



JAN 06 2020

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

297.70P24
01.06.2020

DEPARTMENT MEMORANDUM)

CIRCULAR NO.)

Series of 2020)

05)

FOR / TO : Undersecretaries
Assistant Secretaries
Bureau Directors
Service 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. 26-2019, re: "APPROVING AMENDMENTS TO THE REVISED GUIDELINES ON THE INDEX-BASED PRICING PROCUREMENT OF PETROLEUM, OIL, AND LUBRICANT (POL) PRODUCTS"**.

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.

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

12.1.1 EYAP/MNC/MVSG



RESOLUTION NO. 26-2019

APPROVING AMENDMENTS TO THE REVISED GUIDELINES ON THE INDEX-BASED PRICING PROCUREMENT OF PETROLEUM, OIL, AND LUBRICANT (POL) PRODUCTS

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, its IRR, whenever necessary;

WHEREAS, the GPPB issued Resolution No. 011-2007, dated 31 May 2007, approving and adopting the Guidelines on Index-Based Pricing for Procurement of Petroleum, Oil and Lubricant (POL) Products;

WHEREAS, the GPPB issued Resolution No. 05-2018, dated 18 May 2018, approving and adopting the Revised Guidelines on the Procurement of POL Products (Guidelines);

WHEREAS, the Government Procurement Policy Board – Technical Support Office (GPPB-TSO) receives queries requesting for the substitute of the Wholesale Posted Price (WPP) since the Department of Energy (DOE) have stopped confirming the same due to the Downstream Oil Industry Deregulation Act¹, and clarification on the applicability of the Guidelines on the direct purchase of POL products;

WHEREAS, during the 3rd Regular Meeting of the Inter-Agency Technical Working Group (IATWG) held on 11 April 2019, the GPPB- TSO presented the issue to the IATWG and after careful deliberation, it was agreed that the formal position of the DOE shall be sought;

WHEREAS, during the 3rd Regular Meeting of the GPPB held on 22 April 2019, the GPPB approved the recommendations of the IATWG and the steps to be undertaken by GPPB-TSO with regards the issue of non-verification of the WPP;

WHEREAS, the IATWG, in its meetings held last 12 September and 17 October 2019, deliberated on the substitute for WPP, among others, and recommended for the consideration and approval of the GPPB, amendments to the Revised Guidelines on the Procurement of Petroleum, Oil and Lubricant (POL) Products;

WHEREAS, during the 9th Regular Meeting of the GPPB, held last 30th October, the GPPB-TSO presented to the GPPB the proposed amendments to the Guidelines, and after careful review and deliberation, resolved to adopt the recommendation with modifications;

¹ Republic Act No. 8479, dated 10 February 1998.

WHEREAS, after careful and due deliberations, the Board approved the proposed amendments to the Guidelines, specifically amendments on Sections 1.0, 2.3, 3, and 4; additional provision and renumbering to Sections 5 and 6, modifications on formerly Sections 6 to 12.

NOW, THEREFORE, for and in view of all 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 amendments to the Revised Guidelines on the Procurement of Petroleum, Oil, and Lubricant Products under Appendix 22 of the 2016 revised IRR of RA No. 9184, a copy of which is attached as Annex "A", and made an integral part hereof.

These amendments to the 2016 revised IRR of RA No. 9184 shall take effect immediately.

APPROVED this 30th day of October 2019 at Manila City, Philippines.

(SGD)

**DEPARTMENT OF BUDGET AND
MANAGEMENT**

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

(SGD)

DEPARTMENT OF EDUCATION

DEPARTMENT OF ENERGY

(SGD)

DEPARTMENT OF FINANCE

DEPARTMENT OF HEALTH

(SGD)

**DEPARTMENT OF INFORMATION AND
COMMUNICATION TECHNOLOGY**

**DEPARTMENT OF THE INTERIOR AND
LOCAL GOVERNMENT**

(SGD)

**DEPARTMENT OF NATIONAL
DEFENSE**

(SGD)

**DEPARTMENT OF PUBLIC WORKS AND
HIGHWAYS**

(SGD)

