



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

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DEPARTMENT MEMORANDUM)

CIRCULAR NO. **06**)
Series of 2020 01.06.2020)

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. 27-2019, re: "APPROVING THE GUIDELINES ON THE USE OF FRAMEWORK AGREEMENT BY ALL PROCURING ENTITIES"**.

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

**APPROVING THE GUIDELINES ON THE USE OF FRAMEWORK AGREEMENT BY ALL
PROCURING ENTITIES**

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 and amend public procurement policies, rules and regulations, and amend its IRR, whenever necessary;

WHEREAS, during the 2nd Regular Meeting of the GPPB on 10 April 2017, the Board approved the Guidelines on the Use of Framework Agreement (Guidelines) subject to pilot implementation of select government agencies, namely the Department of Budget and Management-Procurement Service, Department of Education, Department of Health and Department of National Defense. Thereafter comments, suggestions and recommendations, if any, shall be gathered from these pilot agencies and shall be incorporated in the Guidelines for overall implementation;

WHEREAS, after several meetings with the pilot agencies, the following issues, were raised in relation to the pilot implementation of the Guidelines:

1. Minimum or maximum number of bidders to be included in the multi-year Framework Agreement (FA);
2. Use of revolving funds as fund source for multi-year FA;
3. Price adjustment for multi-year FA in case of changes in the conversion or exchange rates for foreign denominated bids;
4. Change in the eligibility or capacity of the supplier or service providers under the FA;
5. Computation of the Single Largest Completed Contract, Net Financial Contracting Capacity, Bid Security, Bidding Documents Fee, and Protest Fee; and
6. Issuance of multi-year obligational authority (now multi-year contracting authority) for annually recurring projects or those that are not capital intensive projects.

WHEREAS, during the 4th Regular Meeting of the Inter-Agency Technical Working Group (IATWG) on 14 September 2018, the GPPB-Technical Support Office (GPPB-TSO) presented the comments, suggestions and recommendations gathered from the pilot agencies together with proposed revisions to the provisions of the Guidelines;

WHEREAS, during the same meeting, the IATWG agreed to endorse, for approval of the Board, the Guidelines for overall implementation subject to further comments, if any, from the members of the IATWG;

WHEREAS, during its 5th Regular Meeting on 18 October 2018, after careful review and deliberations, the GPPB approved the Guidelines for the Use of Framework Agreement by all Procuring Entities;

WHEREAS, during the Joint Meeting of the GPPB and IATWG last 23 May 2019, the proposed Philippine Bidding Documents for Framework Agreement was discussed and the following issues were deliberated and agreed to by the members: i) deletion of item 7.2(b) on the renewal of bid security; ii) allow the winning bidder to use other forms of performance security as provided in Section 39 of the 2016 revised IRR of RA No. 9184, not just limiting it to performance securing declaration; and iii) include the basis of computation of liquidated damages;

WHEREAS, during the review of the Guidelines in the Use of Framework Agreement by all Procuring Entities, the GPPB-TSO noted the previous issue raised relative to item 7.4 (c) on award of contract to a single calculated and responsive bidder in a multi-year FA;

WHEREAS, during the 6th Regular Meeting of the IATWG, the GPPB-TSO proposed amendments to Section 7.4(c) of the Guidelines providing the IATWG two (2) options, thus:

Option 1:

Single Calculated and Responsive Bid (SCRB). A SCRБ shall be considered for award in accordance with Section 36 of the 2016 revised IRR of RA No. 9184.

In case of multi-year framework agreement with the SCRБ, the agreement shall be subject to an annual review. The BAC, together with the end-user unit representative, must conduct its review at least one (1) month prior to the end of each year, excluding the last year of contract implementation, by conducting a market study on the current market price by requesting for quotations for the items identified in the Framework Agreement List to determine whether the prices as agreed to in the Framework Agreement are still the most advantageous price for the government.

In conducting the market research, the BAC shall draft its own request for quotation (RFQ) form which shall reflect the exact technical specifications, quantity and delivery period as provided in the Framework Agreement. The BAC must send at least three (3) RFQs to suppliers or service providers. Receipt of only one (1) responsive RFQ shall suffice. RFQs are considered responsive when all information or data requested are filled-up or answered. The BAC shall ensure that the review is completed within the same period of one (1) month prior to end of each year.

