



**APPROVING THE GUIDELINES FOR DIRECT PROCUREMENT FOR SCIENCE,
TECHNOLOGY, AND INNOVATION**

WHEREAS, Republic Act (RA) No. 12009, otherwise known as the “New Government Procurement Act,” took effect on 13 August 2024, while its Implementing Rules and Regulations (IRR) took effect on 25 February 2025;

WHEREAS, Section 91 of RA No. 12009 mandates that the Government Procurement Policy Board (GPPB) shall be the central body that sets strategic direction and makes policy decisions regarding all matters affecting public procurement, having due regard to the country’s regional and international obligations, and is tasked to lead the nation’s efforts in advancing public procurement reforms in accordance with the Act;

WHEREAS, Section 91.1 (c) of the IRR of RA No. 12009 further authorizes the GPPB to formulate and amend, whenever necessary, the IRR of the Act, associated issuances and government procurement manuals, Philippine Bidding Documents and standard forms for procurement, and issue policy papers to ensure that the procurement process is streamlined and responsive to the needs of the government;

WHEREAS, Section 3 of the IRR of RA No. 12009 provides the Governing Principles on Government Procurement, which includes Section 3 (d) on proportionality by ensuring that the conditions and parameters in the development of requirements, choice of procurement mode, and implementation of contracts shall be reasonably proportional to the needs and circumstances of the Procuring Entity (PE), and the nature, scale and complexity of the project to be procured to ensure fair competition;

WHEREAS, Section 26 of RA No. 11293, otherwise known as the Philippine Innovation Act, provides that, “[t]o help stimulate innovation in the country, the NIC [National Innovation Council] shall coordinate with the Government Procurement Policy Board (GPPB) and its technical support office for the development and issuance of public procurement guidelines, as authorized under Republic Act No. 9184 and its IRR¹, covering the following:

- (a) *Innovative Goods and Services* – Requirements for innovative goods and services shall be identified, together with the clear output specifications, as well as functional or performance criteria. The guidelines shall also allow project-based competition to encourage participants to develop innovative solutions;
- (b) *Pre-commercial Procurement* – Government agencies are mandated to determine their long-term needs towards encouraging the development of innovative solutions in areas for which solutions are not currently available. Procurement contracts of this nature will involve a multi-stage process; and
- (c) *Technology Diffusion Procurement* – The government may aggregate demand and initiate a technology procurement process to promote technology diffusion and market transformation.

¹ RA No. 12009, as the prevailing procurement law, took effect on 13 August 2024, while its IRR took effect on 25 February 2025.

The guidelines to be issued by the NIC, in coordination with the GPPB for this purpose, shall ensure efficiency, transparency, timeliness and relevance in the procurement process.”

WHEREAS, Section 37 of RA No. 12009 provides that:

SEC. 37. Direct Procurement for Science, Technology and Innovation. – A mode of procurement where the Procuring Entity may procure the following goods and services directly from a legally, technically, and financially capable manufacturer or supplier, or from a qualified startup business:

- (a) Supplies, materials, equipment, and related services to be used actually, exclusively, and directly in the conduct of research and development projects or activities;
- (b) Goods which include products of a commissioned task by a Procuring Entity which were processed, developed, and manufactured in satisfaction of its needs and requirements. These include: (1) pre-commercial goods and services that involve early market engagement to stimulate the development of new goods and services that meet specific government needs; and (2) goods to be manufactured by qualified startup businesses alongside the thrust to develop and support new and startup businesses.

Unless otherwise indicated in a written agreement, the intellectual property rights and ownership over the commissioned goods developed and manufactured pursuant to this provision shall belong to the Procuring Entity, and no manufacturing or sale thereof can be performed by the supplier; and

- (c) Other goods analogous to the foregoing. [xxx]

WHEREAS, Section 37 of RA No. 12009 further provides, that “[t]he GPPB, in coordination with the National Innovation Council (NIC), shall develop procurement policies encompassing the entire research, innovation, and enterprise ecosystem, consistent with the principles under Section 3 of this IRR. To foster innovation, relevant government agencies shall expedite the release of goods used in and documents necessary for Science, Technology, and Innovation.”

