



APPROVING THE INCLUSION OF ONLINE SUBSCRIPTION TO NEGOTIATED PROCUREMENT – DIRECT RETAIL PURCHASE UNDER SECTION 53.14 OF THE 2016 REVISED IMPLEMENTING RULES AND REGULATIONS OF THE REPUBLIC ACT NO. 9184, INCLUDING THE RELATED GUIDELINES UNDER ANNEX “H” THEREOF

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, consistent with the emerging trends in technology, and trade and industry practices in the delivery of goods and services, as well as the adoption of flexible work arrangements where productivity applications would be fully utilized, the GPPB, through its Technical Support Office (TSO), studied the available online products and services and the application of the existing procurement modalities to validate if there are any gaps or challenges in the process of procurement;

WHEREAS, to ensure that audit rules on digital payments are likewise aligned, the GPPB-TSO wrote the Commission on Audit (COA) last 16 July 2020, to inquire, among others, on the issuance of official payment receipts for online transactions and related guidelines on digital payments. This was made in anticipation of inquiries from suppliers on digital payment facilities, particularly for the payment of Bidding Documents fee considering that online Bids and Awards Committee meetings,¹ use of digital signature,² and electronic bid submissions³ have been previously allowed by the GPPB;

WHEREAS, in gathering relevant data on the procurement of online subscriptions, the GPPB – TSO conducted a survey among representatives of government agencies⁴ and the GPPB recognized trainers⁵ with the following findings, among others: (i) most of the required online subscriptions have limited local suppliers or service providers, (ii) the terms of payment for online subscription are considered challenging by the respondents since the same would usually require credit cards, and (iii) there is a need for an issuance regarding online subscriptions, particularly on the documentary requirements;

WHEREAS, the GPPB-TSO further consulted⁶ with the Bureau of Treasury (BTr) and Land Bank of the Philippines (LBP) to validate the use of credit cards for online purchases, as well as for Shopping⁷ and Negotiated Procurement – Small Value Procurement.⁸ This consultation was undertaken since the BTr has been implementing the use of a credit card

¹ GPPB Resolution No. 24-2018, dated 04 December 2018.

² GPPB Resolution No. 16-2019, dated 17 July 2019.

³ GPPB Resolution No. 09-2020, dated 7 May 2020.

⁴ Conducted on 09 October 2020.

⁵ Conducted on 20 May 2021.

⁶ Held on 17 June 2020.

⁷ Section 52 of the 2016 revised IRR of RA No. 9184

⁸ Section 53.9 of the 2016 revised IRR of RA No. 9184.

issued by the LBP for its online payment for computer software and services, and digital content, as well as for small value purchases, travel costs, and hotel bookings;

WHEREAS, COA Circular No. 2004-006⁹ issued in 2004 provides that the evidence of receipt may be a paper-based or electronic document.¹⁰ However, no specific guidelines were provided in the use of an electronic document to evidence receipt of payment until the most recent COA Circular No. 2021-014¹¹ was issued in December of 2021. The Circular allows the use of credit cards subject to the establishment of the entities of internal control to protect such use against misuse and misappropriation and issuance of a certification from the head of the agency or his/her representative attesting that the use of credit card is a more expeditious and inexpensive mode of payment;

WHEREAS, during the 3rd Meeting of the Inter-Agency Technical Working Group (IATWG) held last 24 March 2022, the GPPB – TSO initially presented the proposed Guidelines on the procurement of online subscriptions for comments of the IATWG;

WHEREAS, on 21 April 2022, during the 4th Meeting of the IATWG, the GPPB – TSO presented the revised draft of the Guidelines, incorporating the initial comments of the IATWG members, and at the same time, additional clarifications were made on the requirement for the issuance and posting of the Notice of Award (NOA), Contract or Purchase Order (PO), and Notice to Proceed (NTP);

WHEREAS, on 12 May 2022, the President signed Executive Order No. 170,¹² mandating all departments, agencies, and instrumentalities of the government, including state universities and colleges and government-owned or controlled corporations, to utilize safe and efficient digital disbursement in the payment of goods, services, and other disbursements, among others;

