



Republic of the Philippines  
Department of Health  
**OFFICE OF THE SECRETARY**

June 06, 2016

**DEPARTMENT MEMORANDUM**

No. 2016 - 0195

**TO :** DOH – ARMM SECRETARY, ALL DIRECTORS OF DOH REGIONAL OFFICES, CHIEFS OF MEDICAL CENTERS, HOSPITALS, SANITARIA AND EXECUTIVE DIRECTORS OF SPECIALTY HOSPITALS

**SUBJECT :** Supplemental Guidelines of the Drug Price Reference Index (DPRI) during Failure of Bidding for the Procurement of Medicines

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To address the concerns of all government agencies experiencing failure of bidding that may be the result of the implementation of the Drug Price Reference Index (DPRI), herein suggestive procedures to achieve successful bids are as follows:

1. DPRI shall be used as Approved Budget of Contract (ABC) in the initial bidding of the essential medicines.
2. The latest DPRI available shall be used in the procurement. *(To view the latest DPRI Booklet, you may visit our website at [www.ncpam.doh.gov.ph](http://www.ncpam.doh.gov.ph)).*
3. If the ABC is identified the cause of Failed Biddings, the procurement officer may:
  - a. First failure: The Facility may set their ABC at the previous year's winning bid price (F.Y. 2015).
    - a.i The facility shall provide a letter and report of medicines that failed in the first bid, the report must contain the possible reasons for bid failure *(please see Annex A for template)*.
      - a.i.i Address the letter to Kenneth Y. Hartigan – Go, MD, Undersecretary of Health, Office for Health Regulations
      - a.i.ii Submit the letter and report through any of the following:
        - Email: [dohdpr@gmail.com](mailto:dohdpr@gmail.com)
        - Telefax: (02) 711 - 2589
        - Mail: Pharmaceutical Division, 3<sup>rd</sup> floor Building 15, San Lazaro Compound, Rizal Avenue, Sta. Cruz, Manila
  - b. Second failure: Pursuant to the Revised Implementing Rules and Regulations of Republic Act 9184 or "Government Procurement Reform Act", the ABC may be increased not more than twenty percent (20%) of the ABC for the last failed bidding through Bidding or Negotiated Procurement.

- c. If Historical data is not available (e.g. medicines are procured for the first time), the facility may use their historical procurement price or survey the prices from nearby health facilities.

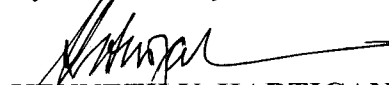
This resolution shall only take effect until this year (F.Y. 2016 procurement), the Administrative Order No. 2015 – 0051 dated December 17, 2015 entitled “Guidelines in the Implementation of the Philippine Drug Price Reference Index (DPRI) to All Public Hospitals and Health Facilities” shall be amended with the abovementioned guidelines incorporated and revised in the same year.

Relative thereto, the National Drug Policy Officer in each respective Region and the Electronic Drug Price Monitoring System (EDPMS) Helpdesk shall aid to disseminate this information to all implementing health facilities.

Should you have any inquiries or clarifications, please contact Mr. Jeffrey T. Castro at telephone no. (02) 651 – 7800 local 2554 – 2559.

For strict compliance and prompt action.

By the Authority of the Secretary of Health:



**KENNETH Y. HARTIGAN – GO, MD**  
Undersecretary of Health  
Office for Health Regulations

**ANNEX A**

**2016 Failure of Bidding Report**

Facility Name: \_\_\_\_\_

Region: \_\_\_\_\_ Facility Email Address: \_\_\_\_\_

Item No.	Generic Name	Approved Budget of Contract	Date of Initial Bidding Conducted	Possible Reason of Bid Failure
1	Amoxicillin 250 mg Cap	0.76	4/14/2016	Low ABC
2	Amphotericin B 50mg Vial	2,748.00	4/14/2016	Expired CPR
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<b>Summary Table:</b>	<b>Total No. of Items Bid</b>		<b>Total No. of Failed Bid Due to Low ABC</b>	
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**Prepared By:**

**Date:**

\_\_\_\_\_  
Name with Signature

**Approved By:**

**Date:**

\_\_\_\_\_  
Chief of Hospital / Executive Director /  
RO Director / Secretary