A-1;
- iv. AVGAS

5.2. The MOPS index shall be used in the procurement of the following products:

- i. Industrial Fuel Oil;
- ii. Low Sulfur Fuel Oil; and
- iii. Industrial Diesel Oil

5.3. In the procurement of all types of lubricant products, the procuring entity may adopt either a fixed or index-based pricing. If its assessment or costbenefit analysis indicates that index-based pricing is more advantageous, then it shall adopt the ICIS-LOR index.

5.4. The foregoing list shall be subject to annual review, modification or reclassification by the GPPB, or as often as it deems necessary.

6. WPP, MOPS AND ICIS- LOR- BASED PRICING SCHEME

6.1. For the procurement of products using the WPP index, the Bid Price shall be determined based on the prospective supplier's WPP ten (10) days prior to the date of bid opening as verified with the Oil Industry Management Bureau of the Department of Energy, subject to the rules under Item 7 hereunder. 6.2. For the procurement of products using the MOPS index, the Bid Price shall be determined based on the average MOPS of the immediately preceding calendar month prior to the date of bid opening, subject to the rules under Item 7 hereunder. 6.3 For the procurement of lubricant products using the ICIS-LOR index, the Bid Price shall be determined based on the average ICIS-LOR assessments of the immediately preceding calendar month prior to the date of bid opening as officially released by ICIS-LOR, Singapore.

7. BID AND CONTRACT PRICES

7.1. Bid Prices for procurement using the WPP index shall be the individual WPP of the prospective supplier less the discounts given, if any, plus delivery cost. On the other hand, the Bid Price for procurement using the MOPS and ICISLOR indices in accordance with Sections 5.2 and 5.3 hereof shall be the MOPS or ICIS-LOR plus premium and delivery cost charged by the bidder.

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awarded but not yet started, if any in accordance with Section 23.1 (a) (iii) of the IRA's " of R.A. 9184;

h) In the case of procurement of infrastructure projects, the prospective bidder's statement of:

h.1 Availability of its key personnel, such as project managers, project engineers, materials engineers and foremen, that may be used for construction contracts;

h.2 Personnel performing functions that are regulated by laws of the Philippines are registered professionals authorized by the appropriate regulatory body to practice those and allied professions

h.3 Availability of equipment that it owns, has under lease, and/or has under purchase agreements that may be used for construction contracts, provided that ownership of equipment is not a requisite for eligibility.

Financial Documents

i) Audited financial statements for the past three (3) years, stamped "received" by the BIR or its duly accredited and authorized institutions, showing, among others, its total and current assets and liabilities.

6.6 After submission of the eligibility documents, the procuring entity shall enter into a Memorandum of Agreement (MOA) with the NGO which prescribes:

- a) the terms of reference for the project
- b) commitment to comply with technical requirements of the project
- c) systems and procedures for project monitoring and implementation
- d) timelines, such as, but not limited to, date of completion, periodic inspection or evaluation schedule, and reporting
- e) terms of payment, which shall be in accordance with item 7 herein

6.7 To guarantee its faithful performance, the selected NGO shall post a Performance Security upon the signing of the MOA in accordance with Section 39 of the IRR.

6.8 After performance of its obligations under the MOA, the selected NGO shall likewise submit a warranty security in accordance with Section 62 of the IRR.

7. TERMS OF PAYMENT

7.1 Payment to the NGO shall be made on a staggered basis. As a general rule, the selected NGO shall not receive additional payment unless reporting/liquidation requirements of the previous payment shall have been complied with.

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The performance criteria to be applied shall include, among others, the following:

- (i) quality of service delivered;
- (ii) time management;
- (iii) management and suitability of personnel;
- (iv) contract administration and management; and
- (v) provision of regular progress reports.

5.5. Before end of each year, procuring entities shall conduct an assessment or evaluation of the performance of the service provider/contractor based on the set of performance criteria prescribed under Section VII. Technical Specifications.

5.6. Based on its assessment, the procuring entity may pre-terminate the contract for failure by the service provider/contractor to perform its obligations thereon following the procedure prescribed under the Guidelines on Termination of Contracts issued by the Government Procurement Policy Board under Resolution No.018-2004 dated 22 December 2004.

6.0 EFFECTIVITY

These Guidelines shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies of these guidelines.

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Issued through GPPB Resolution 024-2007, dated 28 September 2007, and published in the Manila Times on 26 October 2007

REVISED GUIDELINES ON THE EXTENSION OF CONTRACTS FOR GENERAL SUPPORT SERVICES

1.0 POLICY STATEMENT

As a general policy, extensions of contracts for general support services are discouraged.

2.0 PURPOSE

These guidelines are formulated to identify the conditions for the allowance of contract extension and to prescribe the rules and procedures governing the same, for the purpose of averting hiatus in support services essential, indispensable, or necessary in the operations of a procuring entity.

3.0 SCOPE AND APPLICATION

These guidelines shall govern the extension of ongoing contracts of general support services which are essential, indispensable, or necessary to support the operations of any of the procuring entities or for the enhancement of the welfare of its personnel to include, but shall not be limited to, non-personal or contractual services such as maintenance of equipment and furniture, janitorial and security services. However, these guidelines shall not apply to contracts with water, electricity, telecommunications, and internet service providers, which shall be governed by the Guidelines on Procurement of Water, Electricity, Telecommunications and Internet Service Providers provided issued by the Government Procurement Policy Board under Resolution No. 19-2006, dated 6 December 2006.

4.0 GENERAL CONDITIONS FOR EXTENSION

Procuring entities may extend the duration or effectivity of an ongoing contract about to expire, under the following conditions:

4.1 No contract extension shall exceed one (1) year.

4.2 The original contract subject of the extension was awarded in accordance with the provisions of Republic Act 9184 (R.A. 9184) and its Implementing Rules and Regulations (IRR).

4.3 The procuring entity concerned has substantially undertaken the procurement activities required prior to award of the new contract under R.A. 9184 and its IRR.

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As amended by GPPB Resolution 03-2011, dated 28 January 2011, published in the Manila Times on 6 April 2011

APPENDIX C

TABLE OF RATING FACTORS FOR LEASE OF VENUE

	RATING FACTORS	WEIGHT %	RATING
I.	Availability	100	
II.	Location and Site Condition	(50)	
	1. Accessibility	(50)	
	2. Parking space	100	
III.	Neighborhood Data		
	1. Sanitation and health condition	(25)	
	2. Police and fire station	(25)	
	3. Restaurant	(25)	
	4. Banking and Postal	(25)	
		100	
IV.	Venue		
	a. Structural condition	(20)	
	b. Functionality		
	a. Conference Rooms	(10)	
	b. Room arrangement (e.g., single, double, etc.)	(5)	
	c. Light, ventilation, and a conditioning	(5)	
	d. Space requirements	(5)	
	c. Facilities		
	a. Water supply and toilet	(4)	
	b. Lighting system	(5)	
	c. Elevators	(4)	
	d. Fire Escapes	(4)	
	e. Firefighting equipment	(4)	
	f. Internet Telecommunication	(4)	
	g. Audio visual equipment	(5)	
	d. Other requirements		
	a. Maintenance	(5)	
	b. Attractiveness	(5)	
	c. Security	(5)	
	e. Catering Services	(5)	
	f. Clients satisfactory rating	(5)	
		100	
I.	Availability	X (.5) =	
II.	Location and Site Condition	X (.1) =	

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APPENDIX 19 GUIDELINES FOR SHOPPING AND SMALL VALUE PROCUREMENT

1. SCOPE AND PURPOSE

These Guidelines shall prescribe the general procedures for procurement through:

- a. Shopping of readily available off-the-shelf goods, or ordinary/regular equipment under Section 52.1 of the Implementing Rules and Regulations (IRR) of Republic Act No. 9184; and
- b. Small Value Procurement of goods, infrastructure projects, and consulting services under Section 53.9 of the IRR.

2. GENERAL GUIDELINES

- a. The decision to resort to Shopping or Small Value Procurement shall be reflected in the Annual Procurement Plan and must take into consideration the annual procurement requirements of the item to be procured and other market factors, such as fluctuations in prices.
- b. Splitting of contracts is strictly prohibited. Splitting of contracts means the breaking up of contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or subcontracts, for the purpose of making it fall below the threshold for shopping or small value procurement, or evading or circumventing the requirement of public bidding.
- c. After the decision to resort to Shopping or Small Value procurement has been made, the conduct thereof may be delegated to the appropriate bureau, committee, or support unit duly authorized by the Bids and Awards Committee.

3. PROCEDURAL GUIDELINES

- a. The Request for Quotation (RFQ), indicating the specification, quantity, Approved Budget for the Contract (ABC), and other terms and conditions of the item to be procured, shall be prepared.
- b. The RFQ must also prescribe the manner by which price quotations shall be submitted i.e., by sealed or open quotation, and the deadline for their submission. In all instances, however, information relating to the examination, evaluation, and comparison of price quotations shall be kept confidential and should not be disclosed to any other party except to those officially concerned until award of contract.
- c. The RFQ shall be sent to at least three (3) suppliers, contractors, or consultants of known qualifications. However, during unforeseen contingencies requiring immediate purchase under Section 52.1(a) of the IRR, the RFQ may be sent to only one (1) supplier.

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221. Form 116-Statement of Receipt of Duties Collections on Informal Entry
222. Short Term Promissory Note
223. Certificate of Competency-Seafarers
224. Vehicle Pass
- 225 Boat Note
226. Authority to Withdraw
227. Computation Sheet
228. Authority to Issue
229. Empty Sack Receipt
230. Empty Sack Issue
231. Gas & Oil Issuance Slip
232. Guidance & Counseling Certificate
233. Electronic Letter of Authority
234. Tax Payer's Information sheet
235. Provisional Receipts
236. Provisional receipts
237. Special Allotment Release Order
238. Notice of Cash allocation
239. Service Stamps
240. Authentication Certificate
241. Postal ID's
242. Diplomas
243. Transcript of Records
244. Registration Forms
245. Departure and Arrival Card
246. Terminal Fees Tickets
247. Permit to Carry Firearms
248. Motor Vehicle Registration Certificate
249. Parking Tickets
250. Market Tickets
251. All Official Receipts of Provincial and Treasurer's Offices of Local Government Units
252. Dangerous Drugs prescription Form
253. All accountable forms of government hospitals
254. Seaman's Book
255. Passport
256. Documentary Stamps

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5. **Environment** pertains, but is not limited, to the following sectors/services:

- a) Environment and biodiversity
- b) Forestry
- c) Geosciences
- d) Land management
- e) Mining and mineral resources
- f) Waste management
- g) Water resources management
- h) Water supply and sanitation

6. **Finance** pertains, but is not limited, to the following sectors/services:

- a) Banking system
- b) Business and other services
- c) Capital markets and funds
- d) Finance sector development and reforms
- e) Housing finance
- f) Micro finance
- g) Pension, insurance, social security and savings
- h) Public finance and expense management

7. **Health and Social Welfare** pertains, but is not limited, to the following sectors/services:

- a) Early childhood development
- b) Health and social services attached to wider programs
- c) Health program
- d) Nutrition
- e) Social protection

8. **Information and Communications Technology** pertains, but is not limited, to the following sectors/services:

- a) Hardware which includes: Processing and Storage, Communications, and Data Center Management
- b) Software which includes: Applications, Databases, Information Security, Network, and Web Development/E-Commerce
- c) ICT Management which includes: Strategic Planning, Project Management, Resource/Capacity Planning and Management, Systems Audit, Virtualization/Cloud Computing, Business Process, Change Management, Risk Management/Business Continuity, and Systems Administration.

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7. ORDERING AGREEMENT

7.1. Within ten (10) calendar days from receipt by the winning bidder of the Notice of Award, the winning bidder or its duly authorized representative shall formally enter into an Ordering Agreement with the procuring entity for an amount of One Peso to be paid by the procuring entity as a consideration for the option granted to the procuring entity to buy the items in the Order Agreement List when the need arises.

7.2. Ordering Agreements shall not state or imply any agreement by the procuring entity to place future contracts or make orders with the supplier/service provider.

7.3. Ordering Agreements shall include the following: (a) Order Agreement List; (b) a fixed contract price per item/service specified in the Order Agreement List; (c) delivery/service terms and conditions; (d) terms of payment; (e) specify that the perfection of the actual procurement contract shall be reckoned from the execution and issuance of the Delivery Order Contract; and (f) statement that upon the execution and issuance of the Delivery Order Contract, all rules and guidelines governing implementation of procurement contracts under RA 9184 and its IRR shall be applicable.

7.4. No modification of the Ordering Agreement during its lifetime shall be allowed.

7.5. Ordering Agreements, including the Order Agreement List, shall be valid only for the period stated in the Bidding Documents which, in no case shall exceed one (1) year from the time the Ordering Agreement was entered into and executed by the parties, and shall not be extended beyond its lifetime.

7.6. To guarantee the faithful performance by the supplier/service provider of its obligations under the Ordering Agreement, it shall post a performance security prior to the signing of the agreement based on the total contract price of the awarded items under the Ordering Agreement. The form and amount of performance security shall be those indicated in RA 9184 and its IRR.

8. DELIVERY ORDER CONTRACTS

8.1. When the procuring entity has determined the necessity for one or more of the items covered in the Ordering Agreement and the need to actually order these, it shall require the delivery of the item identified in the Order Agreement List in such quantity or scope and at the fixed price for which it was awarded by executing a Delivery Order Contract in favor of the supplier/service provider to obligate the latter to deliver or perform according to the terms and conditions stated in the Ordering Agreement.

8.2. The procuring entity may execute as many Delivery Order Contracts for the same line item as may be needed within the validity of the Ordering Agreement; provided that subsequent Delivery Order Contracts shall have the same unit price as originally stated in the Ordering Agreement and shall not exceed the estimated quantity in the Order Agreement List.

8.3. There is no limit on the number of Delivery Order Contracts that may be executed or issued. However, the aggregate amount of all executed or issued Delivery Order Contracts shall not exceed the total contract price specified in the Ordering Agreement. No other costs are authorized unless otherwise specified in the Ordering Agreement.

8.4. The procuring entity may execute or issue Delivery Order Contracts requiring delivery to multiple destinations or performance at multiple locations.

8.5. For purposes of participation In other public bidding activities, the aggregate of the Delivery Order Contracts for a particular item satisfactorily completed by the supplier/service provider shall be considered as one (1)contract with the cumulative amount thereof as the total contract amount. In such case, the date appearing on the certificate of acceptance issued by the procuring entity for the last delivery will be considered as the date of completion of the contract.

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BID-SECURING DECLARATION

Invitation to Bid/Request for Expression of Interest No :*[insert reference number]*

To: *[Insert name and address of the Procuring Entity]*

I/We in, the undersigned, declare that:

1. I/We understand that, according to your conditions, bids must be supported by a BidSecurity, which may be in the form of a Bid-Securing Declaration.
2. I/We accept that: (a) I/we will be automatically disqualified from bidding for anycontract with any procuring entity for a period of two (2) years upon receipt of your Blacklisting Order; and, (b) I/we will pay the applicable fine provided under Section 6of the Guidelines on the Use of Bid Securing Declaration, within fifteen (15) daysfrom receipt of the written demand by the procuring entity for the commission of acts resulting to the enforcement of the bid securing declaration under Sections23.1(b), 34.2, 40.1 and 69.1, except 69.1(f), of the IRR of RA 9184; withoutprejudice to other legal action the government may undertake.
3. I/We understand that this Bid-Securing Declaration shall cease to be valid on thefollowing circumstances:
 - (a) Upon expiration of the bid validity period, or any extension thereof pursuant to your request;
 - (b) I am/we are declared ineligible or post-disqualified upon receipt of your noticeto such effect, and (i) I/we failed to timely file a request for reconsideration or(ii) I/we filed a waiver to avail of said right;
 - (c) I am/we are declared as the bidder with the Lowest Calculated and ResponsiveBM/Highest Rated and Responsive Bie, and I/we have furnished theperformance security and signed the Contract.