WHEREAS, after consolidating the inputs from the Department of Science and Technology, the National Academy of Science and Technology, Department of Economy, Planning, and Development, and the GPPB-Technical Support Office (TSO), the GPPB-TSO subjected the initial draft Guidelines for Direct Procurement for Science, Technology, and Innovation to three (3) separate stakeholder consultations on October 06, 09, and 13, 2025, and subsequently presented the updated draft Guidelines to the NIC-Executive Technical Board (ETB) during its 11th NIC-ETB Meeting on 29 October 2025, where the same was approved for endorsement to the NIC;

WHEREAS, on 20 November 2025, during the 9th NIC meeting presided over by President Ferdinand R. Marcos Jr., the NIC endorsed the issuance of the draft Guidelines, and approved its transmittal to the GPPB for final approval and issuance;

WHEREAS, on 04 December 2025, the GPPB-TSO presented in detail the NIC-endorsed draft Guidelines to the GPPB Inter-Agency Technical Working Group (IATWG). After review of the NIC-endorsed Guidelines, the GPPB-TSO and the GPPB-IATWG recommended that the said Guidelines be submitted to the Board for approval and referendum;

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 ad referendum the following:

1. **APPROVE** the Guidelines for Direct Procurement for Science, Technology, and Innovation to be issued as a GPPB Circular. A copy of which is attached as **Annex "A"** hereof; and
2. **DIRECT** the GPPB-TSO to periodically review said Guidelines and propose amendments as deemed necessary, in coordination with the NIC.

APPROVED this 15th day of January 2026 at Quezon City, Philippines.

SGD.

GPPB, Chairperson
DEPARTMENT OF BUDGET AND MANAGEMENT

SGD.

**DEPARTMENT OF ECONOMY, PLANNING
AND DEVELOPMENT**

**DEPARTMENT OF PUBLIC WORKS AND
HIGHWAYS**

SGD.

**DEPARTMENT OF NATIONAL
DEFENSE**

SGD.

DEPARTMENT OF EDUCATION

SGD.

**DEPARTMENT OF THE INTERIOR AND
LOCAL GOVERNMENT**

DEPARTMENT OF TRANSPORTATION

SGD.

PROCUREMENT SERVICE - DBM

PRIVATE SECTOR REPRESENTATIVE



CIRCULAR NO. 01-2026

To : **Heads of Departments, Bureaus, Offices, Agencies of the National Government; State Universities and Colleges; Government-Owned or -Controlled Corporations; Government Financial Institutions; Local Government Units; Budget Officers and Heads of Accounting Units; Commission on Audit Auditors; and All Others Concerned**

Subject : **Guidelines for Direct Procurement for Science, Technology, and Innovation**

1.0 POLICY STATEMENT

- 1.1 The State shall give priority to science and technology to accelerate social progress and national development, among others.¹ Furthermore, it shall give priority to research and development, invention, innovation, and their utilization, and to science and technology education, training, and services.²
- 1.2 To help stimulate innovation in the country, Republic Act (RA) No. 12009³ and RA No. 11293⁴ mandate the Government Procurement Policy Board (GPPB) and the National Innovation Council (NIC) to develop procurement policies encompassing the entire research, innovation, and enterprise ecosystem that shall ensure efficiency, transparency, timeliness, and relevance in the procurement process, and to foster innovation, relevant government agencies shall expedite the release of goods used in and documents necessary for science, technology, and innovation (STI).⁵

¹ Article II, Section 17 of the 1987 Constitution of the Philippines. The State shall give priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development.

² Article XIV, Section 10 of the 1987 Constitution of the Philippines. Science and technology are essential for national development and progress. The State shall give priority to research and development, invention, innovation, and their utilization; and to science and technology education, training, and services. It shall support indigenous, appropriate, and self-reliant scientific and technological capabilities, and their application to the country's productive systems and national life.

³ The "New Government Procurement Act."

⁴ The "Philippine Innovation Act."

⁵ Section 37, RA No. 12009 provides, among others, that "[t]he GPPB, in coordination with the National Innovation Council (NIC), shall develop procurement policies encompassing the entire research, innovation, and enterprise ecosystem. To foster innovation, relevant government agencies shall expedite the release of goods used in and documents necessary for science, technology, and innovation."

Section 26, RA No. 11293 provides, among others, that "[t]o help stimulate innovation in the country, the NIC shall coordinate with the Government Procurement Policy Board (GPPB) and its technical support office for the development and issuance of public procurement guidelines, as authorized under Republic Act No. 9184 and its IRR [xxx]. The guidelines to be issued by the NIC, in coordination with the GPPB for this purpose, shall ensure efficiency, transparency, timeliness and relevance in the procurement process."

