

# NEGOTIATED PROCUREMENT: DIRECT RETAIL PURCHASE OF PETROLEUM FUEL, OIL AND LUBRICANT PRODUCTS, ELECTRONIC CHARGING DEVICES, AND ONLINE SUBSCRIPTIONS

## Overview

Direct retail purchase of petroleum fuel, oil and lubricant (POL) products, Electronic Charging Devices, and online subscriptions not available in the PS-DBM may be made by the End-User or Implementing Units delegated to procure the same from identified direct suppliers or service providers, where said goods and services are required by a Procuring Entity for the efficient discharge of its principal functions or day-to-day operations.



Online subscriptions include:

- a) Computer software and applications, such as video conferencing applications, computer-aided design and drafting applications, office productivity tools, and system protection software;
- b) Electronic publications, reference materials and journals;
- c) Off-the-shelf software and applications, except internet and cloud computing services; and
- d) Web-based services.

For the purpose of this type of Negotiated Procurement, Electronic Charging Devices shall refer to charging ports and installations intended for electric vehicles.



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## Conditions

The purchase of POL products, Electronic Charging Devices and online subscriptions can be contracted by the End-User or Implementing Unit to any available direct suppliers or service providers under the following conditions:

- a) For petroleum fuel (gasoline, diesel, and kerosene), oil and lubricants, and Electronic Charging Devices
  - i) Direct purchase must be made from any available retailers, dealers or gas stations at retail pump price;
  - ii) The requirement must be intended to be used for any official government vehicles and equipment for immediate consumption; and
  - iii) Payment may be made through cash advance, reimbursement or other allowable payment modalities subject to pertinent auditing and accounting rules and regulations.
- b) For Online subscriptions:
  - i) Direct purchase shall be made for online subscription where no local provider is available;
  - ii) The maximum amount for the ABC shall be One Million Pesos (₱1,000,000). Provided, That if the online subscription to be directly purchased would require an ABC beyond the aforementioned amount, the ABC may be increased but not exceeding Five Million Pesos (₱5,000,000) and subject to prior approval of the HoPE;
  - iii) Justification shall be provided by the End-User or Implementing Unit on its need to directly purchase a specific online subscription to the HoPE. Thus, it shall:
    - a) Submit a report indicating that no local provider is available; and
    - b) 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;
  - iv) Payment for online subscription may be made through a government purchase card or direct electronic payment using credit card or other forms of online payment, subject to pertinent budgeting, accounting and auditing rules.

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## Process

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

- a) The End-User or Implementing Unit delegated to directly purchase POL products, and online subscriptions shall determine the supplier or service provider capable of delivering the required POL products, and online subscriptions at retail pump price or at the most reasonable retail price, as the case may be.
- b) Taking into account the usual trade and business practices being observed in the industry and the requirements and other reasonable considerations identified by the End-User or Implementing Unit, direct retail purchase of the required POL products, or online subscriptions shall be carried out in accordance with pertinent accounting principles and practices as well as of sound management and fiscal administration provided that they do not contravene existing laws and regulations applicable to financial transactions.
- c) The End-User or Implementing Unit shall carefully review the terms and conditions or similar agreements which shall contain a provision on compensation for losses incurred caused by delays of the supplier or service provider.
- d) The Procuring Entity shall require the submission of a warranty security based on the End-User or Implementing Unit's determination that the terms and conditions or similar agreements do not provide corrective actions to be undertaken by the supplier or service provider on any noted defects in the procured online subscription.
- e) The End-User or Implementing Unit shall post the electronic copy of the payment confirmation receipt and agreed terms and conditions or similar agreements for the direct purchase of online subscription as equivalent documents of the Notice of Award, and contract or purchase order, respectively.

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