



RESOLUTION NO. 02-2015

RESOLUTION ON THE ACCEPTABILITY OF THE RECENTLY EXPIRED MAYOR'S PERMIT, TOGETHER WITH THE OFFICIAL RECEIPT FOR RENEWAL, AS LEGAL ELIGIBILITY REQUIREMENT

WHEREAS, Republic Act (RA) No. 9184, otherwise known as the “Government Procurement Reform Act” and its revised Implementing Rules and Regulations (IRR) took effect on 26 January 2003 and 2 September 2009, respectively;

WHEREAS, Section 23.1 and 24.1 of the IRR of RA 9184 mandates the submission of a Mayor's/Business Permit issued by the city or municipality where the principal place of business of the prospective bidder is located;

WHEREAS, a Mayor's Permit is one of the requirements for every business or company to operate in the Philippines. Each Local Government Unit (LGU) has different procedures and requirements in securing one depending on the ordinance of the city or municipality;

WHEREAS, Section 30.1 of the IRR of RA 9184 provides that the determination of eligibility shall be through an examination of the completeness of each prospective bidder's eligibility requirements or statements against a checklist of requirements using a non-discretionary “pass/fail” criteria;

WHEREAS, agencies have been advised that the submission of documents other than the mayor's permit itself cannot be considered as sufficient compliance with the requirement, regardless of the fact that such documents tend to prove that a mayor's permit has been applied for. Consideration of the documents submitted in lieu of the mayor's permit will lead to an exercise of discretion among the BAC members – an action which the IRR of RA 9184 expressly prohibits during eligibility check;

WHEREAS, the GPPB-TSO has been receiving inquiries from procuring entities and bidders if the latter may be allowed to submit an official receipt evidencing renewal of mayor's permit and/or the previous year's mayor's permit in lieu of the current year's mayor's permit. The bidders contend that they could not possibly have renewed their mayor's permit at the start of the year since the renewal period starts only in January and usually takes two weeks before it is released.

WHEREAS, Section 167 of the Local Government Code of the Philippines provides that all local taxes, fees and charges shall be paid within the first 20 days of January or of each subsequent quarter as the case may be. Within the same period, the business registration is also renewed;

WHEREAS, Section 18, Book VII of the Administrative Code of 1987 provides that where the licensee has made timely and sufficient application for the renewal of a license with reference to any activity of a continuing nature, the existing license shall not expire until the application shall have been finally determined by the agency;

WHEREAS, since the Mayor's Permit may only be renewed in January, it must still be considered valid until such application has been finally determined or issued, provided that business entities have made timely and sufficient application for renewal within the period allowed by law or relevant City or Municipal Ordinance;

NOW, THEREFORE, for and in view of all the foregoing, **WE**, the Members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, by virtue of the powers vested on **US** by law and other executive issuances, hereby **RESOLVE** to confirm, adopt, and approve, as **WE** hereby confirm, adopt, and approve the following:

APPROVE the recommendation of the GPPB-TSO to issue a Circular mandating procuring entities to allow the submission of the bidder's recently expired mayor's permit and the Official Receipt as proof that the bidder has applied for renewal of the permit within the prescribed period; Provided that, the current and valid mayor's permit, as renewed, be submitted or presented by the bidder with the Lowest Calculated and Responsive Bid prior to award of contract, as this would enhance competition and facilitate the procurement process.

This Resolution shall take effect immediately.

APPROVED this 30th day of January 2015 at Pasig City, Philippines.

(Sgd.)

**DEPARTMENT OF BUDGET AND
MANAGEMENT**

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

(Sgd.)

DEPARTMENT OF EDUCATION

(Sgd.)

DEPARTMENT OF ENERGY

(Sgd.)

DEPARTMENT OF FINANCE

DEPARTMENT OF HEALTH

(Sgd.)

**DEPARTMENT OF THE INTERIOR
AND LOCAL GOVERNMENT**

**DEPARTMENT OF NATIONAL
DEFENSE**

(Sgd.)

**DEPARTMENT OF PUBLIC WORKS
AND HIGHWAYS**

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

**DEPARTMENT OF TRADE AND
INDUSTRY**

(Sgd.)

**DEPARTMENT OF TRANSPORTATION
AND COMMUNICATIONS**

(Sgd.)

PRIVATE SECTOR REPRESENTATIVE

Attested by:

(Sgd.)

DENNIS S. SANTIAGO
Board Secretary, GPPB
Executive Director, GPPB-TSO