

# PROCUREMENT OF COMMON-USE SUPPLIES EQUIPMENT (CSE)

## Overview

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

Procuring Entities are authorized to procure the CSE from other sources in any of the following instances:



- a) If the CSE is unavailable due to zero inventory, in which case the Procuring Entity shall secure a Certificate of Non-Availability of Stocks by downloading from the PhilGEPS Electronic Catalogue;
- b) If the technical specifications of the CSE are not sufficient to meet the Procuring Entity's specific needs and requirements, in which case the PE shall secure a complete list of technical specifications of all CSE items by downloading from the PhilGEPS Electronic Catalogue;
- c) If the available stock of the CSE is not sufficient to meet the required quantity of the Procuring Entity, in which case the Procuring Entity 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; and
- d) When the BAC, upon recommendation of the End-User or Implementing Unit, has resolved that the procurement from other sources is for reasons of efficiency, practicality, or economic viability. To support this, the End-User or Implementing Unit shall submit its written recommendation to the BAC identifying the specific reason and providing justifications thereof. To ensure proper monitoring of this instance, which could aid the PS-DBM in addressing gaps in supply chain and inventory management, the Procuring Entity shall inform the PS-DBM by filling out and submitting an online form available in the PhilGEPS Electronic Catalogue. 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.

# PROCUREMENT OF COMMON-USE SUPPLIES EQUIPMENT (CSE)

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 government. Access to goods and equipment in economic lot sizes may likewise be achieved by PS-DBM through consignment or any appropriate contractual arrangement.

The PS-DBM may use the modes of procurement enumerated under Rule IV of this IRR, or deal directly with manufacturers or exclusive distributors whether to gain access to the supply or to obtain the rights to sell, distribute, or otherwise deliver the CSE to Procuring Entities through consignment or any appropriate contractual arrangement; Provided, That these manufacturers or exclusive distributors comply with the requirements set by PS-DBM to determine their legal, technical, and financial capacity in providing the required goods or services; Provided, further, That such requirements shall be set or formulated to ensure that the goods or services are obtained from reliable sources, of the best quality, and at the most advantageous price for the whole of government.

For purposes of this IRR, 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 eMarketplace may be used as a consignment platform for goods and equipment.

Consignment agreements shall primarily be governed by the general law on contracts, considering that the transaction involved is not procurement as defined under Section 5(z) of this IRR.

# PROCUREMENT OF COMMON-USE SUPPLIES EQUIPMENT (CSE)

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

For goods to be classified as CSE, the following conditions shall be met:

- a) The goods, material, supply, equipment, or service is used repetitively or frequently in the day-to-day operations of Procuring Entities in the performance of their functions;
- b) Publication by the PS-DBM of the list of CSE, with available classification, description, and other relevant information, once in the Official Gazette or in a newspaper of general circulation; and
- c) Posting of the CSE and its complete technical specifications in the PhilGEPS Electronic Catalogue.

In operating and maintaining a centralized procurement system for CSE, the PS-DBM shall be authorized to perform the following functions:

- a) Identification and review of technical specifications for CSE.

In determining the technical specifications of the CSE, the PS-DBM must identify the standards that should be met by the CSE in terms of function, performance, environmental, and sustainability considerations. The PS-DBM may adopt established standards and quality as formulated by appropriate government entities or similar international bodies. The PS-DBM shall also specify the means of verification of the CSE, to ensure conformity with the technical specifications in accordance with applicable laws and standards.

- b) Expansion or reduction of the list of CSE.

The PS-DBM shall regularly study, review, and rationalize the list of CSE to develop the appropriate strategy on how to procure them. Depending on market availability and needs of the agencies, the PS-DBM may add or delist items in the list of CSE. The PS-DBM shall submit a report to the GPPB of any modification to the list of CSE.