IN WITNESS WHEREOF, I/We have hereunto set my/our hand/s this ____ day of [month] [year] at [place of execution].

**[Insert NAME OF
BIDDER'S AUTHORIZED
REPRESENTATIVE]
[Insert signatory's legal
capacity]
Affiant**

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GUIDELINES ON THE SALE OF BIDDING DOCUMENTS

1. POLICY STATEMENT

As provided in Section 17.4 of the Implementing Rules and Regulations (IRR) of Republic Act 9184, bidders may be asked to pay for bidding documents to recover the cost of their preparation and development. The BAC shall issue the bidding documents to the prospective bidders upon payment of the corresponding cost thereof to the collecting/disbursing officer of the procuring entity concerned.

2. PURPOSE

These guidelines are formulated to provide standard rates for the sale of bidding documents to rationalize the fees primarily to regulate its price and to lessen the exercise of discretion of procuring entities so as not to discourage market participation and competition.

3. SCOPE AND APPLICATION

These guidelines shall apply to the national government, its branches, constitutional offices, departments, bureaus, offices and agencies, including state universities and colleges, government-owned and/or -controlled corporations, government financial institutions, and local government units.

4. GENERAL GUIDELINES

4.1. Procuring entities shall make the bidding documents available on the same date the advertisement and/or posting of the Invitation to Bid was made pursuant to Section 17.3 of the IRR of RA 9184.

4.2. As required in Section 21.1(f) of the IRR of PA 9184, the price of the bidding documents must be included in the Invitation to Bid/Request for Expression of Interest in order to inform all prospective bidders of the cost of its acquisition.

4.3. The BAC shall issue the bidding documents to any prospective bidder upon payment of the standard rate of the bidding documents.

4.4. The standard rate for the sale of bidding documents shall be based on the fixed rate on a fixed range approach and shall be applicable in the procurement of goods, consulting services, and the contracting for infrastructure projects by the procuring entity, whether procured by way of public bidding or any of the alternative methods of procurement that utilize processes and procedures in competitive bidding.

4.5. Procuring entities are proscribed to adopt any internal rule or practice that establish fees that are Inconsistent or beyond the standard rate for the sale of bidding documents set forth in these guidelines.

4.2 In the event that there is a relevant government authority, but no list exists, the procuring entity shall request the identified relevant government authority for the issuance of the list. The relevant government authority concerned shall not unduly and unreasonably delay the issuance of such list. In case of non-issuance by the relevant government authority of the list, the procuring entity shall resort to open competitive bidding in its selection of supplier or consultant.

4.3 In the event that no relevant government authority exists, and/or the procuring entity represents that it is the relevant government authority, it may prepare a self-generated list of suppliers or consultants, with known experience and proven capability on the requirements of the particular contract; Provided, that it establishes, attests to such fact, and confirms that it has the expertise on the subject matter of procurement by virtue of its mandate and nature of its functions and operations; Provided, further, that in the event that the procuring entity cannot establish its expertise on the subject matter of procurement within the purview of Section 49.2 of the IRR, the procuring entity shall resort to open competitive bidding in its selection of supplier or consultant.

4.4 In preparing the pre-selected list, the BAC, possibly with the assistance of the Technical Working Group (MG), shall adopt a set of criteria to be used as basis in evaluating the capability of the entities. Said criteria shall take into consideration the following characteristics of the supplier/consultant:

- a) Capability and resources to perform the contract taking into account their experience and past performance on similar contracts;
- b) Capabilities with respect to personnel, equipment, or manufacturing facilities; and
- c) Financial position.

4.4.1 In the conduct of the pre-selection proceedings, procuring entities shall ensure that the list or source of known eligible bidders is accurate, definite, and distinct, and resorting to public bidding will not likely result in any additional suppliers or consultants participating in the bidding.

4.5 The BAC shall evaluate and submit the recommended pre-selected list to the head of the procuring entity (HOPE) for approval. The pre-selected list shall include (i) the technical specifications/terms of reference of the project, and (ii) the specific criteria used by the procuring entity for the evaluation of the preselected suppliers or consultants.

4.6 Upon approval, the HOPE shall transmit the pre-selected list to the GPPB in compliance with Section 49.2 of the IRR of RA 9184. The list must be accompanied with a certification from the HOPE: (i) justifying the recourse to Limited Source Bidding, or verifying the compliance with the criteria previously set; and (ii) certifying that the pre-selected list is a list of known suppliers or consultants where resort to public bidding will not likely result in any additional suppliers or consultants participating in the bidding.

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5.5. Approval of the application shall amount to the registration of the merchant in the GOP-OMR. Disapproval shall prevent the registration of the merchant in the GOPOMR until such time that it satisfactorily complies with the requirements.

5.6. The PhiIGEPS office shall deny registration to or exclude from the GOP-OMR any merchant (a) that is found to have willfully misrepresented any of the information provided in the application for registration, or (b) that is in the "blacklist" of a PE. For this purpose, exclusion from the registry shall result in the cancellation of the merchant's account in the PhilGEPS website.

5.6.1. This exclusionary rule also applies to any merchant that has been subjected to the blacklisting rules of foreign governments, and foreign or international financing institutions, if such rules have been recognized by the Government Procurement Policy Board (GPPB).

5.6.2. The PE shall immediately notify the PhiIGEPS office and the GPPB regarding its "blacklisting" of a merchant by forwarding a copy of the Blacklisting Order to PhiIGEPS and GPPB. Upon receipt of the Blacklisting Order, the PhiIGEPS office shall exclude the merchant from the GOP-OMR.

6. MEMBERSHIP CLASSIFICATION

6.1. The PhiIGEPS office shall develop a merchants' membership classification that will define the extent of a merchant's access to and use of the PhiIGEPS website, and include the rules and procedures for acquiring, maintaining, relinquishing, changing, or renewing a membership status in the registration procedure mentioned in Section 5.1 hereof.

6.2. Merchants shall have the option to choose its membership classification based on the categories provided by the PhiIGEPS office. Merchants shall be entitled to a Certificate of Registration and Membership depending on the chosen classification and payment of the corresponding membership fee determined by the PhiIGEPS office.

6.3. A Certificate of Registration and Membership shall be valid and effective for a period of one (1) year from the date of issuance as indicated therein. This Certificate may be renewed; provided, that the merchant maintains its records in the GOP-OMR current and updated at least once a year or more frequently as may be necessary; provided Anther, that the merchant's failure to maintain its records current and updated shall result In the downgrading of the merchant's membership classification in accordance with the procedures of the PhiIGEPS office, notwithstanding the fact that the one-year validity of the Certificate of Membership has not yet expired.

7. INTEGRATION OF EXISTING ELECTRONIC REGISTRIES

7.1. The following rules shall apply only to electronic registries that simultaneously allow submission and/or recording/entry of eligibility requirements with registration:

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d) Document issued by appropriate entity authorizing the procuring entity to Incur obligations for a specified amount; and

e) Other pertinent documents required by existing laws, rules, and/or the procuring entity concerned.

14.2 In case of approval, the Head of the Procuring Entity (HOPE) shall immediately issue the Notice of Award to the bidder with the LCRB/HRRB. In the event the Head of the Procuring Entity shall disapprove such recommendation, such disapproval shall be based only on valid, reasonable, end justifiable grounds to be expressed in writing, copy furnished the BAC.

14.3 Upon approval by the HOPE of the BAC recommendation to award the contract to the LCRB/HRRB, the Notice of Award ("NOA") shall be created by the Bid Notice Creator in the PhiIGEPS upon instruction of the HOPE, provided however, that the NOA shall only be created and issued to the LCRB/HRRB if no request for reconsideration or protest is received by, or inputted in PhiIGEPS.

14.4 Upon issuance of the NOA to the LCRB/HRRB, an electronic message shall be automatically sent to all bidders who participated informing them of the results of the bidding process.

14.5 Notwithstanding the issuance of the Notice of Award, the award of the contract shall be subject to the following conditions:

a) Submission of the following documents within the prescribed period:

i) Valid NA, if applicable, within ten (10) calendar days from receipt by the bidder of the notice from the BAC that the bidder has the LCRB or HRRB, as the case may be; or

ii) In the case of Infrastructure projects, valid PCAB license and registration for the type and cost of the contract to be bid for foreign bidders, within thirty (30) calendar days from receipt by the bidder of the notice from the BAC that the bidder has the LCRB, when the Treaty or International or Executive Agreement expressly allows submission of the PCAB license and registration for the type and cost of the contract to be as a pre-condition to the Notice of Award;

b) Posting of performance security in accordance with Section 39 of this IRR;

c) Signing of the contract as provided in Section 37.2 of the IRR; and

d) Approval by higher authority, if required, as provided in Section 37.3 of the IRR.

14.6 Contract award shall be made within the bid validity period provided in Section 28 of the IRR.

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Annex 1

System Downtime Coverage	Extension	Automatic Extension of Bid Closing Time
less than 2 hours within 6 hours prior to bid closing time/date	No	None
Greater than 2 hours	Yes	24 Hours after the PhilGEPS system has been restored
Within 2 hours prior to bid closing time	Yes	24 hours after the PhilGEPS system has been restored
> 24 hours prior to bid closing time	Yes	48 hours after the PhilGEPS system has been restored
> 48 hours prior to bid closing time	Yes	72 Hours after the PhilGEPS system has been restored

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3.2 **Award.** A written notice from the procuring entity accepting a bid or proposal.

3.3 **Blacklisting.** An administrative penalty disqualifying a person or an entity from participating in any government procurement for a given period.

3.4 **Suspension.** The administrative penalty imposed for infractions committed by a contractor during the competitive bidding stage, whereby such contractor is prohibited from further participation in the bidding process of an agency.

3.5 **Consolidated Blacklisting Report.** A report prepared by the GPPB containing the list of suppliers, manufacturers, distributors, contractors or consultants blacklisted by procuring entities.

3.6 **Contract Implementation.** A process of undertaking a project or contract in accordance with the contract documents.

3.7 **Termination of Contract.** Extinction of contract by reason of resolution or rescission under Articles 1191, 1380, 1381 of the Civil Code, Section 68 of the IRR of R.A. 9184 and other applicable laws arising from the default of the contractor.

3.8 **Delist.** Removal of a person/entity from the Consolidated Blacklisting Report.

3.9 **Blacklisted Person/Entity.** A person/entity who was disqualified by an agency and/or is included in the GPPB Consolidated Blacklisting Report.

4. SANCTIONS AND GROUNDS FOR BLACKLISTING

4.1 *Competitive Bidding Stage*

During the competitive bidding stage, pursuant to Section 69 of R.A. 9184, the procuring entity shall impose on bidders or prospective bidders the penalty of suspension for one (1) year for the first offense, suspension for two (2) years for the second offense from participating in the public bidding process, without prejudice to the imposition of additional administrative sanctions as the internal rules of the agency may provide and/or further criminal prosecution, as provided by applicable laws, for the following violations:

1. Submission of eligibility requirements containing false information or falsified documents.
2. Submission of Bids that contain false information or falsified documents, or the concealment of such information in the Bids in order to influence the outcome of eligibility screening or any other stage of the public bidding.
3. Unauthorized use of one's name, or using the name of the name of another for purpose of public bidding.
4. Withdrawal of a bid, or refusal to accept an award, or enter into contract with the government without justifiable cause, after he had been adjudged as having submitted the Lowest Calculated Responsive Bid or Highest Rated Responsive Bid.

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9. Show Cause refers to a notice which the Procuring Entity is required to issue prior to terminating a contract. The purpose of a show cause notice is to enable the contractor to present its position why the contract should not be terminated.

10. Verified Report refers to the report submitted by the Implementing Unit to the Head of the Procuring Entity setting forth its findings as to the existence of grounds or causes for termination and explicitly stating its recommendation for the issuance of a Notice to Terminate.

III. GROUNDS FOR TERMINATION OF CONTRACTS

A. Termination for Default

1. In contracts for Goods:

The Procuring Entity shall terminate a contract for default when any of the following conditions attend its implementation:

- a) Outside of *force majeure*, the Supplier fails to deliver or perform any or all of the Goods within the period(s) specified in the contract, or within any extension thereof granted by the Procuring Entity pursuant to a request made by the Supplier prior to the delay, and such failure amounts to at least ten percent (10%) of the contract price;
- b) As a result of *force majeure*, the Supplier is unable to deliver or perform any or all of the Goods, amounting to at least ten percent (10%) of the contract price, for a period of not less than sixty (60) calendar days after receipt of the notice from the Procuring Entity stating that the circumstance of force majeure is deemed to have ceased; or
- c) The Supplier fails to perform any other obligation under the Contract.

2. In contracts for Infrastructure Projects:

The Procuring Entity shall terminate a contract for default when any of the following conditions attend its implementation:

- a) Due to the Contractor's fault and while the project is on-going, it has incurred negative slippage of fifteen percent (15%) or more in accordance with Presidential Decree 1870;
- b) Due to the Contractor's fault and after the contract time has expired, it has incurred a negative slippage of ten percent (10%) or more in the completion of the work; or
- c) The Contractor:
 - i. abandons the contract works, refuses or fails to comply with a valid instruction of the Procuring Entity or fails to proceed expeditiously and without delay despite a written notice by the Procuring Entity;

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4.1 DND-AFP infrastructure project - Projects involving the construction, maintenance, and repair of facilities and utilities of the Department of National Defense (DND) Armed Forces of the Philippines (AFP), and other DND bureaus and agencies. These include infrastructure projects funded out of the DND appropriations and the proceeds of the disposition of military camps/stations under Republic Act 7227 which are intended for the replication of AFP facilities affected by such disposition.

4.2 End-User Agency infrastructure projects in high security risk areas - Projects funded by other government agencies and covered by a Memorandum of Agreement between them and the DND-AFP, to be implemented by the AFPCOE through funds transferred from the end-user agency to the DND-AFP. These include, but are not limited to, the construction and rehabilitation of roads, bridges, school buildings, housing and resettlement sites, irrigation and electrification projects and other vital facilities and utilities. However, these projects may only be undertaken by the AFPCOE in areas which are considered as high security risk areas or in areas with potential conflict or peace and order problem, as determined by the authorized officials of the DND/AFP.

4.3 Special projects - Project categorized as listed below. The project funds shall be transferred to the DND/AFP prior to the implementation of the project subject to existing laws and regulations, and guidelines that shall be formulated by the Secretary of National Defense (SND).

4.3.1 Projects directed by the President - Projects specifically directed by the President to be undertaken by the AFPCOE for the promotion of peace and order, national development, security and stability, as specified and determined by the President.

4.3.2 Projects related to Civil Defense / Disaster Relief - Projects specifically directed by the SND as Chairman of the National Disaster Coordinating Council, in support of disaster relief and rehabilitation operations.

5.0 REQUIREMENTS FOR IMPLEMENTATION

5.1 All projects undertaken by administration should be included in the Annual Procurement Plan (APP) of the end-user, unless the same is related to Civil Defense/Disaster Relief, or is an unforeseen contingency. Moreover, the AFPCOE shall only be required to prepare the Project Procurement Management Plan (PPMP) and corresponding APP for projects funded out of DND-AFP appropriations, BCDA funds, and trust receipts managed by the AFP. For projects funded out of appropriations of other agencies, it is sufficient that the project is included in the approved APP of the end-user or source agency. In all cases, there must be an approved program of work for the project.

5.2 End-user Agency may only request AFPCOE to implement projects and transfer funds to it if the End-user Agency has no proficiency to conduct the procurement, or no technical capability to undertake the project on its own, and only if the project is located in a high security risk area or in areas with potential conflict or peace and order problem, as determined by the authorized officials of the DND/AFP, except for projects under Section 4.3.1 hereof.

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3.4. **Local Consultant** refers to an individual, sole proprietorship, partnership corporation or joint venture as provided in Section 24.3.1 of the IRR of R.A. 9184 and complying with the relevant requirements therein.

