

 <p>LBP RESOURCES AND DEVELOPMENT CORPORATION 24TH Floor LBP Plaza 1598 M.H Del Pilar cor. Dr. J. Quintos St. Malate Manila</p>	PROCUREMENT MANUAL	Class Code: D
	Chapter 6: Alternative Methods of Procurement	Reference Code: OM-QMR
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A. General Guidelines

- a. Generally, procurement should be through competitive bidding. However, the use of alternative methods of procurement in some exceptional instances is allowed, provided:
 - i. There is prior approval of the Head of the Procuring Entity on the use of alternative methods of procurement, as recommended by the BAC.
 - ii. The conditions required by law for the use of alternative methods are present.
- b. The following shall be the alternative modes of procurement of goods and services which the company may resort to in case circumstances warrant:
 - Limited Source Bidding
 - Direct Contracting
 - Repeat Order
 - Shopping
 - Negotiated Procurement

1. Limited Source Bidding

- a. Limited Source Bidding, otherwise known as selective bidding, involves direct invitation to bid from pre-selected suppliers with known experience and proven capability on the requirements of the contract.
- b. Pre-selected suppliers shall be those appearing in the Registry of Suppliers which has expertise in the type of procurement concerned.
- c. The BAC shall directly send to the pre-selected bidders the invitation to bid, which shall already indicate the relevant information required to enable the bidders to prepare their bids.
- d. Limited source bidding may be employed under any of the following conditions:
 - i. Procurement of highly specialized types of goods (e.g. sophisticated defense equipment, complex air navigation

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systems, coal) where only a few supplier are known to be available, such that resorting to the public bidding method will not likely result in any additional suppliers participating in the bidding.

- ii. Procurement of major plant components where it is deemed advantageous to limit the bidding to known qualified bidders in order to maintain uniform quality and performance of the plant as a whole.

2. Direct Contracting

- a. Direct contracting or single source procurement does not require elaborate bidding documents. In this alternative mode of procurement, the supplier is simply asked to submit a price quotation or a pro-forma invoice together with the conditions of sale. The offer may be accepted immediately or after some negotiations. Direct contracting may be resorted to under any of the following conditions:
 - i. Procurement of items of proprietary nature which can be obtained only from the proprietary source i.e. when patents, trade secrets and copyrights prohibit others from manufacturing the same item
 - ii. When the procurement of critical plant components from a specific manufacturer, supplier or distributor is a condition precedent to hold a contractor to guarantee its project performance, in accordance with the provisions of the contract.
 - iii. Those sold by an exclusive dealer or manufacturer who does not have sub-dealers sellers at lower prices and for which no suitable substitute can be obtained at more advantageous to LBRDC.

3. Repeat Order

- a. Repeat Order is a method of procurement of goods from the previous winning bidder, whenever there is a need to

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replenish goods procured under a contract previously awarded through Public Bidding.

- b. Repeat orders from the previous winning bidder may be resorted to only in cases where the procured item is clearly superior to the other bids, not only in terms of the price quoted but also in terms of equipment reliability, availability of spare parts, after sales service and delivery period, among others.
- c. Repeat orders shall be subject to the following conditions:
 - i. Unit prices of the repeat order must be the same as or lower than those in the original contract: Provided, that such prices are still the most advantageous to the GoP after price verification.
 - ii. Contract prices must be the same as or lower than those in the original contract, provided that such prices are still the most advantageous to LBPRDC after price verification.
 - iii. It will not result in splitting of contracts, requisitions or purchase orders.
 - iv. Except in cases duly approved by the GPPB, it shall be availed only within six (6) months from date of the Notice to Proceed arising from the original contract.
 - v. It shall not exceed 25% of the quantity of each item in the original contract. In order not to exceed the 25% threshold, the goods under the original contract must be:
 - Quantifiable
 - Divisible; and
 - Consisting of at least four (4) units per item