WHEREAS, on 18 May 2022, during the 5th Meeting of the IATWG, the GPPB – TSO informed the IATWG that the coverage of subscriptions as used under Section 53.6 of the revised IRR of RA No. 9184 would only refer to the periodic supply of journals, magazines, newspapers, and other printed publications as reflected in the minutes of the meetings of the previous discussions.¹³ Thus, the GPPB – TSO proposed to the IATWG to have a separate section for the procurement of online subscriptions to cover (i) electronic publications, reference materials, and journals; (ii) computer software and applications such as video conferencing applications, computer-aided design and drafting applications, office productivity tools, and system protection software; (iii) web-based services such as news and social media monitoring tools; and (iv) off-the-shelf information systems, except internet services;

WHEREAS, on 02 June 2022, during the 6th Meeting of the IATWG, the GPPB – TSO presented its further proposal to include the direct purchase of online subscriptions under Section 53.14 of the 2016 revised IRR of RA No. 9184, including the amendments relating thereto;

⁹ Entitled Guidelines and Principles on the Acceptability of the Evidence of Receipt of Payment for Disbursement, dated 09 September 2004.

¹⁰ Section 3.3.2 of COA Circular No. 2004-06 defines electronic documents as the information or 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.

¹¹ Entitled Guidelines on the use of Electronic Collection (e-Collection) and Electronic Payment (e-Payment) for Government Transactions, dated 22 December 2021.

¹² Entitled Adoption of Digital Payments for Government Disbursements and Collections.

¹³ GPPB and IATWG Joint Meetings held on 29 January 2016 and on 10 May 2016.

WHEREAS, during the same meeting, the Department of Information and Communications Technology (DICT) representative recommended to exclude cloud computing services from the coverage of online subscriptions since the DICT is proposing separate guidelines on the matter;

WHEREAS, the IATWG concurred with the foregoing recommendation of the DICT representative, and agreed to endorse to the GPPB, subject to the said exclusion of the cloud computing services, the proposal of the TSO to include the direct purchase of online subscriptions under Section 53.14 of the 2016 revised IRR of RA No. 9184, including the related amendments thereto;

WHEREAS, during the Joint GPPB and IATWG Mid-Year Meeting on 23 June 2022, the GPPB – TSO presented the IATWG endorsed amendments to Section 53.14 of the 2016 revised IRR of RA No. 9184 for the inclusion of the direct purchase of online subscriptions, summarized as follows:

- a. Online subscriptions can be directly purchased under Section 53.14 of the 2016 revised IRR of RA No. 9184 since the Goods are being provided and can be purchased directly online;
- b. Online subscriptions shall cover (i) electronic publications, reference materials, and journals; (ii) computer software and applications such as video conferencing applications, computer-aided design and drafting applications, office productivity tools, and system protection software; (iii) web-based services such as news and social media monitoring tools; and (iv) off-the-shelf information systems, except internet and cloud computing services;
- c. The maximum amount for the Approved Budget for the Contract (ABC) for the direct purchase of online subscription shall be One Million Pesos (₱1,000,000) based on the survey results whereby 84.38% of the respondents' procurement involving online subscriptions has an ABC of the same amount or lower;
- d. The direct purchase shall be made where no local provider is available. In particular, a local provider pertains to a supplier or distributor doing business¹⁴ in the Philippines that offers the online subscription to be procured; and
- e. The COA representative confirmed the following during the consultation meeting:¹⁵
 - i. Recognizing the usual trade and business practice being observed in the direct purchase of online subscription whereby the service can be used immediately upon payment, the issuance of the NOA¹⁶ and submission of performance security¹⁷ do not apply; moreover, a contract or PO is not required, thus, an electronic copy¹⁸ of the payment confirmation receipt and the agreed terms and conditions or similar agreements shall suffice;
 - ii. Considering that the payment for the direct purchase of online subscription can only be made through direct electronic payment using a credit card, the Head of the Procuring Entity (HoPE) or his/her duly authorized representative must submit a certification stating that it is the more expeditious and inexpensive mode of payment in accordance with COA

¹⁴ As defined in Section 3(d) of RA No. 7042 or the Foreign Investment Act, the phrase 'doing business' shall include soliciting orders, service contracts, opening offices, whether called liaison offices or branches; appointing representatives or distributors domiciled in the Philippines; and participating in the management, supervision or control of any domestic business, firm, entity, or corporation in the Philippines.

