



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 requirements. In this regard, the PS-DBM shall ensure that the products are to be procured from reliable sources, of the best quality and most advantageous price for the government;

WHEREAS, Section 40 of RA No. 12009 also mandates the PS-DBM to develop parameters for the identification, expansion and definition of requirements and specifications of CSEs through market scoping, market survey and market availability assessment;

¹ Section 91(a) of RA No. 12009 states, “Formulate and amend, whenever necessary, the IRR of this 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. XXX.”

WHEREAS, on 15 July 2024, the PS-DBM submitted a memorandum to the GPPB, through its Technical Support Office (TSO), requesting the Board's approval of its proposed Interim Guidelines for Procurement through the eMarketplace, stating the urgency of the same considering the President's directive to launch the eMarketplace by July 2024. Consequently, the GPPB convened an emergency meeting on 23 July 2024, to discuss the proposed guidelines. However, due to substantial comments of the Members, the GPPB, upon the recommendation of the Alternate Chairperson, agreed to conduct a separate meeting among the DBM, GPPB-TSO, and PS-DBM to address the comments of the Board members. Additionally, the Board resolved that any further comments of the Members were to be sent to the GPPB-TSO for endorsement to the PS-DBM;

WHEREAS, on 09 August 2024, representatives from the DBM, GPPB-TSO, and PS-DBM met to discuss the Board's initial comments² on the proposed Interim Guidelines for the eMarketplace; then, the PS-DBM submitted its response and proposed revisions to the guidelines on 15 August 2024. Among the revisions made is the shift to pilot implementation of the eMarketplace for identified CSEs, referred to as Guidelines for the Pilot Implementation of the Philippine Government Electronic Procurement System Electronic Marketplace (Guidelines). Last 05 September 2024, a meeting between the DBM and GPPB-TSO was held, where it was agreed that the PS-DBM should resolve all pending issues with the Guidelines before the next Board meeting;

WHEREAS, on 20 September 2024, the GPPB-TSO received³ the revised draft Guidelines from the PS-DBM. The GPPB-TSO then reviewed the revised draft in preparation for the scheduled GPPB meeting;

WHEREAS, in the inaugural meeting of the GPPB under RA No. 12009 on 24 September 2024,⁴ the GPPB-TSO presented to the Board the additional comments of member agencies that had yet to be addressed by the PS-DBM in the Guidelines, as follows:

- a. The Department of Public Works and Highways (DPWH) raised its concern about relying on RA No. 12009 as the basis for these Guidelines without a new IRR. It recommended that the Guidelines should instead reference the existing IRR of RA No. 9184 until a new IRR is established.
- b. The Department of Interior and Local Government (DILG), on the other hand, sought clarification on the following:
 1. Requirement for PEs to use the eMarketplace or if they can opt for other procurement methods for buying motor vehicles, airline tickets, and cloud computing services;
 2. Maximum number of Agency Buyers and their qualifications, as well as the need for an alternate buyer;
 3. Specific supporting documents that PEs must upload when procurement would be made through the eMarketplace;
 4. Established timelines for the PS-DBM to evaluate requests for replacement and the procedures if a request is found invalid; and
 5. Need for training and orientation for users to avoid confusion with the eMarketplace system.

² Through memoranda dated 02 August 2024 and 07 August 2024.

³ Received via email.

⁴ 4th GPPB meeting of calendar year 2024.

WHEREAS, the GPPB-TSO likewise presented to the Board the following proposals for consideration in the Guidelines, which also intended to address the concerns raised by the DPWH and DILG:

- a. Consistently refer to RA No. 12009 particularly the policy statement, authority of the PS-DBM in the procurement of CSEs, instances where PEs may procure CSEs from other sources, and use of electronic commerce for the eMarketplace platform.

Relatedly, the GPPB-TSO explained that RA No. 12009 has taken effect, the Guidelines may already be issued by the GPPB, ahead of the omnibus IRR, by adopting the modular approach where specific provisions of the IRR are issued piecemeal or as needed to address immediate concerns;

- b. Emphasize that the purpose of the Guidelines is to govern the pilot implementation of the eMarketplace, with the scope to pertain to CSEs validated by the PS-DBM in terms of their technical specifications and readiness for inclusion in the eMarketplace. Moreover, since the CSEs' specifications have not yet been published, it is imperative to ensure their publication;
- c. Revisit the use of the term "Registered Merchants" in the proposed Guidelines, as it currently refers to those that have been registered. However, it should instead pertain to those validated by the PS-DBM regarding their legal, technical, and financial capacity. The PS-DBM should consider using a different terminology to accurately refer to this type of merchants;
- d. Distinguish between Agency Buyer and Agency Coordinator to clearly delineate their roles and responsibilities, in addition to the DILG's comment to clarify the Agency Buyer's qualifications;
- e. Specify clearly the instances when PEs may procure the CSE item from other sources pursuant to Section 40 of RA No. 12009, instead of the PS proposal for PEs to justify and seek authority from the PS. More importantly, it bears noting that RA No. 12009 now expressly provides the instances whereby the PEs may procure from other sources without need of first securing approval from the PS. In view of the foregoing, the Guidelines should allow PEs to procure from other sources in the following instances:
 1. For unavailability of stock due to zero inventory;
 2. For reasons of efficiency, practicality and economic viability, it would be more streamlined to authorize PEs to determine the specific reason to procure the covered CSEs given that they are in the best position to determine their specific needs and requirements; and
 3. For other related reasons such as insufficient quantity, absence or failure to meet the required technical specifications, or order cancellation arising from delays;
- f. Validate if the Purchase Completion Form is automated, as the PS-DBM mentioned that the same is to be processed manually and sent via electronic mail. Additionally, given the clarification by the PS-DBM that the eMarketplace is not an end-to-end system, it is important for the PS-DBM to clarify the manual processes in the documentation submissions or approvals, in order to properly inform the users;

