

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.

- 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.
- j. 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.