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

DEPARTMENT OF TRADE AND INDUSTRY

DEPARTMENT OF TRANSPORTATION

PRIVATE SECTOR REPRESENTATIVE

AMENDMENTS TO THE REVISED GUIDELINES ON THE PROCUREMENT OF PETROLEUM, OIL, AND LUBRICANT (POL) PRODUCTS

ORIGINAL	AMENDED
REVISED GUIDELINES ON THE PROCUREMENT OF PETROLEUM, OIL, AND LUBRICANT (POL) PRODUCTS	REVISED GUIDELINES ON INDEX-BASED PRICING ON THE PROCUREMENT OF PETROLEUM, OIL, AND LUBRICANT (POL) PRODUCTS IN BULK
<p>1.0 SCOPE AND APPLICATION</p> <p>These guidelines shall govern the use, under extraordinary circumstances, of an index-based pricing scheme for procurement of petroleum, oil, and lubricants (POL) in accordance with Section 61 of Republic Act No. 9184 (R.A. 9184), otherwise known as "Government Procurement Reform Act" and its Implementing Rules and Regulations (IRR), and the GPPB Guidelines for Contract Price Escalation.</p> <p>These rules and procedures shall govern the procurement of POL by the national government, its departments, bureaus, offices and agencies, including state universities and colleges, government-owned and/or controlled corporations, government financial institutions and local government units when POL is a major operational requirement necessary for the prosecution pursuit of their principal mandate.</p> <p>These Guidelines shall likewise provide the rules on the procurement of POL from retailers, dealers or gas stations, other than major suppliers as hereinafter defined, or from those who are engaged in the business of selling the same to the general public for ultimate consumption, and which are sold at retail pump prices.</p>	<p>1.0 SCOPE AND APPLICATION</p> <p>These guidelines shall govern the use, under extraordinary circumstances, of an index-based pricing scheme for procurement of petroleum, oil, and lubricants (POL) in accordance with Section 61 of Republic Act No. 9184 (R.A. 9184), otherwise known as "Government Procurement Reform Act" and its Implementing Rules and Regulations (IRR), and the GPPB Guidelines for Contract Price Escalation.</p> <p>These rules and procedures shall govern the procurement of POL by the national government, its departments, bureaus, offices and agencies, including state universities and colleges, government-owned and/or controlled corporations, government financial institutions and local government units when POL is a major operational requirement necessary for the prosecution pursuit of their principal mandate.</p> <p>Removed third paragraph.</p>
<p>2.0 PURPOSE</p> <p>These guidelines are formulated to meet the following objectives:</p> <p>2.1. To identify the conditions for the applicability of the index-based pricing scheme in the procurement of POL products by a procuring entity.</p>	<p>2.0 PURPOSE</p> <p>These guidelines are formulated to meet the following objectives:</p> <p>2.1. To identify the conditions for the applicability of the index-based pricing scheme in the procurement of POL products by a procuring entity.</p>

<p>2.2. To prescribe the rules and procedures on the use of index-based pricing scheme for the procurement of POL in bulk.</p> <p>2.3. To prescribe the rules and procedures in the procurement of petroleum fuel for government vehicles and equipment for official use, including oil and lubricant products in necessary quantities, but not in bulk, by Procuring Entities.</p>	<p>2.2. To prescribe the rules and procedures on the use of index-based pricing scheme for the procurement of POL in bulk.</p> <p>Removed 2.3.</p>
<p>3.0 DEFINITION OF TERMS</p> <p>a. Bid Price- refers to the difference of the WPP of the prospective supplier less discounts given plus delivery cost, in case of procurement using the WPP Index; and the sum of MOPS or ICIS-LOR assessments, the premium Imposed and delivery cost, in case of procurement using the MOPS or ICIS-LOR index;</p> <p>b. Bulk Procurement – refers to any procurement which, by the totality of its POL requirements and by their sheer volume, necessitates procurement <u>from major suppliers</u> for purpose of economies of scale. <u>All others are procurement by retail pump price.</u></p> <p>c. Total Contract Price - refers to the aggregate of the amounts set by a procuring entity, as the ceiling, to meet the volume requirement for each type of POL product; the value of which shall not exceed the approved budget for the contract (ABC).</p> <p>d. Delivery Cost - refers to cost of freight incurred by the Supplier from the source to the delivery point, i.e., refinery to delivery point for deliveries ex-refinery, or oil terminal/ depot to delivery point for deliveries ex-depot.</p> <p>e. Discounts - refers to the total deductions <u>from the WPP.</u></p> <p>f. Expanded Value Added Tax (E-VAT) - refers to a consumption tax on the sale or importation of goods and services in the ordinary course of business.</p> <p>g. Extraordinary Circumstance - refers to an event or occurrence, or series of events or occurrences, before or during contract implementation, which give(s) rise to price</p>	<p>3.0 DEFINITION OF TERMS</p> <p>3.1. Bid Price- refers to the bid of the prospective supplier, less discounts given, plus delivery cost, regardless of the index used in the procurement of petroleum, oil, and lubricant (POL) products.</p> <p>3.2. Bulk Procurement – refers to any procurement which, by the totality of its POL requirements and by their sheer volume, necessitates procurement from suppliers for purpose of economies of scale.</p> <p>3.3. Total Contract Price - xxx</p> <p>3.4. Delivery Cost – xxx</p> <p>3.5. Discounts - refers to the total deductions given by the prospective supplier.</p> <p>3.6. Expanded Value Added Tax (E-VAT) – xxx</p> <p>3.7. Extraordinary Circumstance- xxx</p>

