HEADS OF PROCURING ENTITIES

Re: Negotiated Procurement under Emergency Cases

Dear Sir/Madam:

In anticipation of requests for clarification on the application of Negotiated Procurement (Emergency Cases) under Section 53 (b) of Republic Act (RA) No. 9184\(^1\) and Section 53.2 of its 2016 revised Implementing Rules and Regulations (IRR), the Government Procurement Policy Board-Technical Support Office (GPPB-TSO) is issuing this opinion to guide all Procuring Entities (PEs) in the conduct of their Procurement Projects under this modality.\(^2\)

RECENT GPPB ISSUANCES

On 9 March 2020, the GPPB issued Resolution No. 03-2020\(^3\) on the Adoption of Efficient, Effective, and Expedient Procurement Procedures during a State of Public Health Emergency. In particular, the GPPB further simplified the rules in this wise:

(1) Clarify that Negotiated Procurement (Emergency Cases) modality shall be allowed in the following instances:

   (a) in case of imminent danger to life or property during a state of calamity;

   (b) when time is of the essence arising from natural or man-made calamities; or

   (c) other causes where immediate action is necessary to prevent damage to or loss of life property, or to restore vital public services, infrastructure facilities and other public utilities.

The instances or situations where the foregoing conditions may be applied include the provision of immediate response and initial recovery steps to avoid loss of life, injury, disease and other negative effects on human, physical, mental and social well-being, together with damage to property, destruction of assets, loss of services, social and economic disruption and environmental degradation;

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\(^1\) Entitled the “Government Procurement Reform Act.”

\(^2\) Item No. 1.3 of GPPB Circular No. 06-2019, defining a Procurement Project. It shall refer to a specific or identified procurement covering goods, infrastructure project or consulting services. A Procurement Project shall be described, detailed, and scheduled in the Project Procurement Management Plan prepared by the agency which shall be consolidated in the Procuring Entity's Annual Procurement Plan (APP).

(2) To simplify the process, allow the End-user unit or any other appropriate bureau, committee, support or procuring unit to recommend to the Head of the Procuring Entity (HoPE) any revision of the Annual Procurement Plan (APP) to cover the Procurement Project that will be resorting to Negotiated Procurement (Emergency Cases) subject to the validation by the appropriate office in the PE that there are funds in the budget to cover for the same. Thus, the Bids and Awards Committee (BAC) need not be the one to recommend the revision of the APP;

Moreover, by approving the APP, the HoPE effectively confirms the existence and veracity of the ground(s) relied upon in resorting to Negotiated Procurement (Emergency Cases). Thereby dispensing with the previous written confirmation requirement from the HoPE prior to approval of contract;

(3) Similarly, the HoPE may now authorize the End-user unit or any other appropriate bureau, committee, support or procuring unit to directly negotiate with a legally, technically, and financially capable supplier, contractor, or consultant. Hence, the BAC need not be the one to negotiate or procure.

(4) Allow the HoPE to delegate the awarding of contract to any official of the PE, except to those where there exists conflict of interest such as the BAC Chairperson, members or person authorized to negotiate the bidding; and

(5) Include in the Procurement Projects that may be covered by Negotiated Procurement (Emergency Cases) the lease of real property or venue for use as quarantine centers, evacuation sites, medical relief and aid distribution locations, warehousing facilities, or similar temporary disaster or emergency response facility.

This was followed by GPPB Resolution No. 05-2020, 4 which allows the submission of the recently expired Mayor’s or Business Permit and the Official Receipt as proof of application and payment for the renewal of the permit and an unnotarized Omnibus Sworn Statement (OSS) subject to submission of the Mayor’s Permit and notarized OSS after award of contract.

FREQUENTLY ASKED QUESTIONS

To further guide the PEs in the application of Negotiated Procurement (Emergency Cases) under Sections 53(b) of Republic Act (RA) No. 9184 and 53.2 of its 2016 IRR, we have prepared the following for easy reference:

(1) **When can PEs resort to Negotiated Procurement (Emergency Cases)?**

PEs shall be allowed to apply the rules on Negotiated Procurement (Emergency Cases) in any of the following:

(a) in case of imminence danger to life or property during a state of calamity;
(b) when *time is of the essence* arising from actual or man-made calamities or other causes where *immediate action is necessary to prevent damage to or loss of life or property*; or

(c) to *restore vital public services, infrastructure facilities and other public utilities*. (Section 53.2 of the 2016 IRR of RA No. 9184)

The instances or situations where the foregoing conditions may be applied include the provision of immediate response and initial recovery steps to avoid loss of life, injury, disease and other negative effects on human, physical, mental and social well-being, together with damage to property, destruction of assets, loss of services, social and economic disruption and environmental degradation. (GPPB Resolution No. 03-2020)

(2) What types of Procurement Projects may Negotiated Procurement (Emergency Cases) be applied? And can it be used for lease of real property or venue?


Yes, it includes the lease of real property or venue such as those for use as quarantine centers, evacuation sites, medical relief and aid distribution locations, warehousing facilities, or similar temporary disaster or emergency response facility. (GPPB Resolution No. 03-2020)

(3) Is the HoPE required to issue a written confirmation on the existence and veracity of the grounds used for Negotiated Procurement (Emergency Cases) prior to the approval of contract?

No more, by approving the APP containing the Procurement Project subject to Negotiated Procurement (Emergency Cases), the HoPE effectively confirms the existence and veracity of the grounds relied upon in resorting to this modality. (GPPB Resolution No. 03-2020)

(4) What are the requirements before the HoPE approves the APP covering the Procurement Project subject to Negotiated Procurement (Emergency Cases)?