¹⁵ Held on 20 April 2022.

¹⁶ The NOA is issued as mere notice that the winning bidder has complied with the PE's requirements, but the same does not automatically equate to an agreement or contract, nor a direct payment made on the services.

¹⁷ The posting of performance security is no longer required since the issuance of a payment confirmation receipt signifies the PE's acceptance of the delivery of Goods by the supplier or service provider.

¹⁸ Received via electronic mail or a screenshot of the webpage of the supplier or service provider.

- Circular No. 2021-014, and the use of credit card will not fall under advance payment; and
- iii. Not applying the rule on withholding tax in the procurement of online subscriptions inasmuch as the laws and regulations on taxation of the country where the supplier or service provider is registered would govern the conduct of its business.

WHEREAS, during the said meeting, the Board member from the Department of Finance proposed to allow the PEs to increase the ABC beyond One Million Pesos (₱1,000,000) but shall not exceed Five Million Pesos (₱5,000,000), subject to prior approval of the HoPE based on their agency's recent procurement for an online subscription for a web-based service,¹⁹ which the Board considered to adopt, subject to additional validation on the amount of various online subscriptions, particularly if there are online subscription requirements that would exceed Five Million Pesos (₱5,000,000);

WHEREAS, considering the above instructions of the Board, the GPPB-TSO made further validation on the threshold amounts for the procurement of online subscriptions by the PEs. As a result,²⁰ it was validated that the amount of online subscription requirements is consistent with the initially set threshold for the ABC not exceeding One Million Pesos (₱1,000,000), and if the PE determined that the online subscription would require an ABC beyond the foregoing amount, the PE may increase the ABC but not exceeding Five Million Pesos (₱5,000,000) and subject to prior approval of the HoPE;

WHEREAS, the Board, after careful review and deliberations of the comments and suggestions of its members, agreed to approve the recommendations relating to the inclusion of online subscriptions to Negotiated Procurement – Direct Retail Purchase under Section 53.14 of the 2016 revised IRR of RA No. 9184, as stated below;

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:

- a. **INCLUDE** online subscriptions to Negotiated Procurement – Direct Retail Purchase under Section 53.14 of the 2016 revised IRR of RA No. 9184;
- b. **DEFINE** the coverage of online subscription by including the paragraph under Section 53.14 of the 2016 revised IRR of RA No. 9184 that states, "Online subscriptions shall cover (i) electronic publications, reference materials, and journals; (ii) computer software and applications such as video conferencing applications, computer-aided design and drafting applications, office productivity tools, and system protection software; (iii) web-based services such as news and social media monitoring tools; and (iv) off-the-shelf information systems, except internet and cloud computing services;"
- c. **ADOPT** the maximum ABC amounting to One Million Pesos (₱1,000,000); provided that if the online subscription to be directly purchased would require an ABC beyond the aforementioned amount, the ABC may be increased but not exceeding Five Million Pesos (₱5,000,000) and subject to prior approval of the HoPE; and

¹⁹ Bloomberg Terminal Service.

²⁰ Based on the validation of the previously awarded contracts posted on the Philippine Government Electronic Procurement System.

- d. **AMEND** the Annex “H” of the 2016 revised IRR of RA No. 9184 entitled “Consolidated Guidelines for the Alternative Methods of Procurement” to include online subscriptions, a copy of which is attached as Annex “A,” and made an integral part hereof. The said Guidelines covers the following: (i) the definition of the local provider which pertains to a supplier or distributor doing business in the Philippines that offers the online subscription to be procured; (ii) the electronic copy of the payment confirmation receipt and the agreed terms and conditions or similar agreements shall be posted as the equivalent documents for NOA and contract or PO, respectively; and (iii) the use of direct electronic payment through a credit card subject to the issuance of a certification by the HoPE that it is the more expeditious and inexpensive mode of payment.

