

DIRECT CONTRACTING

Overview

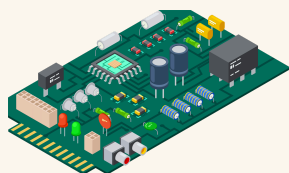
Direct Contracting is a mode of procurement of Goods that does not require elaborate Bidding Documents, and the supplier is only required to submit a price quotation or a pro-forma invoice together with the conditions of sale, which may be accepted immediately or after some negotiations.

Conditions

Direct contracting may only be resorted to in any of the following conditions:



a) When the goods are proprietary in nature, which can only be obtained from the proprietary source; or when patents, trade secrets, and copyrights prohibit others from manufacturing the same item, as supported by relevant documentary evidence issued by competent authority;



b) When the procurement of critical components from a specific manufacturer, supplier, or distributor is a condition precedent to hold a service provider to guarantee its project performance, in accordance with the provisions of the contract, as determined by the End-User or Implementing Unit; or



c) When it is sold by an exclusive dealer or manufacturer which does not have sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the government.

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Process

Under this mode of procurement, the following procedure shall be observed:

- a) The BAC shall prepare the Request for Quotation (RFQ) or pro forma invoice together with the terms and conditions of sale and shall send the same to the identified direct supplier.
- b) Simplified negotiations on the terms and conditions of the contract may, at the option of the Procuring Entity, be conducted by the BAC to ensure that the supplier is technically, legally, and financially capable to deliver the Goods at the most advantageous price and contract for the Government.
- c) The BAC shall recommend to the HoPE the award of contract in favor of the supplier. The award of contract shall be made in accordance with Section 66 of the IRR of RA No. 12009.