(a) The HoPE shall confirm the existence and veracity of the grounds relied upon in the adoption of Negotiated Procurement (Emergency Cases).

This means that the HoPE must be able to relate the projects to be procured to the emergency situation or condition it is intending to address, for e.g. provision of food packs, lease of venue or real property for use as quarantine facilities, purchase of COVID-19 testing kits and the like. The HoPE shall likewise consider the appropriate timing or the proximity of time between the actual procurement activity to be conducted and the emergency sought to be addressed, such that when the reason or cause for the emergency has already been abated, adoption of Competitive Bidding or other applicable Alternative Modes of Procurement should be considered; and
(b) The HoPE shall validate from the appropriate office that there are funds in the budget to cover the Procurement Project subject to Negotiated Procurement (Emergency Cases).

(5) Who will undertake the negotiations or procurement in the case of Negotiated Procurement (Emergency Cases)?

(a) the BAC; or

(b) the End-user unit or any other appropriate bureau, committee, support or procuring unit authorized by the HoPE.

(GPPB Resolution No. 03-2020)

(6) What are the mandatory documentary requirements for Negotiated Procurement (Emergency Cases)?

PEs already maintaining a bidder's updated file on any of the following requirements, whether through the Philippine Government Electronic Procurement System (PhilGEPS) Certificate of Registration and Membership or its own records, shall not require its re-submission. Otherwise, PEs shall require:

(a) Mayor's or Business Permit;

For projects with an ABC\(^5\) above PhP500,000.00

(b) Income Tax Returns (Annual Income Tax Return of the preceding tax year) OR Business Tax Returns (Value Added Tax or Percentage tax return covering the previous six months)\(^6\)

(c) Omnibus Sworn Statement (OSS)

Additional requirements for infrastructure projects:

(d) PCAB\(^7\) License; and

(e) Net Financial Contracting Capacity (NFCC) for infrastructure projects with an ABC above PhP500,000.00.

(7) What if the local government unit has not issued the Mayor’s or Business Permit, is the PE allowed to accept a substitute?

Yes. The PE is allowed to accept the recently expired Mayor’s or Business Permit and the Official Receipt as proof of application and payment for the

\(^5\) Approved Budget for the Contract
\(^6\) Sections 3.2 and 3.3 of Revenue Regulation No. 3-2005.
\(^7\) Philippine Contractors Accreditation Board
renewal of the permit will suffice, subject to submission of the Mayor’s Permit after award of contract. (GPPB Resolution No. 05-2020)

(8) Can the PE accept an unnotarized OSS given the difficulty of securing the services of a notary public under a State of Emergency or Calamity or Enhanced Community Quarantine?

Yes. The PE may accept an unnotarized OSS, subject to compliance therewith after award of the contract. (GPPB Resolution No. 05-2020)

(9) When should the documentary requirements for Negotiated Procurement (Emergency Cases) be submitted?

The documents shall be submitted at any time before the award of the contract. Thus, it may be required during:

(a) submission of offer/s;
(b) evaluation of offer/s; or
(c) before issuance of the Notice of Award.

The PE should indicate in the Request for Quotation/Proposal at what stage of the procurement process these requirements shall be submitted.

(10) Are bid, performance and warranty securities required for Negotiated Procurement (Emergency Cases)?

(a) Submission of bid security may be dispensed with.

(b) Performance security shall be required for Infrastructure Projects. For Goods and Consulting Services, PEs have the option to require or dispense with the posting of Performance Security taking into consideration the nature of the emergency sought to be addressed, and the imminent danger to life and property it poses and depending on the nature and requirements of their Procurement Projects, i.e. amount of the ABC, delivery requirements, industry practice, etc. (Section 54.5 of 2016 IRR of RA No. 9184)

(c) Warranty Security shall not be required in the procurement of Consulting Services. For Goods and Infrastructure Projects, PEs have the option to require or dispense with the posting of warranty security taking into consideration the nature of the emergency sought to be addressed and the imminent danger to life and property it poses and depending on the nature and requirements of the procurement project, i.e. amount of ABC, industry practice, etc. (Section 54.5 of 2016 IRR of RA No. 9184)

(11) Can PEs procure from foreign bidders under Negotiated Procurement (Emergency Cases) and if so, what are documents required from them?

Yes, provided that the PE determined that the foreign bidder is legally, technically, and financially capable to undertake the procurement at hand.
A capable foreign bidder has (i) submitted the mandatory documentary requirements i.e. Mayor’s Permit, OSS, and Business or Income tax Returns, PCAB license for infrastructure projects; (ii) complied with the technical specifications set by the PEs, including the required certification under existing rules such as the Certificate of Product Registration issued by the Food and Drug Administration for testing kits; and (iii) submitted the financial requirements of the project such as NFCC, in case of infrastructure projects.

Note as well that for foreign bidders, the equivalent document in their jurisdiction would suffice consistent with Section 23.2 of the 2016 IRR of RA No. 9184.

(12) Can PEs make advance payment?

