



The New Government

Procurement Reform Act or RA 12009

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GOVERNMENT PROCUREMENT POLICY BOARD - TECHNICAL SUPPORT OFFICE



REPUBLIC ACT NO. 12009 AND ITS IMPLEMENTING RULES AND REGULATIONS (IRR)

The New Government Procurement Act (NGPA)



Approved: 20 July 2024

Published: 29 July 2024

Effectivity: 13 August 2024



Within One Hundred Eighty (180) Days from the promulgation of this Act Effectivity: 25 February 2025



Standard Bidding Forms

Within Ninety (90) Days of the approval of the IRR, the standard forms for procurement shall be developed and approved by the GPPB







REPUBLIC ACT NO. 12009 AND ITS IMPLEMENTING RULES AND REGULATIONS (IRR)

The New Government Procurement Act (NGPA)

What will happen to <u>ongoing procurement projects</u>?

Sec. 112.2 of the IRR of RA No. 12009

"Any amendment to this IRR shall be applicable to all procurement activities, the advertisement or invitation of which were issued after the date of effectivity of the said amendment."







REPUBLIC ACT NO. 12009 AND ITS IMPLEMENTING RULES AND REGULATIONS (IRR)

The New Government Procurement Act (NGPA)

Except those under Annex B of the IRR where the GPPB to issue further guidelines:

- Implementation Guidelines for Life Cycle Assessment &
- Life Cycle Cost Analysis
 Guidelines on Framework Agreement for Goods, Infrastructure, and Consulting Services
 Guidelines on Electronic Bidding
 Guidelines on the Use of Limited Source Bidding

- Foreign Bidder Participation Guidelines
 Guidelines on the Use of Defense Coopration Agreement & Inventory-Based Items
- Guidelines regarding the Non-Government Organization Participation in Government Procurement
- Guidelines on the Use of Direct Procurement for Science
- Technology and InnovationGuidelines on the Conduct of Livestream Requirement for Procurement ProjectsCode of Ethics for Public Procurement Professionals
- Guidelines on the Professionalization of Procurement Practitioners
- Guidelines on the Collection of Bidding Documents Fees
 Guidelines on the Evaluation of Contractor Performance, including COnstructors Performance Evaluation System

- Guidelines on the Eligibility Requirements of Government– Owned and Controlled Corporations in Public **Procurement**
- Guidelines on the Submission of Bids
- Guidelines on the Procurement Performed Oversees, including PhilGEPS RegistrationGuidelines on the Sustainable Public Procurement
- Guidelines on Green Public Procurement Strategy

- Guidelines on Gender-Responsive Public Procurement
 Guidelines for the Disclosure of beneficial Ownership
 Guidelines on the Use of the Electronic Filing System for **Protests**
- Price Escalation Guidelines
- Guidelines for Suspension, Blacklisting, and Corrective Measures
- Standards Forms for Procurement







THE NGPA IMPLEMENTING RULES AND REGULATIONS (IRR)

What forms are required to be used?

Sec. 6.2 of the IRR of RA No. 12009

"For this purpose, the GPPB shall pursue the development of generic procurement manuals and standard bidding forms, the use of which, once issued shall be mandatory upon all Procuring Entities. However, whenever necessary, to suit the particular needs of the Procuring Entity, modifications may be made specifically for major and specialized procurement, subject to the approval of the GPPB."







In case of doubt in the application, interpretation, and construction of any of the provisions under RA No. 12009 and this IRR, the same shall be **resolved in favor of government procurement**.

(Sec. 2 of the IRR of RA No. 12009)



Governing Principles



Enhanced Transparency

Open contracting practices and standards



Enhanced Accountability

Administrative liability of both public officers and private entities



Improved Competitiveness

Equal Opportunity to all Private and Public Entities



Increased Efficiency

Use of emerging technologies and innovative solutions



Proportionality

New principle to ensure fit-for-purpose approaches



Participatory Procurement

New principle that enhances the role of Observers that include CSOs and POs



Sustainability

New principle to consider social, economic, and environmental impact to procurement projects



Professionalism

New principle to institutionalize professionalization of procurement practitioners

Sec. 3 of the IRR of RA No. 12009

What is Procurement?

xx the acquisition of Goods, Consulting Services, and the contracting for Infrastructure Projects by the Procuring Entity. In the case of a project involving mixed procurement, the nature of the procurement, i.e., Goods, Infrastructure Projects, or Consulting Services, shall be determined based on the primary purpose of the project. Procurement shall also include the lease of goods and real estate. With respect to real property, the acquisition thereof shall be governed by the provisions of RA No. 10752 and other applicable laws, rules, and regulations.

Sec. 5(z) of the IRR of RA No. 12009

Application

This IRR shall apply to all procurement by any branch, agency, department, bureau, office, or instrumentality of the GoP, including GOCCs, GFIs, SUCs, and LGUs.



Not Covered

Sec. 4.3 of the IRR of RA No. 12009



Funded from foreign grants covered by RA No. 8182, as amended by RA No. 8555 unless the GoP and the foreign grantor, or foreign or international financing institution agree otherwise



Acquisition of real property which shall be governed by, RA No. 10752, and other applicable laws, rules, and regulations



Public-private sector infrastructure or development projects and other procurement covered by RA No. 11966, Provided, however, That for the portions financed by the GoP, the provisions of the Act and this IRR shall apply

Not Procurement

Sec. 4.4 of the IRR of RA No. 12009



Direct assistance, in cash or in kind, to beneficiaries in accordance with the existing laws, rules, and regulations



Participation in local or foreign scholarships, trainings, continuing education, conferences, seminars, or similar activities, including regular assessment or review programs and strategic planning sessions to meet agency performance targets governed by CSC, COA, or DBM rules and regulations



Engagement of COS and HO workers



Disposal of government properties, unless specified in the Bidding Documents or Requests for Quotations or Proposals, as the case may be

Types of Procurement: Goods



Sec. 5(n) of the IRR of RA No. 12009

xx refer to (i) all items, supplies, and materials, whether in the nature of equipment, furniture, stationery, materials for construction, or personal property of any kind, needed in the transaction of public businesses or in the pursuit of any government undertaking, project or activity; or (ii) general support services which pertain to all types of services except Consulting Services and Infrastructure Projects, such as the repair and maintenance of equipment and furniture, as well as trucking, hauling, janitorial, security, and related or analogous services. Personnel Services or individual COS or JO engagements do not fall under this definition.







Types of Procurement: Infrastructure Projects



Sec. 5(r) of the IRR of RA No. 12009

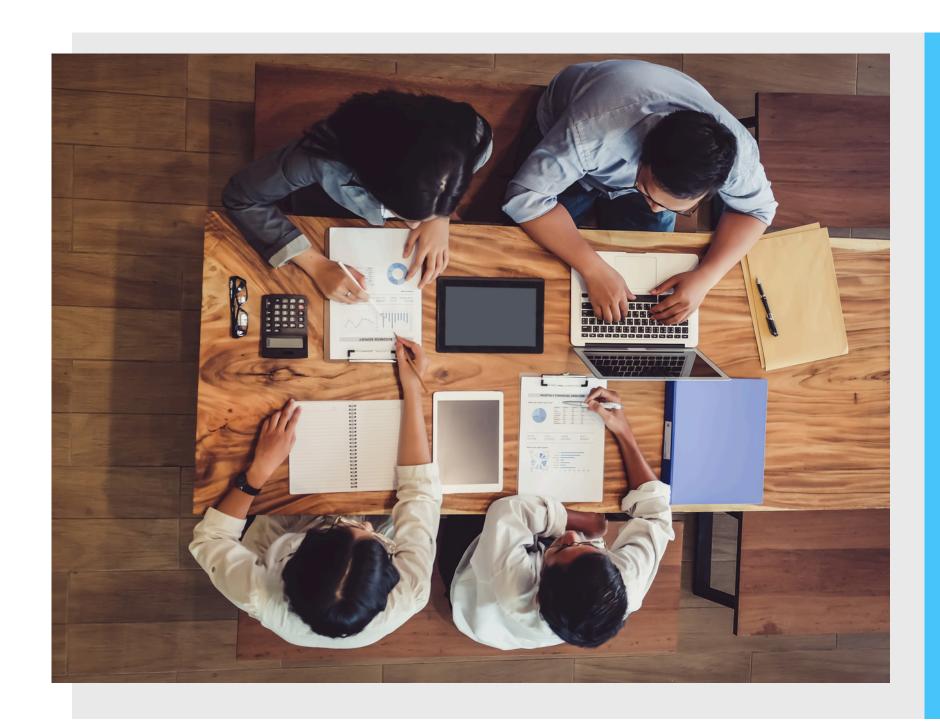
Include the construction, improvement, rehabilitation, demolition, repair, restoration, or maintenance of roads and bridges, railways, airports, seaports, communication facilities, civil works components of information technology projects, irrigation, flood control and drainage, water supply, sanitation, sewerage and solid waste management systems, shore protection, energy/power and electrification facilities, national buildings, school buildings, hospital buildings, and other related construction projects of the government. For purposes of, and throughout this IRR, the term "Infrastructure Projects" shall have the same meaning as, and shall be used interchangeably with, "civil works" or "works;"







Types of Procurement: Consulting Services



Sec. 5(i) of the IRR of RA No. 12009

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: (i) advisory and review services; (ii) pre-investment or feasibility studies; (iii) design; (iv) construction supervision; (v) management and related services; and (vi) other **legal** and technical services or special studies.



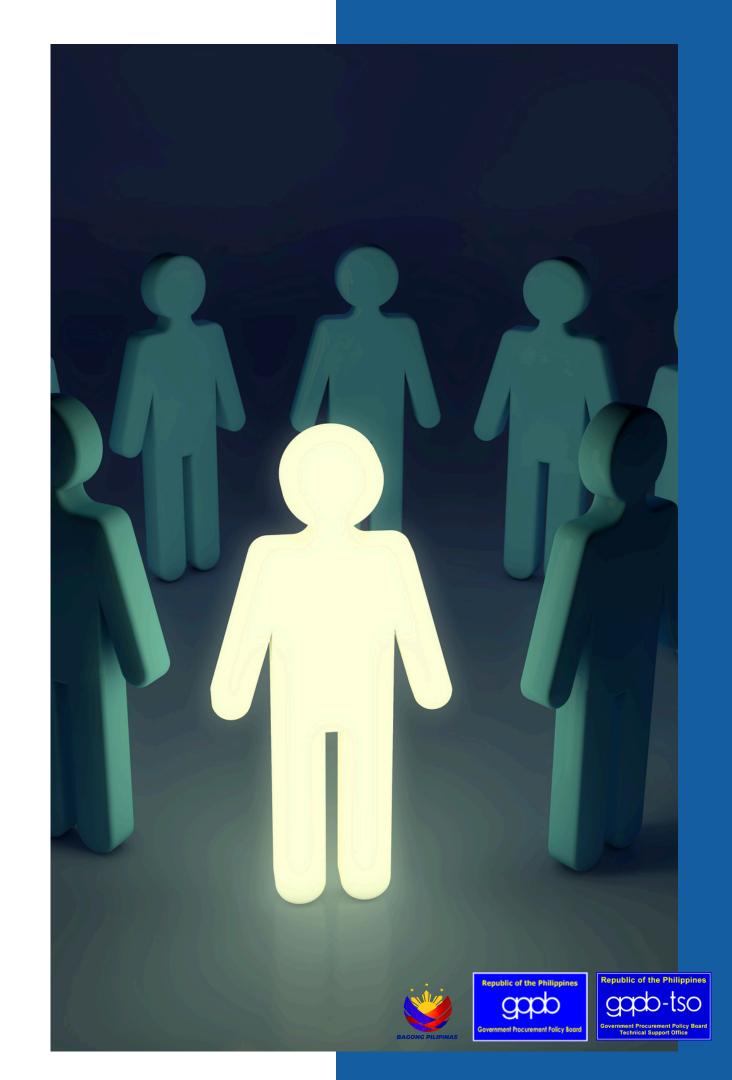




BAC Members

The HoPE shall designate **five (5) or seven (7) permanent officials** of unquestionable integrity and procurement proficiency as members of the BAC. The term "permanent" does not refer to whether the person holding the plantilla position is contractual, regular, or temporary; rather, this refers to whether the position exists within the organizational structure of the procuring entity or not.

Sec. 41.2.1 of the IRR of RA No. 12009



BAC Honoraria

The Procuring Entity may grant payment of honoraria to all members of the BAC, regardless of position, TWG, and Ad Hoc Secretariat, in an amount of not exceeding thirty percent (30%) of their respective basic monthly salaries, subject to availability of funds, which may be sources from fees collected by the BAC in relation to its procurement activities.