2.0 PURPOSE

These Guidelines are issued pursuant to Section 37 of the Implementing Rules and Regulations (IRR) of RA No. 12009, which provides that Procuring Entities (PEs) may procure goods and services directly from a legally, technically, and financially capable manufacturer or supplier, or from a qualified startup business.⁶

3.0 DEFINITION OF TERMS

The following terms, words, and phrases shall be understood as follows:

- a. **Direct Procurement for STI** – A mode of procurement where covered entities under these Guidelines may directly procure Research and Development (R&D) or STI goods and services from a qualified manufacturer, supplier, or startup business, as defined in these Guidelines.
- b. **Early Adopter** – A PE that is among the first to procure or utilize a new or significantly improved product, service, or process prior to its widespread adoption in the market, including the procurement of pre-commercial goods and services.⁷
- c. **Early Market Engagement** – The proactive, collaborative, and strategic process involving organized interactions between a buyer and potential suppliers, service providers, or the market at large, with the primary aim of stimulating the development of innovative goods and services that meet specific needs.⁸
- d. **Foreign Supplier** – A citizen of a foreign country or an entity in which Filipino ownership or interest is less than sixty percent (60%), engaged in the manufacture or sale of the goods, or performance of the general services being procured.

⁶ Direct Procurement for Science, Technology and Innovation is a mode of procurement where the Procuring Entity may procure the following goods and services directly from a legally, technically, and financially capable manufacturer or supplier, or from a qualified startup business:

- a) Supplies, materials, equipment, and related services to be used actually, exclusively, and directly in the conduct of research and development projects or activities;
- b) Goods which include products of a commissioned task by a Procuring Entity which were processed, developed, and manufactured in satisfaction of its needs and requirements. These include: (i) pre-commercial goods and services that involve early market engagement to stimulate the development of new goods and services that meet specific government needs; and (ii) goods to be manufactured by qualified startup businesses alongside the thrust to develop and support new and startup businesses. Unless otherwise indicated in a written agreement, the intellectual property rights and ownership over the commissioned goods developed and manufactured pursuant to this provision shall belong to the Procuring Entity, and no manufacturing or sale thereof can be performed by the supplier; and
- c) Other goods analogous to the foregoing. [xxx]

⁷ European Commission (2021). Commission Notice - Guidance on Innovation Procurement.

⁸ World Bank – Operations Policy and Country Services (2025). Early Market Engagement Fact Sheet.

- e. **Innovation** – The creation of new ideas that results in the development of new or improved policies, products, processes, or services which are then spread or transferred across the market.⁹
- f. **Innovative Goods and Services** – New or significantly improved products, services, processes, technical specifications or components, methods, and tools that enhance the government’s ability to deliver services.¹⁰
- g. **Pre-commercial Goods and Services** – Innovative goods and services in the stage of prototype validation, pilot production, or early development stage but have yet to be widely available as commercial or market-ready goods and services. As applicable, these shall have regulatory or standards compliance appropriate to their development stage¹¹ and must be supported by documentation demonstrating ownership of or authority to use the underlying technology, including pending, registered, or otherwise documented Intellectual Property (IP) or technology rights, as required under these guidelines, applicable laws, and/or the needs of the PE.
- h. **Qualified Manufacturer and Supplier** – A manufacturer, supplier, trader, distributor, importer, or service provider, which meets all the following eligibilities:
 - i. **Financial Eligibility** – the capacity to manufacture, distribute, or deliver the goods or services covered under Section 4.2 of these Guidelines.
 - ii. **Legal Eligibility** – the capacity to act as an entity as evidenced by permits, licenses, and/or registrations required by law to engage in the business of manufacturing, distributing, or delivering the goods or services being procured.
 - iii. **Technical Eligibility** – the experience or expertise to undertake the services, manufacturing, distribution, or delivery of the goods or services being procured.

⁹ Section 3 (f) of RA No. 11293.

¹⁰ Section 3 (k) of RA No. 11293.

¹¹ These may include, but are not limited to, License to Operate issued by the Food and Drug Administration (FDA), Health Technology Assessment issued by the Department of Health (DOH), Product Certification or Philippine Standard Mark issued by the Bureau of Philippine Standards of the Department of Trade and Industry (DTI-BPS), Type Acceptance/Approval Certificate issued by the National Telecommunications Commission (NTC), or proof of inclusion in a regulatory sandbox program by a relevant regulatory body.

