



REPUBLIC OF THE PHILIPPINES  
**DEPARTMENT OF ENERGY**  
(Kagawaran ng Enerhiya)

Department Order No. D02019-07-0017<sup>m</sup>

**GUIDELINES ON THE PROCUREMENT OF AIRLINE TICKETS FROM DBM PS-PhilGEPS THROUGH GOVERNMENT FARES AGREEMENT (GFA)**

**I. BACKGROUND and RATIONALE**

Pursuant to Section 1 of Administrative Order No. 17, s. 2011, the national government hereby reiterates the policy that procurement of government supplies, materials, and equipment shall be done in the most transparent and competitive manner by purchasing from legally, technically, and financially capable sources in economic lot sizes, by observing cost-efficient specifications, and by making prompt payment. In line with this, all government agencies shall procure their common-use supplies from the PS and use the PhilGEPS in all their procurement activities, including publishing all their bid opportunities and posting all their awards and contracts in it, in accordance with Republic Act No. 9184;

In addition, the General Provisions of the General Appropriations Act, FY 2017 Sec. 20 states that all agencies of the government shall purchase common-use supplies and equipment (CSE) from the Procurement Service (PS) as mandated under LOI No. 755 dated October 18, 1978, E.O. No. 359, s.1989, AO No. 17, s.2011 and such guidelines issued thereon. Common-use supplies shall refer to those included in the Electronic Catalogue of the PS which shall be regularly updated to include all items commonly procured by agencies of the government.

Moreover, these guidelines also recognize the Section 53.5 (Agency-to-Agency) of the 2016 IRR of R.A. No. 9184 and Section 53.Negotiated Procurement [e] Subject to the guidelines specified in the IRR, purchases of Goods from another agency of the government, such as the Procurement Service of the DBM, which is tasked with a centralized procurement of commonly-used goods for the government in accordance with Letters of Instruction No. 755 and Executive Order No. 359, series of 1989.

Through Government Procurement Policy Board (GPPB) Resolution No. 11-2017, the members of the GPPB confirmed that airline tickets will be treated as a CSE item to be purchased from the DBM PS-PhilGEPS, subject to reasonable advance payment terms to be set by the DBM PS-PhilGEPS.

Furthermore, under Commission on Audit (COA) Memorandum No. 2017-016, all Supervising Auditors and Audit Team Leaders are hereby enjoined to include in their audit the determination of compliance by all agencies with Section 53[3] of Republic Act [RA] No. 9184. The auditors shall include in the Annual Audit Reports of their respective auditee the related observations and recommendations, if any,

so that the appropriate sanctions may be imposed upon the responsible officials and employees in case of violation of the aforementioned provision of RA No. 9184.

To address the foregoing concerns and comply with the above-mentioned legal basis, the DOE hereby issues these guidelines.

## **II. OBJECTIVES**

The objectives of these Guidelines are as follows:

- A. To attain economy and efficiency in the DOE through implementation of Government Fares Agreement (GFA).
- B. Ensure that the GFA is more beneficial to the government than procurement of air travel through various travel agencies.
- C. Aids DOE personnel to resolve the issues on booking through bidding or shopping for the lowest quotes as hindrance to their operations and longer processing of cash advance for travel.

## **III. SCOPE and COVERAGE**

These guidelines shall apply to the Procurement of Airline Tickets for official Travel of all government officers, employees and personnel of Department of Energy through the PS as stated in Section 53.5 (Agency-to-Agency) of the 2016 IRR of R.A. No. 9184. It shall also cover the Memorandum of Agreement on the implementation of the Government Fares Agreement (GFA).

The GFA was an initiative of the Department of Budget and Management and the PS-PhilGEPS that will ensure fast, efficient, flexible and savings in time, energy and money when processing the air transportation needs of all government officers and personnel for their official domestic and international trips.

DBM PS-PhilGEPS has considered Airline Tickets as commonly required by the whole of government. Thus, online reservation and purchase of airline tickets from Philippine Airlines (PAL), Cebu Pacific (CEB) and Air Asia are now considered part of the PS Catalogue of Common Supplies and Equipment (CSE).

## **IV. BENEFITS OF GOVERNMENT FARES AGREEMENT (GFA)**

- A. Easy and efficient booking of airline tickets (PAL, CEB and AirAsia) through the Procurement Service website that are accessible 24/7
- B. Waived processing / Web Administration Fee of P250.00 on all domestic bookings

- C. Waived rebooking penalty for the first rebooking transaction
- D. Access to Agency Credit Line for easy monitoring
- E. Discount of 9% on PAL Economy Fares and waived processing fee (US\$ 12.00) on all international bookings
- F. Discount of 8% on CEB and AirAsia Regular Fares
- G. Can be availed by the government employees for personal travel provided that there is an internal policy on the usage and agency credit line will not be used as payment but personal credit card.
- H. 1% service fee only, charged by DBM PS-PhilGEPS.
- I. Choose a preferred seat that are free of cost.