movements in petroleum and its derivative products.

h. Independent Commodity Information System – London Oil Report or ICIS-LOR- refers to an information provider for the chemical and oil industry, and is part of the Reed Business Information Ltd., a private entity, based in London with office in Singapore.

i. Major Suppliers - refer to POL wholesale suppliers and who, in the operation of their business, either maintains a refinery in the Philippines or directly imports POL products from production or trading venues.

j. Mean of Platts Singapore or MOPS - refers to the mean of the high and low components of a Platts assessment for oil cargoes loading from Singapore as officially released by Platts, a publishing/trading house based in Singapore which publishes daily information on oil price and shipping rates.

k. Petroleum, Oil, and Lubricant Products or POL Products - for purposes of these guidelines, shall refer to those enumerated in Section 5 hereof.

l. Premium - refers to all applicable and reasonable cost or expenses (i.e. ocean freight, marine insurance, bank charges, ocean loss, storage/ handling/ throughput fees, profit, margin, etc.) to arrive at a landed cost of petroleum, oil and lubricant in the Philippines.

m. Retail Pump Price – the price of petroleum fuel per liter, such as, gasoline, diesel oil and kerosene, as established by retailers, dealers or gas stations for the day.

n. Wholesale Posted Price or WPP – refers to the reference fuel prices individually set by local refiners and traders subject to periodic changes based on the movement in crude oil prices, foreign exchange, and all other costs as verified and confirmed by the Department of Energy (DOE).

3.8. Independent Commodity Information System – London Oil Report or ICIS-LOR- xxx

Removed Major Suppliers.

3.9. Mean of Platts Singapore or MOPS – refers to the mean of the high and low components of a Platts assessment for oil cargoes loading from Singapore as officially released by **S&P Global Platts, a provider of energy and commodities information and a source of benchmark price assessments in the physical commodity market based in Singapore .**

3.10. Petroleum, Oil, and Lubricant Products or POL Products - for purposes of these guidelines, shall refer to those enumerated in Section **6** hereof.

Removed Premium.

Removed Retail Pump Price

3.11. Wholesale Price or WP – refers to the reference fuel prices individually set by local refiners and traders subject to periodic changes based on the movement in oil prices, foreign exchange, and all other costs **without hauling charge, dealer's mark-up and dealer's E VAT.**