Sec. 45 of the IRR of RA No. 12009



Observers

To enhance the transparency of the process, the BAC shall, during the eligibility checking, short-listing, prebid conference, preliminary examination of bids, bid evaluation, and post-qualification, invite, in addition to the representative of the COA, at least two (2) observers, who shall have no voting rights, to sit in its proceedings where at least one (1) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hand.

Sec. 43.1 of the IRR of RA No. 12009



Observers

Observers shall be invited at least five (5) calendar days before the date of the procurement stage or activity. The absence of observers will not nullify the BAC proceedings; Provided, That they have been duly invited in writing. In the event that a procurement activity has to be postponed, the observers shall be notified immediately of the change in schedule.

The representative of the observer who will attend the BAC proceedings should be a certified member of good standing of the CSO or PO.

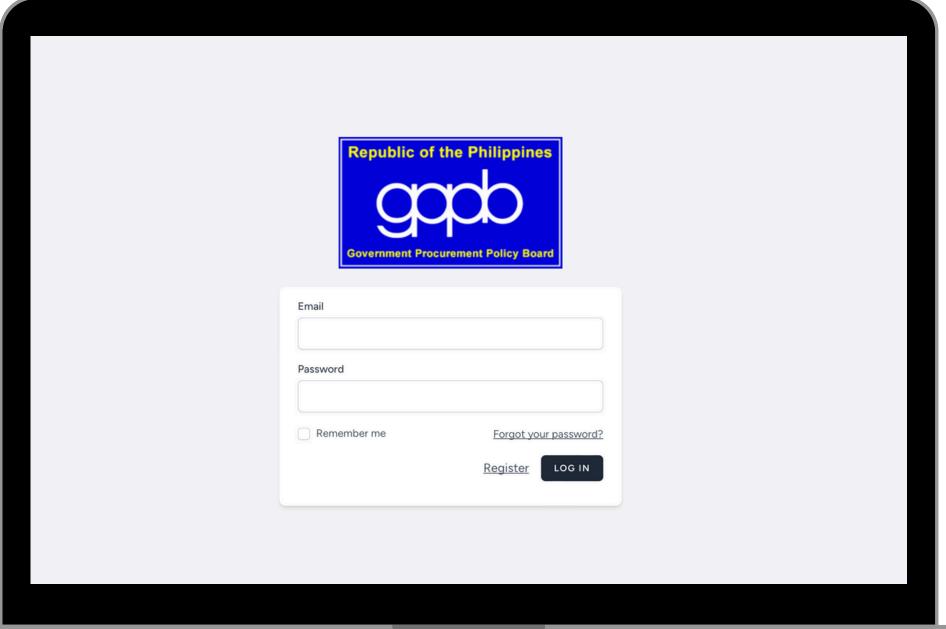
Sec. 43.2-43.3 of the IRR of RA No. 12009



GPPB Procurement Observers

Portal (2024)

Designed to promote and encourage greater observer participation in government procurement processes with just a click of a button. Through the portal, observers can register, access procurement information, and submit reports to the GPPB-TSO. Procuring Entities will also have access to the observers' directory, allowing them to invite potential observers for their procurement projects.





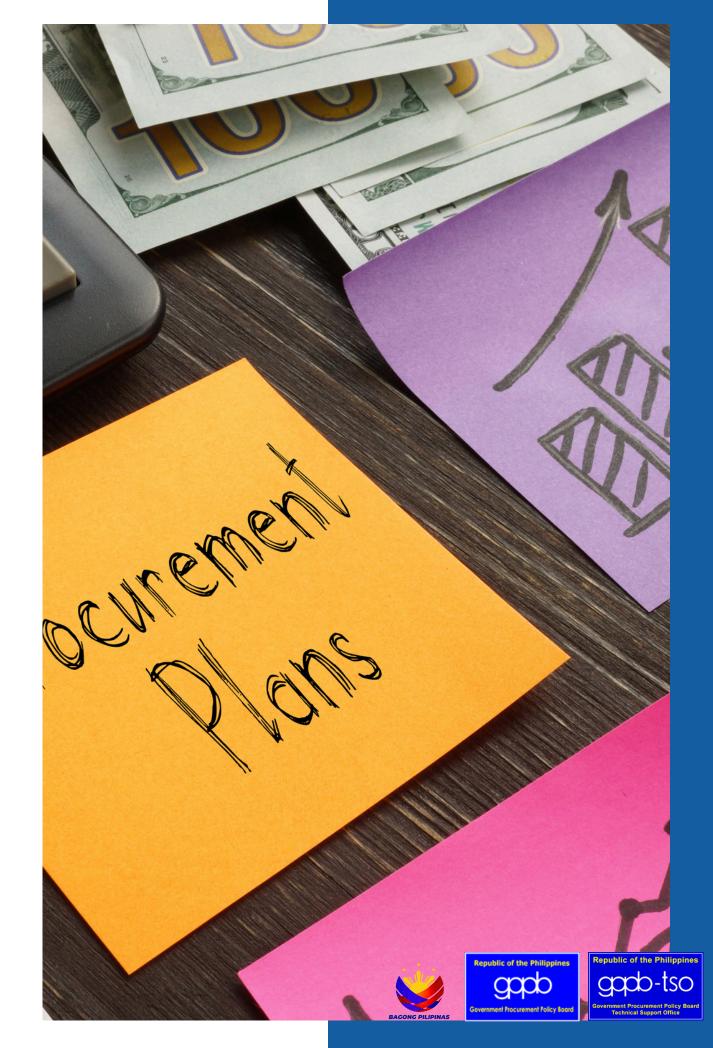




Strategic Procurement Planning and Budgeting Linkage

All procurement shall be undertaken with proper and sufficient planning and preparation to ensure sound procurement decisions, taking into consideration, among others, the need of the Procuring Entity, relevance, and appropriateness of the project, value for money, and associated risks of the project. This includes the conduct of supply positioning, analysis of available modes of procurement, risk management, and disposal procedures as may be applicable.

Sec. 7.1 of the IRR of RA No. 12009



Fit for Purpose

An approach to procurement that applies the most suitable mechanism or strategy designed to address the specific needs of the Procuring Entity and each project, while promoting flexibility and responsiveness to different conditions and scenarios, based on factors or situations, such as, but not limited to, the nature and complexity of the project, market condition and readiness, urgency or risks, in order to ensure and achieve value for money

Sec. 5(m) of the IRR of RA No. 12009



Fit for Purpose

Entities shall likewise implement Procuring procurement strategy that includes Fit-for-Purpose and Proportional approaches, such 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 of the Procuring Entity and the nature of the project to be procured. Such strategy adopted shall also consider the whole life cycle of a procurement project, including its environmental impact, and shall aim to achieve value for money.

Sec. 7.2 of the IRR of RA No. 12009



Value for Money

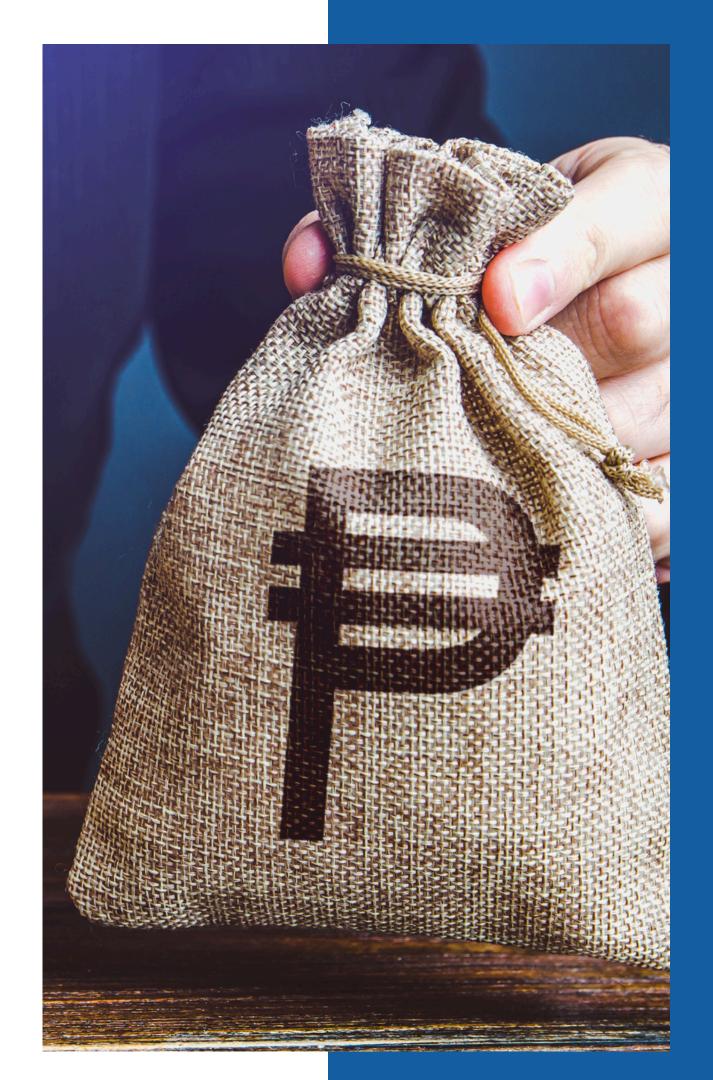
Refers to the optimum combination of quality and cost to meet the requirements and objectives of the End-User or Implementing Unit.

Sec. 5(cc) of the IRR of RA No. 12009



Approved Budget Contract

Refers to the budget for the contract duly approved by the Head of the Procuring Entity (HoPE), within the authorized amount in the General Appropriations Act (GAA), continuing, and automatic appropriations, or other authorized source of funds, in the case of National Government Agencies (NGAs); the corporate operating budget approved by the governing Boards, pursuant to Executive Order (EO) No. 518, s. 1979, entitled "Establishing a Procedure for the Preparation and Approval of the Operating Budgets of Government Owned or Controlled Corporations, in the case of GOCCs, GFIs, and RA No. 8292, or the "Higher Education Modernization Act of 1997", in the case of SUCs; and the budget for the contract approved by the Sanggunian through an appropriation ordinance in the case of LGUs. xx

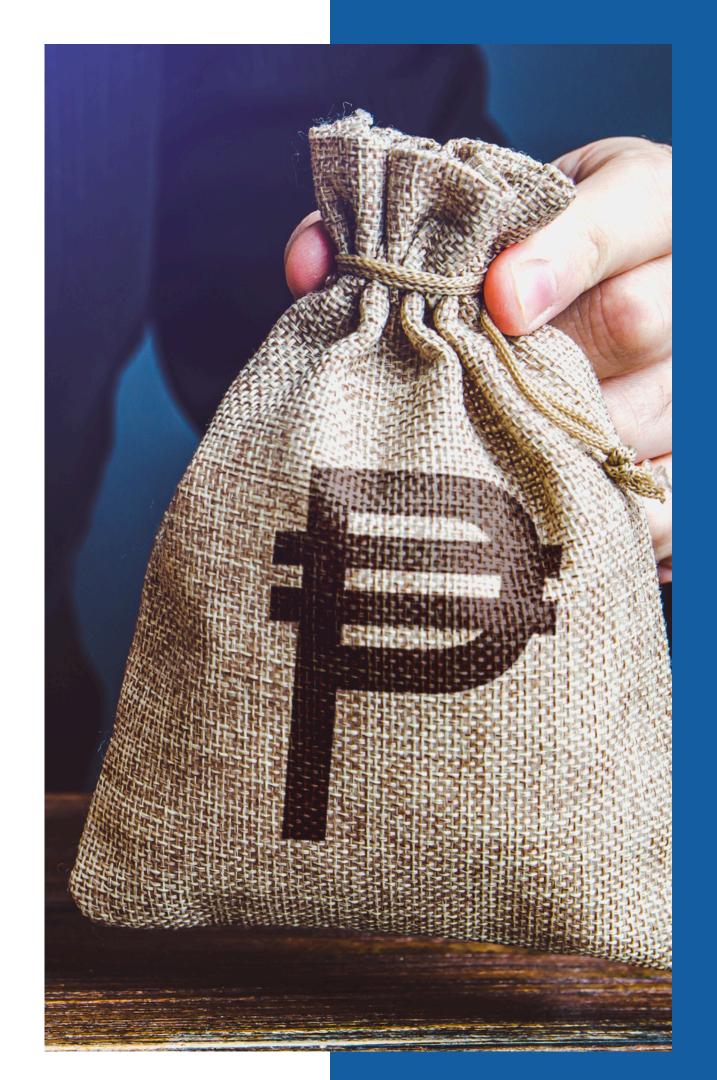


Sec. 5(a) of the IRR of RA No. 12009

Approved Budget Contract

For foreign-funded procurement, the ABC refers to the cost estimate prepared by the Procuring Entity and approved by the foreign government, or foreign or international financing institution as specified in the treaty or international or executive agreement.