If there is a supplier or service provider that can offer a lower price and deliver the items or services per the submitted RFQ, the BAC shall ask the existing supplier or service provider to match the lowest price based on the RFQ/s received. If the existing supplier or service provider is not able to match the lowest price, the BAC may recommend termination of the Framework Agreement and conduct a re-bidding for the remaining period originally entered into and covered by the MYCA. Should the procuring entity decide to re-bid the project beyond the original duration reflected in the multi-year framework agreement, it must ensure that a MYCA covering the extended period has been secured from the Department of Budget and Management.

Option 2:

Single Calculated and Responsive Bid (SCRB). A SCRB shall be considered for award in accordance with Section 36 of the 2016 revised IRR of RA No. 9184.

In case of multi-year framework agreement where only one (1) supplier or service provider passed the preliminary examination/evaluation, the multi-year framework agreement shall be converted to a single-year framework agreement subject to acceptance by the SCRB. Should the SCRB refuse to accept the single-year contract, the procuring entity shall cancel the award and re-bid the procurement project. The procuring entity shall not hold the bidder liable for administrative sanctions of forfeiture of bid security and blacklisting.

WHEREAS, after careful review and consideration, the IATWG instructed the GPPB-TSO to re-draft the provision subject to the following:

1. Reflect that in cases of multi-year framework agreement were only one supplier qualified, award of contract to the SCRB is allowed;
2. Abandon the previously approved rule on automatic conversion of a multi-year framework agreement to a single-year framework agreement if only one (1) supplier qualified;
3. Reflect that the SCRB has the option to enter into a contract for either one, two, or three years, provided that the price for the duration of the contract will be fixed as initially offered; and
4. Give the Board two (2) options to choose either to retain the old provision without reference to automatic conversion to single year and ensure that price is fixed for the duration of the multi-year framework agreement, or adopt the amended provision of the IATWG that provides option to the bidder to choose duration, thus:

Option 1 (revert to the old provision including reference to price):

Single Calculated and Responsive Bid (SCRB). A SCRB shall be considered for award in accordance with Section 36 of the IRR of RA No. 9184. For multi-year framework agreement, in case only one (1) bidder qualified, passed the evaluation and was determined to be the SCRB, contract maybe awarded under the condition that price reflected in the Framework Agreement shall be fixed for the duration of the agreement.

Option 2 (proposed revision that reflects option to bidders to choose duration):

Single Calculated and Responsive Bid (SCRB). A SCRB shall be considered for award in accordance with Section 36 of the 2016 revised IRR of RA No. 9184.

In case of multi-year Framework Agreement, however, where only one (1) supplier or service provider passed the preliminary evaluation, the bidder that was determined to have submitted the SCRB may opt to accept the Framework Agreement as a multi-year contract, the duration of which is that provided in the Invitation to Bid; or choose to accept the Framework

Agreement for a period less than the posted duration, in increments of one (1) year, thus, the SCRB in a multi-year Framework Agreement may opt to execute a one (1), two (2) or three (3) years Framework Agreement.

WHEREAS, after careful review and consideration, the Board resolved to revert back to the version of Item 7.4(c) approved during the 18 October 2018 GPPB meeting, which reads as follows:

Single Calculated and Responsive Bid (SCRB). A SCRB shall be considered for award in accordance with Section 36 of the 2016 revised IRR of RA No. 9184; however, if the procurement is for a multi-year framework agreement and only one (1) passed the preliminary examination or evaluation, the multi-year framework agreement shall be converted to a one-year framework agreement.

WHEREAS, in finalizing the Guidelines on the Use of Framework Agreement for All Procuring Entities, the GPPB-TSO identified that additional provision in the 2016 revised IRR is necessary to reflect that Framework Agreement List, a requirement under the Guidelines, needs to be attached to the Annual Procurement Plan, thus, the GPPB-TSO during the Year-end Joint Meeting of the GPPB and its IATWG proposed the following additional provision for inclusion in the 2016 revised IRR of RA No. 9184:

Section 7.7. For procurement projects subject to Framework Agreement as provided in the Guidelines on the use of Framework Agreement by all Procuring Entities, the end-user unit shall ensure that the Framework Agreement List must be attached to the APP submitted to the BAC to be approved by the HoPE.