Yes, advance payment is allowed in the following:

(a) not to exceed fifteen percent (15%) of the contract amount for procurement of Goods required to address contingencies arising from natural or man-made calamities in areas where a “State of Calamity” has been declared by the appropriate authorities;

(b) a single advance payment not to exceed fifty percent (50%) of the contract amount for hotel and restaurant services, use of conference or seminar and exhibit areas and lease of office space where down-payment is a standard industry practice;

(c) a lump sum or at most two installments not to exceed fifteen percent (15%) of the contract amount as mobilization cost for Infrastructure Projects, subject to the submission of an irrevocable standby letter of credit or bank guarantee or surety bond;

(d) not to exceed fifteen percent (15%) of the contract amount for cost of mobilization for Consultancy Services, subject to the submission of an irrevocable standby letter of credit; and

(e) Any amount in excess of the foregoing requires prior approval of the President of the Philippines.

(Sec. 1 of Memorandum Order No. 172 series of 2005, Annexes D, E and F of the 2016 IRR of RA 9184, and Section 88 of Presidential Decree No. 1445 or the Auditing Code of the Philippines)

PROCUREMENT PROCESS UNDER EMERGENCY CASES

The process involved in Negotiated Procurement (Emergency) Cases under Sections 53(b) of Republic Act (RA) No. 9184 and 53.2 of its 2016 IRR, is summarized as follows:

(1) The BAC or the End-user unit or any other appropriate bureau, committee, support or procuring unit shall request for the approval of the APP from the HoPE to cover the Procurement Project. This shall be accompanied by documents identifying the projects needed to address the emergency i.e., Technical
Specifications, Scope of Work or Terms of Reference and validating the existence of funds in the budget to cover the same.

The APP may only be approved by the HoPE upon confirmation of the existence and veracity of the ground(s) relied upon in resorting to Negotiated Procurement (Emergency Cases) and the existence of funds for the purpose. Thus, by approving the APP, the HoPE effectively confirms the existence of the grounds for emergency procurement, thereby dispensing with the previous requirement for a written confirmation from the HoPE prior to the approval of contract.

(2) The BAC or the End-user unit or any other appropriate bureau, committee, support or procuring unit, authorized by the HoPE shall then directly negotiate with a legally, technically, and financially capable supplier, contractor, or consultant.

(3) Upon recommendation of the BAC or End-user unit or any other appropriate bureau, committee, support or procuring unit duly authorized by the HoPE, the contract shall be immediately awarded to the legally, technically, and financially capable supplier, manufacturer, distributor, contractor, and consultant, contractor, or consultant.

This includes a foreign bidder determined to satisfy any of the legal, technical and financial requirements of the PE.

Note that the HoPE may delegate the authority to award the contract to any official of the PE, except to those where there exists conflict of interest such as the BAC Chairperson and members pursuant to Section 11.2.5 of the 2016 revised IRR of RA No. 9184 and other associated issuances or the person authorized to negotiate the bidding.

(4) Except for contracts with ABC of Fifty Thousand Pesos (PhP50,000.00) and below, the BAC, through the Secretariat shall post for information purposes the Notice of Award, contract or purchase order, including the Notice to Proceed, if necessary, in (i) the PhilGEPS website; (ii) the website of the PE or its electronic procurement service provider, if any; and (iii) any conspicuous place in the premises of the PE.

For the information and guidance of all.

ROWENA CANDICE M. RUIZ
Executive Director V
RESOLUTION NO. 03-2020

APPROVING THE ADOPTION OF EFFICIENT, EFFECTIVE AND EXPEDIENT PROCUREMENT PROCEDURES DURING A STATE OF PUBLIC HEALTH EMERGENCY

WHEREAS, Republic Act (RA) No. 9184, otherwise known as the “Government Procurement Reform Act,” took effect on 26 January 2003, while its 2016 revised Implementing Rules and Regulations (IRR) took effect on 28 October 2016;

WHEREAS, Section 63 of RA No. 9184 and its 2016 revised IRR authorizes the Government Procurement Policy Board (GPPB) to formulate public procurement policies, rules and regulations, and amend its IRR, whenever necessary;

WHEREAS, Section 7 of RA No. 11332 authorizes the Department of Health (DOH) Secretary to declare epidemics of national and/or international concerns, and the President to declare the State of Public Health Emergency and mobilize governmental and nongovernmental agencies to respond to the threat;

WHEREAS, Section 3 of RA No. 11332 defines Public Health Emergency as an “occurrence of an imminent threat of an illness or health condition, which could pose a high probability of a large number of deaths in an affected population or widespread exposure to an infectious agent that pose a significant risk of substantial harm to a large number of people in the affected population;”

WHEREAS, on 9 March 2020, the President signed Proclamation No. 922 declaring a State of Public Health Emergency throughout the Philippines upon the recommendation of the DOH following the confirmed local transmission of the novel coronavirus disease (COVID-19);

WHEREAS, under the State of Public Health Emergency, the relevant government entities shall be capacitated to facilitate the sufficient and immediate access to funding, particularly for all concerned government agencies and local government units, intensify government response and measures such as easing procurement process, mandatory reporting, and enforcing quarantine and disease control prevention measures;

WHEREAS, Article XL of RA No. 11465, otherwise known as the “General Appropriations Act (GAA) of 2020, has provided for the National Disaster Risk Reduction and Management Fund (NDRRMF), particularly for aid, relief and rehabilitation services to communities/areas affected by human-induced and natural calamities, and repair and reconstruction of permanent structures, including other capital expenditures for disaster operation, and rehabilitation activities;

WHEREAS, GPPB Circular No. 04-2016 entitled, “Clarification on Negotiated Procurement under Emergency Cases modality embodied in Section 53.2 of the 2016 revised Implementing Rules and Regulations of (IRR) of Republic Act (RA) No. 9184,” explains the provisions on Negotiated Procurement (Emergency Cases) in Section 53(b) of RA No. 9184 and Section 53.2 of its 2016 IRR;