Sec. 5(a) of the IRR of RA No. 12009



Strategic Considerations

- a) Life cycle Assessment and Life cycle Cost Analysis;
- b) Subcontracting;
- c) Multi-year Contracting;
- d) Early Procurement Activities (EPA);
- e) Design and Build Scheme for Infrastructure Projects;

- f) Engagement of a Procurement Agent;
- g) Use of Framework Agreement;
- h) Pooled Procurement;
- i) Renewal of Regular and Recurring Services; or
- j) Warehousing and Inventory Activities.



Strategic Procurement Planning: Life cycle Assessment and Life cycle Cost Analysis

Life Cycle Cost refers to the total cost of ownership over the entire life span of an asset covering its acquisition, operation, maintenance, and disposal.

Sec. 5(u) of the IRR of RA No. 12009



Strategic Procurement Planning: Life cycle Assessment and Life cycle Cost Analysis

The Procuring Entity shall ensure that the **project has minimal economic, social, and environmental risks or negative impacts throughout its life cycle**, consistent with Sections 13, 72, 73, and 75 of this IRR. In addition, the procurement of Goods must consider responsible and sustainable consumption and production practices, as well as comply with national policies.



Strategic Procurement Planning: Life cycle Assessment and Life cycle Cost Analysis

To assure the usefulness throughout the whole life cycle of goods to be procured, the Procuring Entity shall ensure that goods to be procured are brand new; Provided, That the procurement of second-hand, refurbished, or reconditioned goods, such as military, defense, or law enforcement equipment or materiel, may be considered to secure a contract that is most advantageous and offers value for money to the government, subject to the guidelines to be issued by the DBM and subject to compliance with relevant criteria, such as durability, remaining useful life, sustainability, maintenance cost, and warranty.



Strategic Procurement Planning: Early Procurement Activities

For Goods to be delivered, Infrastructure Projects to be implemented, and Consulting Services to be rendered in the following fiscal year, Procuring Entities are authorized to undertake EPA, short of award, as soon as the NEP, Local Expenditure Program, or proposed Corporate Operating Budget is submitted to the Congress, Sanggunian, or Governing Board, respectively, pending the approval of the funding thereof under the GAA, corporate operating budget, appropriation ordinance or loan agreements in the case of Foreign-Assisted Projects (FAPs), as the case may be, subject to guidelines issued for the purpose.

Sec. 12.1 of the IRR of RA No. 12009



Strategic Procurement Planning: Design & Build

With the exception of an Infrastructure Project under a designand-build scheme, no bidding and award of contract for Infrastructure Projects shall be made unless the detailed engineering investigations, surveys, and designs for the project which shall consider among others, the impact on the environment, have been sufficiently carried out and duly approved in accordance with the standards and specifications prescribed by the HoPE concerned or the duly authorized representative, pursuant to the recommendation of the End-User or Implementing Unit, and the acquisition of the required rightof-way for the project pursuant to RA No. 10752 has been accomplished.

Sec. 8.1 of the IRR of RA No. 12009



Strategic Procurement Planning: Design & Build

In preparing for a procurement project, Procuring Entities may consider employing the design-and-build scheme as a procurement approach whereby a single contractor is responsible for both design and construction of the government building or Infrastructure, which allows quality assurance, effective cost and schedule management, and improved energy efficiency and environmental impact.

The Procuring Entity shall provide a mechanism to assess the suitability of the design-and-build scheme; ensure the proper preparation of the conceptual design, performance specifications and parameters; conduct review of detailed architectural and engineering design; and undertake oversight and monitoring of project planning and contract implementation.

Sec. 14.1 of the IRR of RA No. 12009



As part of strategic procurement planning, the HoPE may authorize the engagement of a government Procurement Agent, which shall **undertake the functions of the BAC**, **if the Procuring Entity does not have the capability or proficiency to undertake a particular procurement**; Provided, That the Procuring Entity cannot delegate the issuance of the Notice of Award and the award of contract to the Procurement Agent; and there shall be no transfer of funds to the Procurement Agent, except for the payment of service fee for services rendered as Procurement Agent, if applicable.

Sec. 15.1 of the IRR of RA No. 12009



Conditions:

- a) The engagement shall be made on a per project basis;
- b) The engagement shall be limited to procurement undertaken through Competitive Bidding; Provided, That in instances where the Procuring Entity lacks sufficient qualified personnel to constitute its own BAC, the Procuring Entity may engage a Procurement Agent to undertake other modes of procurement;
- c) The Procurement Agent should be another government agency expert in the field which is the subject of procurement. This shall be expressly provided in the Memorandum of Agreement (MOA) with the Procuring Entity.

Sec. 15.1 of the IRR of RA No. 12009



For purposes of the foregoing requirement, the government agency shall be deemed as an expert if: (i) it has successfully awarded at least two (2) similar contracts, each valued at no less than fifty percent (50%) of the ABC of the current procurement project, or (ii) if the subject matter of the procurement is directly related to the core mandate of the Procurement Agent;

d) At least one (1) representative from the Procuring Entity shall be designated as a member of the TWG of the Procurement Agent to ensure that the technical specifications or terms of reference of the Procuring Entity are properly reflected in the bidding documents

Sec. 15.1 of the IRR of RA No. 12009



- e) A representative from the Procuring Entity shall be designated as a provisional member of the BAC of the Procurement Agent;
- f) The engagement shall be covered by a MOA that is executed between the Procuring Entity and the Procurement Agent, providing the details of the project to be procured; the accountabilities and obligations of the two (2) parties; the ABC; services fees, if applicable; and such other details as may be necessary;



- g) The MOA shall be executed and become effective within six (6) months before the end of the validity of the relevant appropriations as authorized in the applicable appropriations law, or in the corporate operating budgets or appropriations ordinances, in the case of GOCCs, GFIs, and LGUs, respectively. In no case shall the undertakings of the MOA contravene the provisions of this Section; and
- h) The Procurement Agent shall not transfer, delegate, or assign, in whole or in part, the performance of its obligations to any other entity.



Procuring Entities with existing MOAs or contracts entered into prior to the effectivity of RA No. 12009 and this IRR shall remain valid, subject to the provisions of this Section.

(Sec. 15.3 of the IRR of RA No. 12009)



Strategic Procurement Planning: Framework Agreement

Procuring Entities may use a Framework Agreement as a procurement strategy to expand the pool of prospective bidders, take advantage of economies of scale, minimize the administrative burden of conducting separate procurement activities, and generate time and money savings.

The Framework Agreement shall be in the nature of an option contract between the Procuring Entity and the bidder that stipulates the terms and conditions to be applied in subsequent contracts for the **procurement of Goods, Infrastructure Projects, and Consulting Services** with a single or multiple contractor, manufacturer, supplier, distributor, consultant, and service provider, subject to the guidelines to be issued by the GPPB.



Strategic Procurement Planning: Pooled Procurement

Procuring Entities shall consider the advantages of a Pooled Procurement mechanism as a procurement strategy to assess their procurement needs and identify opportunities to achieve greater value for money and procurement efficiency through demand aggregation. It also aims to improve quality standards by combining technical capacity and increases the availability and sustainability of supplies. Pooled Procurement is undertaken through the collaboration of Procuring Entities to consolidate their requirements into a single, joint, bulk, or group procurement.



Strategic Procurement Planning: Pooled Procurement

Conditions:

- a) Only Procuring Entities that agree to consolidated their procurement needs can participate
- b) Designation of a Lead Procuring Entity that is capable of managing the procurement process on behalf of the collaborating Procuring Entity
- c) Memorandum of Agreement detailing the budget, scope, roles, cost-sharing, and dispute resolution
- d) Items for pooled procurement must be identified and included in the APP of the participating Procuring Entities
- e) Each pooled procurement must be conducted as a distinct project, not as a continuous or blanket arrangement



Strategic Procurement Planning: Pooled Procurement

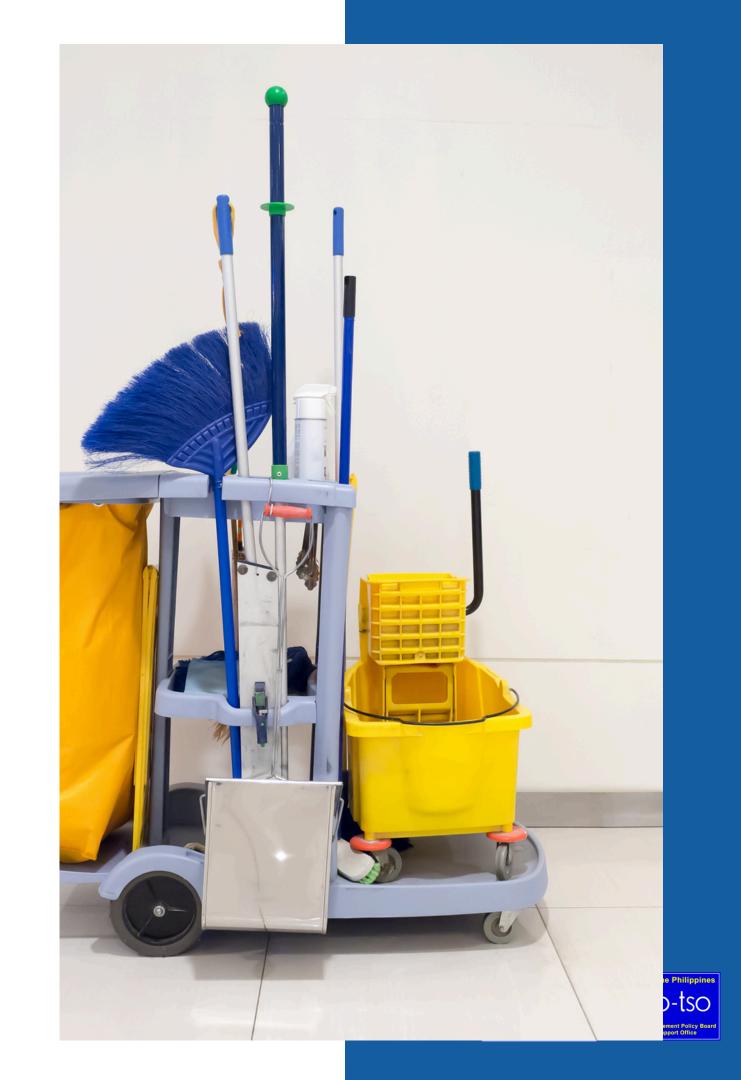
f) The award of contracts must be recommended by the Lead Procuring Entity Bids and Awards Committee but required approval from the heads of all participating Procuring Entities g) Each participating Procuring Entity remains responsible for its share of the contract costs and must process its own payments



The Procuring Entity may consider undertaking renewal of regular and recurring services to facilitate the continuity and immediate implementation of procurement projects. The duration for each renewed contract shall not exceed one (1) year.

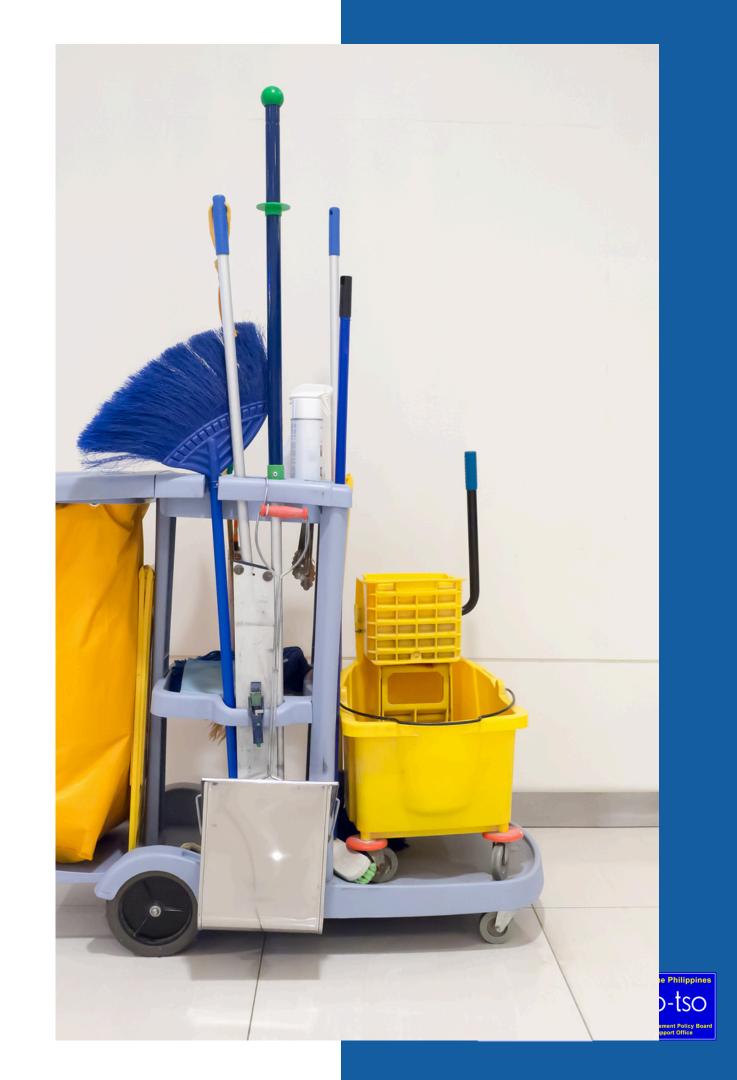
However, the renewed contract may exceed one (1) year for the following procurement projects and such other projects as may be identified by the GPPB:

- a. Rental of office space; and
- b. Telecommunication requirements.