WHEREAS, for easy reference of procuring entities that will use Framework Agreement, the GPPB-TSO during the Year-end Joint Meeting of the GPPB and its IATWG proposed to include in the guidelines the following templates and forms:

1. Framework Agreement List;
2. Framework Agreement; and
3. Call-Off

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, hereby **RESOLVE** to confirm, adopt, and approve, as **WE** hereby confirm, adopt, and approve the amendment to the 2016 revised IRR of RA No. 9184 and amendments, attached as **Annex "A"** and approve the Guidelines on the Use of Framework Agreement by all Procuring Entities, copy of which is attached as **Annex "B"**.

This Resolution shall take effect immediately.

APPROVED this 10th day of December 2019 at City of Manila, Philippines.

(SGD)

**DEPARTMENT OF BUDGET AND
MANAGEMENT**

(SGD)

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

(SGD)

DEPARTMENT OF EDUCATION

DEPARTMENT OF ENERGY

(SGD)

DEPARTMENT OF FINANCE

DEPARTMENT OF HEALTH

(SGD)

**DEPARTMENT OF INFORMATION AND
COMMUNICATIONS TECHNOLOGY**

(SGD)

**DEPARTMENT OF THE INTERIOR AND
LOCAL GOVERNMENT**

(SGD)

**DEPARTMENT OF NATIONAL
DEFENSE**

**DEPARTMENT OF PUBLIC WORKS AND
HIGHWAYS**

(SGD)

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

DEPARTMENT OF TRADE AND INDUSTRY

(SGD)

DEPARTMENT OF TRANSPORTATION

PRIVATE SECTOR REPRESENTATIVE

2016 REVISED IMPLEMENTING RULES AND REGULATIONS (IRR) OF REPUBLIC ACT
 (RA) NO. 9184

EXISTING PROVISION	AMENDMENT
<p>Section 7. Procurement Planning and Budget Linkage.</p> <p><i>(new provision)</i></p>	<p>Section 7. Procurement Planning and Budget Linkage.</p> <p>Section 7.7. For procurement projects subject to Framework Agreement as provided in the Guidelines on the use of Framework Agreement by all Procuring Entities, the end-user unit shall ensure that the Framework Agreement List must be attached to the APP submitted to the BAC to be approved by the HoPE.</p>

**GUIDELINES ON THE USE OF FRAMEWORK AGREEMENT
BY ALL PROCURING ENTITIES**

1. PURPOSE

This Guidelines shall prescribe the rules for the use of Framework Agreement, including the procedure in the conduct of public bidding that will be subject of Framework Agreement.

2. SCOPE AND APPLICATION

- 2.1. This Guidelines shall govern the use of Framework Agreement by all departments, bureaus, offices, and agencies of the national government, government owned or controlled corporations, government financial institutions, state universities and colleges, and local government units.
- 2.2. Procuring entities may use Framework Agreement, as a contractual arrangement, in the procurement of goods and services as defined under Section 5(h) and 5(r) of Republic Act (RA) No. 9184 and the revised Implementing Rules and Regulation (IRR), respectively.
- 2.3. Framework agreement may be utilized by procuring entites in the following:
 - 2.3.1 for the procurement of goods and services which are repeatedly required but by their nature, use, or characteristic, the quantity or exact time of need cannot be accurately pre-determined; and
 - 2.3.2 for the procurement of goods which are not advisable to be carried in stock.

3. DEFINITION OF TERMS

- 3.1. **Call-Off.** Refers to a specific procurement request or order made by the procuring entity exercising the option and requiring a supplier or service provider to deliver the goods or render the services agreed upon under the terms of the Framework Agreement.
- 3.2. **Call for Mini Competition.** Refers to a written request from the procuring entity inviting all parties to a multi-year Framework Agreement to submit their best price proposal for items or services subject of Mini Competition.
- 3.3. **Framework Agreement.** Refers to a written agreement between a procuring entity and a supplier or service provider that identifies the terms and conditions, under which specific purchases, otherwise known as "Call-Offs", are made for the duration of the agreement.

The Framework Agreement is in the nature of an option contract between the procuring entity and the bidder(s) granting the procuring entity the option to either place an order for any of the goods or services identified in the Framework Agreement List or not buy at all, within a minimum period of one (1) year to a maximum period of three (3) years. The Framework Agreement shall have a fixed period of either one (1), two (2) or three (3) year(s).