- g. Reiterate the prior agreement that digital signatures with Philippine National Public Key Infrastructure credentials shall be used for documents processed in the eMarketplace;
- h. Emphasize that cost of logistics services or delivery should be part of the total contract price, instead of the PS-DBM proposal to separate logistics or delivery cost from the total contract price. This is to ensure that prices in the eMarketplace are competitive and to avoid budgetary issues as logistics and delivery costs are always included in the total contract price when the same is procured by PEs. Additionally, for PS-DBM to submit the rates of logistics or delivery services that it intends to charge or impose to PEs as this was not disclosed, in order to validate the total contract price to be paid when buying from the eMarketplace;
- i. Indicate the timeline for replacing CSEs, as well as the specific turnaround time for the PS-DBM to evaluate the order as this is not indicated to determine time savings when using the eMarketplace;
- j. PS-DBM to add a feature in the system that would enable PEs to directly allow extension of the period of delivery, instead of the PS-DBM proposal for the merchant to inform PS-DBM in case it is not able to deliver on time and for PS-DBM to be the one to ask PEs if they would allow extension and then PS-DBM to relay the same to the merchant;
- k. Identify the specific instances that refer to fraudulent, coercive, collusive or corruptive practices that can serve as grounds for PEs to cancel, noting that such unlawful actions, as lifted from Annex "I" of the 2016 revised IRR of RA No. 9184 on the Guidelines on Termination of Contracts, refer to contracts between the PEs and supplier or service provider, which are not be applicable to the eMarketplace, where the contract is between the PS-DBM and the supplier or service provider;
- l. Refine the language used relative to the review of the pilot implementation, emphasizing that the PS-DBM will conduct the review and propose recommendations to the GPPB for consideration; and
- m. Clarify if the PS-DBM has trained the PEs and suppliers or service providers on the use of the system given the proposed mandatory use of the eMarketplace and immediate effectivity of the Guidelines. Self-help tools should also be utilized by the PS-DBM to help users;

WHEREAS, the GPPB concurred with the above GPPB-TSO's recommendations and instructed the PS-DBM to address the substantial issues that require further action on its part, specifically:

- a. The instances authorizing PEs to procure the CSE items from other sources as recommended above;
- b. Evaluate the cost implications of separating the cost for delivery or logistics services from the total contract price of the CSE to be procured as procurement should reflect the total contract price, inclusive of all costs. In this regard, the PS-DBM should provide supporting data for rates associated with additional delivery costs, which should be factored in the total contract price; and
- c. Clarify whether the PS-DBM has trained the PE and suppliers or service providers in the use of the emarketplace;

WHEREAS, after the deliberations on the proposed Guidelines and recommendations, the GPPB approved the same in principle, subject to the submission of: (i) the revised Guidelines based on the above recommendations and (ii) response of the PS-DBM on the foregoing substantive comments of the Board.⁵ Further, the Members can also submit further comments on the Guidelines, if any;

WHEREAS, in the special meeting⁶ of the GPPB on 4 October 2024, the GPPB discussed the PS-DBM's clarifications to the Board's comments during the last Board meeting, as follows:

- a. With regard to publication requirements, the Board stressed the need for timely publication of the CSEs covered with technical specifications, given the mandatory and pilot nature of the implementation. It was then agreed that technical specifications should be concise yet sufficient for publication to ensure transparency and accountability.

In light of the foregoing, the PS-DBM has proposed that the Guidelines shall take effect fifteen (15) calendar days after the publication thereof by the GPPB-TSO. Relatedly, the GPPB has instructed the PS-DBM to publish the complete list of covered CSEs with technical specifications and other relevant information to ensure that PEs are properly informed on the CSE to be included for the pilot implementation of the eMarketplace.

To allow PEs to readily select the CSEs based on their specific needs and requirements, the PS-DBM shall also post the technical specifications of the covered CSEs on the: (i) PhilGEPS Electronic Catalogue, as done with all CSEs, and (ii) eMarketplace to enable PEs to easily vet the technical specifications of the CSE items to be procured. The publication and posting requirements shall also be complied with before including and offering the CSE in the eMarketplace;

- b. The PS-DBM presented sample computations for the total cost price of Motor Vehicles, incorporating the logistics services or delivery costs, showing that separate delivery charges would still be cost-effective for government since certain manufacturers have committed through a Letter of Intent not to use dealer prices for the sales, which is expected to enable them to offer more substantial discounts on the unit prices, including costs for vehicle registration with the Land Transportation Office and insurance. However, the PS-DBM explained that standard rates cannot be established at this time, hence, the PS-DBM proposed to have separate costs for logistics services.