Hereunder is the matrix of benefits per airline:

<b>Philippine Airlines</b>	<b>Cebu Pacific</b>	<b>AirAsia</b>
<ul style="list-style-type: none"> <li>• 9% discount on Economy fares</li> </ul>	<ul style="list-style-type: none"> <li>• 8% discount on Regular fares</li> </ul>	<ul style="list-style-type: none"> <li>• 8% discount on Regular fares</li> </ul>
<ul style="list-style-type: none"> <li>• Waived Processing Fee (\$12.00) on all international bookings</li> </ul>	<ul style="list-style-type: none"> <li>• Features Online Travel Fund Management</li> </ul>	<ul style="list-style-type: none"> <li>• Features Online Travel Fund Management</li> </ul>

- J. International flights operated by the Airline Partners are also available in the DBM PS-PhilGEPS travel portal and all partner airlines offer waived ticketing service fees with the respective rates below but only PAL offers discount of eight and nine percent (8% and 9%) for economy and business class, respectively, for international destinations:

<b>AIRLINE PARTNER</b>	<b>TICKETING SERVICE FEE</b>
Philippine Airlines	\$12
Cebu Pacific	Php 550.00
AirAsia	Php 224.00

## V. GENERAL GUIDELINES

- A. Under the GFA, the DOE and DBM PS-PhilGEPS shall enter into Memorandum of Agreement (MOA) and the DOE will designate Corporate Administrator and Travel Arrangers, depending on the number of divisions or offices.

The following are the roles and responsibilities of the Corporate Administrator and a representative from each division/office shall be the Travel arranger:

<b>Corporate Administrator</b>		<b>Travel Arranger</b>	
a)	the Authorized representative of the agency	a)	handles the booking facility in the portal
b)	the initial travel arranger of the agency	b)	manages the Address book
c)	responsible in managing travel arrangers and branch office (CEB has no branch office)	c)	has access to the reservations list for managing bookings
d)	can add/ create new offices, edit details of the offices, activate or deactivate a branch office, and delete any branch office	d)	ensures that ticket numbers are generated once a booking is paid
e)	can add/create new travel arranger/s, edit details of the travel arranger/s, activate, deactivate or delete a travel arranger	e)	ensures that passenger receives e-ticket
f)	can reset password for a specific travel arranger	f)	receives e-mail alerts on flight changes, he/she therefore, should be able to alert the passenger of any change in the itinerary
g)	can assign roles upon creation of new travel arranger, Corporate Administrator can assign roles		
h)	responsible in handling the Credit Line of the company		
i)	can assign or remove access of a travel arranger to the Agency Credit Line (for CEB, send a signed request letter to DBM PS-PhilGEPS Marketing and Sales Division)		
j)	The Administrator shall have access to reservations made by any Travel Arranger within the DOE or transactions made by its Field Office/s, and shall be responsible for receiving the Weekly Sales Report Summary from sales		
k)	Provide the DBM PS-PhilGEPS email address/es and other required contact information which shall be used in all official transactions with the DBM PS-PhilGEPS		
l)	Fill-out and submit registration form which is downloadable from the PS website		
m)	Deposit the fund		

B. Also, the DOE has the option to assign their designated Corporate Administrator and Travel Arrangers for their regional offices for easy facilitation of their travel requirements.

- C. A Memorandum of Agreement (MOA) is prepared by DOE Head Office and for the rest of its Field Offices.
- D. The appointed Corporate Administrator and all Travel Arrangers (representatives from each division/office) are required to attend the orientation on the GFA and use of the Airline Web Portal.
- E. The DOE shall comply to all requirements that should be submitted directly to the DBM PS-PhilGEPS Main Office in Paco, Manila e.g. Signed MOA, photocopy of government-issued ID of the HOPE, duly accomplished Travel Ticketing Registration Form and duly accomplished Agency Procurement Request (APR) and Fund Deposit.
- F. The DOE shall deposit the Fund to be allocated and sourced from the relevant appropriation for airline tickets. There is no minimum or maximum amount required thus agency may decide the amount it will deposit as travel funds and indicate the amount it will allot for PAL, CEB and AirAsia in the APR. Since the agency has duly deposited in advance with the DBM PS-PhilGEPS funds for the GFA, it works as funds held in trust or a "debit line".
- G. DBM PS-PhilGEPS transactions with clients are tax-exempt. Thus, the same applies to purchases of airline tickets under GFA. However, suppliers of PS-PhilGEPS like airline companies are subject to applicable taxes which are part of the total cost of airline tickets to be paid by DBM PS-PhilGEPS. The DBM PS-PhilGEPS adds 1% mark-up on top of the total cost.
- H. The DOE will be notified by the DBM PS-PhilGEPS Comptroller Division when its deposit with DBM PS-PhilGEPS has been consumed at 50% level and when it is time to replenish its Agency Credit Line. The DOE must process its replenishment by submitting a new APR together with the funds and ensure that their replenishment is made before the funds run out.
- I. The DOE will receive, from DBM PS-PhilGEPS, a Sales Invoice through e-mail together with the Billing Report from respective airlines.
- J. The budget for Office Supplies and Travel are separate line items in the Maintenance and other Operating Expenses (MOOE). Thus, DOE cannot use or transfer their unutilized deposits from undelivered Common and Non-Common Use Supplies requirements and use these funds to procure airline tickets under the GFA.
- K. At the end of the year, the DBM PS-PhilGEPS will return all unutilized funds under the GFA unless there is a written advice from the agency for its use for the coming year. The Corporate Administrator may coordinate with the Comptroller Division of PS-PhilGEPS to process such request.