- 3.4. **Framework Agreement List.** Refers to the list of goods or services, and their corresponding technical specifications, scope of work, projected quantities, and estimated prices, subject of the Framework Agreement.

This shall be limited to repeatedly required goods or services that are identified to be necessary and desirable, but, by its nature, use, or characteristic, the quantity and/or exact time of need cannot be accurately pre-determined and are not advisable to be carried in stock.

- 3.5. **Mini Competition.** Refers to the process by which the parties to a multi-year Framework Agreement bid as to their lowest price, prior to the issuance of a Call-Off by the procuring entity.
- 3.6. **Multi-Year Contracting Authority (MYCA).** Refers to the document issued by the Department of Budget and Management (DBM) either for locally-funded projects or foreign-assisted projects authorizing agencies to undertake the procurement of multi-year projects for the full project cost.
- 3.7. **Performance Securing Declaration.** The Performance Securing Declaration is an undertaking which states, among others, that the bidder shall guarantee its faithful performance of the obligations under the Framework Agreement and that it will automatically be blacklisted from being qualified to participate in any government procurement activity for one (1) or two (2) years¹ in the event it violates any of the conditions stated in the Framework Agreement.

4. GENERAL CONDITIONS

- 4.1. Procuring entities may use Framework Agreement if the Bids and Awards Committee (BAC) determines that entering in a Framework Agreement is more practical, economical, and advantageous for the procuring entity, based on the study or evaluation conducted by the end-user unit representative showing that:
- 4.1.1 Efficiency in procurement is attained as repetitive conduct of procurement or the occasions of failures of biddings are minimized;
- 4.1.2 Stockholding or warehousing of goods and the costs and risks accompanying it will be significantly reduced or avoided;
- 4.1.3 Incurrence of additional cost will be lessened as the possibility of delay in the acquisition of the goods or services is minimized;

¹ Item 4.2. of the Uniform Guidelines for Blacklisting of Manufacturers, Suppliers, Distributors, Contractors and Consultants issued through GPPB Resolution No. 40-2017 dated 21 December 2017.

- 4.1.4 The commitment by the supplier or service provider to immediately deliver at short notice will translate to a more efficient means of supplying goods and services;
 - 4.1.5 Procuring entity will benefit from the fixed price or lower price for the duration of the Framework Agreement;
 - 4.1.6 Call-Offs at the time of actual need will result in the optimum usage of the ABC; or
 - 4.1.7 The benefits and advantages of lean and just-in-time procurements are achieved.
- 4.2. The procurement of goods and services under a Framework Agreement shall be conducted following the procedure for competitive bidding provided in RA No. 9184 and its revised IRR, subject to Item 6 of this Guidelines.

5. FRAMEWORK AGREEMENT BY ELECTRONIC MEANS

A special facility on electronic Framework Agreement system shall be developed, subject to the approval of the GPPB.

6. PROCUREMENT PLANNING

- 6.1. The Framework Agreement List shall be prepared in the most practical and efficient manner that will encourage participation and competition among interested suppliers or service providers in the relevant industry. The Framework Agreement List shall be prepared taking into consideration the following:
- 6.1.1. End-user unit's determination that the goods or services to be included in the Framework Agreement List are necessary and desirable for the operations of the procuring entity, supported by a document establishing the need for the acquisition of the goods in the Framework Agreement List, such as, but not limited to historical data, needs analysis, or market study establishing the Approved Budget for the Contract (ABC) for each of the goods in the Framework Agreement List including budgetary allotments per type of product or service.
 - 6.1.2. The maximum quantity of items or services to be indicated in the Framework Agreement List shall be determined based on the expected number or outputs to be required by the procuring entity should the need arises. The maximum quantity shall be considered as the maximum quantity allowed to be purchased by the procuring entity, which the supplier or service provider is bound to deliver or perform pursuant to the Call-Off or aggregate of all the Call-offs issued for the purpose.
 - 6.1.3. The Framework Agreement List shall indicate the following information:
 - 6.1.3.1. Type and nature of each item or service;
 - 6.1.3.2. Technical Specifications or Scope of Work;
 - 6.1.3.3. Maximum quantity of items or services;
 - 6.1.3.4. Estimated cost per item or service;