The Board pointed out that this will be an issue considering that the logistics service providers are not among the proposed CSEs covered in the Guidelines, hence, it would have to undergo procurement. More importantly, delivery charges would vary based on the specific delivery needs and locations involved, thus, would pose a challenge to PEs in justifying the costs and fund source, as compared to when PEs themselves procure where all related costs of the project are built into the Approved Budget of the Contract;

- c. Relative to the grant of delivery time extensions, the PS-DBM agreed to remove the provision on time extension where it would be the one to ask the PE if the latter would grant the time extension and for the PS-DBM to relay the same to the merchant. However, the recommended inclusion in the system that would enable

⁵ Due on 27 September 2024.

⁶ Via Zoom Conference.

the PE to directly grant the extension will have to be included in future system developments as this is not possible at this time; and

- d. The PS-DBM raised concerns over potential risk of fraud during the procurement process by the PE in processing purchases of covered CSEs through the eMarketplace. However, the Board emphasized that, while fraud issues may arise at the PE level, the PS-DBM as the system developer and administrator should instead improve the automated process to detect and prevent fraud, ensuring that PEs are not overburdened with this responsibility. Consequently, the unlawful action as a ground for order cancellation has been removed from the Guidelines.

WHEREAS, on the other hand, the Board discussed the following recommendations of the GPPB-TSO:

- a. Regarding the first issue on the instances in which PEs are authorized to procure the covered CSEs from other sources, these are now enumerated in Section 6 of the Guidelines, which also include the specific requirements for each instance, as follows:
 1. When the CSE offered in the eMarketplace is unavailable due to zero inventory, the PE shall secure the electronic Certificate of Non- Availability of Stocks which can be downloaded from the PhilGEPS Electronic Catalogue.
 2. When the technical specifications of the CSEs available in eMarketplace do not conform with or meet the requirements of the PEs.
 3. When the available stock in the eMarketplace does not meet the required quantity by the PEs, the PS DBM has proposed that the PEs shall generate and download a Stock Position Report from the PhilGEPS Electronic Catalogue.
 4. When procurement from the eMarketplace is considered inefficient, impractical, or economically non-viable, the end-user of the PE shall submit a written request recommending the procurement from other sources to the Bids and Awards Committee (BAC), indicating the specific reason with justifications; and the BAC shall then resolve the request. Following this approval, the PE is required to inform the PS-DBM by completing and submitting an online form via the PhilGEPS Electronic Catalogue for monitoring purposes.

To assist PEs in assessing the existence of this instance, the Board instructed to add the definition and relevant examples of the specific reasons (i.e., inefficiency, impracticality, or economic non-viability), to be derived from the PS-DBM's proposed language, subject to further inputs from the Members, as needed.
 5. If the order is canceled due to grounds indicated in Section 10.2, including delays, in which case the PE shall keep a record of its Request for Cancellation, together with the notice of subsequent approval of the PS-DBM. The DILG representative pointed out that in the last GPPB meeting, it was agreed that PEs may cancel an order and subsequently procure outside of the original terms arising from delays caused by the supplier.
- b. On the second issue, the Guidelines now highlights that the delivery to the PE's office address, as indicated in the Order Confirmation Slip, shall be made by the Qualified Merchant at no additional cost to the PE, given that standard rates have yet to be established by the PS-DBM for delivery or logistics service providers. As

further noted by the Board, logistics service providers are not CSEs under the scope of the Guidelines.

As a final point on this second issue, the Board has concurred to include “agreed sites” in the delivery of the CSE item to allow the PE and Qualified Merchant to mutually designate another location, which facilitates efficient receipt, inspection and acceptance of the CSE item.

- c. For the third issue, training requirements are addressed in Section 13. The PS-DBM has acknowledged its responsibility to conduct training programs and develop user-guide tools to ensure efficient use of the eMarketplace by PEs and Qualified Merchants, especially given that these have yet to be fully undertaken and developed, respectively by the PS-DBM and the short period before the Guidelines take mandatory effect.

WHEREAS, the Board, after deliberation and consideration of the comments and suggestions of its members, agreed to approve the Guidelines for the Pilot Implementation of the Philippine Government Electronic Procurement System Electronic Marketplace, which is attached as Annex “A” and made integral part hereof.

NOW, THEREFORE, for and in consideration of the foregoing, **WE**, the Members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, by virtue of the powers vested on **Us** by law and other executive issuances, hereby **RESOLVE** to confirm, adopt, and approve, as **WE** hereby confirm, adopt, and approve the proposed Guidelines for the Pilot Implementation of the Philippine Government Electronic Procurement System Electronic Marketplace; a copy of which is attached as Annex “A” and made integral part hereof.

This Resolution shall take effect immediately.

APPROVED this 4th day of October 2024 at Quezon City, Philippines.