3.5. **Local Contractor** refers to a Filipino citizen or sole proprietorship or partnership duly organized under the laws of the Philippines and of which at least seventy-five percent (75%) of the interest belongs to the citizens of the Philippines; or a corporation duly organized under the laws of the Philippines and of which at least seventy-five percent (75%) of the outstanding capital stock belongs to citizens of the Philippines, duly licensed under Philippine laws to undertake infrastructure activities in the Philippines.

3.6. **Local Supplier** refers to any citizen of the Philippines, or any corporate body or commercial company duly organized and registered under the laws of the Philippines where Filipino ownership or interest is at least sixty percent (60%), habitually established in business and engaged in the manufacture or sale of the merchandise or performance of the general services covered by his bid.

4. FOREIGN SUPPLIERS, CONTRACTORS, AND CONSULTANTS ELIGIB PARTICIPATE

4.1. In the procurement of goods, regardless of the procurement method used, foreign bidders may be eligible to participate under any of the following circumstances:

4.1.1. When the goods sought to be procured are not available from local suppliers, subject to Item 5 herein; or

4.1.2. When there is a need to prevent situations that defeat competition or restrain trade, subject to Item 6 herein; or

4.1.3. When the foreign supplier, manufacturer and/or distributor is a citizen, corporation or association of a country the laws or regulation of which grant reciprocal rights or privileges to citizens, corporations or associations of the Philippines, Irrespective of the availability of goods from local suppliers, subject to Item 7 herein; or,

4.1.4. When provided for under any treaty or international or executive agreement.

4.2. In the procurement of infrastructure projects, foreign contractors may be eligible to participate in the bidding when provided for under any treaty or international or executive agreement as provided under Section 23.5.2.2 of the IRR of R.A. 9184 or if they form a joint venture with local contractors; provided that their interest in or ownership of the joint venture shall not exceed twenty-five percent (25%). However, where the structures to be built require the application of techniques and/or technologies which are not adequately possessed by a person/entity which meets the seventy-five percent (75%) under Section 23.5.2.1 of the IRR of R.A.9184, they may be eligible to participate in the bidding.

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3.4. Private Legal Assistance. Refers to the services of a private lawyer or external counsel engaged by or in behalf of the members of the BAC and/ or the BAC Support Staff resulting from the filing against him of any criminal or civil action or proceeding for acts made in connection with the lawful performance of his functions.

3.5. Liability insurance. Refers to the insurance policy purchased and maintained by the procuring entity in favor of a member of the BAC and/or the BAC Support Staff against any liability asserted against or incurred by the person in any such capacity or arising out of the person's status as such.

3.6. Medical Assistance. The remuneration given by the procuring entity for any injury or disability incurred by members of the BAC and/or the BAC Support Staff in the lawful performance of their official functions and duties. For this purpose, "injury" means any bodily impairment arising from and in the course of procurement-related activities.

3.7. SAC Support Staff. Refers to the members of the BAC Secretariat and the Technical Working Group duly designated by the procuring entity pursuant to the provisions of Rule V of the IRR of RA 9184.

4. GENERAL CONDITIONS

4.1. Free Legal Assistance

1. The procuring entity shall, to the fullest extent permitted by these guidelines, indemnify a BAC member and/or any of the BAC Support Staff who was or is a party to a pending or completed action, suit or proceeding whether civil, criminal or administrative in nature brought against him in the performance of his official functions as BAC member or as BAC Support Staff.

2. The BAC member or BAC Support Staff concerned must have engaged the services of a private lawyer or external counsel.

3. The BAC member or BAC Support Staff must have not been adjudged as guilty of gross negligence, misconduct, or grave abuse of discretion.

4. The free legal assistance shall cover actual cost of suit and attorney's fees. The attorney representing the BAC member or BAC Support Staff shall be entitled to a maximum of Five Thousand Pesos (Php5,000.00) per appearance which shall be paid by the procuring entity.

5. The free legal assistance shall not cover:

a) any action or suit initiated by a BAC member or BAC Support Staff in his personal capacity or in behalf of the procuring entity, unless such action, proceeding, or claim was authorized by the head of the procuring entity or the approving authority therein; or

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5.2 The payment of honoraria shall be limited to procurement that involves competitive bidding. Competitive bidding activities are present only in:

Open and competitive;

Limited source bidding;

Negotiated procurement under Section 53 (a) of the IRR-A, where there has been failure of bidding for the second time; and

Negotiated procurement under Section 53 (b) of the IRR-A following the procedures under Section 54.2 (b) thereof, whereby the procuring entity shall draw up a list of at least (3) suppliers or contractors which will be invited to submit bids.

Conversely, honoraria will not be paid when procurement is thru:

Direct contracting;

Repeat order;

Shopping;

Negotiated procurement under Section 53 (b) of the IRR-A following the procedures under Section 54.2 (d) thereof, whereby the procuring entity directly negotiates with previous supplier, contractor or consultant, or when the project is undertaken by administration or thru the AFP, in case of infrastructure projects; and

Negotiated procurement under Section 53 (c) to (g) of the IRR-A.

5.3 The honoraria of each person shall not exceed the rates indicated below per completed procurement project: Maximum Honorarium rate per procurement project:

	Maximum Honorarium rate per procurement project
BAC Chair	P 3,000
BAC Members	2,500
TWG Chair and Members	2,000

5.4 The average amount of honoraria per month over one year shall not exceed twenty five percent (25%) of the basic monthly salary. The honoraria, however, shall be paid only upon the successful completion of each procurement.

5.5 To be entitled to honoraria, personnel should be duly assigned as chair or member of the BAC or the TWG by the head of the department/agency concerned.

5.6 The members of the BAC Secretariat who are performing the attendant functions in additions to their regular duties in other non-procurement units of the agency may likewise be paid honoraria at the same rate as the TWG Chair and Members, subject to the same regulations. The members of the BAC Secretariat whose positions are in the Procurement Unit of the agency shall not be entitled to honoraria. The payment of overtime services may be allowed, subject to existing policy on the matter.

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2.8 **Skilled Work/Job** refers to work that requires qualifications in which a person uses judgment to determine the machine and manual operations in order to obtain the proper form, quality, or quantity of material to be produced. Skilled work may require laying out work estimating quality, determining the suitability and needed quantities of materials, making precise measurements, reading blueprints or other specifications, or making necessary computations or mechanical adjustments to control or regulate the work.

2.9 **Unskilled Work/Job** refers to work which needs little or no judgment that can be learned on the job in a short period of time. The job may or may not require considerable strength.

3.0 Conditions and Requirements for the use of "By Administration"

3.1 Projects undertaken by Administration shall be included in the approved Annual Procurement Plan (APP) of the procuring entity concerned. If the original mode of procurement recommended in the APP was Public Bidding but cannot be ultimately pursued, or the project to be undertaken by administration has not been previously included, the BAC, through a resolution shall justify and recommend the change in the mode of procurement or the updating of the APP to be approved by the Head of the Procuring Entity.

3.2 To undertake projects by administration, the implementing agency must:

- a. have a track record of having completed, or supervised a project, by administration or by contract, similar to and with a cost of at least fifty percent (50%) of the project at hand, and
- b. own the tools and construction equipment to be used or have access to such tools and equipment owned by other government agencies.

The criteria for evaluating the track record and capability of implementing agencies shall be in accordance with the guidelines to be issued by the Department of Public Works and Highways in consultation with the leagues enumerated under the Local Government Code.

3.3 Any project costing Twenty Million Pesos (Php20,000,000) or less may be undertaken by administration or force account by the implementing agency concerned. A project costing over Twenty Million Pesos (Php20,000,000) may be undertaken by the agency concerned only in the following cases;

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d. **Delivery Cost** - refers to cost of freight incurred by the Supplier from the source to the delivery point, i.e., refinery to delivery point for deliveries ex-refinery, or oil terminal/depot to delivery point for deliveries ex-depot

e. **Discounts** - refers to the total deductions from the WPP.

f. **Expanded Value Added Tax (E- VAT)** - refers to a consumption tax on the sale or Importation of goods and services in the ordinary course of business.

g. **Extraordinary Circumstance** - refers to an event or occurrence, or series of events or occurrences, before or during contract implementation, which give(s) rise to price movements in petroleum and its derivative products.

h. **Independent Commodity Information System - London Oil Report or ICIS- LOR-** refers to an information provider for the chemical and oil industry, and Is part of the Reed Business Information Ltd., a private entity, based in London with office in Singapore

i. **Major Suppliers** - refer to POL wholesale suppliers and who, in the operation of their business, either maintains a refinery in the Philippines or directly imports POL products from production or trading venues.

j. **Mean of Platts Singapore or MOPS** - refers to the mean of the high and low components of a Platts assessment for oil cargoes loading from Singapore as officially released by Piatts, a publishing/trading house based in Singapore which publishes daily information on oil price and shipping rates.

k. **Petroleum, Oil, and Lubricant or POL Products** - for purposes of these guidelines, shall refer to those enumerated in Section 5 hereof.

l. **Premium** - refers to all applicable and reasonable cost or expenses (i.e. ocean freight, marine insurance, bank charges, ocean loss, storage/handling/throughput fees, profit, margin, etc.) to arrive at a landed cost of petroleum, oil and lubricant in the Philippines.

m. **Wholesale Posted Price or WPP** - refers to the reference fuel prices individually set by local refiners and traders subject to periodic changes based on the movement in crude oil prices, foreign exchange, and all other costs as verified and confirmed by the Department of Energy (DOE).

4. CONDITIONS FOR APPLICABILITY OF THESE GUIDELINES

These guidelines shall be applicable in cases of bulk procurement of POL by the national government, its departments, bureaus, offices and agencies, including state universities and colleges, government-owned and/or controlled corporations, government financial institutions and local government units where POL procurement is a major requirement in their operations. For this purpose, procuring entities intending to use these guidelines for their POL procurement shall notify the Government Procurement Policy Board (GPPB) in writing.

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Commission (SEC) or a cooperative duly registered with the Cooperative Development Authority (CDA) committed to the task of socio-economic development and established primarily for providing goods and services to the public.

4.3 The selected NGO shall keep and maintain separate savings account and accounting records in accordance with generally accepted accounting rules and principles, subject to visitorial audit and examination by the procuring entity or the Commission on Audit.

4.4 Unless otherwise provided by law, technical specifications prescribed for the School Building Program under the Department of Education shall be the same as those prescribed by the Department of Public Works and Highways.

4.5 For the erasure of doubt, the NGO, whether selected through public bidding or negotiated procurement, shall be required to post a performance security in accordance with Section 39 of the IRR of R.A. 9184 and a warranty in accordance with Section 62 of the IRR of R.A. 9184.

5. PUBLIC BIDDING LIMITED TO NGOS

5.1 If the procuring entity decides to select the NGO through competitive public bidding, it shall advertise and post Invitation to Bid/Request for Expression of Interest in accordance with Section 21.2.1 of the IRR.

5.2 In addition to the information enumerated under Section 21.1 of the IRR, the Invitation to Bid/Request for Expression of Interest shall also include (i) the legal basis or appropriation law or ordinance which earmarks a specific amount or project to NGOs; and (H) a statement that the project shall be limited to NGOs.

5.3 The determination of an NW's eligibility shall be based on the submission of the documents enumerated under Sections 23.1 and 24.1 of the IRR. However:

5.3.1 In lieu of the registration certificate issued by the Securities and Exchange Commission (SEC), a cooperative may submit a registration certificate issued by the Cooperatives Development Authority (CDA);

5.3.2 In addition to the legal eligibility document, a participating NGO must submit its latest articles of incorporation in order that the procuring entity may determine that it falls within the definition of NW under Item 4.2 of these Guidelines;

5.3.3 To establish the financial stability of the participating NGO, audited financial statements for the past three (3) years must be submitted under Section 23.1 (a) (v) of the IRR;

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4.2 To determine compliance with these parameters, procuring entity may require additional documents or materials as part of the bidder's technical proposal. These additional documents or materials must be expressly stated in Section VII: Technical Specifications of the PBDs for the Procurement of Goods consistent with Section 25.2 (a) (iii) of the IRR of R.A. 9184.

4.3 The procuring entity shall check compliance with the technical parameters using a non-discretionary "pass/fail" criteria

5.0 MULTI- YEAR CONTRACTS

Procuring entities may enter into multi-year contracts, but not to exceed three (3) years, in the procurement of security and janitorial services, subject to the following conditions:

5.1. The Invitation to Apply for Eligibility and to Bid must expressly state the following:

5.1.1. Duration of the contract to be bid, which should not exceed three (3) years;

5.1.2. The Approved Budget for the Contract (ABC) for the first year only.

5.2. All bid prices for a duration of three (3) years shall be fixed and shall not be adjusted during contract Implementation, except for the following:

5.2.1. Increase in minimum daily wage pursuant to law or new wage order issued after date of bidding,

5.2.2. Increase in taxes; and

5.2.3. If during the term of the contract the procuring entity sees the need for an increase or decrease in the number of security guards or janitorial attendants, the resulting cost of said increase or decrease, provided that the ABC for the relevant year is not exceeded.

The procuring entity shall ensure that the foregoing allowable price adjustments are specified under Section 8.1 of the Special Conditions of Contract of the PBDs.

5.3. The Financial Proposal shall contain a breakdown of all costs, including cost of supplies and equipment, necessary for the execution of the contract.

5.4. Procuring entities shall expressly provide, under Section VII. *Technical Specifications*, which shall form part of the contract under Section 13.1 of the General Conditions of the Contract of the PBDs, that the service provider/contractor shall maintain a satisfactory level of performance throughout the term of the contract based on a prescribed set of performance criteria.

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IMPLEMENTING GUIDELINES FOR LEASE OF PRIVATELY-OWNED REAL ESTATE AND VENUE

1. PURPOSE

The Guidelines on Lease of Privately-Owned Real Estate and Venue (the "Guidelines") shall set forth the rules and procedures in entering into contracts for lease of privately-owned real estate and venue by government agencies for official use pursuant to Section 53.10 of the Implementing Rules and Regulations of Republic Act 9184.

2. SCOPE AND APPLICATION

The Guidelines shall apply to national government, its branches, constitutional offices, departments, bureaus, offices and agencies, including state universities and colleges, government-owned and/or -controlled corporations, government financial institutions, and local government units. It shall not apply to lease of government properties for private use.

3. DEFINITION OF TERMS

3.1. **Cost-benefit Analysis.** Refers to a tool used to aid decision-making by evaluating the benefits to be attained from an action against the costs for its implementation. For purposes of these Guidelines, the cost-benefit analysis should consider, among others, the costs for the transfer to, furnishing, and/or maintenance of the real estate, and include a market analysis of prevailing lease rates within the vicinity of the selected location.

3.2. **Lessee.** Refers to any government agency temporarily occupying a real estate on the basis of a contract executed with the private individual, partnership, cooperative, association, or corporation having absolute ownership over such real estate.

3.3. **Lessor.** Refers to any private individual, partnership, cooperative, association, or corporation having absolute ownership over the real estate or venue to be leased.

3.4. **Real Estate.** Refers to land and buildings, including office spaces or units.

3.5. **Rental Rate.** Refers to the amount paid by the Lessee for the use and/or occupancy of the privately-owned real estate to the Lessor, where payment is usually made on a monthly basis.

3.6. **Venue.** Refers to training centers, convention halls, hotels, and similar establishments catering to trainings, seminars, conferences, conventions, symposia and similar gatherings requiring the official participation of government officials and employees. This may include meals and accommodation depending on the requirements of the procuring entity.

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APPENDIX 20

GUIDELINES ON THE PROCUREMENT OF PRINTING SERVICES

1. POLICY STATEMENT

1.1. Pursuant to the relevant provisions of the General Appropriations Act procuring entities have the option to engage the services of private printers for their printing and publication expenditures, subject to public bidding in accordance with RA 9184 and pertinent accounting and auditing rules and regulations.

1.2. However, printing of Accountable Forms and Sensitive High Quality/Volume Requirements shall only be undertaken by the recognized government printers, namely: Bangko Sentral ng Pilipinas, National Printing Office, and APO Production Unit, Inc.