<p>o. Vehicles – any means of conveyance to transport passengers and carry cargoes, goods or effects on land, air or sea.</p>	<p>3.12. Vehicles – any means of conveyance to transport passengers and carry cargoes, goods or effects on land, air or sea.</p>
<p>4.0 CONDITIONS FOR APPLICABILITY OF THESE GUIDELINES</p> <p>These guidelines shall be applicable in cases of bulk procurement of POL by the national government, its departments, bureaus, offices and agencies, including state universities and colleges, government-owned and/or controlled corporations, government financial institutions and local government units where POL procurement is a major requirement in their operations. <u>For this purpose, procuring entities intending to use these guidelines for their POL procurement shall notify the Government Procurement Policy Board (GPPB) in writing.</u></p> <p>POL requirements shall be considered major if the use of the same <u>are</u> necessary in the primary operation of the procuring entity and in the pursuit of its principal mandate. The duration of the contract to cover the POL requirement of the procuring entity shall <u>not exceed one (1) year, without prejudice to the applicability of any guidelines that may govern multi-year contracts.</u></p> <p>These guidelines shall likewise apply to the procurement of POL from retailers, dealers or gas stations, other than major suppliers as hereinafter defined, or from those who are engaged in the business of selling the same to the general public for ultimate consumption, and which are sold at retail pump prices.</p>	<p>4.0 CONDITIONS FOR APPLICABILITY OF THESE GUIDELINES</p> <p>These guidelines shall be applicable in cases of bulk procurement of POL by the national government, its departments, bureaus, offices and agencies, including state universities and colleges, government-owned and/or controlled corporations, government financial institutions and local government units where POL procurement is a major requirement in their operations. (<i>Removed next sentence</i>)</p> <p>POL requirements shall be considered major if the use of the same [are] is necessary in the primary operation of the procuring entity and in the pursuit of its principal mandate. The duration of the contract to cover the POL requirements of the procuring entity may be one year or more. In the case of multi-year, the same shall be subject to the issuance of Multi-Year Contracting Authority (MYCA) or its equivalent document.</p> <p><i>Removed third paragraph.</i></p>
<p>NEW</p>	<p>5.0 GENERAL GUIDELINES</p> <p>5.1. The rules and regulations governing competitive bidding shall apply whenever the rules in these Guidelines are silent.</p> <p>5.2. Right to Inspect. The procuring entity shall allow the Department of Energy (DOE) to inspect the procuring entity's fuel facilities, if there is any, subject to DOE's guidelines to check compliance to Philippine National Standards (PNS) on products and facilities, among others. The procuring entity may provide the delivery schedule of the supplier to DOE.</p>

<p>5.0 INDEX-BASED PRICING FOR PETROLEUM, OIL AND LUBRICANT PRODUCTS</p> <p>5.1. The WP index shall be used in the procurement of the following products:</p> <ul style="list-style-type: none"> i. Premium, Unleaded or Regular Gasoline; ii. <u>Automotive Diesel Oil</u> iii. <u>Jet A-1;</u> iv. <u>AVGAS</u> <p>5.2. The MOPS index shall be used in the procurement of the following products:</p> <ul style="list-style-type: none"> i. Industrial Fuel Oil; ii. Low Sulfur Fuel Oil; and iii. Industrial Diesel Oil. <p>5.3. In the procurement of all types of lubricant products, the procuring entity may adopt either a fixed or index-based pricing. If its assessment or cost-benefit analysis indicates that index-based pricing is more advantageous, then it shall adopt the ICIS-LOR index.</p> <p>5.4. The foregoing list shall be subject to annual review, modification or reclassification by the GPPB, or as often as it deems necessary.</p>	<p>6.0 INDEX-BASED PRICING FOR PETROLEUM, OIL AND LUBRICANT PRODUCTS (renumbered)</p> <p>6.1. The WP index shall be used in the procurement of the following products:</p> <ul style="list-style-type: none"> i. Premium, Unleaded or Regular Gasoline; ii. Automotive Diesel Oil <p>6.2. The MOPS index shall be used in the procurement of the following products:</p> <ul style="list-style-type: none"> i. Industrial Fuel Oil; ii. Low Sulfur Fuel Oil; iii. Industrial Diesel Oil; iv. Jet A-1; v. AVGAS; and vi. Aviation Fuel Additives. <p><i>No changes on the succeeding, renumbered only.</i></p>
<p>6. WPP, MOPS AND ICIS-LOR-BASED PRICING SCHEME</p> <p>6.1. For the procurement of products using the WPP index, the Bid Price shall be determined based on the prospective supplier's WPP ten (10) days prior to the date of bid opening as verified with the Oil Industry Management Bureau of the Department of Energy, subject to the rules under Item 7 hereunder.</p> <p>6.2. For the procurement of products using the MOPS index, the Bid Price shall be determined based on the average MOPS of the immediately preceding calendar month prior to the date of bid opening, subject to the rules under Item 7 hereunder.</p>	<p>Items 6, 7, 8 and 9 of the previous guidelines are revised as follows:</p> <p>7.0 SPECIFIC GUIDELINES</p> <p>7.1. The Procuring Entity shall indicate in its ITB among others the ABC per product with indicative volume for bidding purposes only. Regardless of the index used, the bid price shall be determined by the prospective supplier's bid, less discounts given plus delivery cost.</p> <p>7.2. Cost for E-VAT and other governmental costs are presumed to be included in the computation of the bid price by the prospective suppliers.</p> <p>7.3. For purposes of bid evaluation and/or comparison of bids, regardless of the index used, the Lowest Calculated Bid shall be</p>

6.3. For the procurement of lubricant products using the ICIS-LOR index, the Bid Price shall be determined based on the average ICIS-LOR assessments of the immediately preceding calendar month prior to the date of bid opening as officially released by ICIS-LOR, Singapore.