- i. **Qualified Startup Business** – Any business entity duly registered in the Philippines,¹² and operating for more than one (1) year but not more than five (5) years from its registration. It must fall under any of the micro, small, and medium enterprise categories provided under Section 3 of RA No. 6977, as amended,¹³ and be engaged in the creation, development, production, or commercialization of innovative products, processes, or services through the application for, or commercial exploitation of, IP rights such as patents, utility models, and industrial designs.
- j. **Research and Development** – Any activity which is a systematic, intensive study directed toward greater knowledge or understanding of the subject studied. This may include a systematic study directed specifically toward applying new knowledge to meet a recognized need, or a systematic application of knowledge toward the production of useful materials, devices, and systems or methods, including design, development, and improvement of prototypes and new processes to meet specific requirements.¹⁴
- k. **Related Services** – These involve activities such as installation, calibration, surveying, testing and analytical services, maintenance, and repair. These also include systematic and creative work undertaken in STI, higher education and training, scientific services, and marketing or promotional activities for STI outputs, among others.
- l. **Science, Technology, and Innovation** – The interconnected and mutually reinforcing activities encompassing the development and testing of theories to describe the natural and social phenomena (science), the practical use of discoveries through technical methods, systems, devices, skills, and practices (technology), and the implementation of new or improved products, processes, or organizational methods that differ significantly from previous ones and are brought into use or made available to users (innovation).¹⁵

4.0 SCOPE AND COVERAGE

- 4.1 This Circular shall apply to PEs or implementing units of all branches and instrumentalities of the national government, its departments, bureaus, offices and agencies, including State Universities and Colleges (SUCs), Government-Owned and/or -Controlled Corporations (GOCCs), Government Financial Institutions (GFIs), and Local Government Units (LGUs), provided they meet **at least one** of the following:

¹² As certified by the DTI, Department of Information and Communications Technology (DICT), DOST, or the NIC, as may be applicable, pursuant to Section 76.1 (f) of the IRR of RA No. 12009.

¹³ The "*Magna Carta for Micro, Small and Medium Enterprises*."

¹⁴ Section 3 (f), RA No. 11337, otherwise known as the "Innovative Startup Act."

¹⁵ OECD, Frascati Manual 2015: Guidelines for Collecting and Reporting Data on Research and Experimental Development; OECD/Eurostat, Oslo Manual 2018: Guidelines for Collecting, Reporting and Using Data on Innovation, 4th Ed.

- 4.1.1 The PE has an explicit mandate to conduct R&D activities and/or STI programs, activities, or projects, as provided in its charter, enabling law, or other legal issuance of equivalent authority.
 - 4.1.2 The PE has approved appropriations under the "*Survey, Research, Exploration, and Development Expenses*," explicitly stated and detailed in the object of expenditures of its approved appropriations in the General Appropriations Act (GAA), Local Expenditure Program (LEP) or Corporate Operating Budget, as the case may be.
 - 4.1.3 The PE has an approved R&D and/or STI program, activity, or project, as evidenced by an approved proposal, concept note, funding agreement, notice of grant award, or inclusion in an official list of priority programs or projects.
- 4.2 These Guidelines shall cover the direct procurement of the following STI or R&D goods and services from a qualified manufacturer, supplier, or startup business:
- 4.2.1 Supplies, materials, equipment, and Related Services to be used actually, exclusively, and directly in the conduct of R&D projects or activities, including those undertaken for the research, development, testing, or deployment of an STI program, activity, or project and mandate.
 - 4.2.2 Goods that include products of a commissioned task by a PE, which were processed, developed, and manufactured in satisfaction of its needs and requirements. Commissioning of necessary and Related Services shall not be deemed Consulting Services as defined in Section 5 (i) of RA No. 12009.¹⁶
 - 4.2.2.1. Goods and services under this Section are domestic products sourced from local qualified manufacturers and suppliers.
 - 4.2.2.2. Goods and services under this Section include:
 - a. Pre-commercial goods and services that involve early market engagement to stimulate the development of new goods and services that meet specific government needs, wherein the PE intends to serve as an early adopter or co-developer, supporting the testing, validation, or initial development of goods and services

¹⁶ Consulting Services refer to services for Infrastructure Projects and other types of projects or activities of the government requiring adequate external technical and professional expertise that are beyond the capability or capacity of the government to undertake, such as, but not limited to: (1) advisory and review services; (2) pre-investment or feasibility studies; (3) design; (4) construction supervision; (5) management and related services; and (6) other legal and technical services or special studies.

that is new to the local market and possess substantially novel characteristics prior to their full commercialization, provided that there is written justification from the PE that the goods and services meet the specific needs of the government with attached reference/s and provided that any of the following documents are submitted: (1) proof of freedom to operate, or documents that establish that the goods and services can be freely commercialized in the country, (2) proof of registration/certification with the Intellectual Property Office of the Philippines (IPOP HL); (3) proof of application with the IPOP HL for registration or certification.