2. SCOPE AND APPLICATION

2.1. These guidelines shall govern the procurement of printing services for accountable forms by the national government, its branches, constitutional offices, departments, bureaus, offices, agencies, and instrumentalities, including state universities and colleges, government owned/controlled corporations, government financial institutions, and local government units.

2.2. It shall not apply to official ballots and election paraphernalia, including statement of votes, certificates of canvass, and paper seals, which is covered by Section 184 of *Batas Pambansa Blg. 881*, otherwise known as the Omnibus Election Code of the Philippines and Section 13 of RA 9369.

3. DEFINITION OF TERMS

For the purpose of these guidelines, the following terms shall have the corresponding meanings:

a. **Accountable Forms.** Refer to forms that are individually identified, accounted for, and afforded appropriate security. The list of accountable forms shall be provided in Annex A hereof.

b. **Recognized Government Printers (RGPs).** Refer to the printers acknowledged by the government to undertake the printing of accountable forms for other government agencies as provided for under Section 29 of RA 9970, namely, *Bangko Sentral ng Pilipinas*, National Printing Office, and APO Production Unit, Inc.

c. **Sensitive High Quality/Volume Requirements.** Refer to printing requirements that are sensitive and of high quality or high volume determined as such by the procuring entity.

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As amended by GPPB Resolution 04-2011, dated 25 February 2011, published in the Manila Times on 13 June 2011

APPENDIX 22 REVISED GUIDELINES ON RECOGNITION OF UMBRELLA ORGANIZATION OF CONSULTANTS

1. POLICY STATEMENT

Under Annex "B" of the Implementing Rules and Regulations (IRR) of Republic Act 9184 (RA 9184), the Government Procurement Policy Board (GPPB) is directed to recognize an Umbrella Organization of Consultants composing of various organizations of consultants and individual consultants in the Philippines that may be engaged by the Government on matters relating to consulting services. The policy direction, therefore, is to encourage and foster the development of an umbrella organization that covers a wider range of professions and disciplines. In furtherance of this policy, the GPPB shall recognize for each identified major sectors of the consulting industry a UOC to perform the duties and responsibilities herein provided.

2. PURPOSE

The Guidelines for Recognition of Umbrella Organization of Consultants (the "Guidelines") shall set forth the criteria in and procedure for determining the UOCs to be recognized and their corresponding duties and responsibilities.

3. GUIDING PRINCIPLES

3.1. The GPPB shall recognize the UOC that best represents consultants who belong to a major sector of the consulting industry listed under Annex "A" hereof, which shall be updated by the GPPB whenever necessary.

3.2. The criteria shall focus on the ability and capacity of a UOC, to meet the following:

- a) Cover a wider range of professions and disciplines which comprise a major sector identified under Annex "A" hereof;
- b) Accredite its members on the types of services in the profession or discipline failing under its recognized sub-sector/s where the members are technically and financially qualified to offer their services;
- c) Maintain an updated list of accredited member individual consultants and/or associations;
- d) Self-police its members for the development of the consulting industry;
- e) Develop a continuing capacity development program for its members;
- f) Join the government in its advocacy against graft and corruption; and
- g) Assist the Philippine consulting industry, in general, and the Filipino consultants, in particular, to develop into world class consultants that can compete in the international market.

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APPENDIX 23 REVISED GUIDELINES ON THE USE OF ORDERING AGREEMENT

1. PURPOSE

The guidelines are formulated to prescribe the rules and procedures to govern situations where the procurement by the national government, its departments, bureaus, offices and agencies, including State Universities and Colleges (SUCs), Government-Owned and/or -Controlled Corporations (GOCCs), Government Financial Institutions (GFIs) and Local Government Units (LGUs) necessitate entering into ordering agreements for necessary and desirable goods that by its nature, use, or characteristic, the quantity and/or exact time of need cannot be accurately predetermined; and, in case of expendable or non-expendable goods, it is inadvisable for the procuring entity to carry the same in stock or commit to purchase a certain quantity within a given period.

2. SCOPE AND APPLICATION

2.1. These guidelines shall govern the use of Ordering Agreement by all departments, bureaus, offices, and agencies of the national government, GOCCs, GFIs, SUCs, and LGUs for goods determined to be necessary and desirable to address and satisfy the needs of the procuring entities, but by its nature, use, or characteristic, the quantity and/or exact time of need cannot be accurately pre-determined.

2.2. Ordering Agreement may be used for expendable or non-expendable goods, and services for hotel accommodation, air travel, and repair and maintenance.

2.3. Services allowed to be subject of an Ordering Agreement shall be limited to those mentioned in Section 2.2, and shall not cover procurement of consulting services, and infrastructure projects.

3. DEFINITION OF TERMS

3.1. **Delivery Order Contract.** Refers to a contract that authorizes and obligates a supplier/service provider to deliver certain quantity or render a particular service within an agreed period and at a fixed price per unit, item or Identified service pursuant to the Ordering Agreement entered into between the procuring entity and the supplier. The Delivery Order Contract shall trigger the exercise by the procuring entity of the option to purchase in the amount, quantity, and extent not exceeding those projected in the Order Agreement List and shall constitute the actual purchase by the procuring entity.

3.2. **Ordering Agreement.** A written agreement in the nature of an option contract between the procuring entity and the Lowest Calculated and Responsive Bidder granting the procuring entity the option to either place an order for any of the goods identified in the Order Agreement List or not buy at all, within a given period of time.

3.3. **Order Agreement List.** Refers to the list of goods, and their corresponding technical specifications, scope of work, projected quantities, and fixed prices, subject of the Ordering Agreement. This shall be limited to goods that are (i) identified to be necessary and desirable, but, by its nature, use, or characteristic, the quantity and/or exact time of need cannot be accurately pre determined; and (if) using an Ordering Agreement is most practical, economical, and advantageous

for the procuring entity.

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GUIDELINES ON THE USE OF BID SECURING DECLARATION

1. SCOPE AND APPLICATION

These Guidelines shall govern the use of Bid Securing Declaration as an additional form of bid security under the Implementing Rules and Regulations (IRR) of Republic Act No. 9184, otherwise known as "The Government Procurement reform Act".

These guidelines shall apply to all branches, constitutional commissions and offices, agencies, departments, bureaus, offices, and instrumentalities of the Government, including government-owned and/or -controlled corporations ("GOCCs"), government financial institutions ("GFIs"), state universities and colleges ("SUCs"), and local government units ("LCUs").

2. GUIDING PRINCIPLES

In order to enhance competition and bidders' participation, reduce transactional costs, and promote economy in procurement activities of the government, the use of a Bid Securing Declaration shall be an alternative to the existing forms of bid security under the IRR. The bidder shall have the option to use a Bid Securing Declaration or any other bid security in the form and amount enumerated under Section 27.2 of the IRR.

3. DEFINITION

3.1. Bid Securing Declaration is an undertaking by a prospective bidder, committing to pay the corresponding fine and be suspended for a period of time from being qualified to participate in any government procurement activity in the event it violates any of the conditions stated therein.

3.2. The Bid Securing Declaration shall comply with the standard format attached hereto as Annex "A" and shall be submitted to the procuring entity in the manner prescribed under Sections 25 and 27 of the IRR.

4. PERIOD OF EFFECTIVITY

4.1. The Bid Securing Declaration shall be valid for a reasonable period determined by the Head of the Procuring Entity concerned and indicated in the bidding documents, which in no case shall exceed one hundred twenty (120) calendar days from the date of the opening of bids, unless duly extended by the bidder upon the request of the Head of the Procuring Entity.

4.2. The Bid Securing Declaration shall automatically expire in the following instances:

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APPENDIX 26

GUIDELINES AMENDING THE PRE-SELECTION PROCEDURE IN THE CONDUCT OF LIMITED SOURCE BIDDING UNDER GPPB RESOLUTION 05-2011

1. POLICY STATEMENT

In order to promote efficiency and economy, Limited Source Bidding, as an alternative method of procurement, may be resorted to by the procuring entity only in highly exceptional and justifiable cases as provided for in RA 9184 and its IRR, and subject to the prior approval of the Head of Procuring Entity. In doing so, the procuring entity shall ensure that the most advantageous price for the Government is obtained.

2. PURPOSE

These guidelines are formulated to provide the procedure for the pre-selection of suppliers or consultants in the use of Limited Source Bidding as an alternative method of procurement of goods and consulting services pursuant to Section 49 of R.A. 9184 and its IRR.

3. SCOPE AND APPLICATION

3.1 These guidelines shall apply to national government, its branches, constitutional offices, departments, bureaus, offices and agencies, including state universities and colleges, government-owned and/or -controlled corporations, government financial institutions, and local government units when resorting to Limited Source Bidding in the procurement of goods and consulting services.

3.2 Limited Source Bidding, otherwise known as selective bidding, is an alternative method of procurement which may be employed under any of the following conditions:

- a) Procurement of highly specialized types of goods (e.g., sophisticated defense equipment, complex air navigation systems, coal) and consulting services where only a few suppliers or consultants are known to be available, such that resorting to the public bidding method will not likely result in any additional suppliers or consultants participating in the bidding; or
- b) Procurement of major plant components where it is deemed advantageous to limit the bidding to known qualified bidders in order to maintain uniform quality and performance of the plant as a whole.

4. GUIDELINES

4.1. Upon determination that a procurement activity may be done through Limited Source Bidding, the procuring entity, through the Bids and Awards Committee(BAC), shall prepare a list of pre-selected suppliers or consultants which shall be those appearing in a list that is maintained updated by the relevant government authority with expertise in the type of procurement concerned.

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Section 48 of the revised Implementing Rules and Regulations of R.A. No. 9184.
Section 49.1 of the revised Implementing Rules and Regulations of R.A. No. 9184

GUIDELINES FOR THE USE OF THE GOVERNMENT OF THE PHILIPPINES - OFFICIAL MERCHANTS REGISTRY(GOP-OMR)

1. POLICY STATEMENT

To promote transparency and efficiency, information and communications technology shall be utilized in the conduct of procurement procedures. Accordingly, there shall be a single portal that shall serve as the primary source of information on all government procurement. (*Section 8, Republic Act No. 9184 (R.A. 9184); Section 8.1.1, Rule III, Revised Implementing Rules and Regulations (Revised IRR)*)

The Philippine Government Electronic Procurement System (PhiIGEPS) shall serve as the primary and definitive source of information on government procurement. (*Sec 8.1.1, Rule III, Revised IRR*)

2. SCOPE AND PURPOSE.

These Guidelines shall govern the general procedures for the use of the Government of the Philippines-Official Merchants Registry ("GOP-OMR"), the electronic database developed and maintained by PhiIGEPS pursuant to Section 8.2.2 of the Revised IRR of R.A. 9184.

3. DEFINITION OF TERMS

3.1. For purposes of these Guidelines, the following terms, or words and phrases shall mean or be understood as follows:

3.1.1. **Government of the Philippines-Official Merchants Registry (GOPOMR)** - refers to the centralized electronic database of manufacturers, suppliers, distributors, contractors, and consultants developed and maintained by the PhiIGEPS office pursuant to Section 8.2.2 of the Revised IRR of R.A. 9184.

3.1.2. **Merchant** - refers to manufacturers, suppliers, distributors, contractors, and consultants already registered or still applying for registration in the GOP-OMR.

3.2. Terms, words, and phrases used in these Guidelines shall have the same meaning as those that are defined in R.A. 9184 and its Revised Implementing Rules and Regulations.

4. GENERAL PROVISIONS

4.1. The GOP-OMR shall be the centralized electronic database of merchants for purposes of government electronic procurement.

Subject to Sections 7 to 9 herein, all existing registries of merchants, electronic or manual, used and maintained by procuring entities for government procurement shall be integrated with the GOP-OMR.

APPENDIX 28

GUIDELINES FOR ELECTRONIC BIDDING (E-BIDDING)

1. POLICY STATEMENT

To promote transparency and efficiency, information and communications technology shall be utilized in the conduct of procurement procedures. Pursuant to Section 8, Republic Act 9184 (RA 9184) in relation to Section 8.2.4.3 Rule III of the Revised Implementing Rules and Regulations (Revised IRR), the Philippine Government Electronic Procurement System (PhiGEPS) shall support the implementation of Electronic Bid (e-Bid) submission processes, which includes creation of electronic bid forms, creation of bid box, delivery of bid submissions, notification to supplier of receipt of bids, bid receiving and electronic bid evaluation. This facility shall cover all types of procurement for goods, infrastructure projects and consulting services.

2. SCOPE AND PURPOSE

These Guidelines are formulated to provide rules and procedures that shall apply to all branches, constitutional commissions and offices, agencies, departments, bureaus, offices, and instrumentalities of the Government, including government-owned and/or controlled corporations ("GOCCs"), government financial institutions ("GFIC"), state universities and colleges ("SUCs") and local government units ("LGUs") in the procurement of goods, infrastructure projects and consulting services through electronic means utilizing the PhiGEPS.

3. DEFINITION OF TERMS

3.1. For purposes of these Guidelines, the following terms, or words and phrases shall mean or be understood as follows:

3.1.1. *Bidder's On-line Nominee* - refers to the person duly authorized by an On-Line Bidder to create and/or electronically submit electronic documents comprising the eligibility documentary requirements, and the technical and financial proposals, and who is issued a Pass Phrase as the digital signature.

3.1.2. *Bid Notice Creator* - refers to a member of the Bids and Awards Committee (BAC) or its Secretariat specifically designated by the BAC to be responsible for creating the electronic Bid Notices/Supplements, or by the Head of the Procuring Entity in creating notices of award.

3.1.3. *Bid Notice Approver* - refers to a member of the BAC Secretariat specifically designated by the BAC to be responsible for reviewing the electronic Bid Notices/Supplements created by the Bid Notice Creator, and approving the uploading and electronic posting/transmittal of Bid Notices/Supplements in PhiGEPS.

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4.2 Article 1250, as it pertains to Extraordinary Inflation or Deflation, as defined in Section 3.3 hereof;

4.3 Article 1680, as it enumerates Extraordinary fortuitous events or those events which do not usually happen, such as, but not limited to the following:

- a. Fire;
- b. War;
- c. Pestilence;
- d. Unusual flood;
- e. Locusts; and
- f. Earthquake

Provided that the circumstances before, during and after the event shall be taken into consideration.

5. REVIEW AND APPROVAL PROCESS

In the review and approval of a request for price escalation, the procuring entity shall comply with the following conditions before the same can be acted upon:

5.1 Endorsement. The Head of the Procuring Entity concerned shall endorse the request for price escalation to the NEDA, through its Director-General, accompanied by the following documents:

- a. A certification from the Head of the Procuring Entity stating that the request for price escalation is justified in accordance with R.A. 9184, its IRR and these Guidelines;
- b. A description of the nature of the requested price escalation as well as the identification of the specific legal and technical parameters stated in these guidelines that have been complied with by the request. For technical requirements, supporting documents shall contain information/data in accordance with Section 5.2.b hereof;
- c. Certified copy of the original contract including the original scope of work and the original contract price, as awarded;
- d. Original cost estimates and/or bill of materials of the items, goods or components affected by the request for price escalation and the proposed escalated prices thereof, as applicable to the type of contract;
- e. Original and, if applicable, revised schedule of contract implementation;
- f. Original copy of the request for price escalation submitted by the contractor/supplier to the procuring entity, including information on the quantity of materials/components and/or scope of work being proposed for price escalation;

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5.4 *Decision*

The Head of the Procuring Entity shall, within fifteen (15) days from receipt of the resolution and the records of the BAC proceedings, determine whether reasonable cause exists for the suspension of the contractor and the forfeiture of the latter's bid security. If the Head of the Procuring Entity determines that such reasonable cause exists, he shall issue a decision suspending the contractor from participating in any bidding process of the agency, and further declaring that his bid security is forfeited. Otherwise, he shall dismiss the case.

The decision shall clearly and distinctly state the facts, evidence and the law on which it is based, as well as the date of effectivity of the penalty, if any.

The Head of the Procuring Entity may delegate to the BAC the authority to impose the corresponding sanction(s) provided for in these guidelines.