7. BID AND CONTRACT PRICES

7.1. Bid Prices for procurement using the WPP index shall be the individual WPP of the prospective supplier less the discounts given, if any, plus delivery cost. On the other hand, the Bid Price for procurement using the MOPS and ICIS-LOR indices in accordance with Sections 5.2 and 5.3 hereof shall be the MOPS or ICIS-LOR plus premium and delivery cost charged by the bidder.

7.2. Cost for E-VAT and other governmental costs which fall equally on all prospective suppliers are presumed to be included in the computation of the bid price.

8. BID EVALUATION AND COMPARISON OF BIDS

8.1. For purposes of bid evaluation and/or comparison of bids, regardless of the index used, the Lowest Calculated Bid shall be determined by identifying the bidder who offered the lowest Bid Price.

8.2. For purposes of payment, the discount or premium and the delivery cost stated in the contract shall be fixed from the time of the bidding through the term of the contract.

9. ACTUAL PRICES PAYABLE

9.1. The amount to be paid by the procuring entity for POL requirements actually delivered and duly received by it shall be: (i) the WPP less the discounts offered, if any, plus the delivery cost charged, at the date of actual delivery; or (ii) the MOPS or ICIS-LOR, plus the premium imposed and the delivery cost charged, referenced to the average of the MOPS or ICIS-LOR of the calendar month immediately preceding the date of actual delivery.

9.2. For staggered deliveries, the procuring entity shall make, after every delivery, an accounting of the amount actually payable

determined by identifying the bidder that offered the lowest bid price.

7.4. For purposes of payment, the bid price, discount and the delivery cost stated in the contract shall be fixed from the time of the bidding through the term of the contract. Delivery should be done at the end of the week. The amount to be paid by the procuring entity for POL requirements actually delivered and duly received by it shall be:

7.4.1. For the WP index, the bid price, less the discounts offered, if any, plus or minus the weekly price adjustments duly posted by the Oil Industry Management Bureau (OIMB) of the Department of Energy (DOE) in its Price Watch / Price Adjustments / Fuel page in the DOE's website, and the delivery cost stated in the contract, at the date of actual delivery [Payment = (bid price – discounts) +/- (DOE) weekly price adjustments for gasoline and diesel)+ (delivery cost or DC)];

7.4.2. For the MOPS index, the bid price, less the discounts offered, if any, plus or minus the MOPS week on week price adjustments, the delivery cost stated in the contract, at the date of actual delivery [Payment = (bid price – discounts) +/- (MOPS week on week price adjustments) + (DC)]; or

7.4.3. For the ICIS-LOR Index, the bid price, less the discounts offered, if any, plus or minus the ICIS-LOR pricing adjustment, the delivery cost stated in the contract, at the date of actual delivery [Payment =(bid price –discounts) +/- (ICIS pricing adjustments) + (DC)].

7.5. The supplier will provide a detailed price adjustment for its POL products actually delivered, as part of its billing (weekly price adjustments for WP index, daily traded MOPS pricing, and ICIS pricing adjustment), together with its certification under oath that:

7.5.1. The supplier's price adjustments are those reported and duly posted at DOE's website for products using the WP index;

based on the date of the delivery receipt to determine the allowable unit/volume that may still be ordered from the remaining amount allotted for each POL product. The procuring entity shall be allowed to make adjustments in the units/volume to be delivered per type of product to conform to the remaining amount in the total contract price.

9.3. For contracts stipulating consignment whereby a supplier makes a delivery of POL products to a procuring entity's holding area and payment is based on volume consumed, the actual price payable shall be determined based on the weighted average of the applicable index from the date the order is placed up until the cut-off date for payments agreed upon by the parties. The same rule shall apply for contracts where a major supplier delivers the POL products to the procuring entity through its authorized stations and/or distribution centers.

