



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
CENTRAL OFFICE
Manila

097.7 DPWH
09-16-2019

September 12, 2019

DEPARTMENT MEMORANDUM)
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CIRCULAR NO. 71)
)
Series of 2019 09.16.19)

FOR / TO : **Undersecretaries**
Assistant Secretaries
Service Directors
Bureau Directors
Regional Directors
Heads of UPMOs
District Engineers
BAC Chairpersons and Members
This Department

For information and guidance, attached is a copy of **GPPB RESOLUTION No. 21-2019**, re: **"APPROVING THE DELISTING OF AIRLINE TICKETS UNDER THE GOVERNMENT FARES AGREEMENT IN THE LIST OF COMMON-USE SUPPLIES AND EQUIPMENT OF THE PROCUREMENT SERVICE."**

A copy of said Resolution may also be downloaded from the **DPWH website**: <http://dpwhweb>. If an office cannot access the DPWH website, a hard copy may be obtained from the Records Management Division, HRAS, upon request.

For dissemination to all concerned.

MARICHU A. PALAFOX, CESO III
Assistant Secretary for Support Services

Encl: GPPB Resolution No. 21-2019

Cc: Office of the Secretary

12.1.1 CGSC/EDY/MNC/MVSG



**APPROVING THE DELISTING OF AIRLINE TICKETS UNDER THE GOVERNMENT
FARES AGREEMENT IN THE LIST OF COMMON-USE SUPPLIES AND EQUIPMENT OF
THE PROCUREMENT SERVICE**

WHEREAS, Republic Act (RA) No. 9184, otherwise known as the “Government Procurement Reform Act”, took effect on 26 January 2003, while its 2016 revised Implementing Rules and Regulations (IRR) took effect on 28 October 2016;

WHEREAS, Section 63 of RA No. 9184 and its 2016 revised IRR authorizes the Government Procurement Policy Board (GPPB) to formulate public procurement policies, rules and regulations, and amend, whenever necessary, its IRR;

WHEREAS, Section 53(e) of RA No. 9184 allows the purchase of Goods from another agency of the Government, such as the Procurement Service (PS), which is tasked with the centralized procurement of commonly used Goods for the government in accordance with Letter of Instructions (LOI) No. 755, series of 1978 and Executive Order (EO) No. 359, series of 1989;

WHEREAS, Section 63 of RA No. 9184 provides, among others, that the GPPB shall absorb all the powers, functions and responsibilities of the Procurement Policy Board (PPB) created under EO No. 359, series of 1989;

WHEREAS, Item 3 of LOI No. 755 directs the Procurement Council, with the assistance of the PS, to identify supplies, materials, and such other items, including equipment and construction materials, which can be economically purchased through a centralized procurement;

WHEREAS, Section 2 of EO No. 359 mandates the PPB (now the GPPB) to promulgate rules and regulations, which shall be the basis for the procurement operation of the PS and other government agencies;

WHEREAS, Section 6 of Administrative Order (AO) No. 17, series of 2011 provides that the PS shall strengthen its operations and regularly conduct a survey to determine other products commonly purchased by procuring entities for inclusion to the list of Common-Use Supplies and Equipment (CSE);

WHEREAS, Section 6 of AO No. 17 likewise mandates the GPPB to conduct a periodic evaluation of the effectiveness of the performance of the centralized procurement system in terms of economy and efficiency pursuant to Section 2 of EO No. 359;

WHEREAS, on 10 March 2017, the GPPB issued Resolution No. 11-2017 which considered airline tickets as CSE items so that government agencies would be mandated to purchase the same from the PS;

WHEREAS, the GPPB-Technical Support Office (TSO) received several queries from various procuring entities on the possible consequences of their failure to enter into a Memorandum of Agreement with PS Government Fares Agreement (GFA) considering that it has been their practice to buy airline tickets directly online from airline companies using cash advances as payment;

WHEREAS, the GPPB-TSO is likewise aware that several procuring entities have unsettled suspensions and disallowances on travels because procurement of airline tickets outside the GFA is subject to Commission on Audit findings or disallowances given the mandatory requirement of procuring airline tickets through the GFA;

WHEREAS, the GPPB-TSO has also been apprised of complaints that some airfares offered in the GFA are more expensive than those in the airline partners' website;

WHEREAS, during a meeting with Secretary Wendel E. Avisado of the DBM, he raised the numerous complaints of procuring entities on the efficacy and economy of procuring airline tickets through the GFA;

WHEREAS, in light thereof the GPPB-TSO during the 6th GPPB Regular Meeting proposed to delist airline tickets under the Government Fares Agreement from the list of CSE of the PS and conduct a study on the modality where the same may be best procured in terms of economy and efficiency;

WHEREAS, the GPPB, after careful review and deliberation, resolved to approve the following:

1. Delist airline tickets under the GFA from the list of CSE of the PS so that procuring entities are no longer mandated to purchase their airline ticket requirements from the GFA; and
2. Direct the GPPB-TSO to conduct a study on the modality where airline tickets may be best procured in terms of economy and efficiency.

NOW, THEREFORE, for and in consideration of the foregoing, **WE**, the Members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, by virtue of the powers vested on **US**, by law and other executive issuances, hereby **RESOLVE**, to confirm, adopt, and approve, as **WE** hereby confirm, adopt, and approve the following:

1. **DELIST** airline tickets under the Government Fares Agreement from the list of CSE of the PS so that procuring entities are no longer mandated to purchase their airline ticket requirements from the GFA; and
2. **DIRECT** the GPPB-TSO to conduct a study on the modality where airline tickets may be best procured in terms of economy and efficiency.

This Resolution shall take effect immediately.

APPROVED this 5th day of September 2019 at Manila City, Philippines.

SGD

**DEPARTMENT OF BUDGET AND
MANAGEMENT**

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

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DEPARTMENT OF EDUCATION

DEPARTMENT OF ENERGY

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DEPARTMENT OF FINANCE

DEPARTMENT OF HEALTH

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**DEPARTMENT OF INFORMATION AND
COMMUNICATION TECHNOLOGY**

**DEPARTMENT OF INTERIOR AND LOCAL
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