SGD

GPPB, Chairperson

DEPARTMENT OF BUDGET AND MANAGEMENT

SGD

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

DEPARTMENT OF EDUCATION

SGD

SGD

**DEPARTMENT OF INTERIOR AND LOCAL
GOVERNMENT**

DEPARTMENT OF NATIONAL DEFENSE

SGD

**DEPARTMENT OF PUBLIC WORKS AND
HIGHWAYS**

DEPARTMENT OF TRANSPORTATION

SGD

SGD

**PROCUREMENT SERVICE –
DEPARTMENT OF BUDGET AND
MANAGEMENT**

PRIVATE SECTOR REPRESENTATIVE

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

1.0 POLICY STATEMENT

- 1.1. Consistent with the governing principle of efficiency in implementing an organized, uniform and straightforward government procurement process, emerging technologies and innovative solutions shall be utilized in the conduct of procurement to make it adaptable to advances in modern technology, ultimately ensuring an effective and efficient procurement system.
- 1.2. Section 20 of Republic Act (RA) No. 12009, or the New Government Procurement Act, provides, among others, that all Procuring Entities (PEs) shall utilize the Philippine Government Electronic Procurement System (PhilGEPS) for the procurement of common-use supplies and equipment (CSE) to take advantage of the significant built-in efficiencies of the volume discounts inherent in bulk purchasing, in accordance with the rules and procedures to be established by the Government Procurement Policy Board (GPPB) in consultation with the Procurement Service of the Department of Budget and Management (PS-DBM). The PhilGEPS shall include the following innovative features and solutions: electronic bulletin board; registry of suppliers, manufacturers, distributors, contractors, consultants, and service providers; electronic catalogue; virtual store; electronic marketplace; electronic reverse auction; electronic small value procurement; electronic payment; and electronic bidding.
- 1.3. Section 40 of RA No. 12009 provides that all National Government Agencies (NGAs), Government-Owned and/or-Controlled Corporations (GOCCs), Government Financial Institutions (GFIs), State Universities and Colleges (SUCs), and Local Government Units (LGUs) shall only procure their CSE from the PS-DBM, subject to its availability. In cases of unavailability of stock or for purposes of efficiency, practicality, and/or economic viability, PEs may procure their CSE from other sources, subject to guidelines to be issued by the GPPB.

Due to the efficiency and economy of bulk purchasing, the PS-DBM may deal directly with manufacturers or exclusive distributors subject to legal, technical, and financial requirements, ensuring that products are obtained from reliable sources, of the best quality, and at the most advantageous price for the whole of government. Access to goods and equipment in economic lot sizes may likewise be achieved by the PS-DBM through consignment or any appropriate contractual arrangement.

Consignment shall refer to an arrangement whereby the consignor gives actual or constructive possession of goods, equipment, and services to the

consignee without transfer of ownership and disbursement of government funds between consignee and consignor, and such goods, equipment and services are to be sold by the consignee for and on account of the consignor at terms advantageous to the government. The consignee shall remit the proceeds of the sale to the consignor, net of service fees, if applicable. The PhilGEPS electronic marketplace may be used as a consignment platform for goods and equipment.

The PS-DBM, which is tasked with the centralized procurement of CSE for the government in accordance with Letter of Instructions (LOI) No. 755, series of 1978, E.O. No. 359, series of 1989, and Administrative Order No. 17, series of 2011, shall develop the parameters in the identification, expansion, and the definition of requirements and specifications of CSE through the conduct of market scoping, market survey and market availability.

2.0 PURPOSE

Pursuant to Section 112¹ of RA No. 12009, these Guidelines are issued to govern the pilot implementation of the PhilGEPS Electronic Marketplace (eMarketplace) under Sections 20 and 40 of the same law.

3.0 SCOPE

- 3.1. These Guidelines shall apply to all branches and instrumentalities of the National Government, including SUCs, GOCCs, GFIs, and LGUs.
- 3.2. The PS-DBM, after the conduct of a series of market consultations with manufacturers, exclusive distributors, and the product source or main service providers, has identified the following CSEs to be covered by the pilot implementation of the eMarketplace:
 - 3.2.1. motor vehicles (MVs);
 - 3.2.2. airline tickets;
 - 3.2.3. cloud computing services (CCS); and
 - 3.2.4. software and licenses.
- 3.3. 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.
- 3.4. Before the CSEs are included in the eMarketplace and offered to PEs, the following publication and posting requirements must first be met:
 - 3.4.1. The PS-DBM shall publish the complete list of covered CSEs with available classification, descriptions, and other relevant information, as determined by the PS-DBM to ensure that the PE is properly informed, once in the Official Gazette or in a newspaper of general circulation within fifteen (15) calendar days from the effectivity of

¹ SEC. 112. Implementing Rules and Regulations and Standard Forms. – Within one hundred-eighty (180) days from the promulgation of [RA No. 12009], the necessary rules and regulations for the proper implementation of its provisions shall be formulated by the GPPB. For a period not later than ninety (90) days upon the approval of the IRR, the standard forms for procurement shall be formulated and approved.

these Guidelines. Any update on the said list shall likewise be subject to immediate publication; and

3.4.2. The PS-DBM shall post the complete technical specifications of the covered CSEs on the PhilGEPS Electronic Catalogue and the eMarketplace, including any modifications thereto, simultaneous with the publication of the CSE list or any update to the said list.

3.5. Notwithstanding the pilot implementation of the eMarketplace, the Virtual Store shall continue to operate independently to offer CSEs that are competitively procured by the PS-DBM.

