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CIRCULAR 01-2014

23 May 2014

TO : Heads of Departments, Bureaus, Offices and Agencies of the National Government including State Universities and Colleges, Government Owned and/or Controlled Corporations, Government Financial Institutions, and Local Government Units

SUBJECT : GPPB Resolution No. 25-2013 dated 30 August 2013 on the Forms of Bid Security

1.0 Purpose

This Circular is being issued to clarify GPPB Resolution No. 25-2013 dated 30 August 2013 relative to the Forms of Bid Security that Bidders may submit during Public Bidding and the corresponding amendments to the Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184 and the Philippine Bidding Documents (PBDs) for Goods, Infrastructure Projects, and Consulting Services.

2.0 Coverage

All Departments, Bureaus, Offices and Agencies of the National Government including State Universities and Colleges, Government-Owned and/or Controlled Corporations, Government Financial Institutions, and Local Government Units.

3.0 Forms of Bid Security

3.1 Pursuant to Section 27.2 of the IRR of RA 9184, as amended by GPPB Resolution No. 25-2013 dated 30 August 2013, Procuring Entities are given the option to limit the bid security to two (2) acceptable forms in the Bidding Documents, one of which shall be the Bid Securing Declaration (BSD) and the other may be chosen from at least one (1) of the following forms, thus:

Form of Bid Security	Amount of Bid Security (Equal to Percentage of the ABC)
a) Cash or cashier's/manager's check, issued by a Universal or Commercial Bank.	Two percent (2%)
b) Bank draft/guarantee or irrevocable	

letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	
c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Five percent (5%)
d) Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

3.2 The prospective bidder shall be given the option to post a BSD **OR** any other form of bid security indicated by the Procuring Entity in the Bidding Documents.

To illustrate, the procuring entity shall include BSD, as one of the choices; the other form of bid security may be Cashier's Check (or Cash, Manager's Check, Bank Draft/Guarantee, Irrevocable Letter of Credit, Surety Bond, or combination of the identified forms). The prospective bidder may opt to post a BSD OR Cashier's Check as its bid security. Accordingly, the prospective bidder is required to post only one (1) form of bid security, in this example, it could either be a BSD **OR** Cashier's Check.

4.0 This Circular shall take effect immediately.

5.0 For guidance and compliance.

(Sgd.)
FLORENCIO B. ABAD
Chairperson