



23 April 2024

MEMORANDUM NO. CMLT-2024-101

TO : The Deans, Directors, Heads of Units/Offices
Project Leaders/Project Staff

SUBJECT : **Reminder on the Documentary Requirements for Alternative Modes of Procurement**

As part of our commitment to ensuring compliance with procurement regulations and procedures, please be reminded about the following documentary requirements when opting for alternative modes of procurement. The justification letter must be approved first before the processing of the Purchase Request can proceed.

I. Direct Contracting¹

- a. Justification for the necessity of an item that may only be procured through Direct Contracting, accompanied by proof that there is no suitable substitute in the market available at more advantageous terms.
- b. Survey of the industry to determine the supply source. In cases where Direct Contracting is contemplated, the survey must be conducted prior to the commencement of the procurement process.
- c. Exclusive distributorship for items sold by an exclusive dealer or manufacturer without sub-dealers offering lower prices.

(Reference: Annex H, Section V. A, Updated 2016 Revised IRR of RA 9184)

II. Negotiated Procurement²

a. Emergency Cases

Letter request to the Bids and Awards Committee (BAC) or the HoPE, as the case may be, accompanied by appropriate supporting documents identifying the emergency sought to be addressed, and the necessary goods, civil works or consulting services (e.g., Technical Specifications, Scope of Work, or Terms of Reference) that have to be procured to address the emergency. *(Annex H, Section V. D.2b, Updated 2016 Revised IRR of RA 9184)*

b. Agency-to Agency

1. Justification that entering into an Agency-to-Agency Agreement with the Servicing Agency is more efficient and economical to the government.
2. Certificate from the relevant officer of the Servicing Agency confirming compliance with all conditions indicated in RA 9184.

¹ Section 50, 2016 Revised IRR

² Section 53, 2016 Revised IRR

3. Servicing Agency has the mandate to deliver the goods and services required to be procured or to undertake the infrastructure project or consultancy required by the Procuring Agency (e.g., Philippine Genome Center).
(Annex H, Section V. D.5, Updated 2016 Revised IRR of RA 9184)

c. Scientific, Scholarly, or Artistic Work, Exclusive Technology, and Media Services

1. Justification for the chosen alternative mode of procurement, clearly stating the reasons.
2. Market study confirming that the supplier, contractor, or consultant can undertake the project at more advantageous terms. In all cases, the market study must be conducted prior to the commencement of the procurement process.
(Annex H, Section V. D.6, Updated 2016 Revised IRR of RA 9184)

d. Highly Technical Consultants

1. Justification to the BAC for the engagement of the individual in accordance with the conditions set forth for highly technical consultants.
(Annex H, Section V. D.7, Updated 2016 Revised IRR of RA 9184)

e. Lease of Real Property and Venue

1. It is preferred that government agencies lease publicly-owned real property or venue from other government agencies. In the event that the Procuring Entity would resort to privately-owned real property or venue, the end-user unit shall justify that the same is more efficient and economical to the government.
2. Market analysis on the prevailing lease rates for real property or venue within the vicinity of the selected location complying with the criteria and technical specifications of the end-user unit. Attach quotations from prospective lessors.

In any case that the end-user has chosen a venue, include the following:

3. Justification for choosing the venue.
4. The Technical Specification of the venue taking into consideration the table of rating factors.³

(Annex H, Section V. D.9, Updated 2016 Revised IRR of RA 9184)

f. Direct Retail Purchase of Petroleum Fuel, Oil and Lubricant (POL) Products, Airline Tickets, and Online Subscriptions

Policy Considerations. All procurement of POL products, airline tickets, and online subscriptions shall be done through competitive bidding, except when the Procuring Entity has determined that Direct Retail Purchase is the best modality for the procurement of (i) non-bulk POL products or where fees for additional services or functionalities are charged on top of the payment for the required POL products, (ii) airline tickets, or online subscriptions.

³ Annex H. Appendix B. Rating Factors and Determination of Reasonableness of Rental Rates

For online subscriptions:

Justification shall be provided by the end-user on its need to directly purchase a specific online subscription to the HoPE. Thus, the end-user shall: (i) submit a report indicating that no local provider is available and (ii) prepare a comparative matrix and evaluation showing that the preferred specific online subscription is better than any other similar online subscriptions available locally or that there is no suitable substitute in the local market that can be obtained at more advantageous terms.

(Annex Hi, Section V. D.10, Updated 2016 Revised IRR of RA 9184)

Please refer to the specific guidelines under RA 9184 and its IRR for alternative modes of procurement.

For your information, guidance, and strict compliance.


Dr. Michael L. Tee
Professor and Chancellor 