9.4. If during contract implementation, the total contract price for the project would have been consumed notwithstanding that the requirements were not fully delivered in the units/volume contemplated, no further order and payments shall be made. This provision shall form part of the bidding documents.

7.5.2. The supplier's week on week price adjustments are based on the daily prices traded in MOPS for products using the MOPS index; or

7.5.3. The supplier's price adjustment is based on ICIS-LOR pricing for the month for lubricant products.

7.6. Illustrative Example Computation

7.6.1. Illustrative Example of the Computation for First Delivery for Diesel.

- a. Bid opening was 2nd week January. Winning bidder offered bid price of P25.00/liter for diesel, already with discount. Delivery cost is 5c/liter (fixed).
- b. Total Contract Price is P7,500,000.00 for estimated 200,000 liters of diesel.
- c. Staggered deliveries. PE has ordered for 16,000-22,000 liters to be delivered at the scheduled deliveries (i.e. monthly delivery, but end of the week), subject to adjustment of the volumes.
- d. End user may verify the price adjustments by checking the DOE's website, www.doe.gov.ph, go to Price Watch, then Price Adjustments tab/menu, then Fuels.

For example, first delivery is at 3rd week of February for diesel.

Bid price at 2 nd week Jan	25.00/liter (fixed)
Price Adjustments	+ (0.70/liter week3 Jan)
	+ (0.70/liter week4 Jan)
	+ (0.75/liter week1 Feb)
	+ (0.00/liter week2 Feb)
	+ (0.70/liter week3 Feb)
Total Price, as adjusted	P 27.85/liter
Volume	* 22,000 liters
Price * Volume	P 612,700
DC	+ 1,100 (fixed)
Actual payable	P 613,800

Week	Supplier Bid with Discount Price	Price Adjusted weekly for Diesel	Adjusted Price	Units Delivered (Liters)	Price * Volume	Delivery Cost (Fixed)	Amount of Payment
1 st week Jan	P25.00						
2 nd week Jan		0.70					
3 rd week Jan		0.70					
4 th week Jan		0.75					
1 st week Feb		0.70					
2 nd week Feb		0.70					
Total	P25.00	P0.70	P27.85	22,000	P612,700	P1,100	P613,800

7.6.2. Illustrative Example of the Computation for First Delivery for AVGAS.

- a. Bid opening was 2nd week January. Winning bidder offered bid price of P20.00/liter for

AVGAS, already with discount. Delivery cost is 5c/liter (fixed).

b. Total Contract Price is P2,200,000.00 for estimated 120,000 liters of diesel.

c. Staggered deliveries. PE has ordered for 10,000-12,000 liters to be delivered at the scheduled deliveries (i.e. bi-monthly delivery, but end of the week), subject to adjustment of the volumes.

For example, first delivery is on the end of 2nd week February (i.e. February 15) for AVGAS.

1. Bid price at 3rd week Jan (i.e. Jan. 18)
P20.00/liter (fixed)

2. MOPS week on week Price Adjustments:
difference between average of the past week and the average of present week; check daily traded MOPS pricing which is in US dollars per Barrel (bbl):

2.1. Week 0, Jan. 18: Monday MOPS price at \$60/bbl+ Tue MOPS price at \$63/bbl + Wed MOPS price at \$64/bbl+ Thurs MOPS price at \$62/bbl + Friday MOPS price at \$60/ bbl, divide by 5, to get the average.

2.2. Week 1, Jan. 25: Monday MOPS price at \$61/bbl+ Tue MOPS price at \$63/bbl + Wed MOPS price at \$64/bbl+ Thurs MOPS price at \$64/bbl + Friday MOPS price at \$62/bbl, divide by 5, to get the average.

2.3. Thus: week 0 ave. \$61.8/bbl – week 1 ave. of \$62.8/bbl, = increase of \$1/bbl for week 1 (Jan.25).

2.4. Get weekly average for week 2. Get difference from week 1 (Jan. 25) against week 2 (Feb. 1). The difference is the week on week price adjustment for week 2. Repeat process on getting week on week price adjustments until first delivery date (Feb.15)

2.5. Convert the peso to dollar and the barrel to liters (1 Oil Barrel to 159 liters) per week. Use the Bangko Sentral ng Pilipinas (BSP) exchange rate at the end of the week.