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4. Shopping

- a. Shopping simply requests for the submission of price quotations for readily available off-the-shelf goods or ordinary /regular equipment to be procured directly from suppliers of known qualifications.
- b. Shopping shall be employed only in any of the following cases:
 - i. When there is an unforeseen contingency requiring immediate purchase provided that the amount shall not exceed the threshold prescribed in Annex "H" of IRR.
 - ii. Procurement of ordinary or regular office supplies and equipment not available in the Procurement Service involving an amount not exceeding prescribed in Annex "H" of IRR.
 - iii. The phrase "ordinary or regular office supplies" shall be understood to include those supplies, commodities, or materials which are necessary in the transaction of official business, and consumed in the day to day operations.

However, office supplies shall not include services such as repair and maintenance of equipment and furniture, as well as trucking, hauling, janitorial, security, and related or analogous services.
 - iv. Under section 52.1 (b) of IRR, at least three (3) price quotations from bona fide suppliers shall be obtained.

Note: Above amounts shall be subject to a periodic review by the GPPB. For this purpose, the GPPB shall be authorized to increase or decrease said amount in order to reflect changes in economic conditions and for other justifiable reasons.

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5. Negotiated Procurement

Negotiated Procurement is a method of procurement of goods, infrastructure and consulting services, whereby the Bank directly negotiate a contract with a technically, legally and financially capable supplier, contractor or consultant only in the following cases:

- a. Where there has been failure of public bidding for the second time

Note: A canvass from at least three bona fide and reputable suppliers shall still be conducted to serve as basis of the negotiated purchase for approval by the BAC.

- b. In case of imminent danger to life or property during a state of calamity, or when time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities.
- c. Take-over of contracts, which have been rescinded or terminated for causes provided for in the contract and existing laws, where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities.
- d. Adjacent or Contiguous where the subject contract is adjacent or contiguous to an ongoing Infrastructure Project or Consulting Service where consultants have unique experience and expertise to deliver the required service: Provided, however, that
 - i. The original contract is the result of a competitive bidding;
 - ii. The subject contract to be negotiated has similar or related scopes of work;
 - iii. It is within the contracting capacity of the contractor/consultant;

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- iv. The contractor/consultant uses the same prices or lower unit prices as in the original contract less mobilization cost;
 - v. The amount of the contiguous or adjacent work involve does not exceed tha amount of the ongoing project; and
 - vi. The contractor/consultant has no negative slippage/delay.
- e. Agency to Agency- Procurement of Goods, Infrastructure Projects and Consulting Services from another agency of the GoP, such as the DBM-PS, which is tasked with a centralized procurement of common-Use supplies for the GoP in accordance with Letters of Instruction No. 755 and E.O 359, s. 1989.
- f. Scientific, Scholarly or Artistic work, Exclusive Technology and Media Services- Where Goods, Infrastructure Projects and Consulting Services can be contracted to a particular supplier, contractor or consultant ad as determined by the HoPE, for any of the following:
- i. Work of art; commissioned work or services of an artist for a specific artist skills;
 - ii. Scientific, academic, scholarly work or research, or legal services;
 - iii. Highly specialized life-saving medical equipment, as certified by the Department of Health;
 - iv. Scientific, technical, economic, business, trade or legal journal magazine, paper, subscription, or other exclusive statistical publications and references; or
 - v. Media documentation, advertisement, or announcement through television, radio, newspaper, internet, and other communication media.

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- g. The construction or installation of an infrastructure facility where the material, equipment or technology under a proprietary right can only be obtained from the same contactor.
- h. Except for Limited Source Bidding wherein the forms for Public Bidding shall be used, the Request for Quotation Form shall be used in requesting quotations from prospective suppliers while the Abstract of Quotations Form shall be used to tabulate the quotations received and document recommendation of award by the BAC.
- i. Suppliers are exempted from posting Performance Security only in cases where the procurement is done through Shopping when there is an unforeseen contingency requiring immediate purchase and the amount of procurement does not exceed ₱50,000.00

B. Detailed Procedures

1. Limited Source Bidding

The detailed procedures for Limited Source Bidding shall be the same with Public Bidding. In addition, the pre-selected suppliers based on the Registry of Suppliers shall be directly sent with IAEB and invited to submit their bids. Advertisement shall no longer be required.

