



Republic of the Philippines
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE



NPM No. 73-2015

13 October 2015

HON. PAULYN JEAN B. ROSELL-UBIAL

Assistant Secretary

DEPARTMENT OF HEALTH (DOH)

Building 6, San Lazaro Compound, Rizal Avenue,
Sta. Cruz, 1003 Manila

Re: Direct Contracting

Dear Asec. Rosell-Ubial:

This refers to the Honorable Assistant Secretary's letter inquiring whether a contract may be awarded to a supplier who only submitted a Price Quotation and the Omnibus Sworn Statement when the mode of procurement is Direct Contracting.

It is represented that DOH procured a subscription of "British Journal of Radiology" through Direct Contracting. The procurement of the afore-cited journal was recommended to be directly contracted with British Medical Journal (BMJ), BMA House Tavistock Square, London being the publisher. Thus, the Central Office Bids and Awards Committee B (COBAC B) requested for the submission of the following: (1) Price Quotation; (2) Certificate of Exclusivity under oath from the principal; (3) Certificate of Patent; (4) Special Power of Attorney of the Authorized Sub-agent in the Philippines; (5) Secretary's Certificate of the Authorized Signatory; (6) PhilGEPS registration; and (7) Omnibus Sworn Statement. BMJ, however, submitted the Price Quotation and Omnibus Sworn Statement only. It cannot provide the other documents required by COBAC B.

Section 50 of the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184 provides that Direct Contracting or Single Source Procurement is a method of procurement of goods that does not require elaborate Bidding Documents. The supplier is simply asked to submit a price quotation or a pro-forma invoice together with the conditions of sale. Considering that in a Direct Contracting setup the bidder is the exclusive or single source of the goods to be procured, the submission of documentary proof or other technical, legal and financial evidence is not contemplated as there is no other known source of the goods to be procured except the identified direct supplier or contractor. If at all, the requirements enumerated by COBAC B are supporting documents to justify Direct Contracting as the proper mode of procurement and to prove that the supplier has the capacity to deliver the goods. However, since these documents were already required by the procuring entity, the COBAC B has to impose compliance as regards their submission. It should be stressed, however, that PhilGEPS registration is required under Section 8.5.1 of the IRR of RA 9184; hence, compliance with this requirement is a must.

We hope this opinion issued by GPPB-TSO provided sufficient guidance on the matter. Note that this is issued on the basis of particular facts and situations presented, and may not be applicable given a different set of facts and circumstances. Should there be other concerns, please do not hesitate to contact us.

Very truly yours,



DENNIS S. SANTIAGO
Executive Director V

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