For this purpose, regular and recurring services refer to the following:

- a) Those which by their nature are necessary to the day-to-day operations of the Procuring Entity such as (i) janitorial services; (ii) security services; (iii) telecommunication requirements; (iv) supply of drinking water; (v) rental of office space, or lease of venue, and equipment; (vi) fuel fleet card services; (vii) water supply and distribution services (viii) electricity distribution; and (ix) other services as may be determined by the DBM;
- b) Services that, by their nature, are deemed essential, indispensable, or necessary to the day-to-day operations of the Procuring Entity; and
- c) Services that have been procured repeatedly by the Procuring Entity over the past three (3) years.

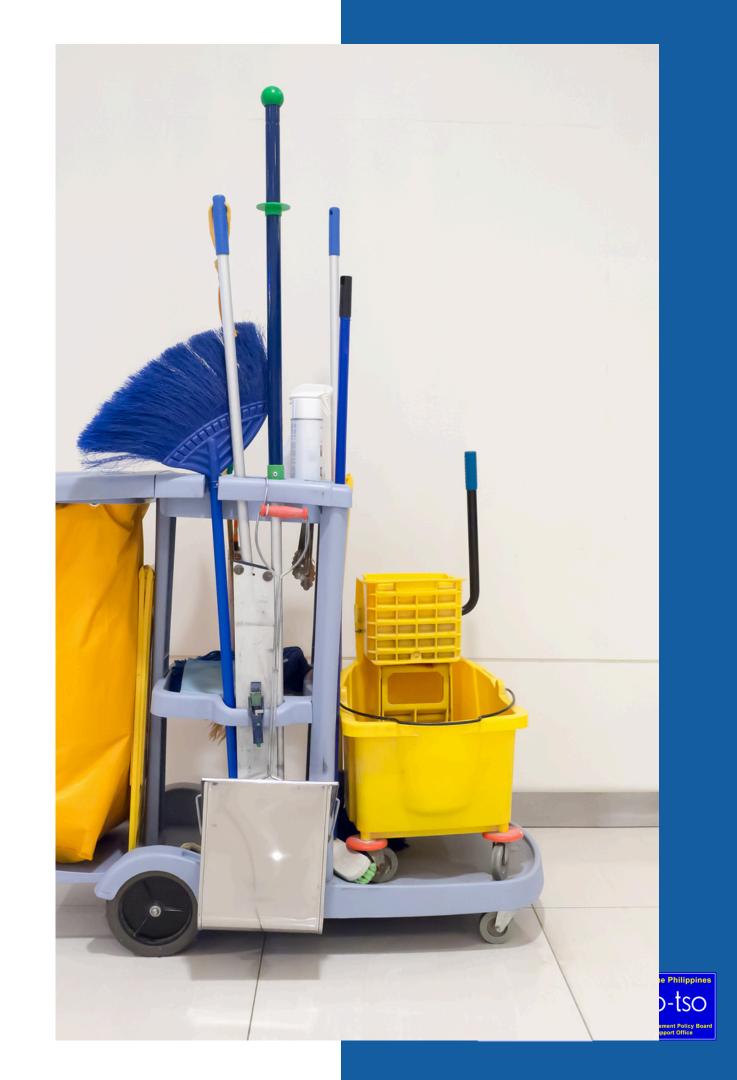


Prior to each renewal of a regular and recurring services, the following shall be conducted by the End-User or Implementing Unit:

- a) An assessment to justify the suitability of renewal instead of the conduct of another procurement; and
- b) A performance evaluation conducted showing satisfactory performance by the service provider.

Additionally, the Procuring Entity shall ensure the following:

- a) The original contract covering the regular and recurring services was awarded in accordance with RA No. 12009 and this IRR, and other related issuances. However, the renewal of contracts entered into prior to the effectivity of RA No. 12009 and this IRR shall still be allowed under this Section;
- b) The service provider must not be a Blacklisted Entity at the time of the conduct of the performance evaluation until the signing of the renewal contract



- c) The submission of updated documentary requirements and performance security by the service provider; and
- d) Funds are available for the renewal of contracts in accordance with existing budgeting, accounting, and auditing laws, rules and regulations.

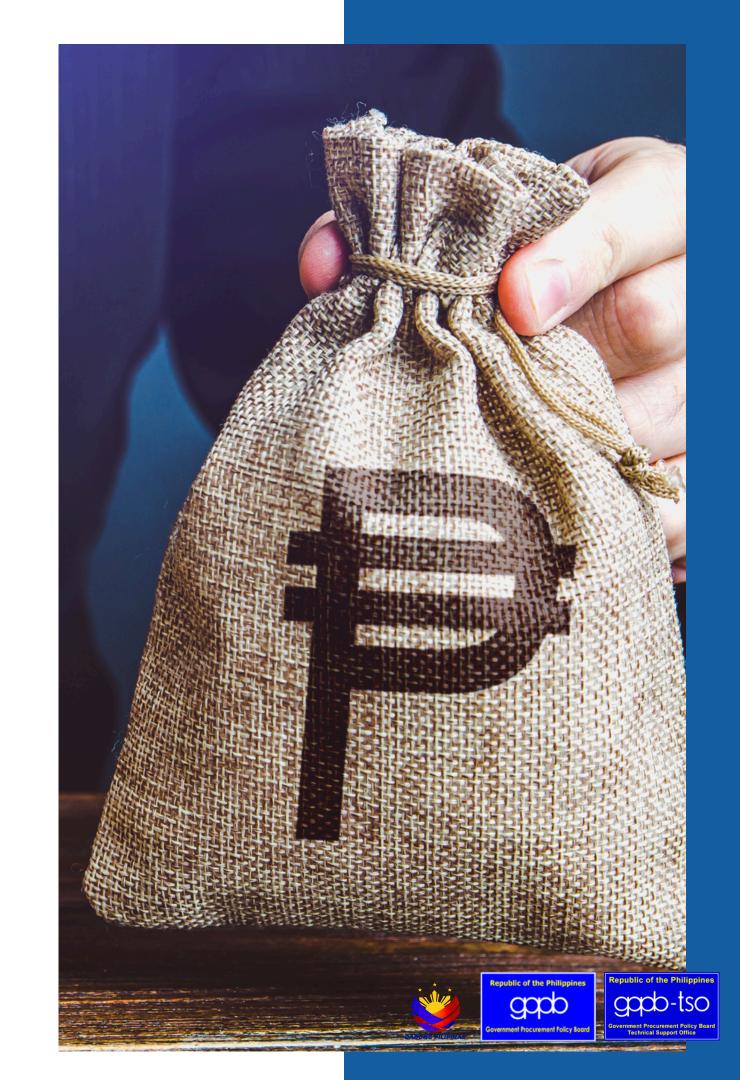
xxx the renewal of contracts entered into prior to the effectivity of RA No. 12009 and this IRR shall still be allowed under this Section.

(Sec. 18.3.1 of the IRR of RA No. 12009)



Strategic Procurement Planning: Multi-year Contracting

The issuance of a MYCA or similar documents shall be required before Procuring Entities commence any procurement activity covering locally funded multi-year contracts, subject to the guidelines issued by the DBM. The MYCA is issued by the DBM for multi-year locally-funded projects in order to authorize the Procuring Entity to enter into multi-year contracts. The total project cost reflected in the MYCA or its equivalent document shall be the basis or reference for the ABC of the procurement contract.



Strategic Procurement Planning: Warehousing and Inventory Activities

For efficient planning for the storage and tracking of procured Goods, Procuring Entities may adopt a general system of warehousing and cloud-based inventory of procured Goods, as may be necessary depending on the type, nature, and volume of procurement undertaken by the Procuring Entity and subject to the availability of funds in accordance with applicable budgeting, accounting, and auditing rules and regulations.



Electronic Government Procurement

To promote greater transparency, accountability, operational efficiency, and value for money, the PhilGEPS shall be the single electronic procurement portal that shall serve as the primary source of information and channel in the conduct of all procurement activities of the government. The PhilGEPS shall maintain an integrated system that covers procurement planning until payment. The PhilGEPS shall be managed by the PS-DBM.

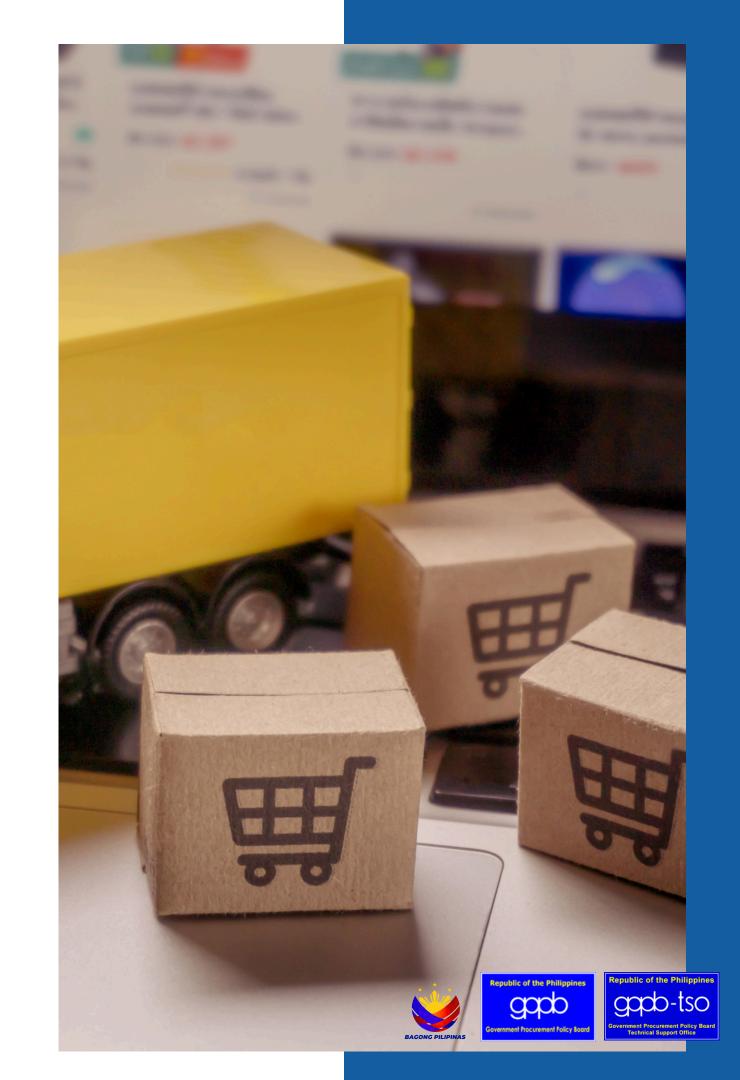
Sec. 20.1.1 of the IRR of RA No. 12009



Interconnectivity Systems between Government Agencies

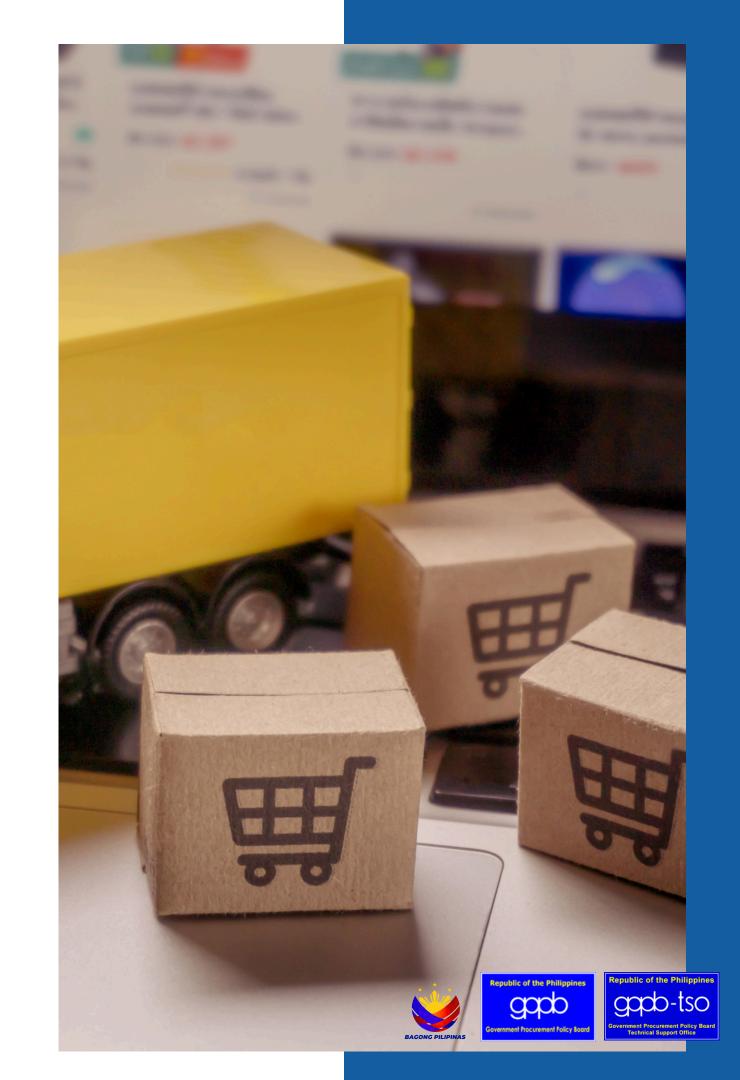
Notwithstanding the provisions of RA No. 10173, entitled "Data Privacy Act of 2012", the GPPB is hereby authorized to promulgate rules to ensure the interconnectivity of the following government databases:

