



APPROVING SECTION 53.14 OF THE 2016 REVISED IMPLEMENTING RULES AND REGULATIONS (IRR) OF REPUBLIC ACT (RA) NO. 9184 AND THE AMENDMENTS TO THE AFFECTED PROVISIONS IN 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, the GPPB-Technical Support Office (GPPB-TSO) receives phone-in and walk-in queries asking for clarification on the direct purchase of petroleum, oil and lubricant (POL) products specifically relating to the threshold for or definition of “necessary quantities”, mode of procurement, inclusion in the annual procurement plan, procedural guidelines and mandatory documentary requirements for the procurement of said products;

WHEREAS, the GPPB in its Resolution No. 21-2019 dated 5 September 2019 resolved to delist airline tickets under the Government Fares Agreement (GFA) from the list of common-use supplies and equipment of the Procurement Service so that procuring entities are no longer mandated to purchase their airline ticket requirements from the GFA and directed the GPPB-TSO to conduct a study on the modality where airline tickets may be best procured in terms of economy and efficiency;

WHEREAS, during the 7th Regular Meeting of the Inter-Agency Technical Working Group (IATWG) held on 12 September 2019, the GPPB-TSO presented the recommendation to the amendment of the 2016 revised IRR of RA No. 9184 to include an additional instance where negotiated procurement may be resorted to for the procurement of POL products, subject to the possibility that the new modality can also address the concerns in the procurement of airline tickets;

WHEREAS, during the 7th Regular Meeting of the GPPB held on 25 September 2019, the Board instructed the GPPB-TSO to further develop the proposed Section 53.14 as the modality for the procurement of necessary quantities for POL products and airline tickets, subject to the comments to be submitted by the GPPB members;

WHEREAS, during the 8th Regular Meeting of the IATWG held on 17 October 2019, the GPPB-TSO presented the proposed Section 53.14 of the 2016 revised IRR of RA No. 9184 and after due consideration, the IATWG agreed on the following:

- a. To instruct the GPPB-TSO to raise to the Board the previous suggestions of the IATWG members to remove from the coverage of RA No. 9184 the purchase of airline tickets considering that such transactions may be reimbursed under travel expenses fund of the agency;
- b. To instruct the GPPB-TSO to seek the Commission on Audit’s position on the proposal and on what purchases are covered by petty cash; and

- c. For the IATWG members to submit within ten (10) working days their position papers on the proposed Section 53.14 of the 2016 revised IRR of RA No. 9184.

WHEREAS, during the 8th Regular Meeting of the GPPB held on 30 October 2019, the GPPB-TSO presented the proposed Section 53.14 of the 2016 revised IRR of RA No. 9184 on the direct retail purchase of POL products and airline tickets and the above instructions of the IATWG members;

WHEREAS, the GPPB, after careful review and deliberation, resolved to approve the proposed Section 53.14 for inclusion in the 2016 revised IRR of RA No. 9184 on the direct retail purchase of POL products and airline tickets and the amendments to the affected provisions of Annex "H" thereof;

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 issuance of a resolution approving the inclusion of Section 53.14 in the 2016 revised IRR of RA No. 9184 on the direct retail purchase of POL products and airline tickets and the amendments to the affected provisions of its Annex "H" entitled "Consolidated Guidelines for the Alternative Methods of Procurement", a copy of which is hereto attached as Annex "A" and made an integral part hereof.

This Resolution shall take effect immediately.

APPROVED this 30th day of October 2019 at Manila City, Philippines.

(SGD)

**DEPARTMENT OF BUDGET AND
MANAGEMENT**

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

(SGD)

DEPARTMENT OF EDUCATION

DEPARTMENT OF ENERGY

(SGD)

DEPARTMENT OF FINANCE

DEPARTMENT OF HEALTH

(SGD)

**DEPARTMENT OF INFORMATION AND
COMMUNICATION TECHNOLOGY**

**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**

DEPARTMENT OF TRANSPORTATION

PRIVATE SECTOR REPRESENTATIVE



ANNEX “A”

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

ORIGINAL	AMENDMENT
(New Provision)	<p>Section 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>

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

ORIGINAL	AMENDMENT
<p>Part IV</p> <p>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.</p> <p>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 Office Order, 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</p>	<p>Part IV</p> <p>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.</p> <p>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</p>

<p>expeditiously deal with the emergency sought to be addressed.</p> <p>(New Provision)</p> <p>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.</p>	<p>and expeditiously deal with the emergency sought to be addressed.</p> <p>For Negotiated Procurement under Section 53.14, the BAC and the HOPE through a Resolution and issuance for the purpose, respectively, shall delegate to specific officials, personnel, committee or office in the Procuring Entity the conduct of Direct Retail Purchase to efficiently and expeditiously deal with the pressing need sought to be addressed.</p> <p>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.</p>
<p>Part V. Specific Guidelines</p> <p>D. Negotiated Procurement. xxx</p> <p>(New Provision)</p>	<p>Part V. Specific Guidelines</p> <p>D. Negotiated Procurement. xxx</p> <p><i>10. DIRECT RETAIL PURCHASE OF PETROLEUM FUEL, OIL AND LUBRICANT (POL) PRODUCTS AND AIRLINE TICKETS.</i></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 products and airline tickets may be made by end-users delegated to procure the same from identified direct suppliers or service providers.</p>

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:

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

- a) Direct retail purchase of POL products estimated to be necessary for the operations of the Procuring Entity within the fiscal year, including provisions for foreseeable emergencies based on historical records, shall be reflected in the annual procurement plan (APP) in its entirety including any amendment thereto which shall be reflected in the supplemental APP;
- b) Direct purchase must be made from any available retailers, dealers or gas stations at retail pump price;
- c) The requirement must be intended to be used for any official government vehicles and equipment for immediate consumption; and
- d) Payment may be made through cash advance, reimbursement or other allowable payment modalities subject to pertinent auditing and accounting rules.

ii. *For airline tickets:*

- a) Direct purchase of airline tickets required for official travels within the fiscal year, including provisions for foreseeable emergencies based on historical records, shall be reflected in the APP in its entirety including any amendment thereto which shall be reflected in the supplemental APP;
- b) Direct purchase must be made from any commercial airline at fairly reasonable rates, subject to flight availability at the time of booking, travel days, stopovers, routes, additional visa requirements and other reasonable considerations as determined by the end-user;
- c) Payment may be made through cash advance, reimbursement or other allowable payment modalities subject

	<p>to pertinent auditing and accounting rules; and</p> <p>d) Procurement of airline tickets must be in accordance with existing rules and regulations governing official local and foreign travels of government personnel and Executive Order No. 77, s. 2019.</p> <p>d. Procedure.</p> <p>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.</p> <p>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 laws and regulations applicable to financial transactions.</p>
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