3. MOPS week on week price adjustments:
+ (0.33/liter Jan 25)
+ (0.00/liter Feb 01)
- (0.07/liter Feb 08)
+ (0.27/liter Feb 15)

Total Price, as adjusted P 20.87/liter
Volume * 10,000 liters
Price * Volume P 208,700
DC + P 500 (fixed)
Actual payable P209,200
delivered Feb.15).

Period	From Date	To Date	Quantity	Unit Price	Total Price	Amount Paid	Balance
Jan 15	01/01/15	01/31/15	1000	1000	1000000	0	1000000
Feb 15	02/01/15	02/28/15	1000	1000	1000000	0	2000000
Mar 15	03/01/15	03/31/15	1000	1000	1000000	0	3000000
Apr 15	04/01/15	04/30/15	1000	1000	1000000	0	4000000
May 15	05/01/15	05/31/15	1000	1000	1000000	0	5000000
Total			5000	1000	5000000	0	5000000

7.7. For staggered deliveries, the end- user or acceptance team shall make, after every delivery, an accounting of the amount actually payable based on the date of the delivery receipt to determine the allowable unit/volume that may be ordered from the remaining amount allotted for each POL product. The procuring entity shall be allowed to make adjustments in the units/volume to be delivered per type of product to conform to the remaining amount in the total contract price.

7.8. Illustrative Example of the Computation for Succeeding Deliveries for Diesel.

Same considerations under 7.6.1.

First delivery was on 3rd week of February for diesel, second delivery was on 3rd week of March for diesel, third delivery was on 3rd week of April for diesel, and so on.

First – Fourth Deliveries were at 22,000 liters

Payments made for the first delivery
(February) P 613,800
Second delivery (March) P 654,500
Third delivery (April) P 684,200
Fourth delivery (May) P 737,000
Total payments as of May P2,689,500

Available funds as of end of May P 4,810,500

Estimated remaining liters of diesel for delivery
112,000

Period	From Date	To Date	Quantity	Unit Price	Total Price	Amount Paid	Balance
ABC							P2,689,500.00
First Delivery (February)	02/01/15	02/28/15	22,000	27,900	613,800.00	613,800.00	2,075,700.00
Second Delivery (March)	03/01/15	03/31/15	22,000	29,750	654,500.00	1,268,300.00	1,407,400.00
Third Delivery (April)	04/01/15	04/30/15	22,000	31,100	684,200.00	1,952,500.00	424,900.00
Fourth Delivery (May)	05/01/15	05/31/15	22,000	33,500	737,000.00	2,689,500.00	0.00
Total			88,000		2,689,500.00	2,689,500.00	

PE decides to adjust the volumes (upwards or downwards) for the next two months, which may be based on usage and projected price adjustments, or based on contractor's monthly balance of the POL budget of the PE.

Payment made on fifth delivery

(June) P 796,530 at 21,000 liters

Payment made on six delivery

(July) P 796,000 at 20,000 liters

Total payment (Jun-Jul) P1,592,530

Available funds as of end of July P3,217,970

Estimated remaining liters of diesel for delivery
71,000

Particular	Fuel Price per Litre	Price Adjusted	Volume	Payment per month (liters)	Remaining Balance
Remaining Balance					P4,810,500.00
Fth Delivery (June)	P25.00	P25.00	21,000	P796,530.00	P4,013,970.00
Sixth Delivery (July)	P25.00	P24.80	20,000	P796,000.00	P4,013,970.00
Total				P1,592,530.00	P2,217,970.00

PE decides to adjust the volumes (upwards or downwards) for the next two months which may be based on usage and projected price adjustments, or based on contractor's monthly balance of the POL budget of the PE.

Payment made on seventh delivery

(Aug) P 788,500 at 19,000 liters

Payment made on eight delivery

(Sept) P 767,700 at 18,000 liters

Total payment (Aug-Sept) P1,556,200

Available funds as of end of Sept. P1,661,770

Estimated remaining liters of diesel for delivery
34,000

Particular	Fuel Price per Litre	Price Adjusted	Volume	Payment per month (liters)	Remaining Balance
Remaining Balance					P2,217,970.00
Seventh Delivery (August)	P25.00	P25.00	19,000	P788,500.00	P1,429,470.00
Eighth Delivery (September)	P25.00	P24.80	18,000	P767,700.00	P1,661,770.00
Total				P1,556,200.00	P1,661,770.00

- 7.9. If during contract implementation, the total contract price for the project would have been consumed notwithstanding that the requirements were not fully delivered in the units / volume contemplated, no further order and payments shall be made. This provision shall form part of the bidding documents.