1 Issued 23 July 2018, entitled “An Act Providing Policies and Prescribing Procedures on Surveillance and Response to Notifiable Diseases, Epidemics, and Health Events of Public Health Concern, and Appropriating Funds Therefor, Repealing for the Purpose Act No. 3573, Otherwise Known as the Law on Reporting of Communicable Diseases.”
2 Issued 6 January 2020.
3 Issued 20 December 2016.
WHEREAS, Item 3.2 of the foregoing Circular, citing Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of Annex “H” of the same IRR, on Negotiated Procurement (Emergency Cases) modality may be resorted to in the following instances:

(a) in case of imminent danger to life or property during a state of calamity;

(b) when time is of the essence arising from natural or man-made calamities; or

(c) other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities.

WHEREAS, the GPPB has determined that it is necessary to harmonize the foregoing provision with those under RA No. 11332 and RA No. 101214 in relation to the Special Provision No. 15 of the GAA of 2020 on the use of NDRRMF, particularly on the instances or situations where the foregoing conditions may be applied in order to provide immediate response and initial recovery steps to avoid loss of life, injury, disease and other negative effects on human, physical, mental and social well-being, together with damage to property, destruction of assets, loss of services, social and economic disruption and environmental degradation;

WHEREAS, the DOH submitted a list of items to the GPPB, which are urgently required to address the current COVID-19 situation, and is being requested for inclusion in the list of CSE to expedite their emergency purchase by the concerned government entities for their prompt mobilization and delivery;”

WHEREAS, the GPPB recognizes that during a State of Public Health Emergency, State of Calamity, or any other similar declarations by the government in respect to calamities, disaster or emergencies, it becomes imperative for procuring entities to provide immediate response and initial recovery steps. Such immediate response and initial recovery steps may include, but not limited to the lease of real property or venue for use as quarantine centers, evacuation sites, medical relief and aid distribution locations, warehousing facilities, or similar temporary disaster or emergency response facility;

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4 Issued 27 July 2009, entitled “An Act Strengthening the Philippine Disaster Risk Reduction and Management System, Providing for the National Disaster Risk Reduction and Management Framework and Institutionalizing the National Disaster Risk Reduction and Management Plan, Appropriating Funds Therefor and for Other Purposes.”

5(a) Disaster risk reduction or mitigation, prevention and preparedness activities such as, but not limited to, training of personnel, procurement of equipment, and capital expenditures. It can also be utilized for relief, recovery, reconstruction and other works or services in connection with natural or human-induced calamities which may occur during the current year or those that occurred in the two (2) preceding years, subject to the approval of the President of the Philippines who may take into consideration the recommendation of the National Disaster Risk Reduction and Management Council (NDRRMC) for local disasters or the appropriate agency for the international crises. XXX.

6 Section 40 of Chapter 8, Book IV of Executive Order No. 292 or the Administrative Code of 1987 on the Delegation of Authority by the head of an agency.

7 The Procurement Council, with the assistance of the Procurement Service, shall design and implement an integrated procurement system for supplies, materials and other items needed by the government. It shall undertake the following specific functions:
   a. Identify those supplies, materials, and such other items, including equipment and construction material, which can be economically purchased through central procurement and which it shall cover within its scope of activity;XXX.
WHEREAS, the GPPB, after careful review and deliberation, resolved to approve the following:

(1) **INCLUDE** the paragraph, “The instances or situations where the foregoing conditions may be applied include the provision of immediate response and initial recovery steps to avoid loss of life, injury, disease and other negative effects on human, physical, mental and social well-being, together with damage to property, destruction of assets, loss of services, social and economic disruption and environmental degradation.” after the enumeration of instances where Negotiated Procurement (Emergency Cases) modality may be resorted to by the Procuring Entity under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of Annex “H” of the same IRR;

(2) **ALLOW** either the Bids and Awards Committee (BAC) or the End-user unit or any other appropriate bureau, committee, support or procuring unit to recommend to the HoPE any revision of the Annual Procurement Plan (APP) to cover the Procurement Project that will be resorting to Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of Annex “H” of the same IRR subject to the validation by the appropriate office in the Procuring Entity that there are funds in the budget to cover for the same. The proposed APP revision(s) may only be approved by the HoPE upon its confirmation of the existence and veracity of the ground(s) relied upon in resorting to Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of Annex “H” of the same IRR;

(3) **AUTHORIZE** the HoPE to delegate to either the BAC or the End-user unit or any other appropriate bureau, committee, support or procuring unit the authority to directly negotiate with a legally, technically, and financially capable supplier, contractor, or consultant for procurement undertaken through any of the allowable instances of Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of Annex “H” of the same IRR;

(4) **ALLOW** the HoPE to delegate the awarding of contract under Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of Annex “H” of the same IRR to any official of the procuring entity except to the BAC Chairperson or members pursuant to Section 11.2.5 of the 2016 revised IRR of RA No. 9184 and other associated issuances or to any other official where there exists conflict of interest, such as those to whom the HoPE has delegated the authority to directly negotiate under the foregoing modality;

(5) **INCLUDE** in the Procurement Projects that may be covered by Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of Annex “H” of the same IRR the lease of real property or venue for use as quarantine centers, evacuation sites, medical relief and aid distribution locations, warehousing facilities, or similar temporary disaster or emergency response facility as among those that may be procured under Negotiated Procurement (Emergency Cases);

(6) **APPROVE** the related amendments to the Consolidated Guidelines for Alternative Methods of Procurement or Annex “H” of the 2016 revised IRR of
RA No. 9184 and GPPB Circular No. 06-2016, a copy of which is attached as Annex “A”; and

(7) **APPROVE** the list of items submitted by the DOH, which are needed to address the current State of Public Health Emergency, as shown in Annex “B” for inclusion in the list of CSE.