- b. Acquisition of goods to be manufactured by qualified startup businesses alongside the thrust to develop and support new and startup businesses.

4.2.3 Other goods analogous to the foregoing, which include but are not limited to:

- a. Goods and services that directly support or complement transaction activities across different stages of STI activities, including, but not limited to, clinical testing, market validation, market testing, biologicals production, etc.; provided that such activities result in tangible outputs or data integral to the development, validation, or commercialization of pre-commercial goods or services; or
- b. Other items deemed related or complementary to STI goods and services, which may include emerging technologies and hybrid innovations that are not yet formally recognized or categorized under existing procurement classifications but are anticipated to be mainstreamed in the future.

5.0 BIDDING FROM FOREIGN SOURCES

- 5.1 As provided under Sections 78¹⁷ and 79.1¹⁸ of the IRR of RA No. 12009, goods and/or services may be obtained from foreign sources, and the procurement thereof shall be open to all eligible suppliers, manufacturers, and distributors, with due priority and preference given to Philippine products and services at all levels of the procurement process, including raw material, ingredients, supplies, or fixtures.

¹⁷ Consistent with the country's obligations under treaty or international or executive agreement, Goods may be obtained from domestic or foreign sources and the procurement thereof shall be open to all eligible suppliers, manufacturers, and distributors.

¹⁸ The Procuring Entity shall give priority and preference to Philippine products and services. The preference and priority for Philippine products shall be guaranteed at all levels of the procurement process, including raw materials, ingredients, supplies, or fixtures.

5.2 Should domestic preference be waived in accordance with Section 79.7 of the IRR of RA No. 12009,¹⁹ and/or the goods sought to be procured are not available from local suppliers, eligibility requirements or statements, the bids, and all other documents to be submitted to the Bids and Awards Committee (BAC) must be in accordance with Section 52.3 of the IRR of RA 12009.

5.3 The Head of the Procuring Entity (HoPE) or its duly authorized representative shall certify that the goods to be procured are not available locally, as determined through market scoping pursuant to Section 10 of RA No. 12009 and its IRR.

6.0 PROCEDURE

6.1 The PEs, through their End-User or Implementing Unit, shall prepare the following requirements and submit these to their respective BAC. As provided under Section 26.4 of the IRR of RA 12009, the BAC may delegate the conduct of procurement activities to the End-User or Implementing Unit, or the Procurement Unit of the PE:²⁰

- a. Purchase Request;
- b. Market Scoping Form: for pre-commercial goods and services, the PE must likewise include a written justification for the determination of the proposed contract price, supported by relevant documents such as, but not limited to, bill of materials, historical data of similar procurements, or other appropriate documentation to establish the reasonableness of the price;
- c. Approved Project Procurement Management Plan (PPMP) or Supplemental PPMP, whichever is applicable; and
- d. Proof that the procurement process forms part of an approved R&D, priority policy, or STI program, activity, or project, including but not limited to:
 - i. Approved Proposal, concept note, or implementation plan outlining the objectives, scope, and intended outputs of the STI program, activity, or project, among others;

¹⁹ Domestic preference herein established may be waived should any of the following conditions be present:

- a. Where domestic production is insufficient or unavailable in the required commercial quantities;
- b. Where the specific or desired quality is not met;
- c. Where domestic preference will result in inconsistencies with the Philippines' obligations under treaty or international or executive agreements; or
- d. Other analogous circumstances.

²⁰ Except for Competitive Bidding, Limited Source Bidding, Competitive Dialogue, and Unsolicited Offer with Bid Matching, the BAC may delegate the conduct of procurement activities for the other modes of procurement to the End-User or Implementing Unit, or the Procurement Unit of the Procuring Entity.