4.0 DEFINITION OF TERMS

For purposes of these Guidelines, the following terms, words, and phrases shall mean or be understood as follows:

- 4.1. *Annual Procurement Plan – Common-Use Supplies and Equipment (APP - CSE)* – refers to the yearly requirements of an agency for CSE approved by the Head of Procuring Entity (HoPE) or his/her duly authorized representative.
- 4.2. *Agency Buyer* – refers to the person duly authorized by the HoPE or its authorized representative to be responsible for procuring CSE from the eMarketplace in accordance with the submitted APP-CSE.
- 4.3. *Agency Coordinator* – refers to the person duly authorized by the HoPE or its authorized representative, to be in charge of maintaining and updating its information and accounts in the PhilGEPS.
- 4.4. *Common-Use Supplies and Equipment (CSE)* - refer to goods, materials and equipment that are used repetitively in the day-to-day operations of PEs in the performance of their functions; these items are identified by the PS-DBM based on PEs' needs and requirements and included in the PhilGEPS Electronic Catalogue pursuant to Section 40 of RA No. 12009.
- 4.5. *Electronic Marketplace (eMarketplace)* – refers to an online marketplace where PEs can search, compare, select, and purchase goods and services from qualified suppliers who meet legal, technical, and financial requirements based on the validation conducted by PS-DBM under Section 5 hereof. The eMarketplace allows merchants to showcase their goods on the platform, whether as a result of a procurement activity, consignment, or any appropriate contractual arrangement, where PEs can choose based on their needs and requirements.
- 4.6. *Electronic Wallet (eWallet)* – refers to an online payment facility that allows agencies to pay for CSE procured from the eMarketplace using a unique number created in the PhilGEPS and assigned to an agency upon registration.
- 4.7. *Government Purchase Card (GPC)* – an alternative mode of payment for purchases of eligible goods and services through the use of a credit /card issued by authorized banks.
- 4.8. *Order Confirmation Slip* – refers to a system-generated document that serves as the formal acknowledgment of the PE's order.

- 4.9. *Purchase Completion Form* – refers to a system-generated document issued by the PS-DBM after acceptance by the PE as proof of completion of the transaction between the PS-DBM and PE.
- 4.10. *Procuring Entity (PE)* – refers to any branch, office, agency, department, bureau, office, or instrumentality of the government (NGA) including GOCCs, GFIs, SUCs and LGUs procuring Goods, Infrastructure Projects, and Consulting services.
- 4.11. *Qualified Merchant* – refers to a manufacturer, distributor, supplier, or service provider that has passed the evaluation of the PS-DBM and has been registered in the eMarketplace pursuant to Section 5 of these Guidelines.

5.0 INCLUSION OF CSE IN THE eMARKETPLACE

- 5.1. The PS-DBM shall develop and update the technical specifications of the covered CSEs based on regular market research, which may consider the following:
 - 5.1.1. Adherence to industry standards and regulatory requirements such as conformity with safety regulations and Philippine product quality standards, if applicable;
 - 5.1.2. Customer service or after sales support, provision of customer service, post-sale maintenance, and responsiveness to inquiries and issues; and
 - 5.1.3. Demonstrated commitment to sustainable practices, including compliance with environmental certifications.
- 5.2. The PS-DBM shall ensure that the offered prices for the CSEs by the manufacturers, distributors, suppliers, and service providers are most advantageous to the government, as determined through market scoping. The price offers shall be evaluated and compared with prevailing market prices and shall ensure savings to the government.
- 5.3. For the purpose of evaluating the legal, technical and financial capacity of the manufacturer, distributor, supplier or service provider for the covered CSE, the PS-DBM shall require the submission of the following:
 - 5.3.1. A valid PhilGEPS Certificate of Platinum Registration and Membership;
 - 5.3.2. Statement of Single Largest Completed Contract relevant to the goods being offered, and the corresponding covered period as determined by the PS-DBM, or any similar document;
 - 5.3.3. Omnibus Sworn Statement containing the undertaking that they will make the goods available for timely delivery, or promptly render the service required, at such price indicated in the eMarketplace;
 - 5.3.4. Statement of Compliance with the technical specifications issued by the PS-DBM, including product sample; and

- 5.3.5. Such other documents that may be reasonably required from the manufacturer, distributor, supplier or service provider, as determined by the PS-DBM.
- 5.4. After evaluation of the foregoing documents, the PS-DBM shall inspect the product sample to ensure compliance with the required technical specifications.
- 5.5. Upon the determination of the aforesaid capacity and evaluation of the product sample and price offer, the PS-DBM shall execute a Memorandum of Agreement (MOA) containing the terms and conditions governing the relationship in accordance with Section 40 of RA No. 12009, which states that the PS-DBM may deal directly with manufacturers or exclusive distributors, subject to legal, technical, and financial requirements, ensuring that products are obtained from reliable sources, of the best quality, and at the most advantageous price to government.
- 5.6. After the execution of the MOA, the Qualified Merchant shall be allowed access to the eMarketplace for posting of the CSEs, including technical specifications, prices, discounts, and other allied offers, as approved by the PS-DBM.
- 5.7. The PS-DBM shall conduct training on the use of the e-Marketplace to properly apprise PEs on the requirements in the use thereof. On the other hand, PEs shall undertake measures to ensure their access to the system in order to facilitate open and efficient conveyance of electronic data messages or electronic documents.
- 5.8. The PS-DBM shall establish a mechanism to evaluate the performance of the Qualified Merchants and CSEs included in the eMarketplace, gather feedback from agencies, process warranties and returns, and delist goods, manufacturers, distributors, suppliers, or service providers from the eMarketplace.

