



Republic of the Philippines
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE



NPM No. 019-2019

16 September 2019

HEADS OF PROCURING ENTITIES

Re: **Delisting of Motor Vehicles and Airline Tickets from the List of Common-Use Supplies and Equipment (CSE) of the Procurement Service (PS)**

Dear Sir/Madam:

On September 5, 2019, the Government Procurement Policy Board (GPPB) issued Resolution No. 20-2019,¹ on the centralized procurement of motor vehicles with the following directives:

1. **DELIST** the motor vehicles used for: (i) the exercise of executive functions; (ii) transport of personnel, equipment, supplies, products and materials; (iii) transport of sick and/or injured persons; (iv) patrol operations; and (v) fire-fighting operations from the list of common-use supplies and equipment of the Procurement Service; and
2. **INFORM** the Office of the President, through the Executive Secretary, of the said action of the GPPB pursuant to Section 6 of AO No. 17, series of 2011 which mandates the GPPB to conduct periodic evaluation of the effectiveness of the performance of the centralized procurement system in terms of economy and efficiency.

Concurrently, the GPPB issued Resolution No. 21-2019² pertaining to airline tickets, which directed the following:

1. **DELIST** airline tickets under the GFA from the list of CSE of the PS so that procuring entities are no longer mandated to purchase their airline ticket requirements from the GFA; and
2. **DIRECT** the GPPB-TSO to conduct a study on the modality where airline tickets may be best procured in terms of economy and efficiency.

Both Resolutions were issued in accordance with Item 3 of Letter of Instructions No. 755, series of 1978³ which authorizes the GPPB to include supplies, materials, and such other items in the list of the CSE. The effectivity date for the foregoing Resolutions is on **September 12, 2019** or upon its publication.

¹ Published on September 12, 2019.

² Published on September 12, 2019.

³ 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

To clarify the implications of the aforesaid Board actions and ensure the proper implementation thereof, Procuring Entities (PEs) are guided by the following:

a.) Motor Vehicles - PEs are **no longer mandated** to procure motor vehicles from the PS. However, as the Resolution is prospective in application, PEs with ongoing transactions with the PS shall not be affected. PEs are therefore advised to inquire from the PS the status of their pending order and date of delivery.

Moreover, per information of the PS,⁴ it has not received any funds from the PEs for the purchase of motor vehicles covered by the previously issued centralized procurement.

Accordingly, PEs are authorized to undertake the bidding of **ANY** of their motor vehicle requirements, even those previously covered by the centralized procurement, subject to Republic Act (RA) No. 9184 and its 2016 revised Implementing Rules and Regulations (IRR). The provisions of Administrative Order No. 14, series of 2018⁵ and DBM Budget Circular No. 2017-1,⁶ with respect to the acquisition approval requirements and the typology, classification and specifications of motor vehicles shall still apply.

PEs may still opt to engage the PS as their procurement agent for the bidding of motor vehicles as the Resolution did not affect the provisions of Section 7.3.3(a)⁷ of the 2016 revised IRR of RA No. 9184.

b.) Airline tickets - Similarly, PEs are **no longer mandated** to procure their airline ticket requirements from the Government Fares Agreement (GFA) of the PS. Hence, PEs may undertake the purchase of their airline ticket requirements pursuant to RA No. 9184 and its 2016 IRR.

Similar to motor vehicles, PEs may still opt to engage the PS as their procurement agent and avail of the GFA as the Resolution did not affect the provisions of Section 7.3.3(a)⁸ of the 2016 revised IRR of RA No. 9184.

For the information and guidance of all.

(Sgd.)
ROWENA CANDICE M. RUIZ
Executive Director V

⁴ As relayed by Elisa May A. Cuevas, Executive Director IV, Procurement Services during the Department of Budget and Management (DBM) Management Committee meeting held last 9 September 2019, at the Social hall at Mabini Hall, Malacañang, Manila.

⁵ Entitled "Consolidating and Rationalizing the Rules on the Acquisition of Government Motor Vehicles, Adopting a Centralized System of Procurement Therefor, and for other Purposes," dated 10 December 2018.

⁶ Dated April 26, 2017, amending DBM Budget Circular No. 2016-05 Entitled, "Revised Guidelines on the Acquisition and Use of Government Motor Vehicles" dated August 22, 2016.

⁷ In order to hasten project implementation, PEs which may not have the proficiency or capability to undertake a particular procurement, as determined by the Head of the Procuring Entity concerned, may outsource the procurement tasks by:

a) Requesting other Government of the Philippines agencies to undertake such procurement for them, through the execution of a memorandum of agreement containing specific arrangements, stipulations and covenants, in accordance with government budgeting, accounting and auditing rules; xxx.

⁸ Ibid.