- i. Notice of grant award or equivalent document issued by the funding or implementing agency, indicating details such as the title, implementing institution, funding source, duration, and approved budget; or
 - ii. Inclusion in an official list of priority programs, projects, or activities issued or endorsed by the appropriate government agency or authority, indicating that the procurement forms part of an approved R&D, priority policy, or STI initiative identified for implementation or support.
- 6.2 Within three (3) calendar days from receipt of submission, the BAC shall determine whether the Direct Procurement for STI is the most appropriate mechanism or strategy to address the specific requirements of the End-User or Implementing Unit.
 - 6.2.1 Once such determination is made, the BAC, through its Secretariat, shall immediately prepare the Annual Procurement Plan (APP), to be signed by the HoPE.
 - 6.2.2 Once approved, the BAC Secretariat shall prepare the Request for Quotation (RFQ) or pro-forma invoice together with the terms and conditions of sale, and send these to the identified direct supplier.
- 6.3 The identified direct supplier shall submit the following documentary requirements together with their quotation within seven (7) calendar days after receipt of the RFQ or pro-forma invoice:
 - a. Valid Certificate of Registration (Platinum Membership) from the Philippine Government Electronic Procurement System (PhilGEPS).²¹ Red PhilGEPS Membership may be accepted, provided that the following supporting documents are submitted:
 - i. Registration Certificate from Securities and Exchange Commission (SEC) for corporations and partnerships, Department of Trade and Industry (DTI) for sole proprietorships and Barangay Micro Business Enterprises (BMBEs), or Cooperative Development Authority (CDA) for cooperatives, or an equivalent document indicating the entity's legal personality and registration details.
 - ii. Valid Mayor's or Business permit issued by the city or municipality where the principal place of business of the identified direct supplier is located, or an equivalent document issued by the appropriate government authority. An expired Business or

²¹ For foreign bidders, PhilGEPS registration shall be made in accordance with Section 20.2.9.2 of the IRR of RA 12009.

Mayor's permit with Official Receipt of renewal application, subject to submission of the Business or Mayor's permit after award of contract and prior to payment.

- iii. Latest income and business tax returns duly stamped and received by the Bureau of Internal Revenue (BIR) (or its equivalent document for foreign suppliers), and duly validated with the tax payments made thereon.²² If the company is classified as BMBE, the Certificate of Authority issued by the DTI shall be submitted in lieu thereof. For other tax-exempt organizations, a BIR certification confirming exemption from filing Income Tax Return (ITR) shall be required.
 - iv. Latest Audited Financial Statement,²³ Management Report, or an equivalent financial document demonstrating the supplier's capability to supply the goods or services in accordance with the minimum capital requirement relative to the Approved Budget for the Contract (ABC). For startups or newly established enterprises with minimal or limited financial flows, alternative documents such as a Bank Certificate of Deposit, proof of Capital Contribution, Credit Reference Letter, Line of Credit, or certification from a recognized incubator or accelerator hub may be submitted in lieu thereof.
- b. Omnibus Sworn Statement (OSS)²⁴ executed by the identified direct supplier or its duly authorized representative, with proof authorizing said representative to sign all documents, through either a board resolution, partnership resolution, special power of authority, or equivalent, as the case may be.
 - c. Other pertinent documents required by existing laws, rules, and regulations, as applicable, which may include, but are not limited to, License to Operate issued by the Food and Drug Administration (FDA), Health Technology Assessment issued by the Department of Health (DOH), Product Certification or Philippine Standard Mark issued by the Bureau of Philippine Standards of the Department of Trade and Industry (DTI-BPS), Type Acceptance/Approval Certificate issued by the National Telecommunications Commission (NTC), or proof of inclusion in a regulatory sandbox program by a relevant regulatory body.

²² In accordance with Executive Order No. 398, s. 2005

²³ In accordance with Section 232 of Republic Act No. 8424, otherwise known as the National Internal Revenue Code, as amended.

²⁴ Prescribed template for the Omnibus Sworn Statement is attached herein as Annex "A."