- a) PhilGEPS in relation to the GoP-OMR;
- b) DTI on its database relating to business registration, list of all ongoing projects in public and private sector, and records of priority domestic goods and services;
- c) Construction Industry Authority of the Philippines (CIAP) on the CPES and the PCAB on the licensing of contractors;



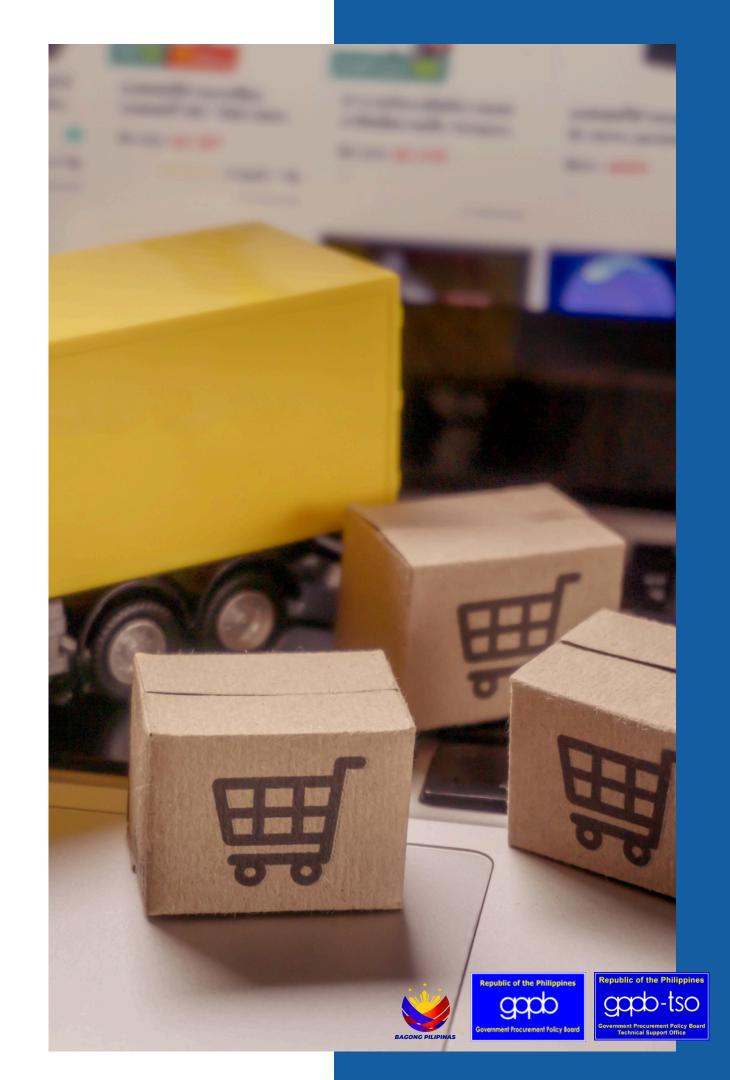
Interconnectivity Systems between Government Agencies

- d) All LGUs on their issuance of permits and licenses;
- e) BIR on tax returns and clearance;
- f) SEC and CDA on mandatory submissions of all registered enterprises and beneficial ownership information;
- g) Insurance Commission (IC) on the list of identified surety companies providing callable-on-demand surety contracts;
- h) Procuring Entities with established electronic procurement systems and websites on the status of projects, contracts, and performance of its respective winning bidders; and
- i) Other relevant government agencies, as may be determined by the GPPB.



Procurement of CSE

All NGAs, GOCCs, GFIs, SUCs, and LGUs shall procure CSE only from the PS-DBM, subject to its availability.



Common-use Supplies and Equipment

Refer to Goods, as defined under this Section, that **are** <u>used repetitively in the day-to-day operations</u> of **Procuring Entities in the performance of their functions** and are included in the Electronic Catalogue of the Philippine Government Electronic Procurement System (PhilGEPS). Goods that do not fall under this definition are Non-CSE items.

Sec. 5(h) of the IRR of RA No. 12009

The PS-DBM shall ensure that CSEs included in the eMarketplace are obtained from reliable sources, of the best quality and at prices advantageous to the government pursuant to Section 40 of RA No. 12009



RESOLUTION NO. 06-2024

APPROVING THE PROPOSED GUIDELINES FOR THE PILOT IMPLEMENTATION OF THE PHILIPPINE GOVERNMENT ELECTRONIC PROCUREMENT SYSTEM ELECTRONIC MARKETPLACE

WHEREAS, Republic Act (RA) No. 12009, otherwise known as the "New Government Procurement Act," took effect on 13 August 2024;

WHEREAS, Section 3(c) of RA No. 12009 provides that all procurement shall be governed by the principle of efficiency, among others, to be achieved through the implementation of an organized, uniform and straightforward government procurement process through the use of emerging technologies and innovative solutions;

WHEREAS, in accordance with Section 91 of RA No. 12009, 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;

WHEREAS, Section 112 of RA No. 12009 states that the GPPB shall formulate the necessary Implementing Rules and Regulations (IRR) for the proper implementation of the Act within one hundred eighty (180) days from promulgation of the law. Accordingly, the GPPB is authorized, upon effectivity of the law, to issue the omnibus IRR and, if warranted, to develop specific rules and regulations, consistent with Section 91(a)¹ of the same law;

WHEREAS, Section 20 of RA No. 12009 provides that in order to take advantage of the significant built-in efficiencies of the Philippine Government Electronic Procurement System (PhilGEPS), Procuring Entities (PEs) shall utilize the PhilGEPS for the procurement of Common-use Supplies and Equipment (CSEs) in accordance with the rules and procedures to be established by the GPPB, in consultation with Procurement Service – Department of Budget and Management (PS-DBM). Moreover, the PhilGEPS shall include innovative features like the electronic marketplace (eMarketplace), among others;

WHEREAS, Section 40 of RA No. 12009 mandates all PEs to procure their CSEs from the PS-DBM, subject to availability; however, in cases of unavailability of stock or for purposes of efficiency, practicality, or economic viability, PEs are allowed to procure their CSEs from other sources;

WHEREAS, for reasons of efficiency and economy in bulk purchasing, the PS-DBM is authorized under Section 40 of RA No. 12009 to undertake consignment or any appropriate contractual arrangement to access goods and equipment, and may deal directly with manufacturers or exclusive distributors, subject to legal, technical and financial requirement. In this regard, the PS-DBM shall ensure that the products are to be processources, of the best quality and most advantageous price for the government.



PEs are authorized to procure CSEs from other sources in any of the following instances:

- If the CSE offered in the eMarketplace is unavailable due to zero inventory, in which case the PE shall secure an electronic Certificate of Non-Availability of Stocks by downloading the same from the PhilGEPS Electronic Catalogue
- If the available stock of the CSE offered in the eMarketplace is not sufficient to meet the required quantity of the PE, in which case the PE shall generate and download the current Stock Position Report from the PhilGEPS Electronic Catalogue showing the available stock at the specific time and date of access;



RESOLUTION NO. 06-2024

APPROVING THE PROPOSED GUIDELINES FOR THE PILOT IMPLEMENTATION OF THE PHILIPPINE GOVERNMENT ELECTRONIC PROCUREMENT SYSTEM ELECTRONIC MARKETPLACE

WHEREAS, Republic Act (RA) No. 12009, otherwise known as the "New Government Procurement Act," took effect on 13 August 2024;

WHEREAS, Section 3(c) of RA No. 12009 provides that all procurement shall be governed by the principle of efficiency, among others, to be achieved through the implementation of an organized, uniform and straightforward government procurement process through the use of emerging technologies and innovative solutions;

WHEREAS, in accordance with Section 91 of RA No. 12009, 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;

WHEREAS, Section 112 of RA No. 12009 states that the GPPB shall formulate the necessary Implementing Rules and Regulations (IRR) for the proper implementation of the Act within one hundred eighty (180) days from promulgation of the law. Accordingly, the GPPB is authorized, upon effectivity of the law, to issue the omnibus IRR and, if warranted, to develop specific rules and regulations, consistent with Section 91(a)¹ of the same law;

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- If the technical specifications of the CSEs available in the eMarketplace do not conform with or meet the requirements of the PE; or
- When the BAC, upon recommendation of the end-user, has resolved that the procurement from other sources is for reasons of efficiency, practicality, or economic viability.



RESOLUTION NO. 06-2024

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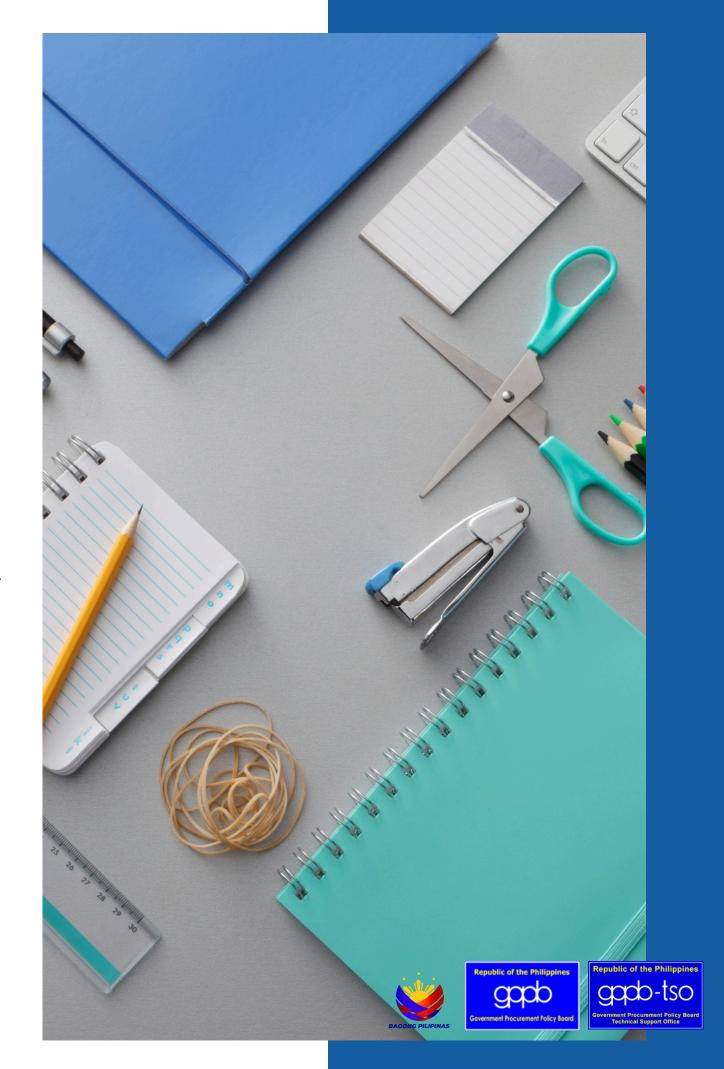
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In assessing the existence of the foregoing reasons, Procuring Entities may refer to the following instances:

- i) **Inefficiency** Procurement from the PS-DBM will require extensive time and effort on the part of the Procuring Entity leading to wastage, delays or errors compared to conventional procurement methods.
- ii) **Impracticality** Procurement from the PS-DBM will be excessively difficult due to an unforeseen event or a lack of feasible means or access, which includes no internet connectivity or geographical limitations.
- iii) **Economic Non-viability** Procurement from the PS is not sustainable since it will not result in realized savings for the government in the long-term. This may pertain to the cost where it would be more expensive, or non-cost factors such as issues in product quality and life cycle cost considerations.