In case a contractor commits more than one offense or a combination of offenses for the same project/contract in a particular agency, each violation shall be meted the corresponding penalty.

5.5 *Notice of Decision*

The Head of the Procuring Entity shall furnish the suspended contractor a copy of the decision immediately from its promulgation.

5.6 *Effect of Decision*

A contractor is suspended upon receipt of the notice of decision prohibiting him from participating in the bidding process of the agency. The suspension shall remain in effect during the period of motion for reconsideration and protest and shall terminate only upon a reversal of the decision by the Head of the Procuring Entity or appellate authority.

If no motion for reconsideration or protest is filed, the decision shall become final and executory after the lapse of seven (7) calendar days from the receipt of the notice of decision. Thereafter, the Head of Procuring Entity shall issue a Blacklisting Order disqualifying the erring contractor from participating in the bidding of all government projects.

5.7 *Motion for Reconsideration*

A Motion for Reconsideration may be filed by the suspended person/entity within three (3) calendar days from receipt of the notice of decision and shall be for either or both of the following causes, provided that only one (1) Motion for Reconsideration shall be filed with the blacklisting agency:

- a) The decision is not in conformity with the evidence and/or facts presented; and
- b) Newly discovered evidence or facts which not be discovered and produced at the investigation and which when presented would probably alter the result of the investigation.

The Head of the Procuring Entity shall resolve with finality the motion for reconsideration within seven (7) calendar days from the filing thereof and furnish suspended contractor a copy of the resolution immediately from its promulgation.

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D. Termination for Unlawful Acts

The Procuring Entity may terminate the contract in case it is determined prima facie that the Supplier/Contractor/Consultant has engaged, before or during the implementation of the contract, in unlawful deeds and behaviors relative to contract acquisition and implementation. Unlawful acts include, but are not limited to, the following:

- a) Corrupt, fraudulent, collusive and coercive practices;
- b) Drawing up or using forged documents;
- c) Using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and
- d) Any other act analogous to the foregoing.

E. Termination by Contractor/Consultant

1. In contracts for Infrastructure Projects:

The Contractor may terminate its contract with the Procuring Entity if the works are completely stopped for a continuous period of at least sixty (60) calendar days through no fault of its own, due to any of the following reasons:

- a) Failure of the Procuring Entity to deliver, within a reasonable time, supplies, materials, right-of-way, or other items it is obligated to furnish under the terms of the contract; or
- b) The prosecution of the work is disrupted by the adverse peace and order situation, as certified by the Armed Forces of the Philippines Provincial Commander and approved by the Secretary of National Defense.

2. In contracts for Consulting Services:

The Consultant may terminate its agreement with the Procuring Entity if the latter is in material breach of its obligations pursuant to the contract and has not remedied the same within sixty (60) calendar days following its receipt of the Consultant's notice specifying such breach.

IV. PROCEDURES FOR TERMINATION OF CONTRACTS

1. Verification. Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, the Implementing Unit shall, within a period of seven (7) calendar days, verify the existence of such ground(s) and cause the execution of a Verified Report, with all relevant evidence attached.

2. Notice to Terminate. Upon recommendation by the Implementing Unit, the Head of the Procuring Entity shall terminate contracts only by a written notice to the Supplier/Contractor conveying the termination of the contract. The notice shall state:

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b.)any action or suit initiated by the Government against the BAC member or BAC Support Staff.

6. The BAC member or BAC Support Staff shall be entitled to actual, moral, and exemplary damages when awarded by the court. Likewise, the attorney representing the BAC member or BAC Support Staff shall be entitled to attorney's fees awarded by the court.

4.2. Liability Insurance

1.The procuring entity shall have the responsibility to procure and maintain adequate liability insurance for and in behalf of its BAC members or BAC Support Staff.

2. The liability insurance policy shall cover only those liabilities asserted against the public official and incurred by him in his capacity as such BAC members or BAC Support Staff as the case may be.

3. The insurer shall pay for the loss arising from the claim or suit made against the BAC members or BAC Support Staff during the policy period wherein they serve in such capacity.

4. For purposes of this issuance, the term "loss" shall include judgments, expenses for settlement or compromise, as well as all reasonable fees and other expenses incurred by such persons in connection with any administrative, civil, or criminal action, suit or proceeding to which they may be or have been made a party by reason of the lawful performance of their official functions and duties in such capacity.

5. Provided further, that, such BAC members or BAC Support Staff shall not be adjudged in such action or proceeding to be guilty of gross negligence, misconduct, or grave abuse of discretion or guilty of any other complaint or charges.

6. In the event of settlement or compromise, indemnification shall be confined only to matters covered by the settlement, and to which the procuring entity had been advised by counsel that the person to be indemnified have not committed gross negligence, misconduct, or grave abuse of discretion in the performance of their duties and functions.

7. The procurement of liability insurance shall be subject to the setting of schedule of premium by the GPPB.

4.3. Medical Assistance

1. Medical assistance shall be provided to BAC members and BAC Support Staff for injuries/disabilities incurred in the lawful performance of their official functions and duties.

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7.0 Saving Clause

Cases not covered by the provisions of this Circular shall be referred to the Secretary of Budget and Management for Resolution.

8.0 Repealing Clause

This Circular supersedes BC No. 2004-5 dated March 23, 2004.

9.0 Effectivity

This Circular shall take effect immediately.

DBM BUDGET CIRCULAR 2007-3

1.0 Purpose

1.1 To amend item no. 6.1 of BC 2004-5A which provides the funding source for payment of honoraria and overtime pay to government personnel involved in government procurement as authorized under Republic Act No. 9184 (Government Procurement Reform Act), as follows:

Honoraria - for Chairs and Members of the Bids and Awards Committee (BAC) and the Technical Working Group (TWG); and,

Overtime Pay - For administrative staff supporting the BAC and TWG.

1.2 To identify additional funding source for payment of honoraria and overtime pay to the aforesaid personnel; and

1.3 To revise other related provisions of BC No. 2004-5A (i.e., items 6.3 and 6.4) in order to clarify the manner of payment of said benefits.

2.0 Coverage

This Circular shall apply to all national government agencies (NGAs) including state universities and colleges (SUCs), government-owned or controlled corporations (GOCCs) and local government units (LGUs).

3.0 Guidelines

3.1 The amount necessary for payment of honoraria and overtime pay authorized under BC No. 2004-SA dated October 7, 2005 shall be sourced from the following:

3.1.1 Collections from successfully completed procurement projects limited, however, to activities prior to awarding of contracts to winning bidders:

Proceeds from sale of bid documents;

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5.3.4 Participating NGOs need not submit the financial document prescribed Sections 23.1 (a) (vi) of the IRR.

5.4 Other stages of the bidding process shall be observed in accordance with the relevant provisions of the IRR of R.A. 9184.

6. NEGOTIATED PROCUREMENT UNDER SECTION 53.11 OF IRR

6.1 To ensure transparency in the selection of NGO through negotiated procurement, posting shall be done in accordance with Sections 54.2 and 54.3 of the IRR of R.A. 9184.

6.2 After the required posting period, the procuring entity shall invite at least three (3) prospective NGOs to submit sealed price quotations.

6.3 The procuring entity shall likewise require submission of the complete project proposal together with supporting feasibility studies, designs, plans, blueprints, budgets and charts.

6.4 On the date specified in the notice, the procuring entity shall open the price quotations and determine the Lowest Calculated Bid (LCB). Consistent with the nature of an NGO, no profit should be included in its bid. Thus, the procuring entity shall ensure that the LCB does not include any profit margin or mark-up.

6.5 After determination that the proposal submitted by the NGO with the Lowest Calculated Bid complies with the technical requirements of the project, the procuring entity shall require submission of the following eligibility documents to ensure that said NGO is technically, legally, and financially capable to undertake the proposed project:

Legal Documents

- a) SEC or CDA registration certificate;
- b) Latest articles of incorporation
- c) Valid and current mayor's permit/from the NGO's principal place of business.
- d) Certificate of PhilGEPS28 ° registration;
- e) Taxpayer's Identification Number; and
- f) Latest tax returns and tax clearance pursuant to Executive Order No. 398, s. of 2005;

Technical Documents

- g) Statement of all its ongoing and completed government and private contracts within the relevant period, where applicable, including contracts

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COMPUTATION BASED ON STRAIGHT LINE DEPRECIATION

Age of Real Current Year - Year of Construction estate

$$= 2007 - 1987$$

$$= 20 \text{ years}$$

Depreciation Rate = See Appendix B for the Table of Structural Depreciation

Reproduction Cost = Estimated Unit Construction Cost x (1 - Depreciation Rate)

$$= P25,000/\text{sq.m.} (1 - 0.248)$$

$$= P18,800/\text{sq.m.}$$

Formula Rate = Reproduction Cost x Monthly Capitalization Rate

$$= P18,800 (0.20/12) = 18,800 (0.0167)$$

$$= P313.96/\text{sq.m./mo.}$$

Rental Rate = Formula Rate x Factor Value

$$= P313.96 (0.90)$$

$$= P282.56/\text{sq.m./mo. say } P285.00/\text{sq.m.}$$

Rentable Area = 200.00 sq.m.

Monthly Rental = Rentable Area x Rental Rate

$$= 200 \text{ sq.m.} \times P285.00/\text{sq.m.}$$

$$= P57,000.00/\text{mo.}$$

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186. Report of Medical Examination
187. Record of Accountable Forms
188. Local Government Cade
189. Auditing Requirement Typical Disbursement
190. Paper cover
191. Checks (Personal, MDS Commercial, Commercial & Continuous Form Checks, Manager's)
192. Stickers
193. Ordinance Violation Receipts
194. Special Bank Receipts
195. Bill Assessment Form
196. Gatepass
197. Declaration of Admission
198. Tickets (Parking, Terminal Fee, Admission, RORO)
199. Admission Tickets
200. Radio Station License
201. Ship Station License
202. Television Receive License
203. Dealer's Permit
204. Aircraft Station License
205. Withdrawal Certificate for Manufactured Petroleum Products
206. Passport Slip
207. Authentication Slip
208. Form No. 89
209. Port User's Pass
210. Water Bill Receipts
211. Blank Security Paper
212. Qualification Doc. Certificate
213. Form No. 162-Certificate of Payment
214. Form No. 36-Boat Note
215. Import Entry Declaration Form
216. Form 232-Authority to Change Bond Slip
217. Form 218-Certificate of Identification
218. Form 86-Inspector Certificate of Lading
219. Form 219- Cert. of Inspection & Loading
220. Form 237- Entry Rider

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List of Major Sectors of the Philippine Consulting Industry

1. **Agriculture** pertains, but is not limited, to the following sectors/services:

- a) Agricultural development
- b) Agricultural production, agro processing and agro business
- c) Agricultural sector development
- d) Fishery and livestock

2. **Disaster** pertains, but is not limited, to the following sectors/services:

- a) Disaster Management
- b) Risk Reduction
- c) Geophysical Hazards

3. **Education** pertains, but is not limited, to the following sectors/services:

- a) Basic education
- b) Education sector development
- c) Non-formal education
- d) Senior Secondary General Education
- e) Technical education, vocational training, and skills development
- f) Tertiary education

4. **Energy** pertain; but Is not limited, to the following sectors/services:

- a) Conventional energy (Fossil Fuels) exploration, development, production, utilization and distribution such as: Coal, Gas and Oil.
- b) Non-Conventional Energy (Renewable Energy) exploration, development, production, utilization and distribution such as: Wind, Solar, Hydro, Geothermal, Ocean, Biomass and Alternative Fuels.
- c) Electricity Power development, production, transmission and distribution
- d) Energy Efficiency, Conservation and development.

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5. PROCUREMENT PLANNING

5.1. No procurement shall be undertaken under these guidelines unless the same is in accordance with the Annual Procurement Plan (APP) and the Project Procurement Management Plan (PPMP) prepared by the procuring entity. The procuring entity, in preparing its APP, shall include, for purposes of entering into an Ordering Agreement, an Order Agreement List, which shall remain unchanged, neither to be increased or decreased after advertisement and during its life span.

5.2. The APP shall indicate the types of items considered for inclusion in the Order Agreement List. In determining the Items to be listed, the procuring entity shall carefully examine and identify its needs and the probable time, period, event, or occasion the ordering may take place using, whenever applicable, assessment of Total Cost of Ownership, Life Cycle Costing, and Value for Money analysis.

5.3. The Order Agreement List shall indicate the following information:

- a) Type and nature of each item;
- b) Technical specifications or Scope of Work;
- c) Estimated quantity of items or services;
- d) Estimated contract price per item or service;
- e) Total ABC including budgetary allotments per type of product or service; and
- f) Other appropriate information as may be necessary.

5.4. The estimated contract price per item or service shall be determined and prepared after careful consideration of variables and factors that may affect future market prices using historical data, market study, feasibility study, and/or net present value of money.

5.5. The estimated quantity of items or services shall be determined based on the expected number to be required by the procuring entity should the need arise. The estimated quantity shall be considered as the maximum quantity allowed to be purchased by the procuring entity, which the supplier or service provider is bound to deliver or perform pursuant to the Delivery Order Contract.

6. COMPETITIVE BIDDING

6.1. The procuring entity shall conduct the bidding using the single stage, two-envelope procedure as prescribed in Sections 23 and 25 of RP, 9184 and its IRR, whereby upon option of the procuring entity, bidders may be allowed to bid on a per item/lot/package basis as provided in the Order Agreement List. For this purpose, the procuring entity, through its BAC, shall prepare, when necessary, separate Technical Specifications/Scope of Work for every line item to be bid out and indicate, among others, an approved budget for each item, the estimated quantity it may procure when needed, and the requested delivery/performance lead time from execution of Delivery Order Contract or from any date determined by the procuring entity.

6.2. The Invitation to Bid shall indicate that the procurement will be subject to Ordering Agreement arrangement pursuant to these Guidelines.

6.3. The procedures and requirements for Competitive Bidding provided in RA 9184 and its IRR shall apply.

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iv) The bidder shall pay the above-mentioned fine within fifteen (15) days from receipt of the written demand by the procuring entity as a result of the violation of the conditions in the Bid Securing Declaration.

v) The imposition of the foregoing fine is without prejudice to other legal action the government may undertake against the erring bidder.

7. BLACKLISTING PROCEDURE

Notwithstanding the provisions of the Uniform Guidelines for Blacklisting of Manufacturers, Suppliers, Distributors, Contractors and Consultants, the following provisions shall govern the blacklisting for purposes of this Guidelines:

7.1. The procuring entity shall immediately issue the blacklisting order upon determination of the grounds for enforcement of the Bid Securing Declaration provided in Section 5 hereof.

7.2. Only in cases where the notice of award is not in conformity with the Bidding Documents may the blacklisted bidder file a motion for reconsideration with the Head of the Procuring Entity within three (3) calendar days from receipt of the blacklisting order.

7.3. The blacklisted bidder shall only be delisted upon the expiration of the period of penalty and payment of the fine.

8. EFFECTIVITY

These Guidelines shall take effect immediately after publication in the Official Gazette or a newspaper of general nationwide circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies of these guidelines.

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Issued through GPPB Resolution 03-2012, dated 27 January 2012, and published in The Daily Tribune on 20 August 2012.

4.2. The PhiIGEPS office shall not determine the eligibility of merchants. The PhiIGEPS office's evaluation of the eligibility requirements shall be for the sole purpose of determining the approval or disapproval of the merchant's application for registration.

4.3. A merchant's registration and membership in the GOP-OMR is neither contract-specific nor understood to be tantamount to a finding of eligibility. Neither shall the merchant's successful registration in the GOP-OMR be relied upon to claim eligibility for the purpose of participation in any public bidding.

4.4. The determination of the eligibility of merchants, whether registered with the GOPOMR or not, shall remain with the Bids and Awards Committee (BAC). The BAC's determination of validity of the eligibility requirements shall be conclusive to enable the merchant to participate in the public bidding process.