- 6.4 Simplified negotiations on the terms and conditions of the contract may be conducted by the BAC or its delegated unit or office within three (3) calendar days upon receipt of the quotation and complete eligibility requirements of the identified direct supplier to ensure that the supplier is legally, technically, and financially capable of delivering the goods at the most advantageous price and contract for the Government.
- 6.5 After successful confirmation and validation, the BAC shall recommend the award of the contract to the identified direct supplier.
- 6.6 Within a period not exceeding ten (10) calendar days from the determination and declaration through a resolution of the BAC and recommendation of the award, the HoPE or its duly authorized representative shall immediately approve or disapprove the said recommendation and issue the Notice of Award (NOA) in case of approval.
 - 6.6.1 In the event that the approving authority shall disapprove the resolution on the award of the contract, such disapproval shall be based only on valid, reasonable, and justifiable grounds as enumerated under Section 70 of the IRR of RA No. 12009, to be expressed in writing.
 - 6.6.2 A copy of the decision disapproving the resolution shall be furnished to the BAC and the identified direct supplier.
- 6.7 After issuance of the NOA, the HoPE or its duly authorized representative shall immediately enter contract or approve the Purchase Order (PO) with the awarded supplier within seven (7) calendar days. If applicable, a Notice to Proceed (NTP) shall then be issued to the awarded supplier not later than three (3) calendar days from contract signing or approval of the PO.
- 6.8 The BAC, through its Secretariat, shall post, for information and transparency purposes, the PO and/or Contract and, if applicable, the NTP on the PhilGEPS website, the PE's website or official social media account (if available), or in a conspicuous place reserved for this purpose within the premises of the PE within five (5) calendar days from their issuance.

- 6.9 The awarded supplier shall also be required to post the Performance Security²⁵ in the form chosen by the PE, in accordance with Section 68 of the IRR of RA No. 12009. For Goods, a Warranty Security shall be required from the awarded supplier in accordance with Section 90 of the IRR of RA No. 12009.
- 6.10 In cases involving an Amendment to Order, Suspension of Delivery of Goods, Extension of Contract Time, Liquidated Damages, and Advance Payment, provisions provided under Sections 71.1.1 to 71.1.5 of the IRR of RA No. 12009 shall be applied, in conjunction with these Guidelines.
- 6.11 Upon completion of the obligation by the identified direct supplier, the PE shall issue the Inspection and Acceptance Report, Certificate of Satisfactory Performance and Completion, and/or other pertinent documents necessary to indicate the fulfillment of the contractual obligation of the identified direct supplier.

7.0 INTELLECTUAL PROPERTY

- 7.1 Unless otherwise indicated in a written agreement, the IP rights and ownership over the commissioned goods developed and manufactured pursuant to these Guidelines shall belong to the PE, and no manufacturing or sale thereof can be performed by the supplier.
- 7.2 Matters affecting IP or IP rights such as protection, utilization, technology disclosure, exclusivity of the license, use of commercialization, establishment of spin-off firms, technologies for research use, and sharing of income and benefits from technology commercialization shall be governed by existing Philippine laws on Intellectual property, including RA No. 10055²⁶ and RA No. 8293 or the Intellectual Property Code of the Philippines, as amended.²⁷
- 7.3 Disputes arising from the conflict in IP shall be duly addressed and resolved in accordance with the provisions of RA No. 10055 and its IRR.

²⁵ May be in the form of the following: a. Cash or cashier's or manager's check issued by a bank amounting to not less than five percent (5%) of the total contract. For biddings conducted by LGUs, the cashier's or manager's check may be issued by other banks certified by the BSP as authorized to issue such financial instrument; b. Bank draft or guarantee or irrevocable Letter of Credit issued by a bank amounting to not less than five percent (5%) of the total contract. If issued by a foreign bank, it shall be confirmed or authenticated by a local bank; or c. Surety bond amounting to not less than thirty percent (30%) of the total contract, callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to such security.

²⁶ The "Philippine Technology Transfer Act of 2009."

²⁷ An Act Amending Certain Provisions of Republic Act No. 8293, otherwise known as the "Intellectual Property Code of The Philippines", and for Other Purposes, as amended by RA Nos. 9150, or "An Act Providing for the Protection of Layout-Designs (Topographies) of Integrated Circuits, Amending for the Purpose Certain Sections of Republic Act No. 8293, Otherwise Known as the Intellectual Property Code of the Philippines and for Other Purposes," 9502, or the "Universally Accessible Cheaper and Quality Medicines Act of 2008," and 10372, or an "An Act Amending RA No. 8293."

8.0 AMENDMENTS

The provisions of these Guidelines may be amended as deemed essential, subject to coordination by the GPPB with the NIC. Such amendments shall be consistent with RA No. 12009, its IRR, and other relevant legal provisions, regulations, and issuances.

9.0 EFFECTIVITY

These Guidelines shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation.

10.0 For guidance and compliance.

SGD.
ROLANDO U. TOLEDO
Chairperson