Modes of Procurement

The Procuring Entity shall adopt any of the following modes of procurement consistent with the Fit-for-Purpose procurement approach:

- a) Competitive Bidding;
- b) Limited Source Bidding;
- c) Competitive Dialogue;
- d) Unsolicited Offer with Bid Matching;
- e) Direct Contracting;

- f) Direct Acquisition;
- g) Repeat Order;
- h) Small Value Procurement;
- i) Negotiated Procurement;
- j) Direct Sales; and
- k) Direct Procurement for Science, Technology and Innovation.



MODE OF PROCUREMENT	GOODS	INFRASTRUCTURE PROJECTS	CONSULTING SERVICES
Competitive Bidding			
Limited Source Bidding			
Competitive Dialogue			
Unsolicited Offer with Bid Matching			
Direct Contracting			
Direct Acquisition			
Repeat Order			⊗
Small Value Procurement			
Direct Sales			⊗
Direct Procurement for Science Technology and Innovation			Republic of the Philippines Characteristics of the Philippines C

NEGOTIATED PROCUREMENT	GOODS	INFRASTRUCTURE PROJECTS	CONSULTING SERVICES
Two Failed Bidding			
Emergency Cases			
Take-over of Contracts			
Adjacent or Contiguous			
Agency-to-Agency			
Scientific, Scholarly or Artistic Work, Exclusive Technology, and Media Services			Republic of the Philippines Company of the Philippines Covernment Procurement Procuremen

NEGOTIATED PROCUREMENT	GOODS	INFRASTRUCTURE PROJECTS	CONSULTING SERVICES
Highly Technical Consultants			
Defense Cooperation Agreements and Inventory-based Items			
Lease of Real Property and Venue			
NGO Participation			
Community Participation			
United Nations Agencies, International Organizations or International Financing Institutions			
Direct Retail Purchase of Petroleum Fuel, Oil, and Lubricant Products, Electronic Charging Devices, and Online Subscription			Republic of the Philippines Septiment Procurement Policy Board Technical Support Office

In addition to the specific terms and conditions for the application of each mode of procurement provided hereunder, the detailed procedure for each mode of procurement shall be provided in the manual to be issued by the GPPB.

(Sec. 26.2 of the IRR of RA No. 12009)



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.

(Sec. 26.4 of the IRR of RA No. 12009)



Direct Acquisition

Procurement of CSE not available in the PS-DBM, Non-CSE, and services with ABC not exceeding Two Hundred Thousand Pesos (\$200,000.00), where the Procuring Entity, without need to conduct a canvass or request for quotations, may procure directly from any known and reputable sources. Goods covered under this mode may be procured from stores, such as but not limited to, department store, depot, fast food chain, grocery and supermarket, wholesale and retail store, convenience store, clothing and apparel store, bookstore, drugstore and pharmacy, automotive parts and accessories store, construction and hardware store, and online stores. Services may be procured from service providers, such as but not limited to, furniture repair, automotive service, restoration service, machine and fabrication, and other related services.



Small Value Procurement

The Procuring Entity requests for the submission of at least three (3) price quotations for Goods not available in the PS-DBM, Infrastructure Projects, and Consulting Services.

The receipt of one (1) quotation is sufficient to proceed with the evaluation of bidders: Provided, That, the amount involved does not exceed Two Million Pesos (\$\delta 2,000,000.00)\$, subject to the periodic review of the threshold amount and adjustments as may be deemed appropriate by the GPPB.

Small Value Procurement

In case of LGUs, the current threshold amount shall be as follows:

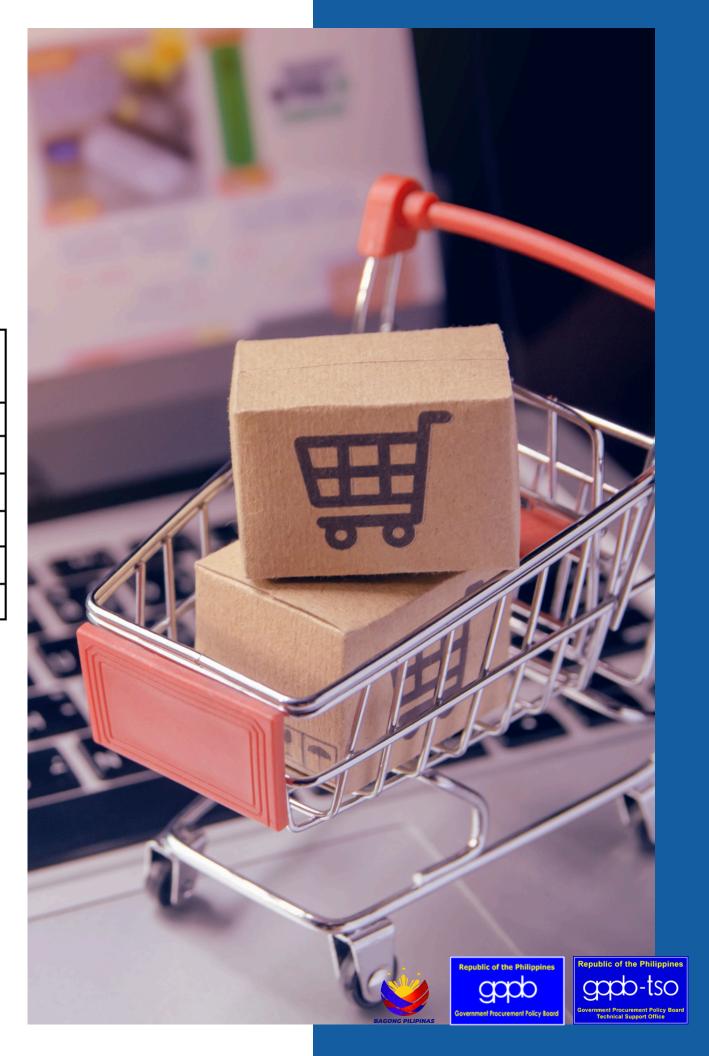
CLASSIFICATION OF LGUs	MAXIMUM AMOUNT (in Philippine Peso)			
	Province	City	Municipality	
1 st Class	2,000,000	2,000,000	400,000	
2 nd Class	2,000,000	2,000,000	400,000	
3rd Class	2,000,000	1,600,000	400,000	
4 th Class	1,600,000	1,200,000	200,000	
5th Class	1,200,000	800,000	200,000	

For Barangays Php 100,000.00

The GPPB is authorized to adjust the threshold amount based on the LGU income classification.

The threshold amount shall be applicable in the procurement of Goods, Infrastructure Projects, and Consulting Services

Sec. 34.2 of the IRR of RA No. 12009

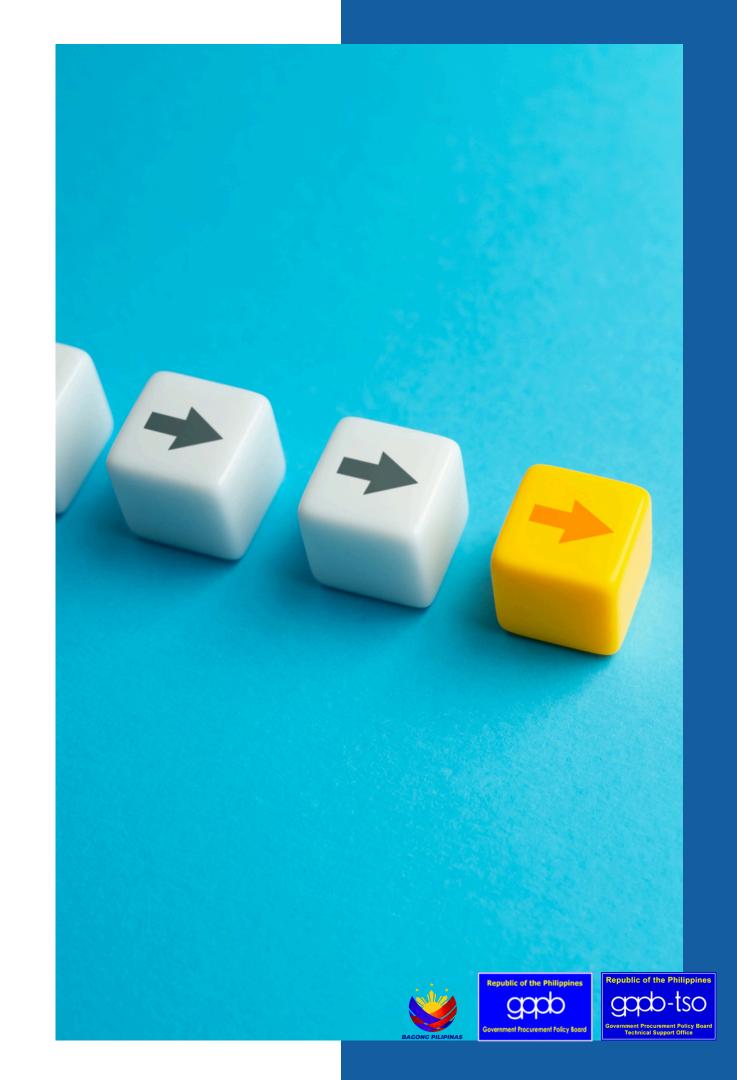


Direct Sales

The procurement of Non-CSE where a Procuring Entity directly purchases from a supplier that has satisfactorily delivered Non-CSE to another government agency under a completed contract.

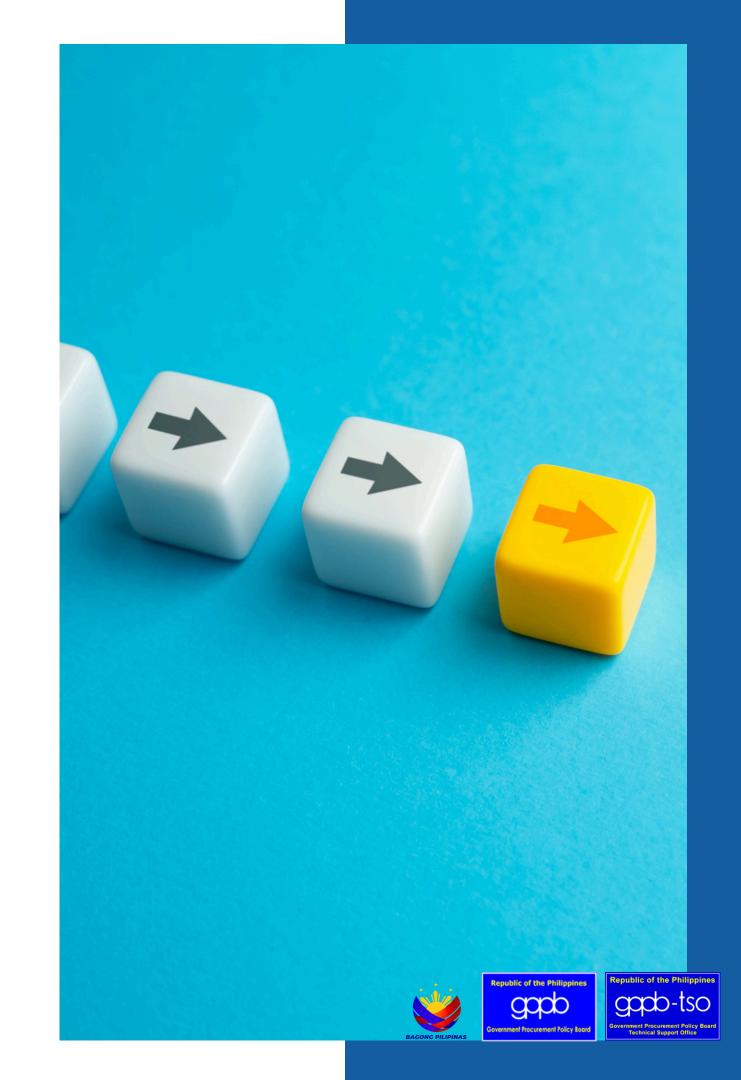
Direct Sales may only be resorted to when all of the following conditions are met:

- a) The procurement project is included in the approved APP of the Procuring Entity;
- b) The original Non-CSE was procured and awarded through Competitive Bidding, Limited Source Bidding, Competitive Dialogue or Unsolicited Offer with Bid Matching;



