



Republic of the Philippines
Department of Health
OFFICE OF THE SECRETARY

30 January 2017

DEPARTMENT MEMORANDUM

No. 2017 – 0033

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

SUBJECT : 2017 Supplemental Guidelines of the Drug Price Reference Index (DPRI) for the procurement of essential medicines

To address the concerns of all implementing agencies of Administrative Order (AO) 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*” in the application of the DPRI in their procurement, the DOH hereby issues the following procedures to serve as guidance for the procuring entities:

1. The DPRI shall be the ceiling price for medicine procurement. This shall apply to all modes of procurement (Competitive Bidding, Negotiated Procurement, Direct Contracting, Local Shopping, Emergency Procurement, and Small Value Procurement) including Consignment.
2. The latest DPRI shall be used as Approved Budget of Contract (ABC) in the **initial** bidding of the essential medicines. (*To obtain the latest DPRI Booklet, you may visit our website at www.dpri.doh.gov.ph*).
3. In the occurrence of failed biddings using the DPRI, government health facilities and agencies may do any of the following options in compliance with the latest IRR of RA 9184 or the Government Procurement Reform Act:
 - i. The facility may utilize the previous year’s awarded price as ABC for the rebidding of the concerned medicine.
 - ii. The procuring entity may conduct a market price survey and use the cheapest price in the market.
 - iii. Request for price quotation from all potential pharmaceutical suppliers and use the cheapest price as ABC.
 - iv. In case of two (2) failed biddings, pursuant to the latest IRR of RA 9184, the facility may re-adjust the ABC when necessary. Nevertheless, the ABC cannot be increased by more than twenty percent (20%) of the ABC for the last failed bid.

4. Hospitals are encouraged to enter into a pooled purchasing agreement with nearby hospitals to achieve efficiency through pooled bidding. In this case, the hospital which shall conduct the bidding is allowed to charge an additional 10% above the acquisition price to account for the distribution cost and administrative services.
5. Hospitals may also source their medicines through Philippine Pharma Procurement Inc. (PPPI), a government owned corporation under the DTI duly mandated by law to conduct pooled procurement for government health facilities and agencies. The PPPI shall be allowed to also apply a margin of 10% above the acquisition cost to account for the distribution and administrative services costs.
6. For medicines with no price data available through the DPRI, facilities may conduct their market survey and use the cheapest price in the market.

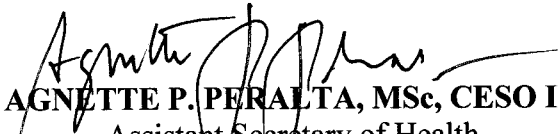
This resolution shall only take effect until this year (F.Y. 2017 procurement), the abovementioned AO is currently being amended with the abovementioned guidelines incorporated.

You may view the full data of the DPRI including the companies which joined in the government bidding of essential at the DPRI website stated above.

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

For strict compliance.

By Authority of the Secretary of Health:


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OIC for Office for Health Regulation