



RESOLUTION NO. 41-2017

APPROVING THE AMENDMENTS TO THE GUIDELINES ON PROCUREMENT OF WATER, ELECTRICITY, TELECOMMUNICATIONS AND INTERNET SERVICE PROVIDERS

WHEREAS, Section 63.1(b) of Republic Act (R.A.) No. 9184 and its 2016 revised Implementing Rules and Regulations (IRR) authorize the Government Procurement Policy Board (GPPB) to formulate public procurement policies, rules and regulations, and amend, whenever necessary, the IRR;

WHEREAS, the GPPB issued GPPB Resolution No. 019-2006, dated 6 December 2006, approving and adopting the *Guidelines on the Procurement of Water, Electricity, Telecommunications and Internet Service Providers* (Guidelines for brevity);

WHEREAS, for the procurement of telecommunications, Section 3.2.1.3 of the Guidelines provides that: “[I]f results of said assessment or cost-benefit analysis continue to favor the existing service provider, then the procuring entity may simply renew its services. If it does not, then the procuring entity should bid said services in accordance with Subsection 3.2.2 of these guidelines”;

WHEREAS, Section 3.2.2.1 of the Guidelines states that competitive public bidding shall be resorted to if there is more than one service contractor operating within the area of the procuring entity;

WHEREAS, for the procurement of internet service providers, Section 3.3.1.2 of the Guidelines provides that: “[A]t the end of each year, however, the procuring entity must assess the quality of service provided by its ISP. For instance, it must compare the cost charged by said ISP and the range of services it offers as against other service providers in the area. It may also consider new technologies that may prove less costly”;

WHEREAS, 2nd paragraph of Section 3.3.1.2 of the Guidelines states that: “[I]n assessing the quality of service provided by its ISP, procuring entities are encouraged to consult the National Telecommunications Commission, or Commission on Information and Communication Technology, or other relevant government agencies regarding any new policy or directive in the implementation or use of new technology”;

WHEREAS, Section 3.3.2.1 of the Guidelines on the procurement of Internet Service Providers requires that the procuring entity shall resort to public bidding if there are more than one service contractor operating within the area;

WHEREAS, during the 6th GPPB and 8th IATWG Joint Meeting held on 21 December 2017, the Government Procurement Policy Board – Technical Support Office recommended the following amendments to the Guidelines to ensure that contractual arrangements with service providers continue to be favorable to the interest of the government and, thus, remain

consistent with the principles of RA 9184 and to adapt to the changes in the procurement environment, *to wit*:

Section 3.2.1.3.

“If results of said assessment or cost-benefit analysis, *conducted by the end-user*, continue to favor the existing service provider, then the *Head of the Procuring Entity* may simply renew its services. If it does not, then the procuring entity should bid said services in accordance with Subsection 3.2.2 of these guidelines. *For efficiency and economy, during the effectivity of the contract, or upon its renewal, the PE may consider the expansion or reduction of the services provided by the existing service provider subject to the need of the PE and the best way by which such need may be addressed and satisfied, subject to existing budgeting, accounting and auditing rules.*”

Section 3.2.2.1

“If there is more than one service contractor operating within the area, competitive public bidding *or any of the applicable alternative methods of procurement.*”

Section 3.3.1.2

“At the end of each year, however, the procuring entity must assess the quality of service provided by its ISP. For instance, it must compare the cost charged by said ISP and the range of services it offers as against other service providers in the area. It may also consider new technologies that may prove less costly *or those that are more advantageous to the government in terms of use, capacity and services offered, e.g. bandwidth, speed, platform, additional services, such as, but not limited to cloud computing, cloud storage, etc.*”

“In assessing the quality of service provided by its ISP, procuring entities are encouraged to consult the *Department of Information and Communications Technology or National Telecommunications Commission*, or other relevant government agencies regarding any new policy or directive in the implementation or use of new technology.”

Section 3.3.1.3

“If the results of said assessment or cost-benefit analysis, *conducted by the end-user*, continue to favor the existing ISP, then the *Head of the Procuring Entity* may simply renew its services. If it does not, then the procuring entity should bid said services in accordance with subsection 3.3.2 of these guidelines. *For efficiency and economy, during the effectivity of the contract, or upon its renewal, the PE may consider the expansion or reduction of the services provided by the existing service provider subject to the need of the PE and the best way by which such need may be addressed and satisfied, subject to existing budgeting, accounting and auditing rules.*”

Section 3.3.2.1

“If there are more than one service contractor operating within the area, public bidding *or any of the applicable alternative methods of procurement.*”

WHEREAS, after careful and due deliberation, the Board approved the proposed amendment to Sections 3.2.1.3; 3.2.2.1; 3.3.1.2; 3.3.1.3 and 3.3.2.1 of the Guidelines;

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, hereby **RESOLVE** to approve and adopt, as **WE** hereby confirm, adopt and approve the amendment to Sections 3.2.1.3; 3.2.2.1; 3.3.1.2; 3.3.1.3 and 3.3.2.1 of the Guidelines on the Procurement of Water, Electricity, Telecommunications and Internet Service Providers, copy of which is hereto attached as **Annex “A”**;

The Amendments to the Guidelines shall take effect after fifteen (15) days following the publication in the Official Gazette or a newspaper of general nationwide circulation and upon filing with the University of the Philippines Law Center of three (3) certified true copies of this Resolution.