Direct Sales

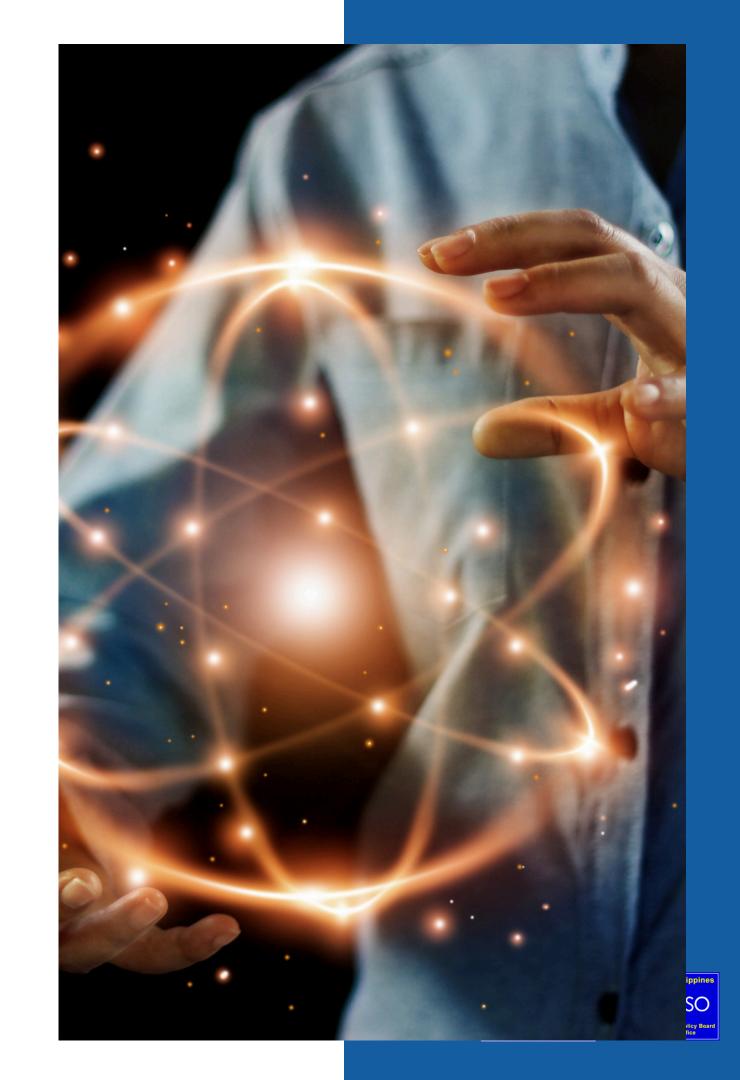
- c) The government agency that originally procured the Non-CSE has inspected and accepted the same, and has issued a certification that the supplier has satisfactorily performed its obligations under the contract;
- d). The procurement for the same Non-CSE by the Procuring Entity shall only be initiated once within six (6) months from the acceptance of the Non-CSE by the original government agency;
- e) The contract to be executed between the Procuring Entity and the supplier must be within the amount of the contract executed with the original government agency, and that the supplier must offer the Non-CSE to the Procuring Entity at the same or lower unit price offered to the original government agency; and
- f) The supplier agreed to the terms offered by the Procuring Entity and remains legally, technically, and financially capable to undertake the contract with the Procuring Entity.



Direct Procurement for Science, Technology, and Innovation

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:

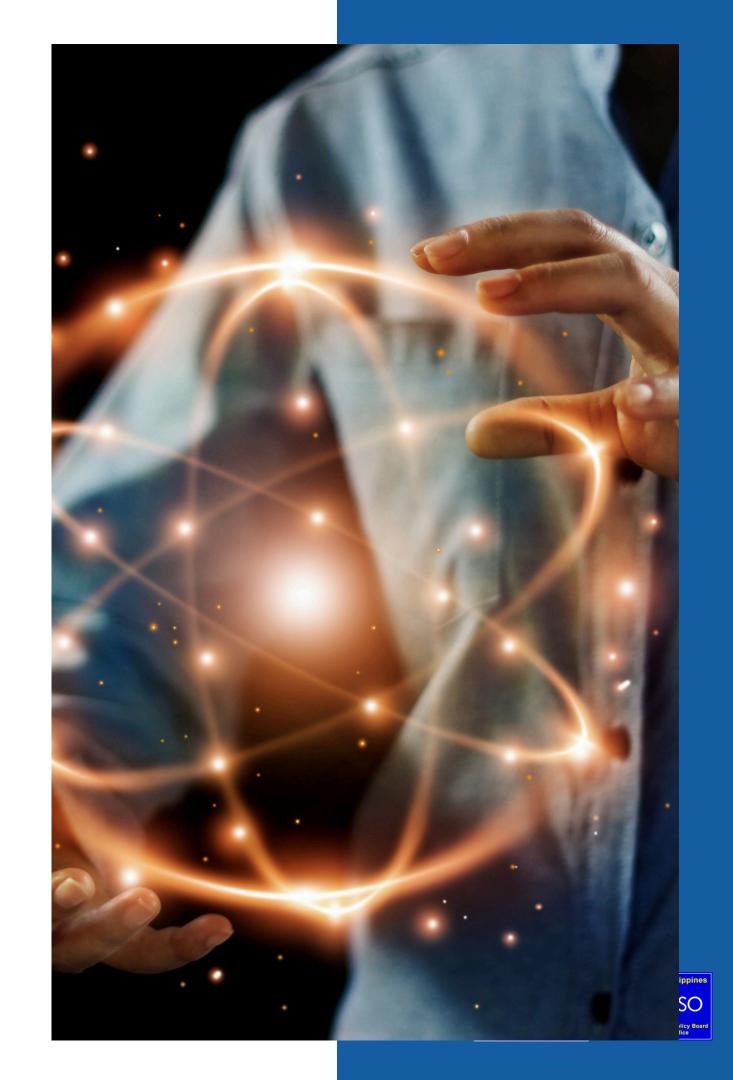
- a) Supplies, materials, equipment, and related services to be used actually, exclusively, and directly in the conduct of research and development projects or activities;
- b) Goods which include products of a commissioned task by a Procuring Entity which were processed, developed, and manufactured in satisfaction of its needs and requirements.



Direct Procurement for Science, Technology, and Innovation

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

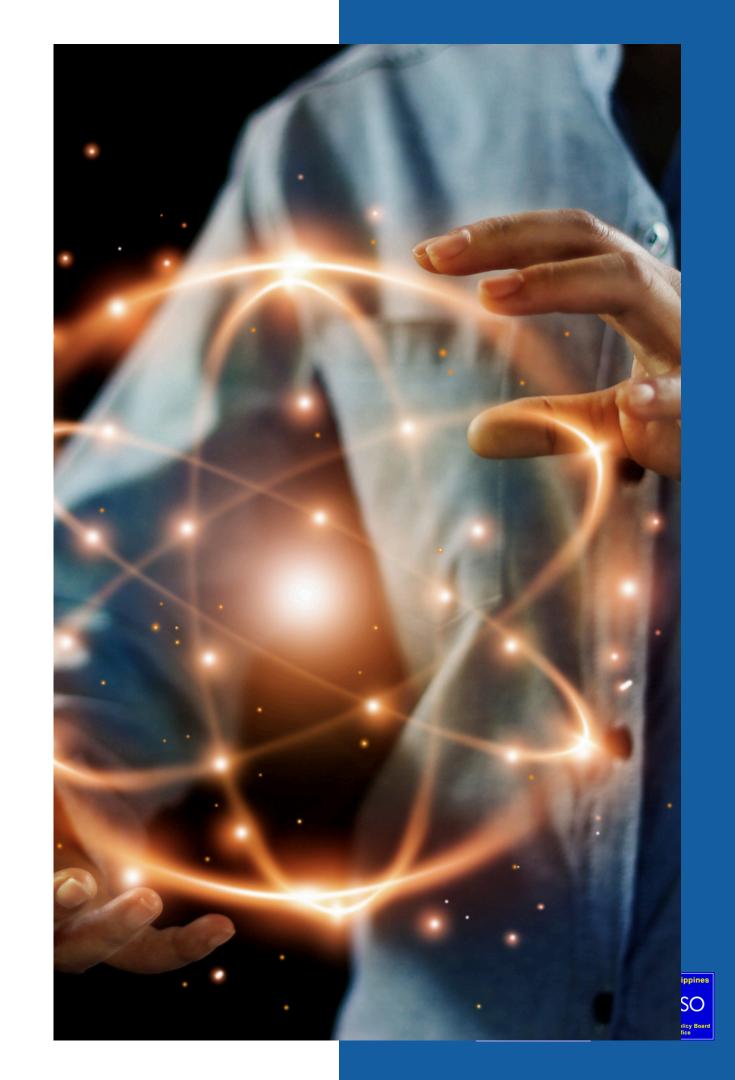


Direct Procurement for Science, Technology, and Innovation

c) Other goods analogous to the foregoing.

The 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.

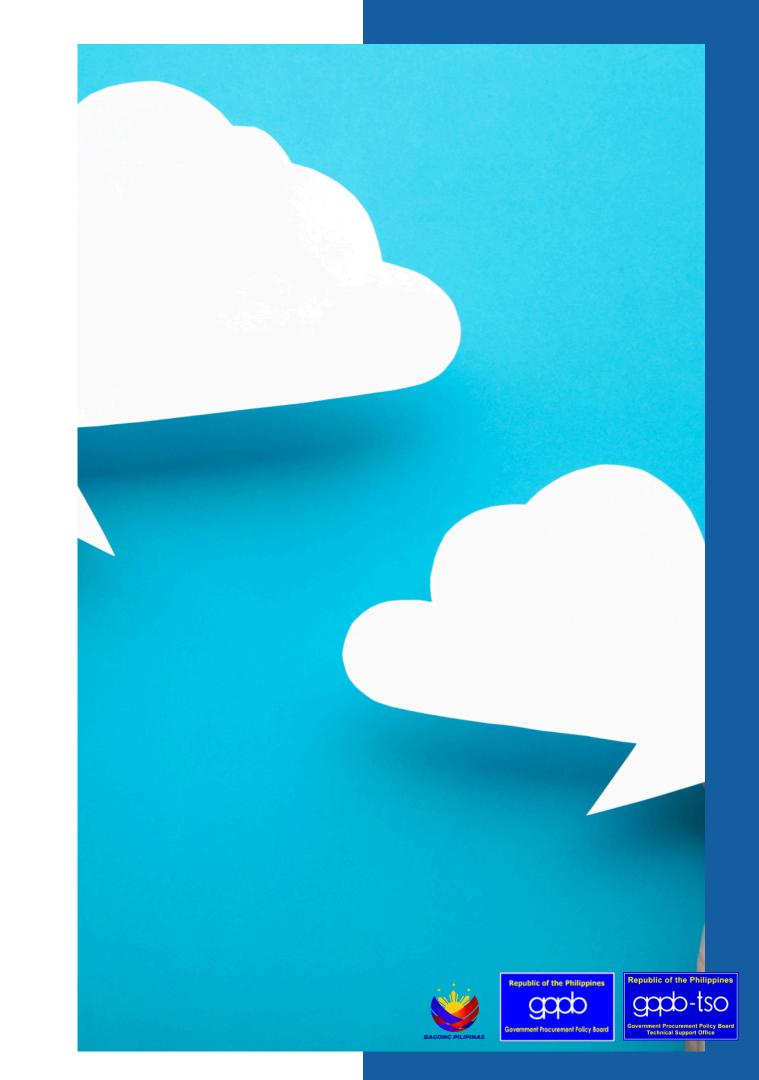
The GPPB shall likewise issue the guidelines on the implementation of this mode of procurement.



Competitive Dialogue

A two-stage procurement process where the Procuring Entity engages suppliers, manufacturers, distributors, contractors, consultants, and service providers in discussions to identify solutions that meet its requirements.

Used for complex procurements requiring advanced technology, expertise, or negotiations due to legal, financial, or risk factors. It also applies when technical specifications cannot be precisely defined upfront.



Competitive Dialogue

PE invites suppliers, manufacturers, distributors, contractors, consultants, service providers



Submission of Eligibility Requirements and Initial Technical Proposals



Dialogue with eligible bidders



Post-Qualification



Bid Opening and Bid Evaluation



Submission of Technical and Financial Proposals



Awarding of contract







Unsolicited Offer with Bid Matching

Allows the Procuring Entity to consider unsolicited offers involving new concepts or technologies for Goods and Consulting Services.

- The proposal introduces an innovative solution with measurable improvements, emerging technology, or state-of-the-art advancements.
- The Procuring Entity invites comparative bids through Competitive Bidding.