- 6.1.3.5. Total ABC including budgetary allotments per type of product or service;
 - 6.1.3.6. Expected delivery timeframe after receipt of a Call-Off; and
 - 6.1.3.7. Other appropriate information as may be necessary.
- 6.1.4. The cost per item or service shall be determined and prepared after careful consideration of variables and factors that may affect future market prices using, whenever applicable, historical data, market study, feasibility study, net present value of money, foreign exchange rate, inflation rate, cost of money, assessment of Total Cost of Ownership, Life Cycle Costing and Value for Money analysis taking into consideration the timeframe and period for the implementation of the Framework Agreement.
- 6.1.5. Based on the results of market study and procurement planning, the BAC may identify different procurement projects for a given fiscal year that will adopt Framework Agreement as a contractual arrangement. Each procurement project shall have a separate Framework Agreement List as the latter is specific to a particular procurement project.
- 6.2. No procurement shall be undertaken under this Guidelines unless the same is in accordance with the Annual Procurement Plan (APP) and the Project Procurement Management Plan (PPMP) prepared by the procuring entity. The procuring entity, in the preparation of its APP, shall include procurement projects that will be subjected to Framework Agreements, and attach all Framework Agreement Lists as part of the APP.
- 6.3. In the event a MYCA or equivalent document is necessary to support a contractual obligation on a multi-year basis, the procuring entity should secure such document from the relevant government authority before commencement of the relevant procurement activity in compliance with applicable law, rules, circulars and issuances.

The issuance of MYCA shall be subject to existing budgeting and auditing rules and regulations.

7. COMPETITIVE BIDDING

- 7.1. The procuring entity shall conduct competitive bidding using a single stage, two-envelope procedure as prescribed in Sections 23 and 25 of RA No. 9184 and its revised IRR. For this purpose, the procuring entity, through its BAC, shall prepare, separate technical specifications or scope of work for every item to be bidded out and indicate, among others, total cost for each item, the maximum quantity it may procure when needed, and the requested delivery or performance lead time from issuance of the Call-Off or from any date determined by the procuring entity.
- 7.2. The Invitation to Bid shall indicate that the procurement will be subject to a Framework Agreement pursuant to this Guidelines, and shall state whether the Framework Agreement is for a single or multi-year Framework Agreement.
- 7.3. For multi-year Framework Agreement, the ABC for the first year shall be the basis in computing for the required amount of the single largest completed

contract, net financial contracting capacity, bid security, bidding documents fee and protest fee.

- 7.4. The procedure and requirements for Competitive Bidding provided in RA No. 9184 and its revised IRR shall apply while the Lowest Calculated and Responsive Bidder (LCRB) shall be determined as follows:

7.4.1. **For single-year Framework Agreement.** If the Framework Agreement is for a duration of one (1) year, outright determination of the LCRB shall be conducted by the BAC and the recommendation to enter into a Framework Agreement with the LCRB shall be submitted to the HoPE. Upon receipt of the BAC recommendation, the HoPE shall award the option contract in the form of a Notice to Execute Framework Agreement to the bidder with the LCRB. This notwithstanding, actual purchase of the procuring entity shall only be made upon issuance of Call-Off;

7.4.2. **For multi-year Framework Agreement.** When the Framework Agreement is for a duration of two (2) to three (3) years, the bidders shall make initial submission of their eligibility requirements and financial bid offer and the BAC shall make an initial determination of the eligibility and the compliance of bidders with the technical and financial aspects of the project. The BAC shall then recommend the execution of a Framework Agreement among the eligible, technically and financially compliant bidders and the procuring entity. The HoPE shall then issue a Notice to Execute a Framework Agreement to all complying bidders. The determination of the LCRB shall not be performed by the BAC until a Mini-Competition is conducted among the bidders which were earlier determined to be eligible and compliant with the technical and financial aspects of the project. When Call for Mini-Competition is made, the BAC shall allow the bidders to submit their best financial proposals on such pre-scheduled date, time and place, to determine the bidder with the LCRB; and

7.4.3. **Single Calculated and Responsive Bid (SCRB).** A SCRБ shall be considered for award in accordance with Section 36 of the 2016 revised IRR of RA No. 9184; however, if the procurement is for a multi-year framework agreement and only one (1) passed the preliminary examination or evaluation, the multi-year Framework Agreement shall be converted to a single-year Framework Agreement.

- 7.5. Prices quoted by the bidder must be within the total cost per item as provided in the Framework Agreement List. Financial bid offer that provides price quotations that exceeds the total cost per item shall be automatically disqualified.