**NOW, THEREFORE,** for and in consideration of the foregoing, **WE,** the Members of the **GOVERNMENT PROCUREMENT POLICY BOARD,** by virtue of the powers vested on us, by law and other executive issuances, hereby **RESOLVE,** to confirm, adopt, and approve, as **WE** hereby confirm, adopt, and approve the following:

(1) **INCLUDE** the paragraph, “The instances or situations where the foregoing conditions may be applied include the provision of immediate response and initial recovery steps to avoid loss of life, injury, disease and other negative effects on human, physical, mental and social well-being, together with damage to property, destruction of assets, loss of services, social and economic disruption and environmental degradation.” after the enumeration of instances where Negotiated Procurement (Emergency Cases) modality may be resorted to by the Procuring Entity under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of Annex “H” of the same IRR;

(2) **ALLOW** either the BAC or the End-user unit or any other appropriate bureau, committee, support or procuring unit to recommend to the HoPE any revision of the Annual Procurement Plan (APP) to cover the Procurement Project that will be resorting to Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of Annex “H” of the same IRR subject to the validation by the appropriate office in the Procuring Entity that there are funds in the budget to cover for the same.

The proposed APP revision(s) may only be approved by the HoPE upon its confirmation of the existence and veracity of the ground(s) relied upon in resorting to Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of Annex “H” of the same IRR;

(3) **AUTHORIZED** the HoPE to delegate to either the BAC or the End-user unit or any other appropriate bureau, committee, support or procuring unit the authority to directly negotiate with a legally, technically, and financially capable supplier, contractor, or consultant for procurement undertaken through any of the allowable instances of Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of Annex “H” of the same IRR;

(4) **ALLOW** the HoPE to delegate the awarding of contract under Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of Annex “H” of the same IRR to any official of the procuring entity except to the BAC Chairperson or members pursuant to Section 11.2.5 of the 2016 revised IRR of RA No. 9184 and other associated issuances or to any other official where there exists conflict of interest, such as those to whom the HoPE has delegated the authority to directly negotiate under the foregoing modality;

(5) **INCLUDE** in the Procurement Projects that may be covered by Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR
and Item V(D)(2a) of Annex “H” of the same IRR the lease of real property or venue for use as quarantine centers, evacuation sites, medical relief and aid distribution locations, warehousing facilities, or similar temporary disaster or emergency response facility as among those that may be procured under Negotiated Procurement (Emergency Cases);

(6) **APPROVE** the related amendments to the Consolidated Guidelines for Alternative Methods of Procurement or Annex “H” of the 2016 revised IRR of RA No. 9184 and GPPB Circular No. 06-2016, a copy of which is attached as Annex “A”; and

(7) **APPROVE** the list of items submitted by the DOH, which are needed to address the current State of Public Health Emergency, as shown in Annex “B” for inclusion in the list of CSE."

This Resolution shall take effect immediately.

**APPROVED** this 9th day of March 2020 at Manila, Philippines.
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IV. GENERAL GUIDELINES

J. Delegation of Authority. The conduct of Shopping and Negotiated Procurement under Emergency Cases, Small Value Procurement and Lease of Real Property and Venue may be delegated to the End-user unit or any other appropriate bureau, committee, or support unit duly authorized by the BAC through a Resolution approved by the HOPE.

For Shopping under Section 52.1(a) and Negotiated Procurement under Emergency Cases, due to the urgent nature of the attendant circumstances, the BAC and the HOPE through a Resolution and issuance for the purpose, respectively, may delegate to specific officials, personnel, committee or office in the Procuring Entity the conduct of Shopping and award of contract to efficiently and expeditiously deal with the emergency sought to be addressed. (a)

For record and monitoring purposes, all awards shall be immediately reported with all supporting documents to the HOPE, through the BAC, to ensure compliance with all the conditions and requirements provided for under R.A. 9184, its IRR and related guidelines.

(NEW) For Negotiated Procurement under Emergency Cases under Section 53.2, the HOPE, through an issuance for the purpose, may delegate to either the BAC or the End-user unit or any other appropriate bureau, committee, support or procuring unit the authority to directly negotiate with a legally, technically, and financially capable supplier, contractor, or consultant.

(NEW) The HoPE may also delegate the awarding of contract under
Negotiated Procurement (Emergency Cases) under Section 53.2 to any official of the procuring entity except to the BAC Chairperson or members pursuant to Section 11.2.5 of the 2016 revised IRR of RA No. 9184 and other associated issuances or to any other official where there exists conflict of interest, such as those to whom the HoPE has delegated the authority to directly negotiate under the foregoing modality.

For record and monitoring purposes, all awards shall be immediately reported with all supporting documents to the HOPE, through the BAC, to ensure compliance with all the conditions and requirements provided for under R.A. 9184, its IRR and related guidelines.

2. EMERGENCY CASES.

a) Instances when Negotiated Procurement under Emergency Cases may be resorted to:

XXX

In all instances of Negotiated Procurement under this Section, the HOPE shall confirm in writing the existence and veracity of the ground or grounds relied upon before approving the ensuing contract.