5. REGISTRATION AND MEMBERSHIP OF MERCHANTS

5.1. The PhiIGEPS office shall develop and implement the necessary procedures for the registration and membership of merchants in the GOP-OMR.

5.2. Subject to Section 6, the procedures for registration of merchants shall prescribe the following requirements:

5.2.1. duly accomplished PhiIGEPS Registration Form;

5.2.2. an account number with a bank duly licensed by the Bangko Sentral ng Pilipinas (BSP), which shall be used to facilitate financial transactions such as, but not limited to, the payment of fees; charges; bid, performance, and warranty securities; and similar costs;

5.2.3. a secure e-mail address, which shall be used for all communications between the BAC and the PE;

5.2.4. a digital certificate secured from the government-accredited certification authority, once such facility becomes available.

5.2.5. eligibility requirements as provided in R.A. 9184 and its Revised IRR; and,

5.2.6. a certification, stating that (a) the eligibility requirements filed in connection with registration in the GOP-OMR, are authentic copies of the original; (b) the same requirements are complete; and (c) all statements and information provided in these are true and correct.

5.3. Merchants shall submit their registration documents either by sending electronic copies of the requirements using the PhiIGEPS website; or by sending printed copies to the PhiIGEPS office. Failure to submit the registration requirements prescribed in Section 5.2 herein shall result in the disapproval of the application for registration.

5.4. The PhiIGEPS office shall receive and process all applications for registration, and shall have the sole power to approve or disapprove any application in accordance with its registration procedures, subject to existing laws, rules and regulations, and these Guidelines.

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13.4 If, however, the BAC determines that the bidder with the LCB/HRB fails the criteria for post-qualification, it shall immediately notify the said bidder electronically in writing of its post-qualification and the grounds for it.

13.5 Immediately after the MC has electronically notified the first bidder of its postdisqualification, and notwithstanding any pending request for reconsideration thereof, the MC shall initiate and complete the same post-qualification process on the bidder with the second LCB/HRB. If the second bidder passes the postqualification, and provided that the request for reconsideration of the first bidder has been denied, the second bidder shall be post-qualified as the bidder with the LCRB/HRRB.

13.5 If the second bidder, however, fails the post-qualification, the procedure for postqualification shall be repeated for the bidder with the next LCB/HRB, and so on until the LCRB or HRRB, as the case may be, is determined for award, subject to Section 37 of the IRR.

13.7 The post-qualification process shall be completed in not more than seven (7) calendar days from the determination of the LCB/FIRB. In exceptional cases, the post-qualification period may be extended by the Head of the Procuring Entity, but in no case shall the aggregate period exceed thirty (30) calendar days.

13.8 The BAC or its Bid Opener shall record and encode the post-qualification results of manually submitted documents in the Ph!IGEPS. For electronic documents submitted online, the MC or its Bid Opener shall decrypt the documents and the results recorded automatically.

13.9 After recording the post-qualification summary and uploading the BAC resolution declaring the bidder with the LCRB/HRRB in the PhiIGEPS, an electronic message shall be automatically sent to all bidders who participated informing them that the Notice of LCRB/HRRB is available for downloading.

14. AWARD

14.1 The MC shall recommend to the Head of the Procuring Entity the award of contract to the bidder with the LCRB/HRRB or the Single Calculated/Rated Responsive Bid after the post-qualification process has been completed.

To facilitate the approval of the award, the BAC sheli submit the following supporting documents to the Head of the Procuring Entity:

- a) Resolution of the MC recommending award;
- b) Abstract of Bids;
- c) Duly approved program of work or delivery schedule, and Cost Estimates;

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5. Refusal or failure to post the required performance security within the prescribed time.
6. Refusal to clarify or validate in writing its Bid during post qualification within a period of seven (7) calendar days from receipt of the request for clarification.
7. Any documented unsolicited attempt by a bidder to unduly influence the outcome of the bidding in his favor.
8. All other acts that tend to defeat the purpose of the competitive bidding, such as habitually withdrawing from bidding or submitting late bids or patently insufficient bids, for at least three (3) times within a year, ;except for valid reason.

In addition to the penalty of suspension, the bid posted by the concerned bidder or prospective bidder shall also be forfeited.

4.2 Contract Implementation Stage

Pursuant to Section 69 (6) of R.A. 9184 and without prejudice to the imposition of additional administrative sanctions as the internal rules of the agency may provide and/or further criminal prosecution as provided by applicable laws, the procuring entity shall impose on contractors after the termination of the contract the penalty of suspension for one (1) year for the first offense, suspension for two (2) years for the second offense from participating in the public bidding process, for violations committed during the contract implementation stage, which include but not limited to the following:

- a) Failure of the contractor, due solely to his fault or negligence, to mobilize and start work or performance within the specified period in the Notice to Proceed (NTP);
- b) Failure by the contractor to fully and faithfully comply with its contractual obligations without valid cause, or failure by the contractor to comply with any written lawful instruction of the procuring entity or its representative(s) pursuant to the implementation of the contract. For the procurement of infrastructure projects or consultancy contracts, lawful instructions include but are not limited to the following:
 - i. Employment of competent technical personnel, competent engineers and/or work supervisors;
 - ii. Provision of warning signs and barricades in accordance with approved plans and specifications and contract provisions;
 - iii. Stockpiling in proper places of all materials and removal from the project site of waste and excess materials, including broken pavement and excavated debris in accordance with approved plans and specifications and contract provisions;
 - iv. Deployment of committed equipment, facilities, support staff and manpower; and
 - v. Renewal of the effectivity dates of the performance security after its expiration during the course of contract implementation.

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- ii. does not actually have on the project site the minimum essential equipment listed on the Bid necessary to prosecute the Works in accordance with the approved work plan and equipment deployment schedule as required for the project;
- iii. does not execute the Works in accordance with the contract or persistently or flagrantly neglects to carry out its obligations under the contract;
- iv. neglects or refuses to remove materials or to perform a new work that has been rejected as defective or unsuitable; or
- v. sub-lets any part of the contract works without approval by the Procuring Entity.

3. In contracts for Consulting Services:

The Procuring Entity shall terminate a contract for default when any of the following conditions attend its implementation:

- a) Outside of *force majeure*, the Consultant fails to deliver or perform the Outputs and Deliverables within the period(s) specified in the contract, or within any extension thereof granted by the Procuring Entity pursuant to a request made by the Consultant prior to the delay;
- b) As a result of *force majeure*, the Consultant is unable to deliver or perform a material portion of the Outputs and Deliverables for a period of not less than sixty (60) calendar days after the Consultant's receipt of the notice from the Procuring Entity stating that the circumstance of *force majeure* is deemed to have ceased; or
- c) The Consultant fails to perform any other obligation under the contract.

B. Termination for Convenience

The Procuring Entity may terminate the Contract, in whole or in part, at any time for its convenience. The Head of the Procuring Entity may terminate a contract for the convenience of the Government if he has determined the existence of conditions that make Project Implementation economically, financially or technically impractical and/or unnecessary, such as, but not limited to, fortuitous event(s) or changes in law and national government policies.

C. Termination for Insolvency

The Procuring Entity shall terminate the contract if the Supplier/Contractor/Consultant is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction. In this event, termination will be without compensation to the Supplier/Contractor/Consultant, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Procuring Entity and/or the Supplier/Contractor/Consultant.

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5.7 Heads of government entities are prohibited from paying honoraria to personnel involved in procurement activities outside of those covered herein.

5.8 By reason of jurisprudence, a Department Undersecretary or Assistant Secretary who concurrently serves in the BAC, in whatever capacity, shall not be entitled to honoraria.

5.9 In lieu of honoraria, the payment of overtime services may be allowed for the administrative staff, such as clerks, messengers and drivers supporting the BAC, the TWG and the Secretariat, for procurement activities rendered in excess of official working hours. The payment of overtime services shall be in accordance with the existing policy on the matter.

5.10 Those who are receiving honoraria for their participation in procurement activities shall no longer be entitled to overtime pay for procurement-related services rendered in excess of official working hours.

6.0 to Funding Source

6.1 The amount necessary for the payment of the honoraria and overtime pay authorized herein shall be sourced only from the following: a Proceeds from sale of bid documents;

Fees from contractor/supplier registry;
Fees charged for copies of minutes of bid openings; BAC resolutions and other BAC documents;
Protest fees;
Liquidated damages; and
Proceeds from bid/performance security forfeiture.

6.2 Pursuant to the DOF-DBM-COA Permanent Committee Resolution No. 2005-2 dated June 2005, all agencies are authorized to treat the collections from the sources identified in item 6.1 hereof as trust receipts to be used as exclusively for the payment of honoraria and overtime pay herein authorized. Agencies may utilize up to one hundred percent (100%) of the said collections for the payment of honoraria and overtime pay subject to the guidelines in item 5.0 of this Circular. Any excess in the amount collected shall be remitted by NGAs to the Bureau of the Treasury. In the case of GOCCs and LGUs, the same shall form part of their corporate or local government funds, respectively.

6.3 The total amount of honoraria and overtime pay to be paid for procurement-related activities shall not exceed the said collections.

6.4 In cases of deficiency in collections from the sources identified in item 6.1 above, the amount of honoraria and overtime pay shall be adjusted proportionately for all those entitled thereto.

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Refer to DBM Budget Circular No. 2007-3 for amendments

4. GUIDING PRINCIPLES

- 4.1. It is more preferred that government agencies lease publicly-owned real estate and venue from other government agencies.
- 4.2. The location of the real estate or venue to be leased should have been meticulously selected by the procuring entity after taking into consideration, among others, the need for prudence and economy in government service and the suitability of the area in relation to the mandate of the office, and Its accessibility to its clients. In the lease of venue, other factors such as the nature of the event or the level of security in the proposed location may also be taken into account.
- 4.3. As a general rule, rental rates are considered reasonable when they represent or approximate the value of what the Lessee gets in terms of accommodation, facility, amenities, and convenience from the leased real estate or venue, and the Lessor gets an equitable return of capital or investment.
- 4.4. Rental rates should also be within the prevailing market rates for lease of real estate or venue with the same or similar condition or classification and located within the vicinity.
- 4.5. The procuring entity shall ensure that the objectives and purpose of the lease contract do not constitute an unnecessary, excessive, extravagant, or unconscionable expenditure.

5. PROCEDURAL REQUIREMENTS

- 5.1. The end user unit shall conduct a Cost-Benefit Analysis to assess the feasibility of leasing a privately-owned real estate or venue as against purchasing or leasing from a government-owned real estate or venue.
- 5.2. The recommendation of the end user unit to lease a privately-owned real estate or venue shall also indicate the proposed location/s, the justifications therefor, and the result of the market analysis of the prevailing rates of lease contracts within the vicinity of the selected location/s.
- 5.3. The Approved Budget for the Contract (ABC) shall be set using the mid point of the range obtained from the results of the market analysis on the prevailing lease rates for real estates or venue within the vicinity of the selected location complying with the criteria and technical specifications of the end user unit. In no case shall the rental rates, including additional expenses, such as association dues in the case of lease of real estate, exceed the ABC.
- 5.4. The Annual Procurement Plan of the procuring entity shall reflect the proposed lease of real estate or venue specifying the approved mode of procurement, the ABC, and the general description of the lease.

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4. PROCEDURE

4.1. The procuring entity shall determine whether a printing expenditure is for an Accountable Form or for a Sensitive High Quality/Volume document.

4.2. The procuring entity shall prepare the technical specifications for the Accountable Forms or Sensitive High Quality/Volume printing requirement, which shall include, among others, the prescribed security features, output quantity, and target completion time.

4.3. It shall then conduct a market analysis to determine the Approved Budget for the Contract (ABC) taking into consideration the prevailing standard cost for its printing requirements.

4.3.1. The procuring entity may seek the assistance of the PCOO in determining whether no RGP is capable of undertaking the printing service.

4.3.2. Upon determination by the PCOO that no RGP can undertake the printing service due to time constraints and equipment limitations, the procuring entity may engage the services of private printers.

4.4. Thereafter, the procuring entity shall send a Request for Quotation (RFQ) to the RGPs. The quotations received will be evaluated by the procuring entity to determine which among the RGPs is most capable in performing the printing service in the most advantageous terms for the procuring entity.

4.4.1. In case the offer submitted by an RGP exceeds the ABC set by the procuring entity, it may request the Presidential Communications Operations Office (PCOO) to determine (i) whether the offer of the RGP is excessive; and (ii) set the appropriate rate for such transaction.

4.5. The procuring entity shall then engage the services of the appropriate RGP through an Agency-to-Agency Agreement pursuant to Section 53.5 of the IRR of RA 9184.

4.6. The appropriate RGP engaged by the procuring entity shall directly undertake the printing services for the contracts entered into, and cannot engage, subcontract, or assign any private printer to undertake the performance of the printing service.

5. EFFECTIVITY

5.1. These guidelines shall take effect immediately upon publication in the Official Gazette or in a newspaper of general circulation.

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Issued through GPPB Resolution 05-2010, dated 29 October 2010, and published in the Philippine Star on 08 January 2011.

4. DUTIES AND RESPONSIBILITIES OF UMBRELLA ORGANIZATION OF CONSULTANTS

4.1. A recognized UOC shall have the following duties and responsibilities:

- a) Registration and accreditation of member consultants based on types of services in the profession or discipline falling under its recognized sub-sector/s where the members are technically and financially qualified to offer their services;
- b) Preparation and certification of a list of fields and expertise in such fields available and the names of the accredited local consultants which shall be updated semi-annually or as often as necessary, and disseminated to concerned procuring entities;
- c) Implementation of a continuing capacity development program for its member consultants, including, but not limited to, trainings/seminars/workshops on government procurement;
- d) Regulation/Policing of its members for the development of the consulting industry which will include the establishment of a grievance mechanism for its members;
- e) Submission of the updated list of accredited member consultants to the GPPB monthly and posting of the list at the appropriate website identified by the GPPB;
- f) Immediately notify the GPPB whenever there are changes within the organizational set-up of the 1.10C which includes, but not limited to, amendments to articles of incorporation and by-laws, replacement of UOC's liaison officer;
- g) Technical assistance to the GPPB in matters relating to the consulting industry, including assistance in identifying blacklisted consultants;
- h) Assignment of observers to requesting procuring entities for procurement activities related to its profession;
- i) Take measures that will help ensure the maintenance of standards on the conduct of the activities they undertake, according to its duties and responsibilities as specified herein; and
- j) Supervision of the performance and compliance of its members as regards their obligations to procuring entities.

5. EVALUATION CRITERIA AND DOCUMENTARY REQUIREMENTS

5.1. An umbrella organization requesting recognition shall be evaluated by the GPPB using the following criteria:

5.1.1. The Organization and its Coverage (15%)

5.1.1.1. The organization must be established and created in accordance with the laws of the Philippines.

5.1.1.2. The organization must represent a major sector of the consulting industry identified in Annex "A" hereof.

5.1.1.3. The profile, vision, mission, and objectives of the organization must be consistent with its role, duties and responsibilities as a UGC.

5.1.1.4. The organization must be composed of individual consultants and/or associations, involved in various types of services related to the profession and/or discipline comprising a major sector of a consulting industry identified in Annex "A" hereof.

5.1.1.5. In satisfaction of this criterion, the organization shall submit the following documents to the GPPB:

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4. GENERAL CONDITIONS

4.1. Ordering Agreement may be used only upon compliance with the following requirements:

a) The Head of the Procuring entity (HOPE) determines that adopting an Ordering Agreement will be more advantageous for the procuring entity having considered the following:

(i) End-User Units certification that the goods in the Order Agreement List are necessary and desirable for the operations of the procuring entity, supported by the following documents:

1. Document, such as, but not limited to, feasibility study, needs analysis, or historical data, establishing the need for the acquisition of the goods in the Order Agreement List; and
2. Market study establishing the ABC for each of the goods;

(ii) Result of cost-benefit analysis supports the appropriateness of using Ordering Agreement by establishing benefits, such as, but not limited to the following:

1. Stockholding or warehousing of goods and the costs and risks accompanying it will be significantly reduced or avoided;
2. Additional cost will be lessened as the possibility of delay in the acquisition of the goods is minimized;
3. The commitment by the supplier to immediately deliver at a short notice will translate to a more efficient means of supplying goods;
4. Procuring entity will benefit from the fixed price for the duration of the Ordering Agreement;
5. Ordering at the time of actual need will result in the optimum usage of the ABC; or
6. The benefits and advantages of lean and just-in-time procurements are achieved.