8. FRAMEWORK AGREEMENT

- 8.1. Within ten (10) calendar days from receipt by the participating bidder(s) of the Notification to Execute a Framework Agreement with the procuring entity, the bidder or its duly authorized representative shall formally enter into a Framework Agreement with the procuring entity for an amount of One Peso (Php 1.00) to be paid by the procuring entity as a consideration for the option granted to the procuring entity to procure the items in the Framework Agreement List when the need arises.

- 8.2. Framework Agreements shall include the following: (a) Framework Agreement List; (b) a provision that the perfection of the actual procurement contract shall be reckoned from the execution of the Call-Offs; and (c) statement that upon the execution of the Call-Offs, all rules and guidelines governing implementation of procurement contracts under RA No. 9184 and its revised IRR shall be applicable.
- 8.3. Prices indicated in the Framework Agreement corresponding to the subject goods or services in the Framework Agreement List shall be fixed price per item or identified service. For a single-year Framework Agreement, the price shall be based on the actual bid price of the bidder, while for a multi-year Framework Agreement, it shall be based on the price offered in the Mini-Competition.
- 8.4. Framework Agreements shall not state or imply any agreement by the procuring entity to place future contracts or make orders with the supplier or service provider.
- 8.5. No modification of the Framework Agreement during its period shall be allowed.
- 8.6. Framework Agreements shall be valid only for the period stated in the bidding documents which, shall not exceed three (3) years from the time the Framework Agreement was entered into and executed by the parties, and shall not be extended beyond its lifetime.
- 8.7. To guarantee the faithful performance by the supplier or service provider of its obligations under the Framework Agreement, it shall submit a performance security in accordance with Section 39 of the revised IRR of RA No. 9184 or a Performance Securing Declaration as defined under this Guidelines prior to the signing of the Framework Agreement.
- 8.8. The basis for the computation of the performance security shall be the total contract price whether the procurement is for a single or multi-year framework agreement.
- 8.9. Notwithstanding the eligibility of a bidder, the BAC reserves the right to review the qualifications of the supplier or service provider. If there has been any change in the capability of the supplier or service provider to undertake its obligations under the framework agreement so that if it fails the eligibility criteria set thereon, the procuring entity shall consider the said supplier or service provider as ineligible and shall disqualify it from obtaining any award or contract.
- 8.10. Bidders executing the Framework Agreement either for single or multi-year shall ensure the continuing validity of their eligibility documents during the implementation of the contract.

9. CALL-OFF

- 9.1. When the procuring entity has determined that an item or service covered in the Framework Agreement is needed, it shall require the delivery of the item or rendition of the service identified in the Framework Agreement List in such quantity or scope and at the price for which it was awarded by executing a Call-Off.

- 9.2. For a single-year Framework Agreement, Call-off may be executed and issued to the winning supplier or service provider immediately upon determination that an item or service is needed.
- 9.3. For a multi-year Framework Agreement, Call-off shall be issued after conduct of mini competition in favor of the supplier or service provider that provided the lowest calculated and responsive bid.
- 9.4. The BAC may execute as many Call-Offs for the same item as may be needed within the period of the Framework Agreement as long as the total quantity for all Call-Offs do not exceed the maximum quantity in the Framework Agreement List and the aggregate amount of all executed Call-Offs do not exceed the total contract price specified in the Framework Agreement.
- 9.5. The succeeding Call-Offs shall have the same unit price based on the financial bid offer in case of single-year Framework Agreement. For multi-year Framework Agreement with multiple qualified bidders, the price depends on the result of each Mini-Competition but not to exceed the price submitted during the initial submission of the bidders' financial bid as provided in Section 7.4.2 of this Guidelines.
- 9.6. The BAC may execute Call-Offs requiring delivery to multiple destinations or performance at multiple locations.
- 9.7. For purposes of participation in other public bidding activities, the aggregate of the Call-Offs for a particular item or similar items satisfactorily completed by the supplier or service provider shall be considered as one (1) completed contract with the cumulative amount thereof as the total contract amount. In such case, the date appearing in the Certificate of Acceptance issued by the procuring entity for the last delivery will be considered as the date of completion of the contract. On the other hand, only those undelivered items in the Call-Offs executed by the procuring entity shall be included in the Statement of All Ongoing Government and Private Contracts for purposes of participating in other bidding activities.
- 9.8. For purposes of the Certificate of Availability of Funds requirement, it shall be issued only every Call-Off subject to existing auditing and budgeting rules and regulations.