- L. Travel Arranger may choose a preferred seat for a passenger from the designated seating locations which are free of cost.
- M. The DOE IT Division should provide a laptop and data access for the Administrator and Travel Arrangers in rolling out the scheme for GFA. Also, to assist in developing a database for travel plans to support the implementation.

## VI. IMPLEMENTING ARRANGEMENTS

- A. All Officials and Employees of the DOE who will avail of the GFA services shall present to the Travel Arranger the approved and numbered Travel Order (TO) or approved Travel Authority for foreign travels.
- B. The Travel Arranger shall then book the flight of the Official / Employee with approved and numbered Travel Order (TO) approved or Travel Authority for foreign travels. Close coordination, on the booking schedule, will be done by the Travel Arranger with the concerned Official / Employee with approved TO or approved Travel Authority for foreign travels.
- C. The Travel Arranger books the ticket and the Corporate Administrator/Travel Arranger issues the ticket, through online booking facility using their assigned username and password.
- D. Rebooking of flights must be done manually by the Travel Arranger for PAL and CEB. Otherwise, account will be charged with the rebooking fee if done through the web portal. This is not applicable to any Promotional Fares and will only be valid for the FIRST rebooking per transaction. Moreover, this is not applicable to checked-in and flown flights.

For PAL, call (02) 855-8555 or any PAL Reservations Hotline to rebook and then send an email at [corpsales\\_fc@pal.com.ph](mailto:corpsales_fc@pal.com.ph) for ticket issuance with the following format:

Subject: Request for Rebooking and Ticket Issuance  
Body : This is to request to rebook and issue ticket under PS-DOE  
Booking Reference:  
Passenger Name:  
Old Itinerary:

### E. Cancellation of Flights

As a general rule, cancellation of flights is highly discouraged as there are cancellation and fare difference fees to be charged to the DOE. If highly justifiable, the following are the procedures:

1. For PAL, call (02) 855-8555 or any PAL Reservations Hotline to rebook and then send an email at [corpsales\\_fc@pal.com.ph](mailto:corpsales_fc@pal.com.ph) for ticket issuance with the following format:

Subject: Request for Rebooking and Ticket Issuance  
Body : This is to request to rebook and issue ticket under PS-DOE  
Booking Reference:  
Passenger Name:  
Old Itinerary:

2. For CEB, this may be done through their portal by following these steps:
  - a) Log in
  - b) Click Manage Booking tab then Cancel Flight link
  - c) Tick the box of Cancel Departing Flight and click CONTINUE button
  - d) The Fees report will reflect the Refundable Amount. Click CONTINUE button.

This amount will be available under the Travel Fund of the Agency within 90 days only. This can be accessed by clicking Manage Booking tab then Credit Balance and Agency Credit Line link.

3. For AirAsia, cancellation is not allowed except for medical cases and if the flight was cancelled due to reasons attributable to AirAsia or force majeure, DOE can only rebook the scheduled flights. If not, it will be considered as used fares.

#### F. After Travel Requirements

Immediately after the travel, the employee (passenger) shall submit to the Travel Arranger the following list of documents:

1. Certified true copy of the approved and numbered Travel Order. For foreign travel, certified true copy Travel Authority approved by the Secretary;
2. Plane Ticket; and
3. Boarding Pass (original).

The Travel Arranger shall, in turn, immediately submit the said documents to the Corporate Administrator.

### VII. FUNDING ARRANGEMENTS

- A. The DOE shall, within fifteen (15) calendar days from execution of the Memorandum of Agreement (MOA), deposit the Fund. This advance payment shall be considered as the source of funding for the procurement of airline tickets. The DOE shall effect the payment through cash or check payment to the DBM PS-PhilGEPS.
- B. The Fund shall be allocated and sourced from the relevant appropriation for airline tickets.
- C. Any excess in the Fund shall, in no case be applied for other purposes.

- D. The DBM PS-PhilGEPS will automatically return the unexpended balance of the Fund upon termination or immediately after expiration of the MOA.
- E. The DOE shall replenish the Fund once it reaches fifty percent (50%) utilization, or upon notice by the DBM PS-PhilGEPS through a Statement of Account (SOA).
- F. The DOE understands and agrees that if the Fund is depleted and not replenished the access and use of DBM PS-PhilGEPS Portal shall be temporarily disabled until such time that the Fund is replenished sufficiently.

These guidelines shall take effect immediately and shall be reviewed annually and revised/updated, as necessary.

  
**ALFONSO G. CUSI**  
Secretary



30 JUL 2019