(iii) The Order Agreement List is prepared in the most practical, efficient, and economical manner that will encourage competition among interested bidders in the relevant industry.

b) The procurement shall be conducted following the procedures for Competitive Bidding provided in Republic Act (RA) 9184 and its Implementing Rules and Regulations (IRR).

4.2. Prices indicated in the Ordering Agreement corresponding to the subject goods in the Order Agreement List shall be fixed for the duration of the agreement, regardless of increase or decrease in the prevailing market price at the time of actual purchase through the issuance of the Delivery Order Contract.

4.3. The Ordering Agreement shall contain (a) the Order Agreement List; (b) the terms and clauses applying to Delivery Order Contracts between the parties for its duration; and (c) methods for issuing and delivering/performing future orders under the Ordering Agreement.

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- a) Upon expiration of the bid validity period, or any extension thereof pursuant to Section 28.2 of the IRR;
- b) When all bidders are declared Ineligible or post-disqualified and, upon receipt of the notice therefor, either failed to timely file a request for reconsideration or filed a waiver to avail of said right;
- c) When the bidder declared as the Lowest Calculated and Responsive Bidder/Highest Rated and Responsive Bidder, has furnished the performance security and signed the contract.

5. GROUNDS FOR ENFORCEMENT OF BID SECURING DECLARATION

The Bid Securing Declaration shall be enforced when the bidder commits any act resulting to the forfeiture of bid security under Sections 23.1(b), 34.2, 40.1 and 69.1, except 69.1(f), of the IRR of RA 9184.

6. PENALTIES

Commission of any of the acts mentioned in Section 5 of these Guidelines shall merit the following sanctions:

- a) Penalty of automatic blacklisting for two (2) years in all government procurement activities;
- b) Payment of fine equivalent to the amount subject to the following rules:

i) In case of multiple bidders:

Two Percent (2%) of the Approved Budget for the Contract (ABC) or the Difference between the evaluated bid prices of the bidder with the Lowest Calculated/Highest Rated Bid and the bidder with the next Lowest Calculated/Highest Rated Bid, and so on, whichever is HIGHER;

As regards the bidder with the Highest Calculated/Lowest Rated Bid, the amount shall be Two Percent (2%) of the ABC or the Difference between the evaluated bid price and the ABC, whichever is HIGHER;

ii) In case of a single bidder:

Two Percent (2%) of the ABC or the Difference between the evaluated bid price and the Approved Budget for the Contract, whichever is HIGHER.

iii) Violations committed prior to opening of financial envelope:

A fix amount equivalent to two percent (2%) of the ABC.

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- 3.1.4. *Bid Opener* - refers to a member of the BAC or its Secretariat specifically designated by the BAC to open and record all bid submissions, decrypt electronic bids, record or input the results of bid opening, evaluation and post-qualification in the PhiIGEPS.
- 3.1.5. *Bid Payment Modality* - refers to the mode by which a Registered Merchant pays the bid document fee directly to the collecting/disbursing officer of the procuring entity until such time that the PhiIGEPS electronic payment facility becomes available.
- 3.1.6. *Certified Member* - refers to a Registered Merchant granted a Certified Membership Status by PhiIGEPS.
- 3.1.7. *Certified Membership Status* - refers to a privilege given to a Registered Merchant that has applied for and paid the annual administrative fee which enables the member, depending on the classification, to access and utilize certain functionalities of the PhiIGEPS, such as, automatically receiving Bid Notifications, downloading of bid documents, electronic submission of bid proposals, among others.
- 3.1.8. *Document Library* - electronic repository of documents uploaded into PhiIGEPS, with controlled accessibility.
- 3.1.9. *Electronic document* - refers to information or the representation of information, data, figures, symbols or other modes of written expression, described or however represented, by which a right is established or an obligation extinguished, or by which a fact may be proved and affirmed, which is received, recorded, transmitted, stored, processed, retrieved or produced electronically.
- 3.1.10. *On-line Bidder* - refers to a Certified Member participating electronically in bidding.
- 3.1.11. *Pass Phrase* - is the unique Identifier exclusively provided by the Bidder's Online Nominee, all registered users of the agencies, and all other users of PhiIGEPS such as, but not limited to COA Auditors, NGOs, PhiIGEPS Administrator, that is used in encrypting and decrypting bid submissions.
- 3.1.12. *Portable Document Format (PDF)* - refers to a file format that has captured all the elements of a printed document as an electronic image that can be viewed, navigated, printed, copied but cannot be edited or changed.
- 3.1.13. *Registered Merchant* - refers to manufacturers, suppliers, distributors, contractors, and consultants already registered in the GOP-OMR, and who can access posted bid notices.

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g. Data on the price indices of the materials or goods, including the source of data used in the detailed computation of the proposed price escalation as referred to in item (d) above, covering a historical thirty (30)-month period reckoned from the date of bid opening; and

h. Other information/documents as may be required by NEDA/GPPB.

5.2 Two-Stage Review Process. The review process shall commence only after the NEDA has acknowledged the completeness of the request in accordance with this Section. A request for price escalation shall only be granted if it satisfies both the First and Second Stage reviews.

5.2.1 First Stage: Legal Parameters. This stage shall establish the legal basis for extraordinary circumstances that will allow contract price escalation. The determination shall strictly be in accordance with any of the extraordinary circumstances mentioned in Section 4 of these guidelines.

5.2.2 Second Stage: Technical Parameters. After establishing the legal basis under the First Stage review, the request for price escalation shall be further reviewed in accordance with the technical parameters stipulated herein.

a. Standard Deviation. The escalation in the price of an item, good, or component, as requested, should at least be two (2) standard deviations from the mean calculated based on the historical trend of applicable price indices covering a historical data of thirty (30)-months reckoned from the date of bid opening. In computing for the standard deviation, the following shall be observed:

(i) The prevailing monthly price index to be used in computing the mean shall be determined based on the volatility of the price concerned. Data for a locally available good, item, or component shall be those issued/published by the appropriate entity.

(ii) In case of an international good, item, or component wherein appropriate data is not available from domestic sources, data shall be those issued/published by the appropriate foreign entity.

(iii) In case of variation orders involving work items exactly the same or similar to those in the original contract, the applicable price indices for said work items prevailing on the date of bid opening of the original contract shall be used.

(iv) In case of variation orders involving new work items, the applicable price indices for said new work items prevailing on the date the variation order was approved shall be used.

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5. PROCEDURE FOR SUSPENSION AND BLACKLISTING DURING THE COMPETITIVE BIDDING STAGE

5.1 *Initiation of Action*

Any bidder/prospective bidder or duly authorized observer may initiate the suspension and blacklisting proceedings by filing a written complaint with the Bids and Awards Committee (BAC). The BAC may also *motu proprio* (by itself) commence the proceedings upon *prima facie* (self-sufficient) determination that the contractor as a bidder or prospective bidder has committed any of the grounds for blacklisting during the competitive bidding stage.

At the option of the procuring entities, a reasonable fee may be required for initiating the suspension and blacklisting proceedings.

5.2 *Notification*

Upon verification of the existence of grounds for blacklisting, the BAC shall immediately notify the contractor concerned in writing, advising him that:

- a) a complaint for suspension and blacklisting has been filed against him, or he has been considered by the BAC for suspension and blacklisting, stating the grounds for such;
- b) he has the opportunity to show cause why he should not be suspended and blacklisted;
- c) a hearing shall be conducted before the BAC, upon his request, where he may present documentary evidence, verbal testimony and cross-examine the witnesses presented against him; and
- d) the consequences of being suspended and blacklisted.

Within five (5) calendar days from receipt of notification, the contractor shall submit its written answer with documentary evidence to the BAC with a manifestation for request of hearing to determine questions of fact, if he so desires. No time extension shall be allowed.

Should the contractor fail to answer within the same period, the BAC shall issue a resolution recommending to the Head of the Procuring Entity the immediate suspension of the contractor from participating in any bidding process of the agency and the forfeiture of his bid security.

5.3 *Hearings*

If a hearing is requested, the BAC shall immediately set the date and time for hearing. The hearing shall be non-litigious and shall be terminated within five (5) days. The BAC may also invite a representative from a duly recognized private group in a sector or discipline relevant to the procurement at hand as an observer for each hearing.

If no request is made, the BAC shall make a determination of the case based on the complaint, answer, documentary evidence submitted and facts verified. If the BAC is convinced that the contractor is at fault, it shall issue a resolution recommending to the head of the agency the suspension of the contractor from participating in any bidding process of the agency and the forfeiture of his bid security.

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COMPUTATION BASED ON OBSERVED DEPRECIATION

Reproduction = Estimated Unit Construction Cost x (1 - Depreciation Rate) Cost

$$= P25,000/\text{sq.m.} (1 - 0.20)$$

$$= P20,000/\text{sq.m.}$$

Formula Rate = Reproduction Cost x Monthly Capitalization Rate

$$= 20,000 (0.20/12) = 20,000 (0.0167)$$

$$= P334/\text{sq.m./mo.}$$

Rental Rate = Formula Rate x Factor Value

$$P334 (0.90)$$

$$300.60/\text{sq.m./mo. say } 300/\text{sq.m.}$$

Rentable Area = 200.00 sq.m.

Monthly Rental = Rentable Area x Rental Rate

$$= 200/\text{sq.m.} \times P300/\text{sq.m./mo.}$$

$$= P60,000.00/\text{mo.}$$

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151. Register of Court Decree/Order
152. Register of Legal Instrument
153. Application for Vacation Leave of Absence
154. Oath of Office
155. Appointment (Rev. 1993)
156. Medical Certificate
157. Daily Time Record
158. Acceptance of Resignation
159. Service Record
160. Medical Certificate for Employment
161. Personal Data Sheet
162. Employees Leave Card
163. Court Civil Docket
164. Court Criminal Docket
165. Statement of Daily Market Purchase
166. In-Patient Record
167. Doctor's Prescription
168. Outside Patient Record form
169. Record Admission
170. Record of Person Subsisted
171. Monthly Subsistence Report
172. Pharmacists Record of Issues
173. Pharmacist's Monthly Report of Drug Medicine Issued
174. Record of Services Outside Patients
175. Record of Hospital Collections
176. Temperature Record
177. Treatment Record
178. Patient's Ledger Card
179. Laboratory Request
180. Clinical Laboratory Record
181. Extension Post
182. Surgical Memorandum
183. Clinical Case Record
184. History Record
185. Requisition of Equipment & Supplies

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6.5. If the GPPB finds the organization qualified to be a UOC, it will declare such organization as the recognized UOC for the major sector listed in Annex "A" hereof, and will issue a Certificate of Recognition.

6.6. Whenever the GPPB finds that the application of the applicant-organization is insufficient to warrant recognition, the GPPB shall re-evaluate the application upon compliance by the applicant-organization of its order to revise the application and/or to submit additional documents.

7. PERIOD OF RECOGNITION

7.1. The recognition of UOC shall be valid for two (2) years after the issuance of the Certificate of Recognition, unless sooner revoked for a cause.

7.2. The GPPB shall conduct an annual review of the over-all performance of the UOC. It may also conduct random inspection of the activities of the UOC, as it deems necessary.

7.3. No challenge of the UOC's recognition shall be entertained for the duration of its validity.

7.4. After due process, the GPPB may, motu proprio or upon a valid complaint filed by any interested party, suspend or revoke the recognition of a UOC for failure to perform its duties and responsibilities as prescribed herein.

7.5. Any other sanctions the GPPB may deem to impose in the future shall be, at all instances, proportionate to the offense committed by the UOC.

8. REPEALING CLAUSE

The GPPB Guidelines for Recognition of Umbrella Organization of Consultants approved and adopted through GPPB Resolution 14-2004 is hereby repealed.

9. EFFECIIVITY CLAUSE

This shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general nationwide circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies

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Issued through GPPB Resolution 02-2011, dated 28 January 2011 and published In The Daily Tribune on 21 March 2011

12.8. The MC shall manually prepare a Resolution whether approving or denying the Abstract of Bids generated by the system. However, after the BAC Resolution approving the Abstract of Bids is uploaded in the PhilGEPS, an electronic message shall be automatically sent to all bidders who participated informing them that the Abstract of Bids is available for downloading.

Consulting Services

12.9. To determine the Highest Rated Bid (HRB), the BAC shall immediately conduct a detailed evaluation of all bids using the steps provided for under Section 33 of the IRR of RA 9184.

12.10. After conducting the detailed evaluation of all bids using non-discretionary criteria, the Bid Opener shall input and record the results of the evaluation into the PhilGEPS' Summary Report facility.

12.11. The PhilGEPS shall automatically rank the bidders in descending order based on their total score to identify the HRB. After all bids have been received, opened, examined, evaluated, and ranked, the system shall thereafter generate the Abstract of Bids.

12.12. The BAC shall manually prepare a Resolution whether approving or denying the Abstract of Bids generated by the system. However, after the BAC Resolution approving the Abstract of Bids is uploaded in the PhilGEPS, an electronic message shall be automatically sent to all bidders who participated informing them that the Abstract of Bids is available for downloading.

13. POST QUALIFICATION

13.1 The Lowest Calculated Bid ("LCB")/Highest Rated Bid ("HRB") shall undergo postqualification pursuant to Rule X of the IRR in order to determine whether the bidder concerned complies with and is responsive to all the requirements and conditions as specified in the Bidding Documents.

13.2 Within one (1) day after the approval of the Abstract of Bids, the bidder with the LCB/HRB should be notified through electronic mail that the bidder shall undergo post-qualification and submit the post-qualification requirements within three (3) calendar days as provided for under Section 34.2 of the IRR.

13.3 If the MC determines that the bidder with the LCB/HRB passes all the criteria for post-qualification, it shall declare the said bid as the Lowest Calculated Responsive Bid (LCRB)/ Highest Rated Responsive Bid (HRRB), and recommend to the Head of the Procuring Entity the award of contract to the said bidder at its submitted bid price or its calculated bid price, whichever is lower or, in the case of quality-based evaluation procedure, submitted bid price or its negotiated price, whichever is lower.

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c) Assignment and subcontracting of the contract or any part thereof or substitution of key personnel named in the proposal without prior written approval by the procuring entity.

d) For the procurement of goods, unsatisfactory progress in the delivery of the goods by the manufacturer, supplier or distributor arising from his fault or negligence and/or unsatisfactory or inferior quality of goods, as may be provided in the contract;

e) For the procurement of consulting services, poor performance by the consultant of his services arising from his fault or negligence. Any of the following acts by the consultant shall be construed as poor performance:

- i. Defective design resulting in substantial corrective works in design and/or construction;
- ii. Failure to deliver critical outputs due to consultant's fault or negligence; and
- iii. Specifying materials which are inappropriate, substandard, or way above acceptable standards.
- iv. Allowing defective workmanship or works by the contractor being supervised by the consultant.

f) For the procurement of infrastructure projects, poor performance by the contractor or unsatisfactory quality and/or progress of work arising from his fault or negligence as reflected in the Constructor's Performance Evaluation System (CPES) rating sheet. In the absence of the CPES rating sheet, the existing performance monitoring system of the procuring entity shall be applied. Any of the following acts by the constructor shall be construed as poor performance:

- i. Negative slippage of 15% and above within the critical path of the project due entirely to the fault or negligence of the contractor; and
- ii. Quality of materials and workmanship not complying with the approved specifications arising from the contractor's fault or negligence.

g) Willful or deliberate abandonment or non-performance of the project or contract by the contractor resulting to substantial breach thereof without lawful and/or just cause. In addition to the penalty of suspension, the performance security posted by the contractor shall also be forfeited.