Sec. 30 of the IRR of RA No. 12009

Unsolicited Offer with Bid Matching

20 CDs

Pre-Asses

Initial Offer

Pre-Assessment & Notice to Complete Documents



Submission of Complete Documents

No notice = Deemed Rejected

10 CDs

Withdraw Offer

5 CDs from receipt of notice

No submission = Rejected



6

Comparative Bid

Negotiation



Determination of Budget and/or Evaluation



Bid Matching

Original Offerer Status
Successful

Reject

Failed





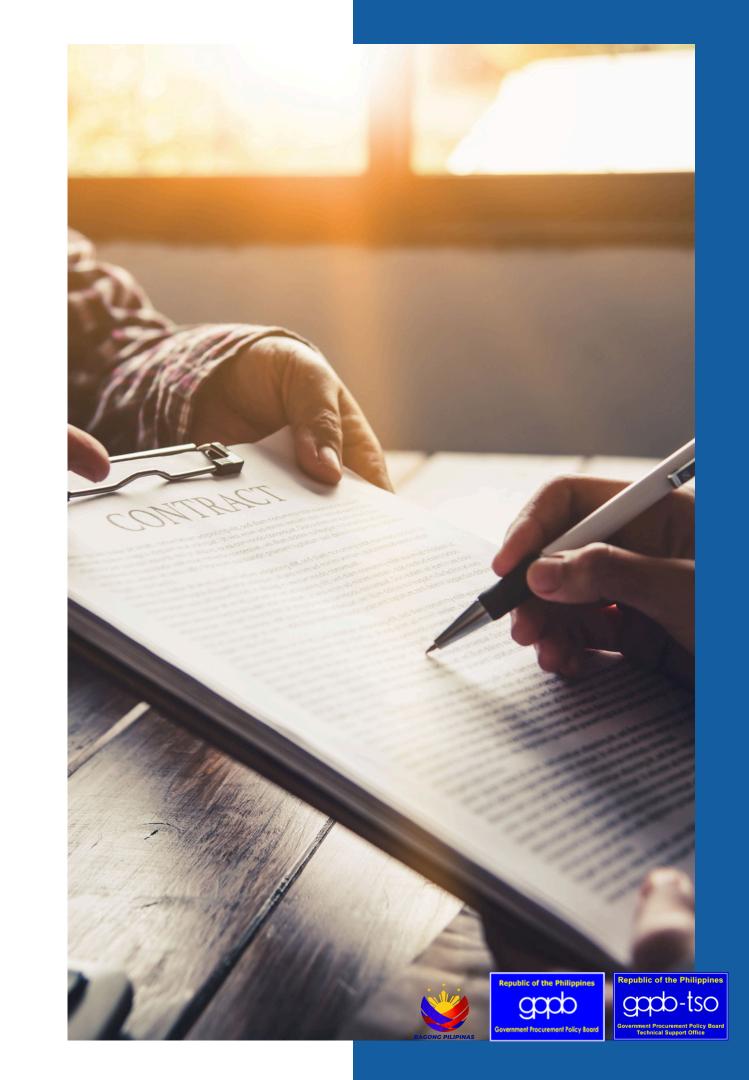




Prohibition on Splitting of Government Contracts

Splitting of Government Contracts is not allowed. In using any of the modes of procurement under Article IV of the Act, the Procuring Entity shall ensure that this does not result in splitting of government contracts, which involves dividing or breaking up of contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or subcontracts for the purpose of evading or circumventing the requirements of the Act and this IRR; Provided, That procurement per unit, by lot or package, is allowed subject to the available budget, required quantity, product availability, delivery sites, geographical location and market capacity.

Sec. 39 of the IRR of RA No. 12009



To enhance the transparency of the procurement process, the Procuring Entity shall keep a video recording of all procurement-related conferences for Competitive Bidding, which includes pre-procurement conference, pre-bid conference, bid opening, and other meetings of the BAC. All procurement-related conferences for Competitive Bidding shall not commence without a video recording initiated by the BAC.

Sec. 38.1 of the IRR of RA No. 12009

The Procuring Entity shall also livestream the preliminary examination and the opening of the bids to the public on its website, social media account, or any other form of livestreaming services. The GPPB, in coordination with the DICT, shall issue specific guidelines on the conduct of the livestream requirement under this provision.

Sec. 38.2 of the IRR of RA No. 12009



The mandatory video recording shall only apply to the procurement of Goods costing above Ten Million Pesos (₱10,000,000.00), Infrastructure Projects costing above Twenty Million Pesos (₱20,000,000.00), and Consulting Services costing above Five Million Pesos (₱5,000,000.00) using Competitive Bidding as the mode of procurement.

Sec. 38.3 of the IRR of RA No. 12009

The Procuring Entity shall ensure that copies of the video recording shall be stored for not less than five (5) years and shall be made available to the public upon request and payment of a fee fixed by the Procuring Entity, subject to existing budgeting, accounting, and auditing laws, rules, and regulations.

When national security is involved, the HoPE shall decide whether or not to video record all procurement related conferences, taking into consideration the nature, classification, sensitivity, and confidentiality thereof.

The GPPB is authorized to adjust the threshold amounts and the storage period as may be deemed appropriate.

Sec. 38.4 of the IRR of RA No. 12009



Most Economically Advantageous Responsive Bid (MEARB)

MEARB shall be used in the procurement of Goods or Infrastructure Projects where the considerations for the award of contract are the eligibility of the bidder, and the responsiveness of its bid to the technical requirements; and the determination of the most economically advantageous bid in reference to the quality-price ratio allocated to the technical and financial components of the bid.

Sec. 9.2 of the IRR of RA No. 12009



Most Economically Advantageous Responsive Bid (MEARB)

xx The price and quality proposals shall be given corresponding weights with the price proposal given a minimum weight of fifteen percent (15%) up to a maximum of forty percent (40%). The weight of the quality criteria shall be adjusted accordingly such that their total weight in percent together with the weight given to the price proposal shall be equal to one hundred percent (100%). To further promote green public procurement, the sustainability of products, materials, or structures with green specifications shall be given greater weight in the evaluation of bids. The exact weights shall be approved by the BAC upon the recommendation of the End-User or Implementing Unit and indicated in the Bidding Documents. The BAC shall rank the bidders in descending order based on the combined numerical ratings of their quality and price proposals. The bidder with the best overall score using the quality-price ratio shall be referred to as the MEAB.

Sec. 61.3(b) of the IRR of RA No. 12009



Period of Action on Procurement Activities

The procurement process, from the opening of bids up to the award of contract, shall not exceed sixty (60) calendar days. All members of the BAC, BAC Secretariat, TWG, and other relevant procurement personnel shall be on a "jury duty" type of assignment until the Notice of Award is issued by the HoPE in order to complete the entire procurement process at the earliest possible time.

Professionalization of Government Procurement Practitioners

In achieving the objective of professionalizing public procurement practitioners, the following shall be implemented:

a) The DBM shall create procurement positions in the government based on the qualification standards recommended by the GPPB and approved by the CSC;

Sec. 46 of the IRR of RA No. 12009

Professionalization of Government Procurement Practitioners

- b) The GPPB shall ensure the professionalization of procurement practitioners and for this purpose, shall develop the following:
 - competency framework to identify the skills, knowledge, and attribute of each of the procurement positions;
 - A certification framework to upscale procurement competencies and ensure continued professional development;
 - A code of ethics for public procurement professionals; and



Professionalization of Government Procurement Practitioners

 An inclusive capacity development program, which may incorporate secondment opportunities to facilitate knowledge-sharing and skill enhancement across government agencies and international counterparts, in order to enhance accountability of all procurement practitioners, both from the public and private sectors, promote supplier diversity, promote competition, and optimize efficiency and value for money.

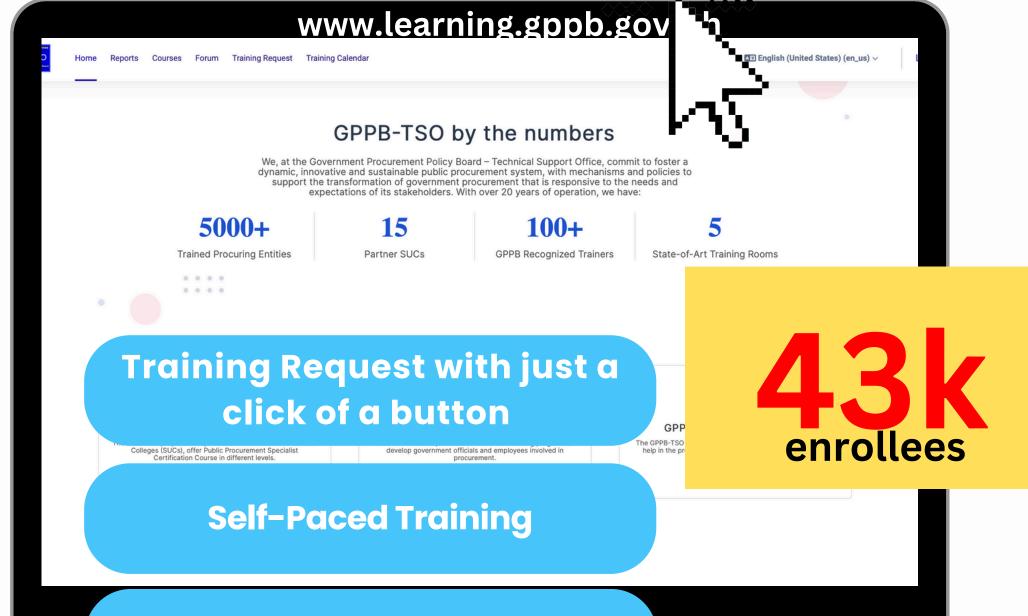


Sec. 46 of the IRR of RA No. 12009

PROcurement PROfessionals Online

Hub (2023)

A dynamic digital platform that centralizes resources and networking for public procurement professionals. It features a training request system, access to presentation materials and case digests, an interactive forum, and various learning resources, including articles, guides, videos, webinars, and online courses, fostering professional growth and knowledge sharing.



Various Modules to choose from



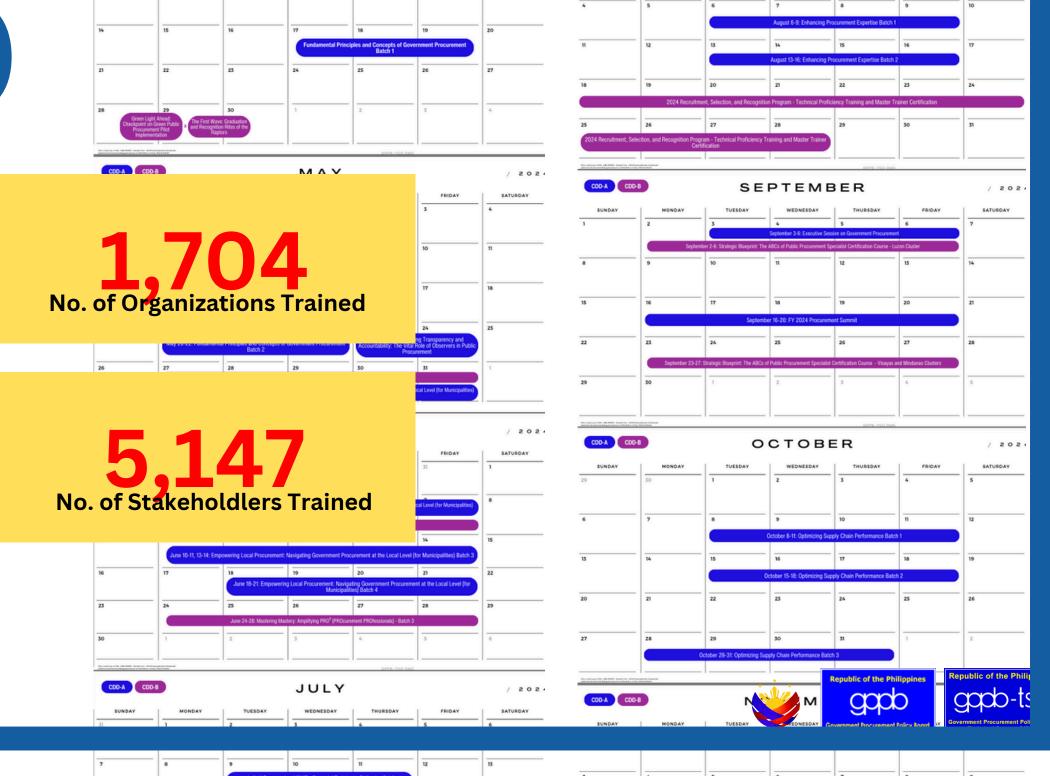




Professionalization Calendar (2024)

Regular capacity development opportunities specially designed for each specific role of public procurement practitioners and stakeholders.

Visit our official Facebook page to know more!

















THANK YOU!



Government Procurement Policy Board - Technical Support Office

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