10. IMPLEMENTATION AND TERMINATION OF FRAMEWORK AGREEMENTS

- 10.1. After receipt by the supplier or service provider of the Call-Off from the procuring entity, it shall deliver or perform the items within the period specified in the Framework Agreement, unless a different time is provided in the Call-Off.
- 10.2. Any extension of time for the delivery or performance shall be made in writing and prior to the date of deliver or performance indicated in the Framework Agreement or Call-Off and subject to prior approval by the procuring entity after consideration of reasonable and justifiable causes.
- 10.3. If the supplier or service provider fails to deliver or perform within the agreed period, including any time extension, it shall be liable to the procuring entity for liquidated damages of at least equal to one-tenth of one percent (.001) of the

cost of the unperformed portion of the total amount of the items ordered per Call-Off for every day of delay.

- 10.4. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the total amount of the items ordered per Call-Off, the procuring entity may rescind the same, without prejudice to other courses of action and remedies open to it.
- 10.5. The Warranty provision for goods under Section 62 of RA No. 9184 and its revised IRR shall be observed under the Framework Agreement, and shall be required for each Call-Off.
- 10.6. Without prejudice to the provisions of applicable laws, rules, and guidelines, the Framework Agreement shall automatically terminate under any of the following conditions:
 - 10.6.1. When the total maximum quantity specified in the Framework Agreement has been exhausted; or
 - 10.6.2. When the specified duration of the Framework Agreement has expired.
- 10.7. All other rules governing contract implementation and termination under RA No. 9184, its revised IRR, and relevant procurement policies shall be applicable.

11. REPEAT ORDER

- 11.1. No Repeat Order for an item in the Framework Agreement List shall be allowed until after the procuring entity has exhausted the maximum quantity for the same item specified therein or after the Framework Agreement has expired, whichever comes first and subject to the conditions provided in Section 51 of RA No. 9184 and its revised IRR. For this purpose, the Repeat Order may only be availed of within six (6) months from the date of the last or final Call-Off for a specific item where the maximum quantity has been exhausted or from the expiration of the Framework Agreement.
- 11.2. In case Repeat Order is allowed and resorted to, the twenty five percent (25%) maximum allowable quantity shall be based on the aggregate quantity of actual items ordered and delivered.

12. REPEALING CLAUSE

This Guidelines repeal GPPB Resolution Nos. 06-2005 and 01-2012, dated 01 April 2005 and 27 January 2012, respectively.

13. EFFECTIVITY

This Guidelines shall take effect immediately.

Framework Agreement List

Page 1

[illegible]

TECHNICAL SPECIFICATIONS			
Item / Service	Maximum Quantity	Technical Specifications / Scope of Work	Statement of Compliance
			<p>Bidders must state here either "Comply" or "Not Comply" against each of the individual parameters of each Specification stating the corresponding performance parameter of the equipment offered. Statements of "Comply" or "Not Comply" must be supported by evidence in a Bidders Bid and cross-referenced to that evidence. Evidence shall be in the form of manufacturer's un-amended sales literature, unconditional statements of specification and compliance issued by the manufacturer, samples, independent test data etc., as appropriate. A statement that is not supported by evidence or is subsequently found to be contradicted by the evidence presented will render the Bid under evaluation liable for rejection. A statement either in the Bidders statement of compliance or the supporting evidence that is found to be false either during Bid evaluation, post-qualification or the execution of the Contract may be regarded as fraudulent and render the Bidder or supplier liable for prosecution.</p>

Framework Agreement

KNOW ALL MEN BY THESE PRESENTS:

This Agreement made and entered into by and between [name of PROCURING ENTITY] of the Philippines with office address at _____, represented herein by its _____ and hereinafter referred to as the "THE PROCURING ENTITY".

and

[name of SUPPLIER], a duly registered entity existing under the laws of the Philippines, with postal address at _____, represented by its _____ hereinafter referred to as the "THE SUPPLIER",

WITNESSETH, that:

WHEREAS, THE PROCURING ENTITY decided to use Framework Agreement on its procurement project _____;

WHEREAS, this Agreement is for the option to purchase of goods determined to be necessary and desirable to address and satisfy the needs of THE PROCURING ENTITY but by its nature, use or characteristic, the quantity and/or exact time of need cannot be accurately pre-determined;

