



Republic of the Philippines
Department of Health
OFFICE OF THE SECRETARY

SAN LAZARO COMPOUND
RIZAL AVENUE, STA. CRUZ
MANILA, PHILIPPINES
TEL. NO. 743-83-01 LOC. 1125-26

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ADMINISTRATIVE ORDER

No. 19 s., 1999

Subject: Guidelines on the Utilization of Funds (Sub-allotment) for the Procurement and Distribution of Anti-TB Drugs for the National TB Control Program Using 1998 CONAP and 1999 GAA

General Provisions: For this time, the Department of Health will employ a new procedure for the procurement and distribution of anti-TB drugs.

1. These guidelines cover the use of sub-allotments coming from the National TB Control Program funds using the 1998 CONAP and 1999 GAA.
2. The funds for the procurement of anti-TB drugs including freight/handling shall be sub-allotted to the 16 Regional Field Health Offices. The Regional Field Health Offices will use the funds solely for the procurement and distribution of anti-TB drugs.
3. In the case of the TB Control Service, funds for their procurement of anti-TB drugs will be sub-allotted to the National Capital Region. Upon completion of the deliveries of the TB drugs, the same shall be forwarded by the NCR to the TB control Service as part of their allocation.
4. The following drugs shall be procured from the sub-allotment: SCC Type I, SCC Type II, Ethambutol tablets, Streptomycin vials, Pyrazinamide tablets, Rifampicin suspension and Isoniazid syrup.

New Procurement Procedure:

1. The Department of Health Central Office will conduct two national competitive biddings to determine the unit price of each anti-TB drug (to be delivered by the supplier to each Regional Health Office) and the distribution price (from the Regional Health Offices to the different RHUs).

2. The Central Office shall release the Notice of Award to the winning supplier and distributor. The Regional Field Health Offices shall be informed of the price of the drug and the distribution price as soon as the qualified suppliers and distributors acknowledge the Notice of Award.
3. The DOH Central Office shall provide the Regional Field Health Offices with copies of the following documents:
 - Bidding documents
 - Technical Evaluation Report
 - PBAC Resolution

**Procuring the TB
Drugs From the
Supplier:**

1. The winning supplier shall then post the corresponding Performance Security based on a percentage of the total contract price of the pertinent Purchase Order coming from the Regional Field Health Offices.
2. The Regional Field Health Offices will be placing **ONE** order with the winning supplier for **THREE** deliveries based on the allocation list for each region provided by the TB Control Service. The first delivery shall cover 30% of the total allocation to be delivered within the first 60 days from the date of the PO. The second delivery shall cover the next 35% of the total allocation to be delivered within 90 days from the date of the PO. The third and last delivery shall cover the remaining 35% of the total allocation to be delivered within 120 days from the date of the PO.
3. The supplier will then deliver the required drugs with a copy of the Certificate of Analysis to the corresponding Regional Field Health Office warehouse/storage facility.
4. The Regional Field Health Offices shall be responsible for the acceptance, inspection for quantity and physical quality of the drugs and medicines delivered to them. BFAD will sample the drugs and medicines at the point of loading (Supplier's warehouse).
5. The Regional Inspection Committee should complete the inspection report and submit it to the Regional Administrative Officer and PLS within 5 days of inspection.
6. Payment shall be the responsibility of the particular Regional Field Health Office from which the Purchase Order originated. The Regional Health Director shall ensure that the supplier will be paid within the prescribed 30 days after delivery. Payment terms are incorporated in Annex A. The results of the BFAD analysis are NOT prerequisites for payment to the supplier, but negative results will result in product recall and other penalties as stipulated in the bid documents.

Contracting the Services of the Distributor:

1. The Regional NTP Coordinator shall be in charge of preparing the distribution and allocation list for each RHU under its jurisdiction.
2. The Regional Field Health Offices shall then contract the services of the winning distributor for the distribution of the anti-TB drugs and medicines from the Regional Field Health Offices to the different Rural Health Units. The allocation list prepared by the Regional NTP Coordinator will be provided to the Distributor with the Purchase Order.
3. The distribution cost of anti-TB drugs from the Regional Field Health Offices to the Rural health Units shall be charged to the 1999 sub-allotted funds for freight/handling (06). Payment terms are incorporated in Annex A. The Regional Health Offices should effect payment within 30 days after delivery.


Reporting by the Regional Health Offices:

After the distribution has been completed, the Regional Field Health Offices shall provide the Procurement and Logistics Service and the TB Control Service the following documents:

- Copy of Purchase Order indicating date of issuance and date of delivery period.
- Report of completion of deliveries using the format provided by PLS (see attached form in Annex B).
- Actual Allocation list by RHUs.
- Copy of Certificate of Analysis
- Problems and issues encountered in this procurement of anti-TB drugs.

Role of the TB Service and PLS:

The TB Control Service and the Procurement and Logistics Service will monitor the status of procurement, deliveries, payment, distribution and utilization of the anti-TB drugs in coordination with the Regional/Provincial/City/Municipal NTP Coordinators.



ALBERTO G. ROMUALDEZ, JR., MD
Secretary of Health