This Resolution shall take effect immediately.

APPROVED this 23rd day of June 2022 at Quezon City, Philippines.

Sgd.

GPPB, Chairperson
**DEPARTMENT OF BUDGET AND
MANAGEMENT**

Sgd.

Alternate to the Chairperson
**DEPARTMENT OF BUDGET AND
MANAGEMENT**

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

DEPARTMENT OF EDUCATION

Sgd.

DEPARTMENT OF ENERGY

DEPARTMENT OF FINANCE

Sgd.

DEPARTMENT OF HEALTH

Sgd.

**DEPARTMENT OF INTERIOR AND LOCAL
GOVERNMENT**

Sgd.

DEPARTMENT OF NATIONAL DEFENSE

**DEPARTMENT OF PUBLIC WORKS AND
HIGHWAYS**

Sgd.

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

DEPARTMENT OF TRADE AND INDUSTRY

Sgd.

DEPARTMENT OF TRANSPORTATION

**DEPARTMENT OF INFORMATION AND
COMMUNICATIONS TECHNOLOGY**

Sgd.

PHILIPPINE SPACE AGENCY

PRIVATE SECTOR REPRESENTATIVE



**2016 REVISED IMPLEMENTING RULES AND REGULATIONS (IRR) OF REPUBLIC ACT
(RA) NO. 9184**

ORIGINAL	AMENDED																					
<p>53.14 Direct Retail Purchase of Petroleum Fuel, Oil and Lubricant (POL) Products and Airline Tickets. Where Goods and Services are required by a Procuring Entity for the efficient discharge of its principal mandate, governmental functions, or day-to-day operations, direct retail purchase of (i) petroleum fuel, oil and lubricant (POL) products; and (ii) airline tickets may be made by end-users delegated to procure the same from identified direct suppliers or service providers.</p>	<p>53.14 Direct Retail Purchase of Petroleum Fuel, Oil and Lubricant (POL) Products, and Airline Tickets, AND ONLINE SUBSCRIPTIONS. Where Goods and Services are required by a Procuring Entity for the efficient discharge of its principal mandate, governmental functions, or day-to-day operations, direct retail purchase of (i) petroleum fuel, oil and lubricant (POL) products; and (ii) airline tickets; AND (iii) ONLINE SUBSCRIPTIONS may be made by end-users delegated to procure the same from identified direct suppliers or service providers.</p> <p>ONLINE SUBSCRIPTION SHALL COVER (I) ELECTRONIC PUBLICATIONS, REFERENCE MATERIALS, AND JOURNALS; (II) COMPUTER SOFTWARE AND APPLICATIONS SUCH AS VIDEO CONFERENCING APPLICATIONS, COMPUTER-AIDED DESIGN AND DRAFTING APPLICATIONS, OFFICE PRODUCTIVITY TOOLS, AND SYSTEM PROTECTION SOFTWARE; (III) WEB-BASED SERVICES SUCH AS NEWS AND SOCIAL MEDIA MONITORING TOOLS; AND (IV) OFF-THE-SHELF INFORMATION SYSTEMS, EXCEPT INTERNET AND CLOUD COMPUTING SERVICES.</p>																					
<p>54.5 Performance and Warranty Security.</p> <p>Performance and/or warranty securities are required for the following alternative methods of procurement, in accordance with Sections 39 and 62 of this IRR:</p> <table border="1" data-bbox="108 1646 730 1984"> <thead> <tr> <th>Alternative Method of Procurement</th> <th>Performance Security (PS)</th> <th>Warranty Security (WS)</th> </tr> </thead> <tbody> <tr> <td>Limited Source Bidding</td> <td align="center">✓</td> <td>For highly specialized types of goods, WS is required.</td> </tr> <tr> <td>Direct Contracting</td> <td align="center">X</td> <td align="center">✓</td> </tr> </tbody> </table>	Alternative Method of Procurement	Performance Security (PS)	Warranty Security (WS)	Limited Source Bidding	✓	For highly specialized types of goods, WS is required.	Direct Contracting	X	✓	<p>54.5 Performance and Warranty Security.</p> <p>Performance and/or warranty securities are required for the following alternative methods of procurement, in accordance with Sections 39 and 62 of this IRR:</p> <table border="1" data-bbox="751 1612 1477 1933"> <thead> <tr> <th>Alternative Method of Procurement</th> <th>Performance Security (PS)</th> <th>Warranty Security (WS)</th> </tr> </thead> <tbody> <tr> <td>Limited Source Bidding</td> <td align="center">✓</td> <td>For highly specialized types of goods, WS is required.</td> </tr> <tr> <td>Direct Contracting</td> <td align="center">X</td> <td align="center">✓</td> </tr> <tr> <td>Repeat Order</td> <td align="center">X</td> <td align="center">✓</td> </tr> </tbody> </table>	Alternative Method of Procurement	Performance Security (PS)	Warranty Security (WS)	Limited Source Bidding	✓	For highly specialized types of goods, WS is required.	Direct Contracting	X	✓	Repeat Order	X	✓
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Take-over of Contracts	✓	✓	Adjacent/ Contiguous	✓	For Infrastructure Projects, WS is required.
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		<p>BY THE SUPPLIER OR SERVICE PROVIDER ON ANY NOTED DEFECTS IN THE PROCURED ITEM, AS DETERMINED BY THE PROCURING ENTITY.</p>