7.10 Illustrative Example for the Assessment of units / volume contemplated

Remaining estimated volume for Diesel 34,000 liters

Available funds as of end of Sept. P1,661,770

PE decides to adjust volumes (upwards or downwards) for the next two months (Ninth and Tenth deliveries) based on remaining POL budget. No further order and payments to be made for the eleventh and twelfth scheduled deliveries when the total contract price or POL Budget is consumed.

Product	Unit Price	Unit Cost	Profit	Quantity	Revenue	Cost	Contribution Margin
Apple	\$1.00	\$0.60	\$0.40	100,000	\$100,000	\$60,000	\$40,000
Banana	\$0.80	\$0.50	\$0.30	150,000	\$120,000	\$75,000	\$45,000
Orange	\$1.20	\$0.70	\$0.50	80,000	\$96,000	\$56,000	\$40,000
Pineapple	\$1.50	\$0.90	\$0.60	60,000	\$90,000	\$54,000	\$36,000
Watermelon	\$2.00	\$1.20	\$0.80	40,000	\$80,000	\$48,000	\$32,000
Grape	\$0.90	\$0.65	\$0.25	120,000	\$108,000	\$78,000	\$30,000
Strawberry	\$1.10	\$0.85	\$0.25	90,000	\$99,000	\$76,500	\$22,500
Peach	\$1.30	\$0.95	\$0.35	70,000	\$91,000	\$66,500	\$24,500
Cherry	\$1.60	\$1.00	\$0.60	50,000	\$80,000	\$50,000	\$30,000
Mango	\$1.80	\$1.10	\$0.70	30,000	\$54,000	\$33,000	\$21,000
Lemon	\$0.70	\$0.45	\$0.25	180,000	\$126,000	\$81,000	\$45,000
Lime	\$0.60	\$0.40	\$0.20	200,000	\$120,000	\$80,000	\$40,000
Guava	\$1.40	\$0.80	\$0.60	55,000	\$77,000	\$44,000	\$33,000
Papaya	\$1.70	\$1.05	\$0.65	45,000	\$76,500	\$47,250	\$29,250
Jackfruit	\$2.20	\$1.30	\$0.90	25,000	\$55,000	\$32,500	\$22,500
Total				1,000,000	\$1,000,000	\$600,000	\$400,000

10. NECESSARY QUANTITIES OF PETROLEUM OIL & LUBRICANT

10.1. For necessary quantities of petroleum fuel (gasoline, diesel, oil, and kerosene), not in bulk, to be used for official government vehicles and equipment for ultimate consumption, procuring entities may directly purchase from any reputable retailers, dealers or gas stations at retail pump price, subject to the controls on fuel purchase and consumption issued by the Commission on Audit (COA) to avoid excessive purchases.

10.2. For necessary quantities of Oil and Lubricant products, not in bulk, to be used for official government vehicles and equipment for ultimate consumption, the same may be directly purchased from reputable retailers, dealers or gas stations.

Removed this. This becomes part of Sec. 53.14

11. PROCUREMENT OF FLEET CARDS OR GAS VOUCHERS

Procuring entities can continue procuring automotive fuels (by fleet cards or gas vouchers) through competitive bidding or any of the alternative methods of procurement as may be applicable under the circumstances.

Remove this provision, as guidelines will be limited to BULK procurement of POL products. Procurement of fleet cards or gas vouchers by Procuring Entities are allowed.

<p>In such procurements, the ABC and resulting contract price for the purchase of fuels shall also be at retail pump price subject to the discounts and additional services offered as part of the bid.</p>	
<p>12. EFFECTIVITY</p> <p>These Guidelines amend GPPB Resolution No. 11-2007, dated 31 May 2007, and shall take effect <u>fifteen (15) days after publication in the Official Gazette or in a newspaper of general nationwide circulation and upon filing with the University of the Philippine Law Center of three (3) certified copies.</u></p>	<p>8.0 EFFECTIVITY</p> <p>These Guidelines amend GPPB Resolution No. 11-2007, dated 31 May 2007, and GPPB Resolution No. 05-2018, dated 18 May 2018, and shall take effect immediately.</p>