Considering that the underlying reason to support a Negotiated Procurement through the Emergency modality relates to “time element” as when there is – a) imminent danger to life or property; or, b) when time is of the essence; or, c) immediate action is necessary, the Procuring Entity, through the HOPE, BAC, its Secretariat and End-User unit, should consider appropriate timing or the proximity of time between the actual procurement activity to be conducted and the emergency sought to be addressed, such that when the reason or cause for the emergency has already been abated, adoption of competitive bidding as the primary mode of procurement shall be considered.

(NEW) The instances or situations where the foregoing conditions may be applied include the provision of immediate response and initial recovery steps to avoid loss of life, injury, disease and other negative effects on human, physical, mental and social well-being, together with damage to property, destruction of assets, loss of services, social and economic disruption and environmental degradation.

(NEW) The BAC or the End-user unit or any other appropriate bureau, committee, support or procuring unit shall recommend to the HoPE any revision of the Annual Procurement Plan (APP) to cover the Procurement...
When the ground is based on imminent danger to life during a state of calamity, there must be a declaration by a competent authority of a state of calamity pursuant to existing laws, rules and regulations before any procurement activity may be undertaken.

**Project that will be resorting to Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR subject to the validation by the appropriate office in the Procuring Entity that there are funds in the budget to cover for the same.**

The proposed APP revision(s) may only be approved by the HoPE upon its confirmation of the existence and veracity of the ground(s) relied upon in resorting to Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR.

Considering that the underlying reason to support a Negotiated Procurement through the Emergency modality relates to “time element” as when there is – a) imminent danger to life or property; or, b) when time is of the essence; or, c) immediate action is necessary, the Procuring Entity, through the HoPE, BAC, its Secretariat and End-User unit, should consider appropriate timing or the proximity of time between the actual procurement activity to be conducted and the emergency sought to be addressed, such that when the reason or cause for the emergency has already been abated, adoption of competitive bidding as the primary mode of procurement shall be considered.

When the ground is based on imminent danger to life during a state of calamity, there must be a declaration by a competent authority of a state of calamity pursuant to existing laws, rules and regulations before any procurement activity may be undertaken.

(NEW) The Procurement Projects that may be covered by this Section or Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR include the lease of real property or venue for use as quarantine centers, evacuation sites, medical relief and aid distribution locations, warehousing facilities, or similar temporary disaster or
b) Procedure

   i. XXX

   ii. Upon preparation of the appropriate procurement documents, the BAC may directly negotiate with a supplier, contractor or consultant with technical, legal and financial capability to deliver the goods, execute the works and perform the services to address the emergency. Upon confirmation and ascertainment of such capability to address the emergency, the HOPE, upon recommendation of the BAC, shall immediately award the contract to the Supplier, Contractor or Consultant.

   b) Procedure

   i. XXX

   ii. (NEW) The BAC or the End-user unit or any other appropriate bureau, committee, support or procuring unit shall recommend to the HoPE any revision of the Annual Procurement Plan (APP) to cover the Procurement Project that will be subject to Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR subject to the validation by the appropriate office in the Procuring Entity that there are funds in the budget to cover for the same.

   iii. (NEW) The HoPE may delegate to either the BAC or the End-user unit or any other appropriate bureau, committee, support or procuring unit the authority to directly negotiate with a legally, technically, and financially capable supplier, contractor, or consultant for procurement undertaken through any of the allowable instances of Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR.

   iv. Upon preparation of the appropriate procurement documents, the BAC may directly negotiate with a supplier, contractor or consultant with technical, legal and financial capability to deliver the goods, execute the works and perform the services to address the emergency. Upon confirmation and ascertainment of such capability to address the emergency, the HoPE, upon recommendation of the BAC or End-user unit or any other appropriate bureau, committee, support or procuring unit, authorized for the purpose shall immediately award the contract to the Supplier, Contractor or Consultant.
SUBJECT: Clarification on Negotiated Procurement under Emergency Cases modality embodied in Section 53.2 of the 2016 Revised Implementing Rules and Regulations of (IRR) of Republic Act (RA) No. 9184

### 3.0 Emergency Cases Modality

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<td>3.2 XXX</td>
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3.3 **(NEW)** The instances or situations where the foregoing conditions may be applied include the provision of immediate response and initial recovery steps to avoid loss of life, injury, disease and other negative effects on human, physical, mental and social well-being, together with damage to property, destruction of assets, loss of services, social and economic disruption and environmental degradation.

**(RENUMBERED)**

3.4 Considering that the underlying reason to support a Negotiated Procurement through the Emergency modality relates to “time element” as when there is – a) imminent danger to life or property; or, b) when time is of the essence; or, c) immediate action is necessary, the Procuring Entity, through the HOPE, Bids and Awards Committee, its Secretariat and End-User unit, should consider appropriate timing or the proximity of time between the actual procurement activity to be
conducted and the emergency sought to be addressed, such that when the reason or cause for the emergency has already been abated, adoption of competitive bidding as the primary mode of procurement should be considered.

3.5 When the ground is based on imminent danger to life during a state of calamity, there must be a declaration by a competent authority of a state of calamity pursuant to existing laws, rules and regulations before any procurement activity may be undertaken.

The proposed APP revision(s) may only be approved by the HoPE upon its confirmation of the existence and veracity of the ground(s) relied upon in resorting to Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR.