ANNEX “H” OF THE 2016 REVISED IRR OF RA NO. 9184 ENTITLED “CONSOLIDATED GUIDELINES FOR THE ALTERNATIVE METHODS OF PROCUREMENT”

ORIGINAL	AMENDED
<p>Part IV. GENERAL GUIDELINES</p> <p>L. Notice of Award; Contract Approval; Notice to Proceed.</p> <p>1. Except in Shopping, and Negotiated Procurement through Emergency Cases, Agency-to-Agency and Small Value Procurement, the following procedures shall apply in the issuance of the Notice of Award (NOA), Contract/Purchase Order (PO) and Notice to Proceed (NTP) for the Alternative Methods of Procurement identified in this Guidelines, thus:</p> <p>a.) xxx</p> <p>b.) xxx</p> <p>c.) xxx</p>	<p>Part IV. GENERAL GUIDELINES</p> <p>L. Notice of Award; Contract Approval; Notice to Proceed.</p> <p>1. Except in Shopping, and Negotiated Procurement through Emergency Cases, Agency-to-Agency, and Small Value Procurement, AND DIRECT RETAIL PURCHASE OF PETROLEUM, FUEL, OIL AND LUBRICANT, AIRLINE TICKETS, AND ONLINE SUBSCRIPTIONS, the following procedures shall apply in the issuance of the Notice of Award (NOA), Contract/Purchase Order (PO) and Notice to Proceed (NTP) for the Alternative Methods of Procurement identified in this Guidelines, thus:</p> <p>a.) xxx</p> <p>b.) xxx</p> <p>c.) xxx</p>
<p>M. Bid, Performance and Warranty Securities.</p> <p>Bid security may be dispensed with. However, performance and/or warranty securities are required for the following alternative methods of procurement, in accordance with Sections 39 and 62 of this IRR as summarized below:</p>	<p>M. Bid, Performance and Warranty Securities.</p> <p>Bid security may be dispensed with. However, performance and/or warranty securities are required for the following alternative methods of procurement, in accordance with Sections 39 and 62 of this IRR as summarized below:</p>

Alternative Method of Procurement	Performance Security (PS)	Warranty Security (WS)	Alternative Method of Procurement	Performance Security (PS)	Warranty Security (WS)
Limited Source Bidding	✓	For highly specialized types of goods, WS is required.	Limited Source Bidding	✓	For highly specialized types of goods, WS is required.
Direct Contracting	X	✓	Direct Contracting	X	✓
Repeat Order	X	✓	Repeat Order	X	✓
Two Failed Biddings	✓	✓ In no case shall WS be required in the procurement of Consulting Services.	Two Failed Biddings	✓	✓ In no case shall WS be required in the procurement of Consulting Services.
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Take-over of Contracts	✓	✓	Take-over of Contracts	✓	✓
Adjacent/ Contiguous	✓	For Infrastructure Projects, WS is required.	Adjacent/ Contiguous	✓	For Infrastructure Projects, WS is required.
Small Value Procurement	Procuring Entity may require PS depending on the nature of the procurement project. However, for Infrastructure Projects, PS is required.	Procuring Entity may require WS depending on the nature of the procurement project. In no case shall WS be required in the	Small Value Procurement	Procuring Entity may require PS depending on the nature of the procurement project. However, for Infrastructure Projects, PS is required.	Procuring Entity may require WS depending on the nature of the procurement project. In no case shall WS be required in the procurement of Consulting Services.
			DIRECT RETAIL PURCHASE OF POL, AIRLINE TICKETS, AND	X	WS IS REQUIRED IF THE TERMS AND CONDITIONS