6.0 PROCUREMENT OF CSE FROM OTHER SOURCES

- 6.1. PEs are authorized to procure CSEs from other sources in any of the following instances:
 - 6.1.1. 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;
 - 6.1.2. 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;
 - 6.1.3. If the technical specifications of the CSEs available in the eMarketplace do not conform with or meet the requirements of the PE;

6.1.4. When the Bids and Awards Committee (BAC), upon recommendation of the end-user, has resolved that the procurement from other sources is for reasons of efficiency, practicality, or economic viability. To support this, the end-user shall submit its written recommendation to the BAC identifying the specific reason and providing justifications therefor. To ensure proper monitoring of this instance, which could aid the PS-DBM in addressing gaps in supply chain and inventory management, the PE shall inform the PS-DBM by filling out and submitting an online form available in the PhilGEPS Electronic Catalogue.

To assist PEs in assessing the existence of the above instance, the following reasons are defined with their examples:

a. Inefficiency - Procurement through the eMarketplace requires extensive time and effort on the part of the PE leading to wastage, delays or errors compared to conventional procurement methods. For example, if access to the eMarketplace is not possible for a considerable period of time or the platform is prone to technical issues that may cause delay to the PE's procurement.

Inefficiency may also be raised by the PE as a ground to procure from other sources in case there is delay on the part of the Qualified Merchant to deliver or replace the CSE; in which case, the PE shall keep a record of its Request for Cancellation, together with the notice of the PS- DBM reflecting its subsequent approval of the request;

b. Impracticality - Procurement through the eMarketplace 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. For example, procurement at the nearest PS-DBM Depot would necessitate the PE to use multiple modes of transportation.

c. Economic Non-Viability - Procurement through the eMarketplace is not sustainable since it will result in inability to realize savings for the government 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 lifecycle cost considerations. For example, the PE may acquire the CSE for cheaper prices from other sources as additional costs in procuring from the PS-DBM outweigh the savings that may be realized.

7.0 PROCUREMENT PROCEDURE IN THE EMARKETPLACE

7.1. PEs shall indicate in its APP-CSE the procurement of CSEs and its corresponding modality, specifically Negotiated Procurement – Agency to Agency, as provided under Section 35(e) of RA No. 12009, for the procurement of CSE through the eMarketplace.

7.2. PEs shall designate their respective Agency Coordinators to create and administer their accounts in the eMarketplace, including the accounts for the

Agency Buyer for the eMarketplace. The Agency Coordinator is authorized to create as many Agency Buyer accounts as the PE needs.

To designate Agency Coordinators and Agency Buyer, PEs must submit a duly accomplished registration form, signed by the HoPE or its authorized representative, to the PS-DBM through email. The registration form, which outlines the responsibilities of the Agency Coordinator and Agency Buyer, may be downloaded from the PhilGEPS website.

Subject to availability of personnel, PEs shall not designate its Agency Coordinator as Agency Buyer. PEs shall ensure that authorized and capable personnel are designated to utilize the system by taking advantage of the training provided by the PS-DBM.

- 7.3. PEs, through their respective Agency Buyer, shall procure the covered CSEs in accordance with the goods and quantities indicated in their APP-CSE, including approved changes thereto.
- 7.4. Prior to making a purchase, the PE may examine the CSE through the eMarketplace for specific information, such as but not limited to:
 - 7.4.1. Market price as compared with the Qualified Merchants' prices;
 - 7.4.2. Quantity and stock availability;
 - 7.4.3. Technical Specifications;
 - 7.4.4. Service Centers; and
 - 7.4.5. Service Plans and Warranties.
- 7.5. PEs may choose from the CSEs available in the eMarketplace based on their needs and requirements and within their Approved Budget for the Contract (ABC).
 - 7.5.1. For the identified CSE items (i.e., MVs, airline tickets, CCS, and software and licenses), the following shall also be observed by the PE:
 - 7.5.1.1. For MVs, the technical specifications and the budget allocated for each unit to be procured must be consistent with the specifications and unit cost indicated in the Authority to Purchase Motor Vehicles (APMV).
 - 7.5.1.2. For airline tickets, the preferred time and date of the flight, destination, number of seats, cabin/seat class, and maximum weight for checked baggage shall be considered as the PE's requirements.
 - 7.5.1.3. For CCS and software and licenses, the PE must consider the service provider or supplier that can best address its specific requirements.
- 7.6. Prior to check-out, the PE shall identify the contact person, choose its preferred delivery option, set the delivery address, if applicable, and ensure the uploading of the following supporting documents:
 - 7.6.1. Approved APP-CSE, when there is no prior submission to the PhilGEPS;

- 7.6.2 APMV or its equivalent, in the case of MVs; or
- 7.6.3 Software and Licensing Agreement, if available, in the case of CCS and software and licenses.
- 7.7 The documents to be submitted through the eMarketplace shall contain digital signatures authorized under GPPB Resolution No. 16-2019, as well as other similar means, such as electronic signatures that comply with applicable laws² or issuances.³
- 7.8 PEs may pay for their purchases through any of the following modes of payment:
- 7.8.1 eWallet;
 - 7.8.2 GPC; and
 - 7.8.3 Other authorized electronic modes of procurement.

In case eWallet is the preferred mode of payment, PEs must have sufficient balance in their eWallet to cover the selected CSE in order to proceed with check-out.