APPROVED this 21st day of December 2017 at Pasig City, Philippines.

(SGD)

**DEPARTMENT OF BUDGET AND
MANAGEMENT**

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

(SGD)

DEPARTMENT OF EDUCATION

DEPARTMENT OF ENERGY

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**

(SGD)

DEPARTMENT OF TRANSPORTATION

PRIVATE SECTOR REPRESENTATIVE



ANNEX "A"

AMENDMENT TO THE GUIDELINES ON PROCUREMENT OF WATER, ELECTRICITY, TELECOMMUNICATIONS AND INTERNET SERVICE PROVIDERS

ORIGINAL	AMENDED
<p>3.2.1.3 If results of said assessment or cost-benefit analysis continue to favor the existing service provider, then the procuring entity may simply renew its services. If it does not, then the procuring entity should bid said services in accordance with Subsection 3.2.2 of these guidelines.</p>	<p>3.2.1.3. If results of said assessment or cost-benefit analysis, <u>conducted by the end-user</u>, continue to favor the existing service provider, then the <u>Head of the Procuring Entity</u> may simply renew its services. If it does not, then the procuring entity should bid said services in accordance with Subsection 3.2.2 of these guidelines. <u>For efficiency and economy, during the effectivity of the contract, or upon its renewal, the PE may consider the expansion or reduction of the services provided by the existing service provider subject to the need of the PE and the best way by which such need may be addressed and satisfied, subject to existing budgeting, accounting and auditing rules.</u></p>
<p>3.2.2.1 If there is more than one service contractor operating within the area, competitive public bidding;</p>	<p>3.2.2.1 If there is more than one service contractor operating within the area, competitive public bidding <u>or any of the applicable alternative methods of procurement.</u></p>
<p>3.3.1.2 At the end of each year, however, the procuring entity must assess the quality of service provided by its ISP. For instance, it must compare the cost charged by said ISP and the range of services it offers as against other service providers in the area. It may also consider new technologies that may prove less costly.</p>	<p>3.3.1.2 At the end of each year, however, the procuring entity must assess the quality of service provided by its ISP. For instance, it must compare the cost charged by said ISP and the range of services it offers as against other service providers in the area. It may also consider new technologies that may prove less costly <u>or those that are more advantageous to the government in terms of use, capacity and services offered, e.g.</u></p>

<p>In assessing the quality of service provided by its ISP, procuring entities are encouraged to consult the National Telecommunications Commission, or Commission on Information and Communication Technology, or other relevant government agencies regarding any new policy or directive in the implementation or use of new technology.</p>	<p><u>bandwidth, speed, platform, additional services, such as, but not limited to cloud computing, cloud storage, etc.</u></p> <p>In assessing the quality of service provided by its ISP, procuring entities are encouraged to consult the <i>Department of Information and Communications Technology or National Telecommunications Commission</i>, or other relevant government agencies regarding any new policy or directive in the implementation or use of new technology.</p>
<p>3.3.1.3 If the results of said assessment or cost-benefit analysis continue to favor the existing ISP, then the procuring entity may simply renew its services. If it does not, then the procuring entity should bid said services in accordance with subsection 3.3.2 of these guidelines.</p>	<p>3.3.1.3 If the results of said assessment or cost-benefit analysis, <u>conducted by the end-user</u>, continue to favor the existing ISP, then the <u>Head of the Procuring Entity</u> may simply renew its services. If it does not, then the procuring entity should bid said services in accordance with subsection 3.3.2 of these guidelines. <i>For efficiency and economy, during the effectivity of the contract, or upon its renewal, the PE may consider the expansion or reduction of the services provided by the existing service provider subject to the need of the PE and the best way by which such need may be addressed and satisfied, subject to existing budgeting, accounting and auditing rules.</i></p>
<p>3.3.2.1 If there is more than one service contractor operating within the area, public bidding;</p>	<p>3.3.2.1 If there is more than one service contractor operating within the area, public bidding <u>or any of the applicable alternative methods of procurement.</u></p>