		procurement of Consulting Services.	ONLINE SUBSCRIPTIONS		OR SIMILAR AGREEMENTS DO NOT PROVIDE CORRECTIVE ACTIONS TO BE UNDERTAKEN BY THE SUPPLIER OR SERVICE PROVIDER ON ANY NOTED DEFECTS IN THE PROCURED ITEM, AS DETERMINED BY THE PROCURING ENTITY.
<p>Part V. SPECIFIC GUIDELINES</p> <p>D. Negotiated Procurement. xxx</p> <p>10. DIRECT RETAIL PURCHASE OF PETROLEUM FUEL, OIL AND LUBRICANT (POL) PRODUCTS AND AIRLINE TICKETS</p> <p>a. Policy Considerations. All procurement of POL products and airline tickets shall be done through competitive bidding, except when the Procuring Entity has determined that Direct Retail Purchase is the best modality for the procurement of non-bulk POL products or where fees for additional services or functionalities are charged on top of the payment for the required POL products or airline tickets.</p> <p>In case of competitive bidding, other factors such as value-added or related services may also be taken into account in determining the procurement project's ABC.</p> <p>b. Definition. Where Goods and Services are required by a Procuring Entity for the efficient discharge of its principal mandate, governmental functions, or day-to-day operations, direct retail purchase of POL</p>			<p>Part V. SPECIFIC GUIDELINES</p> <p>D. Negotiated Procurement. xxx</p> <p>10. DIRECT RETAIL PURCHASE OF PETROLEUM FUEL, OIL AND LUBRICANT (POL) PRODUCTS, AND AIRLINE TICKETS, AND ONLINE SUBSCRIPTIONS</p> <p>a. Policy Considerations. All procurement of POL products, and airline tickets, AND ONLINE SUBSCRIPTIONS shall be done through competitive bidding, except when the Procuring Entity has determined that Direct Retail Purchase is the best modality for the procurement of (i) non-bulk POL products or where fees for additional services or functionalities are charged on top of the payment for the required POL products, or (ii) airline tickets, OR (iii) ONLINE SUBSCRIPTIONS.</p> <p>In case of competitive bidding, other factors such as value-added or related services may also be taken into account in determining the procurement project's ABC.</p> <p>b. Definition. Where Goods and Services are required by a Procuring Entity for the efficient discharge of its principal mandate, governmental functions, or day-to-day operations, direct retail purchase of (i) POL products, and (ii) airline tickets, AND (iii) ONLINE SUBSCRIPTIONS may be made by end-users</p>		

products and airline tickets may be made by end-users delegated to procure the same from identified direct suppliers or service providers.

c. Conditions. The procurement of POL products and airline tickets can be contracted by the end-user to identified direct suppliers or service providers under the following conditions: xxx

i. For petroleum fuel (gasoline, diesel, and kerosene), oil and lubricants:

- a.) xxx
- b.) xxx
- c.) xxx
- d.) xxx

ii. For airline tickets:

- a.) xxx
- b.) xxx
- c.) xxx
- d.) xxx

d. Procedure.

i. The end-user delegated to directly purchase POL products and airline tickets in accordance with Part IV (J) of this Guidelines shall determine the supplier or service provider capable of delivering the required POL products and airline tickets at retail pump price or at the most reasonable retail price, as the case may be.

ii. Taking into account the usual trade and business practices being observed in the industry and the requirements and other reasonable considerations identified by the end-user, direct retail purchase of the required POL products or airline tickets shall be carried out in accordance with pertinent accounting principles and practices as well as of sound management and fiscal administration provided that they do not contravene existing

delegated to procure the same from identified direct suppliers or service providers.