3.5 Considering that the underlying reason to support a Negotiated Procurement through the Emergency modality relates to “time element” as when there is – a) imminent danger to life or property; or, b) when time is of the essence; or, c) immediate action is necessary, the Procuring Entity, through the HOPE, Bids and Awards Committee, its Secretariat and End-User unit, should consider appropriate timing or the proximity of time between the actual procurement activity to be conducted and the emergency sought to be addressed, such that when the reason or cause for the emergency has already been abated, adoption of competitive bidding as the primary mode of procurement should be considered.

3.6 When the ground is based on imminent danger to life during a state of calamity, there must be a declaration by a competent authority of a state of calamity pursuant to existing laws, rules and regulations before any procurement activity may be undertaken.

3.7 (NEW) The Procurement Projects that may be covered by this Section or Negotiated Procurement(Emergency Cases) under Section 53.2 of the 2016 revised IRR include the lease of real property or venue for use as quarantine centers, evacuation sites, medical relief and aid distribution locations, warehousing facilities, or similar temporary disaster or emergency response facility.

4.0 Conduct of Negotiated Procurement under Emergency Cases Modality
4.1 XXX

Procedures

4.1.1 XXX

4.1.2 Upon preparation of the appropriate procurement documents, the BAC may directly negotiate with a supplier, contractor or consultant with technical, legal and financial capability to deliver the goods, execute the works and perform the services to address the emergency. Upon confirmation and ascertainment of such capability to address the emergency, the HOPE, upon recommendation of the BAC, shall immediately award the contract to the Supplier, Contractor or Consultant.

4.1.2 (NEW) The BAC or the End-user unit or any other appropriate bureau, committee, support or procuring unit shall recommend to the HoPE any revision of the Annual Procurement Plan (APP) to cover the Procurement Project that will be subject to Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR subject to the validation by the appropriate office in the Procuring Entity that there are funds in the budget to cover for the same.

4.1.3 (NEW) The HoPE may delegate to either the BAC or the End-user unit or any other appropriate bureau, committee, support or procuring unit the authority to directly negotiate with a legally, technically, and financially capable supplier, contractor, or consultant for procurement undertaken through any of the allowable instances of Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR.

(RENUMBERED)

4.1.4 (NEW) Upon preparation of the appropriate procurement documents, the BAC may directly negotiate with a supplier, contractor or consultant with technical, legal and financial capability to deliver the goods, execute the works and perform the services to address the emergency. Upon confirmation and ascertainment of such capability to address the
emergency, the HoPE, upon recommendation of the BAC or End-user unit or any other appropriate bureau, committee, support or procuring unit, shall immediately award the contract to the Supplier, Contractor or Consultant.

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<th>Delegation of Authority</th>
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<td><strong>4.1.3</strong> Due to the urgent nature of the attendant circumstances, the BAC and the HOPE through a Resolution and Office Order, respectively, may delegate to specific officials, personnel, committee or office in the Procuring Entity the conduct of procurement and award of contract to efficiently and expeditiously deal with the emergency sought to be addressed.</td>
<td><strong>4.1.5</strong> (Due to the urgent nature of the attendant circumstances, the BAC and the HOPE through a Resolution and Office Order, respectively, may delegate to specific officials, personnel, committee or office in the Procuring Entity the conduct of procurement and award of contract to efficiently and expeditiously deal with the emergency sought to be addressed.) The HoPE may also delegate the awarding of contract under Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR to any official of the procuring entity except to the BAC Chairperson or members pursuant to Section 11.2.5 of the 2016 revised IRR of RA No. 9184 and other associated issuances or to any other official where there exists conflict of interest, such as those to whom the HoPE has delegated the authority to directly negotiate under the foregoing modality.</td>
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LIST OF ITEMS SUBMITTED BY THE DEPARTMENT OF HEALTH FOR INCLUSION IN THE LIST OF COMMON-USE SUPPLIES AND EQUIPMENT

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WHEREAS, Republic Act (RA) No. 9184, otherwise known as the “Government Procurement Reform Act,” took effect on 26 January 2003, while its 2016 revised Implementing Rules and Regulations (IRR) took effect on 28 October 2016;

WHEREAS, Section 63 of RA No. 9184 and its 2016 revised IRR authorizes the Government Procurement Policy Board (GPPB) to formulate public procurement policies, rules and regulations, and amend its IRR, whenever necessary;

WHEREAS, on 9 March 2020, the President signed Proclamation No. 922 declaring a State of Public Health Emergency throughout the Philippines upon the recommendation of the Department of Health following the confirmed local transmission of the novel coronavirus disease (COVID-19);

WHEREAS, under the State of Public Health Emergency, the relevant government entities shall be capacitated to facilitate the sufficient and immediate access to funding, particularly for all concerned government agencies and local government units, intensify government response and measures such as easing procurement process, mandatory reporting, and enforcing quarantine and disease control prevention measures;

WHEREAS, on 9 March 2020, the GPPB issued Resolution No. 03-2020 on the Adoption of Efficient, Effective, and Expedient Procurement Procedures during a State of Public Health Emergency, simplifying the rules in Negotiated Procurement under Emergency Cases modality embodied in Section 53(b) of RA No. 9184 and Section 53.2 of its 2016 IRR;

WHEREAS, on 16 March 2020, the President signed Proclamation No. 929 declaring a State of Calamity throughout the Philippines due to COVID-19;