WHEREAS, THE PROCURING ENTITY has the option to purchase the items provided in the Framework Agreement List, attached and made an integral part of this Agreement as provided in Article I, on a date and time to be determined in the Call-Off to be issued for such purpose by THE PROCURING ENTITY; and

WHEREAS, THE SUPPLIER which passed the eligibility screening conducted by THE PROCURING ENTITY, shall maintain and update the eligibility requirements during period of this Agreement and shall honor all obligations under this Framework Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

Article I GENERAL CONSIDERATIONS

1. This Framework Agreement is an option contract. THE PROCURING ENTITY is given the option to either purchase the identified items in the Framework Agreement or not to purchase at all. The discretion to exercise the option falls solely with THE PROCURING ENTITY. THE SUPPLIER may not require or demand for the latter to purchase the items in the Framework Agreement List.
2. In this Framework Agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract which is attached thereto and made an integral part thereof

3. The following documents shall be deemed to form and be read and construed as part of this Agreement:

- (a) the Supplier's Bid, including the Technical and Financial Proposals, and all other documents/statements submitted (e.g. bidder's response to clarifications on the bid), including corrections to the bid resulting from the Procuring Entity's bid evaluation;
- (b) the Framework Agreement List and the Technical Specifications;
- (c) the General Conditions of Contract;
- (d) the Special Conditions of Contract;
- (e) the Performance Security or Performance Securing Declaration;
- (f) the Procuring Entity's Notice to Execute Framework Agreement;
- (g) Mini Competition, when necessary; and
- (h) Call-Offs.

Article II DURATION

The term of this Agreement shall be from _____ to _____ unless sooner revoked by both parties.

Article III CONSIDERATION

For the consideration of one peso (Php 1.00), THE PROCURING ENTITY have the option to purchase any or all of the items in the Framework Agreement List through the issuance of Call-off and THE SUPPLIER commits to deliver the goods and perform the services subject to the conditions of the Call-off.

Article IV PERFECTION OF PROCUREMENT CONTRACT

The Framework Agreement being an option contract, a procurement contract is perfected only when THE PROCURING ENTITY exercises the option to procure any item from the Framework Agreement List through the issuance of a Call-off

Article V OBLIGATION TO ANSWER A CALL-OFF

Once THE PROCURING ENTITY issues a Call-off, THE SUPPLIER is bound to deliver the goods or perform the services identified at the time and date specified in the Call-off.

Failure on the part of THE SUPPLIER to deliver goods or perform the services shall warrant forfeiture of performance security or performance securing declaration and imposition of liquidated damages as provided for in the Guidelines on use of Framework Agreement by all Procuring Entities without prejudice to all other applicable sanctions.

Article VI
TERMS AND CONDITIONS

The terms and conditions of this Framework Agreement shall be governed by Guidelines on the Use of Framework Agreement by all Procuring Entity and all relevant issuance of the GPPB.

IN WITNESS whereof, the parties hereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines, on the day and year first above written.

Signed, sealed, delivered by _____ the _____ (for the Procuring Entity)

Signed, sealed, delivered by _____ the _____ (for the Supplier)

CALL-OFF					
_____ Agency					
Supplier: _____			C.O. No.: _____		
Address: _____			Date: _____		
Gentlemen: Please furnish this Office the following articles subject to the terms and conditions contained herein:					
Place of Delivery: _____			Delivery Term: as indicated in the Framework Agreement _____		
Date of Delivery: _____			Payment Term: as indicated in the Framework Agreement _____		
Quantity	Unit	Description	Inventory	Unit Cost	Amount
(Total Amount in Words) <i>Five Thousand Pesos Only</i>					-
<p style="text-align: center;">Please see attached Terms and Conditions</p> <div style="display: flex; justify-content: space-between; align-items: flex-end; margin-top: 20px;"> <div style="width: 45%;"> <p>Conforme: _____</p> <p style="text-align: center;">Signature over Printed Name of Supplier</p> <p style="text-align: center;">_____ Date</p> </div> <div style="width: 45%; text-align: right;"> <p>Very Truly Yours,</p> <p style="text-align: center;">_____ Authorized Official</p> </div> </div>					
Funds Available: _____			ALOPS No. _____		
_____ Chief Accountant			Amount: _____		