ONLINE SUBSCRIPTION SHALL COVER (I) ELECTRONIC PUBLICATIONS, REFERENCE MATERIALS, AND JOURNALS; (II) COMPUTER SOFTWARE AND APPLICATIONS SUCH AS VIDEO CONFERENCING APPLICATIONS, COMPUTER-AIDED DESIGN AND DRAFTING APPLICATIONS, OFFICE PRODUCTIVITY TOOLS, AND SYSTEM PROTECTION SOFTWARE; (III) WEB-BASED SERVICES SUCH AS NEWS AND SOCIAL MEDIA MONITORING TOOLS; AND (IV) OFF-THE-SHELF INFORMATION SYSTEMS, EXCEPT INTERNET AND CLOUD COMPUTING SERVICES.

c. Conditions. The procurement of POL products, ~~and~~ airline tickets, **AND ONLINE SUBSCRIPTIONS** can be contracted by the end-user to identified direct suppliers or service providers under the following conditions:

i. For petroleum fuel (gasoline, diesel, and kerosene), oil and lubricants:

- a.) xxx
- b.) xxx
- c.) xxx
- d.) xxx

ii. For airline tickets:

- a.) xxx
- b.) xxx
- c.) xxx
- d.) xxx

iii. FOR ONLINE SUBSCRIPTIONS:

a.) THE APP SHALL REFLECT THE DIRECT PURCHASE OF ONLINE SUBSCRIPTION NECESSARY FOR THE OPERATIONS OF THE PROCURING ENTITY WITHIN THE FISCAL YEAR.

<p>laws and regulations applicable to financial transactions.</p>	<p>b.) DIRECT PURCHASE SHALL BE MADE FOR ONLINE SUBSCRIPTION WHERE NO LOCAL PROVIDER IS AVAILABLE.</p> <p>A LOCAL PROVIDER PERTAINS TO A SUPLIER, MANUFACTURER OR DISTRIBUTOR DOING BUSINESS²¹ IN THE PHILIPPINES THAT OFFERS THE ONLINE SUBSCRIPTION TO BE PROCURED;</p> <p>c.) THE MAXIMUM AMOUNT FOR THE ABC SHALL BE ONE MILLION PESOS (₱1,000,000).</p> <p>PROVIDED, THAT IF THE ONLINE SUBSCRIPTION TO BE DIRECTLY PURCHASED WOULD REQUIRE AN ABC BEYOND THE AFOREMENTIONED AMOUNT, THE ABC MAY BE INCREASED BUT NOT EXCEEDING FIVE MILLION PESOS (₱5,000,000) AND SUBJECT TO PRIOR APPROVAL OF THE HOPE;</p> <p>d.) JUSTIFICATION SHALL BE PROVIDED BY THE END-USER ON ITS NEED TO DIRECTLY PURCHASE A SPECIFIC ONLINE SUBSCRIPTION TO THE HOPE. THUS, THE END-USER SHALL: (i) SUBMIT A REPORT INDICATING THAT NO LOCAL PROVIDER IS AVAILABLE AND (ii) PREPARE A COMPARATIVE MATRIX AND EVALUATION SHOWING THAT THE PREFERRED SPECIFIC ONLINE SUBSCRIPTION IS BETTER THAN ANY OTHER SIMILAR ONLINE SUBSCRIPTIONS AVAILABLE LOCALLY OR THAT THERE IS NO SUITABLE SUBSTITUTE IN THE LOCAL MARKET THAT CAN BE OBTAINED AT MORE ADVANTAGEOUS TERMS;</p> <p>e.) PAYMENT FOR ONLINE SUBSCRIPTION CAN ONLY BE MADE THROUGH DIRECT ELECTRONIC PAYMENT USING CREDIT CARD SUBJECT TO THE ISSUANCE OF A CERTIFICATION BY THE HOPE OR HIS/HER DULY AUTHORIZED</p>
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²¹ As defined in Section 3(d) of RA No. 7042 or the Foreign Investment Act, the phrase 'doing business' shall include soliciting orders, service contracts, opening offices, whether called liaison offices or branches; appointing representatives or distributors domiciled in the Philippines; and participating in the management, supervision or control of any domestic business, firm, entity, or corporation in the Philippines.