- 7.9 Within three (3) calendar days from uploading, the PS-DBM shall validate the documents and approve the order of the PE. Upon approval of the order, the PE and the Qualified Merchant shall receive through email the Order Confirmation Slip, indicating the estimated period for delivery or pick up.
- 7.10 Once the Order Confirmation Slip has been issued, the total purchase amount shall be deducted from the eWallet balance or the GPC credit limit or paid through other authorized electronic modes of payment.
- 7.11 For the procurement of airline tickets, the following steps shall be undertaken:
- 7.11.1 The PE shall click the button for airline tickets in the eMarketplace, after which, it will choose among the airline companies available.
 - 7.11.2 After selecting the desired airline company, the PE will be directed to the website of the airline company and will enter its log-in credentials and Discount Code.
 - 7.11.3 The PE will then be able to enter its flight details, such as the date and time of the intended departure and return, place of destination, number of seats, passenger details, weight and number of luggages, among others.

² E.g., RA No. 8792 or Electronic Commerce Act of 2000 dated 14 June 2000.

³ E.g., Commission on Audit Memorandum Circular No. 2021-006 referring to the Guidelines on the Use of Electronic Documents, Electronic Signatures, and Digital Signatures in Government Transactions. The conditions in using the electronic signature are the following:

- a. the electronic signature is that of the person to whom it correlates;
- b. the electronic signature was affixed by that person with the intention of authenticating or approving the electronic document to which it is related or to indicate such person's consent to the transaction embodied therein;
- c. the methods or processes utilized to affix verify the electronic signature, if any, operated without error or fault; and
- d. the person whose e-signature was affixed, takes responsibility and assumed accountability that the document remained unchanged until it was submitted to the auditor.

- 7.11.4 The PE, after entering the necessary flight details and information, will be able to see the total airfare.
- 7.11.5 In order to determine and compare with other options, the PE may not proceed to purchase yet and may exit the airline company's website to check the airfares offered by other airline companies, following the foregoing steps mentioned.
- 7.11.6 Should the PE decide to purchase the airline ticket that meets its flight requirements and is within the ABC in its submitted APP-CSE, the PE shall purchase and pay using its eWallet, credit card, or GPC, if available.
- 7.11.7 In case of rescheduling, rebooking or cancellation, the PE shall undergo the airline company's process for airline tickets purchased through the eMarketplace.

8.0 DELIVERY, INSPECTION, AND ACCEPTANCE

- 8.1. The Qualified Merchant shall cause the delivery of the CSE to the PE in accordance with the period specified in the Order Confirmation Slip, through any of the following modes:
 - 8.1.1. Delivery to the nearest Qualified Merchant's dealer or store or PS-DBM Warehouse or Depot, in which case the PE will arrange its own transportation to pick up the procured CSE from the dealer or store or PS-DBM Warehouse/Depot.
 - 8.1.2. Delivery to the PE's office address or the agreed site,⁴ as indicated in the Order Confirmation Slip, in which case the Qualified Merchant shall deliver the CSE item without any additional cost to the PE.
- 8.2 Once the CSEs are delivered at the specified delivery site, the PE, through its authorized representative, shall sign the following documents received from the Qualified Merchant at the delivery site to confirm the delivery of the CSEs:
 - 8.2.1 Qualified Merchant's Delivery Receipt detailing the quantity and description of CSEs received to be signed by the authorized receiving personnel:
 - 8.2.2 Sales Invoice; and
 - 8.2.3 Any other related certificates or documents.
- 8.3 The Qualified Merchant shall upload the signed Delivery Receipt to the eMarketplace to confirm the delivery of the CSEs.

⁴ Another location mutually designated by the PE and Qualified Merchant, which facilitates efficient receipt, inspection and acceptance of the CSE item.

- 8.4 The PE's authorized representative shall inspect, validate, operate, and test the delivered CSEs based on the PE's technical requirements within three (3) calendar days from delivery of the purchased CSEs.
- 8.5 Upon completion of the inspection, the PE shall upload the approved Inspection and Acceptance Report within three (3) calendar days to the eMarketplace to confirm the acceptance of the delivered CSEs. In case of rejection, Section 9 of these Guidelines shall apply.
- 8.6 Upon acceptance of the CSEs, the PS-DBM shall issue a Purchase Completion Form to the PE and release the payment to the Qualified Merchant.
- 8.7 In case the Qualified Merchant fails to deliver the purchased CSEs to the PE within the period specified in the Order Confirmation Slip, the PS-DBM, pursuant to Section 97 of RA No. 12009, shall deduct from the remittance proceeds liquidated damages in an amount equivalent to one-tenth (1/10) of one percent (1%) of the published price of the undelivered CSE as listed in the eMarketplace for every day of delay.

9.0 REPLACEMENT OF CSE

- 9.1. The PE shall request the PS-DBM for the replacement of the delivered CSEs within three (3) calendar days from the date the inspection and testing was completed pursuant to Section 8.4, under any of the following cases:
 - 9.1.1. Damaged or Defective Goods;
 - 9.1.2. Missing Parts or Components;
 - 9.1.3. Wrong Item Delivered;
 - 9.1.4. Non-compliance with Technical Specifications as stated in the Order Confirmation Slip; or
 - 9.1.5. Other analogous circumstances.
- 9.2. Once the PS-DBM has determined that the request for replacement is proper, it shall endorse the request to the Qualified Merchant within five (5) calendar days. The Qualified Merchant shall replace the CSE and deliver the same to the requesting PE within ten (10) calendar days from endorsement by the PS-DBM. The PE shall inspect and accept the replacement in accordance with Section 7 of these Guidelines.
- 9.3. For breach of warranty, the provisions in the MOA between the PS-DBM and the Qualified Merchant concerning Delivery and Warranty shall primarily apply. The enforcement of the warranty, however, does not prevent the PE from exercising its right to request replacement of the delivered CSE under any of the conditions enumerated in Section 9.1.