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5.5. Selection of the Lessor following the procedures prescribed in Items 6 and 7 of these Guidelines may be delegated to the appropriate bureau, committee, or support unit duly authorized by the Bids and Awards Committee.

5.6. Eligibility documents need not be submitted by prospective Lessors. The Reeving entity must nevertheless validate whether the Lessor to be awarded the contract is technically, legally and financially capable through other means.

5.7. All lease contracts with ABCs costing more than Fifty Thousand Pesos (Php 50,000.00) shall be posted in the Philippine Government Electronic Procurement System.

6. SPECIFIC GUIDELINES: LEASE OF REAL ESTATE

6.1. The draft contract and the technical specifications for the lease shall be prepared taking into consideration the rating factors under Appendix A of these Guidelines.

6.2. Thereafter, at least three (3) prospective Lessors shall be invited to submit sealed price quotations.

6.3. On a specified date, submitted price quotations shall be opened to determine the Lowest Calculated Bid (LCB). The real estate being offered by the Lessor with the LCB shall be rated in accordance with the technical specifications prepared pursuant to Appendix A, and the reasonableness of its price quotation shall be determined in accordance with the methodology prescribed in Appendix B of these Guidelines.

6.4. If the LCB is determined to be responsive and reasonable, said bid shall be declared as the Lowest Calculated Responsive Bid (LCRBL). If not, then the second LCB shall be evaluated and its reasonableness determined pursuant to Item 6.3 of these Guidelines. This procedure shall be repeated for the next LCB until the LCRB is determined.

6.5. Lease contract shall be awarded to the LCRB. If no LCRB has been determined, then another round of prospective Lessors shall be invited to submit sealed price quotations in accord with Item 6.2 of these Guidelines until an LCRB has been determined and awarded the contract.

7. SPECIFIC GUIDELINES: LEASE OF VENUE

7.1. Technical specifications shall be prepared taking into consideration the rating factors under Appendix C of these Guidelines.

7.2. Once technical specifications have been finalized, at least three (3) price quotations shall be obtained within the vicinity of the selected location.

7.3. The venue being offered by the Lessor with the LCB shall then be rated in accordance with the technical specifications prepared pursuant to Appendix C. Compliance rating with technical specifications may be conducted through ocular inspection, interviews, or other forms of due diligence.

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ANNEX A

- A. Accountable forms identified by the recognized government printers.
1. Official Receipt with RP Seal (water mark)
 2. Carbonless Official Receipt
 3. Official Receipt with RP Seal
 4. Certificate of Record of Transfer of Large Cattle
 5. Certificate of Ownership of Large Cattle
 6. Marriage License
 7. Birth Certificate
 8. Death Certificate
 9. Cash Ticket P0.25
 10. Cash Tidcet P0.50
 11. Cash licket P1.00
 12. Cash Ticket P5.00
 13. Cash Ticket P10.00
 14. Real Property Tax Receipt
 15. Slaughter Permit and Fee Receipts
 16. City / Municipal Burial Permit and Fee Receipt
 17. General Journal
 18. Cash Receipts Journal
 19. Cash Journal
 20. Check Disbursements Journal
 21. Cash Disbursements Journal
 22. General Ledger
 23. Subsidiary Ledger
 24. Property, Plant and Equipment Ledger Card
 25. Property, Plant and Equipment Ledger Card - Specific Item
 26. Supplies Ledger Card
 27. Construction in Progress Ledger Card
 28. Investments Ledger Card
 29. Registry of Appropriations and Allotments
 30. Registry of Allotments and Obligations Capital Outlay (RAOCO)

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- a) Securities and Exchange Commission (SEC) registration certificate or other documents showing existence of juridical personality;
- b) Articles of Incorporation, By-Laws, and any amendments thereto reflecting its primary and secondary purposes;
- c) Any other document stating the office location and contact number, profile, vision, mission, and objectives of the organization;
- d) List of registered members, whether individuals or associations, with their contact numbers and addresses, as well as the corresponding professions and/or disciplines they cover, and their respective track record; and
- e) Commitment by said organization to cooperate with and actively participate in the development of one umbrella organization of consultants that will encompass all professions and disciplines that may be the subject of government consultancy contracts.

5.1.2. Accreditation Process (30%)

5.1.2.1. The organization must show its ability to properly screen the applicants for membership by prescribing a standard accreditation system.

5.1.2.2. The accreditation system must conform to and promote the goals and objectives of this Guidelines.

5.1.2.3. The organization must demonstrate its capability to oversee the performance of its members, through adoption of mechanism for monitoring and evaluation of the members, and creation of an accreditation board/committee.

5.1.2.4. For this criterion, the organization shall submit the following documents:

- a) The organization shall submit its accreditation guidelines and other relevant documents that describe in detail its registration and accreditation system for both individual consultants and associations; and
- b) The organization shall also submit the composition of accreditation board/committee in charge of the evaluation of members.

5.1.3. Capacity Building Program (25%)

5.1.3.1. The organization shall see to it that its members are equipped with adequate skill and expertise relevant to the type of sector of consulting industry the organization belongs.

5.1.3.2. The organization must institute programs which aim to develop the skill or competence of its members, or for overall upgrading of the members' performance ability.

5.1.3.3. In satisfaction of this criterion, the organization shall submit the program/s to be adopted by the organization for capacity building of its member organizations and individual consultants.

3.1.14. *Response Forms* - refers to technical and financial forms that are editable and can be populated with information.

3.1.15. *System Failure* - refers to the PhiIGEPS hardware failure or server software issue such that the system is totally not accessible to users. It does not refer to the failure of the user's computer, Internet access or any power interruption, which is beyond the control of the PhiIGEPS.

3.2. Terms, words, and phrases used in these Guidelines shall have the same meaning as those that are defined in RA 9184 and RA 8792, otherwise known as the Electronic Commerce Act, and their respective Implementing Rules and Regulations, and the Guidelines for the Use of the Government of the Philippines Official Merchants Registry (GOP-OMR).

4. GENERAL GUIDELINES

4.1. All Procuring Entities are mandated to fully use the PhiIGEPS in accordance with RA 9184 and its IRR, and the policies, guidelines, and circulars issued by the GPPB.

4.2. All Procuring Entities shall register with the PhiIGEPS and shall undertake measures to ensure their access to the on-line network in order to facilitate open, speedy and efficient on-line transmission, conveyance and use of electronic data messages or electronic documents. Further, the PhiIGEPS shall assist procuring entities ensure their on-line connectivity and provide training for their personnel responsible for the operation of the system from their terminals.

4.3. The rules and regulations governing the manual method of procurement shall apply whenever the rules in these Guidelines are silent.

4.4. The Invitation to Bid, including the Bidding Documents shall clearly state whether Electronic Bidding is available for the procurement opportunity.

4.5. The provisions under Section 13 of the IRR on Observers shall apply without prejudice to full compliance with the requirement under Section 8.7 of the IRR.

4.6. Only bidders who pay the Bid Document Fee shall be allowed to participate in the e-bidding activities and submit a bid.

4.7. A process or activity which is suitable for automatic evaluation by electronic means, without any intervention by the Procuring Entity, shall be the preferred modality.

4.8. PhiIGEPS must establish a user help desk or a call center which offers centralized customer service (telephone-based service, live chat, e-mails) and support functions that will both cater to procuring entities and Registered Merchants to effectively and efficiently address Issues and problems during their procurement operations.

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b. Ten Percent (10%) Increase. If there are no available historical data for the appropriate price indices such that Section 5.2.2 (a) above becomes inapplicable, the request for price escalation of an item, good or component shall be reviewed pursuant to this section wherein the subject applicable price index of a request should have registered an increase of more than ten percent (10%), as determined from the prevailing price index on the date of bid opening.

In case there are no applicable price indices for the item, good, or component, the applicable general wholesale price index shall be used.

5.2.3 Detailed Technical Parameters/Applicable Price Indices for Goods. The detailed computation and validation of price escalation for goods as described in Section 5.2.2 above shall use the most price index of the commodity group under the three types of price indices, WPI, CPI, and PPI; Provided that, based on availability and applicability, the WPI for the commodity group shall first be utilized, followed by the CPI, and lastly the PPI. The indices for commodity groups shall be those presented under Annex A, as classified and issued by the National Statistics Office (NSO). For an item, good or component wherein the prevailing price index cannot be established, the review shall be conducted utilizing the most relevant and applicable index.

5.2.4. Detailed Technical Parameters/Applicable Price Indices for Infrastructure Projects. The detailed computation and validation of price escalation for infrastructure projects as described in Section 5.2.2 above shall use the fluctuation factor K representing the increase or decrease of the value of an item as a result of price fluctuation.

a. The value K varies for each item of work and is represented by the following:

$$K = a + b (X_i/X_o) + c (Y_i/Y_o) + d (Z_i/Z_o) + n (N_i/N_o)$$

Where:

a - is a 0.15 fixed coefficient representing contractor's profit, and other non-adjustable items.

b,c,d, n - are the coefficients representing the proportionate value of each pay item to the total. $b + c + d + n = 0.85$.

X_i, Y_i, Z_i, N_i - are variables representing the current price indices of the cost of labor, materials and other components of the contract during the period under consideration at the time of the request for price escalation, based on the original or duly approved revised schedule of contract implementation, subject to Section 8 hereof.

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1.2.2. Estimated Unit Construction Cost refers to the estimated prevailing cost of construction per square meter of the real estate being appraised. The respective Estimated Unit Construction Cost of types of real estate for each region may be obtained from the Bureau of Maintenance of the DPWH.

1.2.3. Reproduction Cost, Capitalization Rate, Rentable Area and Factor Value shall have the same meaning as those referred Items 1.1.2 to 1.1.5.

1.3. Comparative Market Price Analysis

This method is based on the conduct of comparative market analysis on the prevailing lease rates for real estates within the vicinity of the selected location complying with the criteria and technical specifications of the procuring entity. In the lease of vacant lot or other land spaces, the procuring entity shall likewise consider the zonal valuation issued by the city or municipality having jurisdiction over the property.

2. If the price quotation of the prospective Lessor does not exceed the computed monthly rental or is within the prevailing market rates, the rental rate offered may be regarded as reasonable, and Its quotation may then be considered for award.

3. Sample Computations for Observed Depreciation and Straight Line Depreciation:

A 5-storey office building made of reinforced concrete structure with mechanical equipment, I.e., elevator, air conditioning system, etc.

Date of Construction	1987
Estimated Unit Construction Cost	P25,000/sq.m
Depreciation	20% (Good condition)
Capitalization Rate	20% (Variable based on bank rate)
Factor Value	90% (Based on rating)

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121. Declaration of Real Properties-Copies, Front and Back (1-Canary)
- 122 Declaration of Real Properties-One Side
123. Real Property Field Appraisal & Assessment Sheet, Land, Plants, & Trees
124. Real Property Field Appraisal & Assessment Sheet, Building
125. Real Property Field Appraisal & Assessment Sheet, Machinery
126. Assessment Roll
127. Journal of assessment Transaction
128. Ownership Record Form
129. Property Record Card
130. Municipal Treasurers Account Book
131. Register of Marriage
132. Register of Birth
133. Register of Death
134. Director's Minute Book
135. Personal Appearance
136. Affidavit of Official Priest or Minister
137. Sworn Statement Advice Parent Ask
138. Comparabve Statement of Market/Slaughter
139. Application of Marriage License
140. ID Certificate of Marriage License
141. Consent of Marriage
142. Notice of Re-applicants
143. Marriage Contract
144. Register of Application Marriage License
145. Certificate of Birth
146. Certificate of Death
147. Certificate of Fetal Death
148. Municipal Treasurer's Journal of Collection and Deposit
149. Certificate of Foundling
150. Register of Foundling

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5.1.4. Regulation/ Policing Process (25%)

5.1.4.1. The organization adopts a regulation/policing scheme which is geared towards monitoring the adherence to the set of rules promulgated by the organization for its members.

5.1.4.2. The organization shall act as the regulatory body of all its members, and as such, it should formulate mechanisms for dispute resolution in case of conflict among its members.

5.1.4.3. The organization must establish its capability to enforce compliance of its rules upon its members.

5.1.4.4. In satisfaction of this criterion, the organization shall submit the following documents to the GPPB:

- a) The guidelines reflecting the procedure on regulation/policing by the organization of its members, including sanctions for erring members; and
- b) Proposed mechanism for dispute resolution of its members.

5.1.5. Liaison (5%)

5.1.5.1. The organization must maintain active liaison with the GPPB, the relevant government agency, and various Bids and Awards Committees (BACs), as may be required by the GPPB.

5.1.5.2. In satisfaction of this criterion, the organization shall submit the following documents to the GPPB:

- a) The position and name of its officers or employees who are in charge of liaising with the GPPB and other government agencies; and
- b) The addresses and contact details of the abovementioned officers and employees.

5.2. The organization must obtain a minimum evaluation seventy-five percent (75%) to be recognized as a UOC.

6. APPLICATION FOR RECOGNITION

Recognition of a UOC shall be done by the GPPB under the following procedure:

6.1. The applicant-organization shall accomplish the application form prescribed by the Government Procurement Policy Board Technical Support Office (GPPB-TSO) and submit the same to the latter including the original or certified true copies of the documents required under Section 5.

6.2. The applicant-organization shall cause the publication of its duly accomplished application form, stamped "received" by the GPPB-TSO, at least once in a newspaper of general nationwide circulation and post the same in PhilGEPS website for a period of fifteen (15) calendar days.

6.3. Questions and/or oppositions on the recognition of the applicant-organization shall be submitted

to the GPPB-TS0 not later than fifteen (15) calendar days from the date of publication or last day of posting, whichever is later, as mentioned in the immediately preceding paragraph.

6.4. The documents submitted by the applicant-organization and the oppositions thereto, if any, shall be evaluated by the GPPB in order to determine the capacity of the applicant-organization to perform the duties and responsibilities of a UOC based on the given criteria for evaluation.

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12.3. In case of discrepancies between: (a) bid prices in figures and in words, the latter shall prevail; (b) total price of the item and unit price of the item as extended or multiplied by the quantity of that Item, the latter shall prevail; (c) stated total price and the actual sum of prices of component items, the latter shall prevail; (d) unit cost in the detailed estimate and unit cost in the bill of quantities, the latter shall prevail.

12.4. Bids shall then be ranked in the ascending order of their total calculated bid prices, as evaluated and corrected for computational errors, and other bid modifications, to identify the Lowest Calculated Bid. Total calculated bid prices, as evaluated and corrected for computational errors, and other bid modifications, which exceed the ABC shall be disqualified.

12.5. After all bids have been received, opened, examined, evaluated, and ranked, the BAC shall prepare the corresponding Abstract of Bids. All members of the BAC shall sign the Abstract of Bids and attach thereto all the bids with their corresponding bid securities and the minutes or proceedings of the bidding. The Abstract of Bids shall contain the following:

- a) Name of the contract and its location, if applicable;
- b) Time, date and place of bid opening; and
- c) Names of bidders and their corresponding calculated bid prices arranged from lowest to highest, the amount of bid security and the name of the issuing entity.

The entire evaluation process for the procurement of goods and infrastructure projects shall be completed within seven (7) calendar days from the deadline for receipt of proposals. However, for infrastructure projects costing Fifty Million Pesos (P50,000,000) and below, the entire evaluation process shall be completed in not more than five (5) calendar days from the deadline for receipt of proposals.

12.6. After conducting the detailed evaluation of all bids using non-discretionary criterion, the Bid Opener shall input and record the results of the evaluation into the PhiIGEPS' Evaluation Summary Report facility.

12.7. The PhiIGEPS shall automatically rank the bidders in ascending order based on their total calculated bid prices to identify the LCB as evaluated and corrected for computational errors, and other bid modifications. Total calculated bid prices, as evaluated and corrected for computational errors, and other bid modifications, which exceed the ABC shall be disqualified. After all bids have been received, opened, examined, evaluated, and ranked, the system shall thereafter generate the Abstract of Bids in the form of PhiIGEPS Evaluation Summary Report.

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