REPRESENTATIVE STATING THAT IT IS THE MORE EXPEDITIOUS AND INEXPENSIVE MODE OF PAYMENT IN ACCORDANCE WITH THE COMMISSION ON AUDIT CIRCULAR NO. 2021-014;²² AND

f.) A PAYMENT CONFIRMATION RECEIPT SHALL COVER THE DIRECT PURCHASE OF ONLINE SUBSCRIPTION.

d. Procedure.

- i. The end-user delegated to directly purchase POL products, ~~and~~ airline tickets, **AND ONLINE SUBSCRIPTIONS** in accordance with Part IV (J) of this Guidelines shall determine the supplier or service provider capable of delivering the required POL products, ~~and~~ airline tickets, **AND ONLINE SUBSCRIPTIONS** at retail pump price or at the most reasonable retail price, as the case may be.
- ii. Taking into account the usual trade and business practices being observed in the industry and the requirements and other reasonable considerations identified by the end-user, direct retail purchase of the required POL products, ~~or~~ airline tickets, **OR ONLINE SUBSCRIPTIONS** shall be carried out in accordance with pertinent accounting principles and practices as well as of sound management and fiscal administration provided that they do not contravene existing laws and regulations applicable to financial transactions.
- iii. **THE END-USER SHALL CAREFULLY REVIEW THE TERMS AND CONDITIONS OR SIMILAR AGREEMENTS WHICH SHALL CONTAIN A PROVISION ON COMPENSATION FOR LOSSES INCURRED CAUSED BY DELAYS OF THE SUPPLIER OR SERVICE PROVIDER.**
- iv. **THE PE SHALL REQUIRE THE SUBMISSION OF A WARRANTY SECURITY BASED ON THE END-USER'S DETERMINATION THAT THE TERMS AND CONDITIONS OR SIMILAR AGREEMENTS DO NOT PROVIDE CORRECTIVE ACTIONS**

²² Dated 22 December 2021.

	<p>TO BE UNDERTAKEN BY THE SUPPLIER OR SERVICE PROVIDER ON ANY NOTED DEFECTS IN THE PROCURED ONLINE SUBSCRIPTION.</p> <p>v. THE END-USER SHALL POST THE ELECTRONIC COPY OF THE PAYMENT CONFIRMATION RECEIPT AND AGREED TERMS AND CONDITIONS OR SIMILAR AGREEMENTS FOR THE DIRECT PURCHASE OF ONLINE SUBSCRIPTION AS EQUIVALENT DOCUMENTS OF THE NOA, AND CONTRACT OR PURCHASE ORDER, RESPECTIVELY.</p>
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APPENDIX A OF ANNEX “H” OF THE 2016 REVISED IRR OF RA NO. 9184 ENTITLED “DOCUMENTARY REQUIREMENTS FOR ALTERNATIVE METHODS OF PROCUREMENT”

ORIGINAL	AMENDED
<p>i. This Appendix prescribes for the documents that the BAC shall require from suppliers, contractors and consultants for Alternative Methods of Procurement, except for Repeat Order, Shopping under Section 52.1(a), and Negotiated Procurement under 53.5 (Agency-to-Agency) of the IRR of RA No. 9184.</p>	<p>i. This Appendix prescribes for the documents that the BAC shall require from suppliers, contractors and consultants for Alternative Methods of Procurement, except for Repeat Order, Shopping under Section 52.1(a), and Negotiated Procurement under 53.5 (Agency-to-Agency) AND 53.14 (DIRECT RETAIL PURCHASE OF PETROLEUM FUEL, OIL AND LUBRICANT PRODUCTS, AIRLINE TICKETS, AND ONLINE SUBSCRIPTIONS) of the IRR of RA No. 9184.</p>