10.0 ORDER CANCELLATION

- 10.1. PEs may cancel orders for any cause any time before the issuance of the Order Confirmation Slip through the eMarketplace.
- 10.2. Once the Order Confirmation Slip has been issued, PEs may only request to cancel the order under any of the following grounds:

- 10.2.1. Failure to deliver any or all of the procured items within the period specified in the Order Confirmation Slip; or
- 10.2.2 Refusal or failure to replace the procured items within the prescribed period under Section 9.2;
- 10.3 In the event that the submitted documents of the PE were found erroneous, incomplete or expired, the PS-DBM shall notify the PE through the system within three (3) calendar days from the date of submission. The PE shall re-upload the required documents within seven (7) calendar days from the date of notice. If the PE fails to upload the documents within the prescribed period, the PS-DBM shall cancel the order immediately.
- 10.4 To request for cancellation of order under the foregoing grounds after the order is confirmed by the PS-DBM, the PE shall submit a verified Request for Cancellation to the PS-DBM, alleging acts or causes which constitute the grounds therefor, within seven (7) calendar days from the date of delivery. This shall be prepared and verified by the end-user of the PE and signed by the HoPE.
 - 10.4.1 Within five (5) calendar days from receipt of the Request for Cancellation, the PS-DBM shall evaluate if the Request for Cancellation is proper in form and substance and determine whether there is sufficient basis to proceed with the request or deny the same. In case of denial, the PS-DBM shall notify the PE. If the PS-DBM determines there is sufficient basis to proceed with the request, it shall endorse the Request for Cancellation to the Qualified Merchant within the same five-day period.
 - 10.4.2 Within seven (7) calendar days from receipt of the Request for Cancellation, the Qualified Merchant shall submit a verified position paper to the PS-DBM stating the reasons why the order should not be cancelled. The PS-DBM shall furnish a copy of the verified position paper to the PE upon receipt thereof.
 - 10.4.3 Within five (5) calendar days from receipt of the verified position paper or from the expiration of the period in the preceding paragraph, the PS-DBM shall notify the PE that its Request for Cancellation is approved and issue a Notice of Cancellation to the Qualified Merchant.
- 10.5 In case of cancellation after order confirmation, the purchase price, less applicable bank charges and other fees attributable to the use of the GPC or to the maintenance, administration, and management of the eMarketplace shall be credited back to the PE.

11.0 DATA ACCURACY

The authorized representatives of the PEs and the Qualified Merchants shall be responsible for ensuring that the data encoded, and documents uploaded in the PhilGEPS eMarketplace using their respective accounts are true, correct, and free from any mistakes, typographical errors, and/or inaccurate statements.

Any loss or damage resulting from such mistakes, typographical errors, and/or inaccurate statements shall be borne by the entity responsible.

For user access problems or other clarifications regarding the eMarketplace, the PS-DBM can be contacted using the following electronic mail (email) address: helpdesk@ps-philgeps.gov.ph.

12.0 DATA SECURITY

- 12.1 The PS-DBM shall ensure that all personal information collected, used, shared and stored in the PhilGEPS in relation to government procurement activities shall be kept safe and secured from unwarranted access. It shall include features that provide for an audit trail of electronic transactions and allow the Commission on Audit to verify the security and integrity of the system at any time.
- 12.2 Personal information shall be processed in accordance with existing laws and regulations, such as, but not limited to, RA No. 10173, otherwise known as the Data Privacy Act of 2012.
- 12.3 Any and all personal data obtained, as encoded by the PEs and Qualified Merchants, shall be entered and stored within the secured information and communications system of PhilGEPS, which is only accessible by duly authorized PhilGEPS office personnel.
- 12.4 Active eMarketplace records in the PhilGEPS shall not be archived. Closed eMarketplace records will be archived in the PhilGEPS storage facility, subject to the records management policy of the PS-DBM pursuant to RA No. 9470, otherwise known as the National Archives of the Philippines Act of 2007.
- 12.5 The PS-DBM, with the use of the most appropriate standard recognized by the information and communications technology industry, shall institute strict and effective organizational, technical, and physical security measures to ensure the protection of its users' personal data.

13.0 E-MARKETPLACE TRAINING

The PS-DBM shall provide training programs, including instructional videos or user-guide tools, to ensure that PEs and Qualified Merchants are equipped to effectively use the eMarketplace facility.

14.0 REVIEW OF THE PILOT IMPLEMENTATION

The pilot implementation of the eMarketplace for the procurement of the covered CSE shall be conducted for one hundred fifty (150) calendar days from the effectivity of these Guidelines. Within thirty (30) calendar days after the pilot implementation, the PS-DBM shall submit a report to the GPPB on the performance of the eMarketplace during its pilot implementation, which shall include the PS-DBM's recommendation on the viability of the eMarketplace and the expansion or any modification in the covered CSE, subject to the consideration of the GPPB.

15.0 REPEALING CLAUSE

All guidelines and issuances, or any part thereof that are inconsistent with the provisions of these Guidelines, are hereby repealed, amended, or modified accordingly.

16.0 EFFECTIVITY

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

In cases where the advertisements have been made or invitations to bid have been issued before the effectivity of these Guidelines, PEs may proceed with their procurement activities.