WHEREAS, the Government Procurement Policy Board-Technical Support Office (GPPB-TSO) is preparing an anticipatory opinion providing guidance to the Procuring Entities (PEs) on the procedure for Negotiated Procurement under Emergency Cases as provided in Section 53(b) of RA No. 9184 and Section 53.2 of its 2016 IRR. During the review of the said opinion, the GPPB-TSO identified the following issues that may be raised given the Enhanced Community Quarantine:²

(a) Possibility that there may still be local government units that have not issued Business or Mayor’s Permit; and

(b) Difficulty of supplier, manufacturer, distributor, contractor, and consultant, contractor, or consultant to have their oaths administered by notaries public or other authorities given the Enhanced Community Quarantine;

¹ Published in the Philippine Daily Inquirer on 13 March 2020.
² Effective by virtue of Section 2 of Proclamation No. 929, s. 2020 and Memorandum from the Office of the Executive Secretary dated 16 March 2020, providing the implementing guidelines on the Enhanced Community Quarantine and the Stringent Social Distancing Measures over the entire Luzon.
WHEREAS, under existing rules, submission of the expired Business or Mayor's permit with Official Receipt is allowed only for the purpose of eligibility check subject to the submission of the renewed Business or Mayor's permit as a post-qualification requirement in accordance with Section 34.2 of the 2016 IRR of RA No. 9184;

WHEREAS, the Omnibus Sworn Statement (OSS), even if not notarized is valid and binding between the PE and supplier, manufacturer, distributor, contractor, and consultant, contractor, or consultant, as the case may be, and cannot be repudiated by any of them as against the PE. The purpose of notarization is to give make the document public, thus valid and binding to the whole world without need of additional evidence;

WHEREAS, the GPPB-TSO recommended that PEs be allowed to accept the following during Negotiated Procurement (Emergency Cases) under Sections 53(b) of RA No. 9184 and 53.2 of its 2016 IRR:

(a) Expired Business or Mayor's permit with Official Receipt of renewal, subject to submission of Business or Mayor's permit after; and

(b) An unnotarized OSS subject to compliance thereafter;

WHEREAS, the GPPB, after careful review and deliberation, resolved to approve the following:

(1) ALLOW PEs to accept the expired Business or Mayor's permit with Official Receipt of renewal application, subject to submission of Business or Mayor's permit after award of contract; and

(2) ALLOW PEs to accept an unnotarized OSS subject to compliance therewith after award of contract;

(3) AMEND Item F of the General Guidelines of the Consolidated Guidelines for the Alternative Methods of Procurement or Annex H of the 2016 IRR of RA No. 9184 as follows:

F. Documentary Requirements. The mandatory documents to be submitted by suppliers, manufacturers, distributors, contractors and consultants are enumerated in Appendix A of this Guidelines.

(New)
In the case of Negotiated Procurement through Emergency Cases under Section 53.2 of the 2016 IRR of RA No. 9184, PEs are allowed to accept: (i) an expired Business or Mayor's permit with Official Receipt of renewal application, subject to submission of the Business or Mayor's permit after award of contract; and (ii) an unnotarized Omnibus Sworn Statement, subject to compliance therewith after award of contract; and

(4) AMEND Item 4.0 of GPPB Circular 04-2016 as follows:

4.0 Conduct of Negotiated Procurement under Emergency Cases Modality

Documentary Requirements

4.1.6 Procuring entities are allowed to accept an expired Business or Mayor's permit with Official Receipt of renewal application, subject to submission of the Business or Mayor's permit after award of contract and an unnotarized Omnibus Sworn Statement, subject to compliance therewith after award of contract;

GPPB Resolution No. 05-2020, dated 20 March 2020
NOW, THEREFORE, for and in consideration of the foregoing, WE, the Members of the GOVERNMENT PROCUREMENT POLICY BOARD, by virtue of the powers vested on US, by law and other executive issuances, hereby RESOLVE, to confirm, adopt, and approve, as WE hereby confirm, adopt, and approve the following:

(1) ALLOW PEs to accept the expired Business or Mayor’s permit with Official Receipt of renewal application, subject to submission of Business or Mayor’s permit after;

(2) ALLOW PEs to accept an unnotarized OSS subject to compliance therewith after award of contract;

(3) AMEND Item F of the General Guidelines of the Consolidated Guidelines for the Alternative Methods of Procurement or Annex H of the 2016 IRR of RA No. 9184 as follows:

F. Documentary Requirements. The mandatory documents to be submitted by suppliers, manufacturers, distributors, contractors and consultants are enumerated in Appendix A of this Guidelines.

(New)
In the case of Negotiated Procurement through Emergency Cases under Section 53.2 of the 2016 IRR of RA No. 9184, PEs are allowed to accept: (i) an expired Business or Mayor’s permit with Official Receipt of renewal application, subject to submission of the Business or Mayor’s permit after award of contract; and (ii) an unnotarized Omnibus Sworn Statement subject to compliance therewith after award of contract; and

(4) AMEND Item 4.0 of GPPB Circular 04-2016 as follows:

4.0 Conduct of Negotiated Procurement under Emergency Cases Modality

Documentary Requirements

4.1.6 Procuring entities are allowed to accept an expired Business or Mayor’s permit with Official Receipt of renewal application, subject to submission of the Business or Mayor’s permit after award of contract and an unnotarized Omnibus Sworn Statement, subject to compliance therewith after award of contract.

This Resolution shall be effective on the 20th day of March 2020.

APPROVED this 20th day of March 2020 at Manila, Philippines.

GPPB Resolution No. 05-2020, dated 20 March 2020
GPPB Resolution No. 05-2020, dated 20 March 2020