



RESOLUTION NO. 22-2005

TO APPROVE AND ADOPT AMENDMENTS TO GPPB GUIDELINES ON INDEX-BASED PRICING FOR PETROLEUM, OIL AND LUBRICANT REQUIREMENTS

WHEREAS, Republic Act No. 9184 (R.A. 9184), otherwise known as “Government Procurement Reform Act” and its Implementing Rules and Regulations Part A (IRR-A) took effect on 26 January 2003 and 08 October 2003 respectively;

WHEREAS, Section 63.1 of the IRR-A of R.A. 9184 provides that the Government Procurement Policy Board (GPPB), as established in Section 63 of R.A. 9184 shall have the power to formulate and amend public procurement policies, rules and regulations, and amend, whenever necessary the IRR-A;

WHEREAS, pursuant the afore-mentioned mandate, the GPPB during its 3rd meeting held on 28 April 2005 approved the Guidelines on Index-Based Pricing For Petroleum, Oil and Lubricant (POL) Requirement, through Resolution No. 05-2005, which took effect on 6 June 2005;

WHEREAS, the guidelines referred to above govern the procurement of POL by government agencies when the same is a major operational requirement for the agencies’ principal mandates; and prescribe the rules and procedures on the use of index-based pricing scheme for the aforementioned undertaking;

WHEREAS, upon perusal of these guidelines in view of requests for clarifications and amendments, revisions to these guidelines are necessary to implement effectively and efficiently its provisions;

WHEREAS, the proposed amendments to these guidelines were presented and reviewed by the Inter-Agency Technical Working Group (TWG) in its 7th and 8th meetings on 26 August and 16 September 2005 respectively, and members of the Inter-Agency TWG agreed to recommend these amendments to the GPPB for approval;

WHEREAS, these proposed amendments were presented to the GPPB in its 9th Board meeting on 07 October 2005, the members of the GPPB duly considered and agreed to adopt these amendments to the GPPB Guidelines on Index-Based Pricing For POL Requirements;



RESOLUTION NO. 22-2005

NOW, THEREFORE, premises considered, **WE**, the Members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, by virtue of the powers vested on **US** by law, hereby **RESOLVE**:

To approve and adopt amendments to GPPB Guidelines on Index-Based Pricing for Petroleum, Oil and Lubricant Requirements issued through Resolution No. 05-2005 dated 28 April 2005. The following sections of the guidelines shall be amended, as follows:

1. **Sec. 3(b). Bid Price.** Refers to the difference of AWPP less the discounts plus delivery cost given by the bidder, in case of procurement using the WPP index; and the sum of MOPS plus the premium imposed and delivery cost, in case of procurement using the MOPS index;
2. **Sec. 3. Delivery Cost.** 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. (*new provision*);
3. **Sec. 3 (e). Discounts.** Refer to the total deductions from the AWPP;
4. **Sec. 3 (j) Premium.** Refers to the amount added to the MOPS;
5. **Sec. 7.1** Bid prices for procurement using the WPP index in accordance with Section 5.1 hereof shall be based on the AWPP less the discounts offered plus delivery cost charged by the bidder, if any. On the other hand, bid prices for procurement using the MOPS index in accordance with Section 5.2 hereof shall be based on the MOPS plus premium and delivery cost charged by the bidder;
6. **Sec. 7.2** Contract price shall be the index rate at the actual order date less the discount plus delivery cost (in case of use of WPP index) or, plus the sum of premium and delivery cost (in case of use of MOPS index) of the Lowest Calculated Responsive Bidder, subject to the provisions on actual price payable under Section 9 hereof;
7. **Sec. 8.1** For purposes of bid evaluation and/or comparison of bids, in the case of procurements using the WPP index, the Lowest Calculated Bid shall be determined by identifying the bidder that offered the lowest bid represented



RESOLUTION NO. 22-2005

by an amount equal to the AWPP less discount plus delivery cost; and in the case of procurements using the MOPS index, the bidder that offered the lowest bid represented by an amount equal to MOPS plus premium and delivery cost; and

8. **Sec. 9.2** For purposes of payment, the discount or premium and the delivery cost stated in the contract shall not be changed during contract implementation.

This resolution shall take effect immediately.

APPROVED this 7th of October, 2005 at Pasig City, Philippines.

Sgd.

ROMULO L. NERI
Secretary
Department of Budget and Management

Sgd.

AUGUSTO B. SANTOS
Director General
National Economic and Development
Authority

Sgd.

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

**DEPARTMENT OF NATIONAL
DEFENSE**

Sgd.

DEPARTMENT OF EDUCATION

DEPARTMENT OF HEALTH

Sgd.

**DEPARTMENT OF INTERIOR AND
LOCAL GOVERNMENT**

DEPARTMENT OF ENERGY



RESOLUTION NO. 22-2005

Sgd.

**DEPARTMENT OF PUBLIC WORKS
AND HIGHWAYS**

Sgd.

DEPARTMENT OF FINANCE

Sgd.

**DEPARTMENT OF TRADE AND
INDUSTRY**

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

Sgd.

**DEPARTMENT OF TRANSPORTATION
AND COMMUNICATIONS**

PRIVATE SECTOR REPRESENTATIVE

Attested by:

Sgd.

JOSE MARTIN C. SYQUIA
Board Secretary, GPPB
Executive Director, GPPB-TSO