2. Direct Contracting

Person/Unit Responsible	Activity	Timeframe
BAC Secretariat	1. Prepares the RQF and endorses to the BAC for approval.	
BAC	2. Ensures completeness and approves the RQF.	
BAC Secretariat	3. Posts the RQF in the LBPRDC website, G-EPS and LBP Plaza premises. 4. Issues RQF to the pre-selected	Maximum period of fourteen (14) calendar days prior to sending the RQF.



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	supplier. 5. Based on the quotation received, summarizes the result and prepares an AQF.	
BAC	6. Validates the quotation received. 7. Certifies the AQF as TRUE and CORRECT. 8. Recommends award of the contract.	
BAC Secretariat	9. Forwards to the LBPRDC President or BOD designated officer the BAC recommendation to award for approval.	
LBPRDC President or BOD designated officer	10. Approves BAC recommendation.	
BAC Secretariat	11. Prepares all the documents (e.g. Notice of Award, Purchase Order and Contract) and routes for approval.	
Approving Authorities (per CASA)	12. Approves documents.	
BAC Secretariat	13. Forwards the Notice of Award to the Supplier declared as LCRB.	
BAC Secretariat	14. Requires the supplier to post a Performance Security, if necessary. <ul style="list-style-type: none"> If the Performance Security is in the form of cash, manager's check of cashier's check, prepares a Payment Acceptance Order (PAO) and instructs supplier to make its 	

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	payment to the Cashier.	
BAC Secretariat	15. If the Performance Security is in the form of irrevocable letter of credit or surety bond, checks the document as to acceptability.	
BAC Secretariat	16. Requests supplier to sign PO/contract. 17. Posts the award in the G-EPS. 18. Issues Notice to Proceed.	Within three (3) calendar days from date of approval of the contract.

3. Repeat Order

Person/Unit Responsible	Activity	Timeframe
BAC Secretariat	1. Posts notice requesting for repeat order of additional goods previously procured in the LBPRDC website, G-EPS and LBP Plaza premises. 2. Conducts canvass of the prevailing market price of the goods to be procured and compares with the price of the goods in the original contract.	
BAC	3. Confirms the price with the supplier that won the previous public bidding. 4. Conducts pre-procurement, if necessary.	
BAC	5. Recommends the conduct of a Repeat Order through a Resolution to be approved by the Head of the	

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	Procuring Unit.	
BAC Secretariat	6. Amends the APP to include the recommendation to the Approving Authorities on the use of the Repeat Order.	
Approving Authorities	7. Approves recommendation and the amended APP.	
BAC	8. Confirms Repeat Order with the previous supplier and proceeds with the preparation of the Supplemental Contract or Purchase Order, using the Technical Specifications in the bidding documents used in the previous bidding.	
BAC	9. Proceeds with contract signing and implementation.	
BAC Secretariat	10. Posts award in the LBPRDC website, G-EPS and LBP Plaza premises. 11. Requires suppliers to post Performance Security, if necessary.	

4. Shopping or Negotiated Procurement

Person/Unit Responsible	Activity	Timeframe
BAC Secretariat	1. Prepares RQF and endorses to the BAC for approval.	
BAC	2. Ensures completeness and approves the RQF.	
BAC Secretariat	3. Posts the RQF in the LBPRDC website, G-EPS and LBP Plaza premises. 4. Issues RQF to at least three (3)	Maximum period of fourteen(14) calendar days

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	<p>suppliers.</p> <p>5. Based on the quotations received, summarizes the result and prepares an AQF.</p>	
BAC	<p>6. Validates and evaluates the quotations received.</p> <p>7. Certifies the AQF as TRUE and CORRECT.</p> <p>8. Recommends award of the contract to the supplier who offers the most advantageous price to LBPRDC.</p>	