



RESOLUTION NO. 03-2006

TO APPROVE AND ADOPT AMENDMENTS TO GPPB GUIDELINES ON CONTRACT EXTENSION FOR GENERAL SERVICES

WHEREAS, the Government Procurement Policy Board (GPPB) created under Republic Act No. 9184 (R.A. 9184), otherwise known as “Government Procurement Reform Act”, issued the GPPB Guidelines on Extension of Contracts for General Services on 28 April 2005 which took effect on 5 July 2005;

WHEREAS, the above-mentioned guidelines govern the extension of ongoing contracts of general services which are essential, indispensable, or necessary to support the operation of the procuring entity or for the enhancement of the welfare of its personnel to include, but shall not be limited to, services such as equipment maintenance, janitorial and security services, and internet and telephone services;

WHEREAS, provided the conditions for contract extensions have been met under the said guidelines, procuring entities are allowed to extend its existing contracts for general services on a periodic month-to-month basis but not to exceed two (2) months unless otherwise approved by the GPPB;

WHEREAS, in view of the foregoing provision, several requests for approval for contract extension were received by the GPPB for consideration and approval;

WHEREAS, the Inter-Agency Technical Working Group (TWG) in its meeting on 5 January 2006 recommends that the necessary approval by the GPPB as required under the guidelines be removed and allow procuring entities to assume responsibility in cases where extension of contracts would have to be made beyond the allowable two-month period subject to existing rules and regulations;

WHEREAS, the GPPB in its 1st meeting on 20 January 2006 unanimously agreed to extend the allowable period for contract extension as provided in the Guidelines for Extension of Contracts for General Services from two (2) months to six (6) months; and still require the approval of the GPPB for contract extension beyond six (6) months.



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NOW, THEREFORE, premises considered, **WE**, the Members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, by virtue of the powers vested on **US** by law, hereby **RESOLVE**:

To approve and adopt amendments to GPPB Guidelines on Extension of Contracts for General Services issued through Resolution No. 08-2005 dated 28 April 2005.

Section 5.1 of the guidelines shall be amended, as follows:

Unless otherwise approved by the GPPB and upon written request by the Procuring Entity, contract extension shall be allowed only on a periodic month-to-month basis not to exceed an aggregate period of six (6) months. The first monthly extension shall reckon from the day immediately following the last day of the period of the original contract; provided, that the Procuring Entity, prior to that date, has substantially undertaken procurement activities required prior to award. Succeeding monthly extensions shall reckon from the day immediately following the last day of the period of the preceding monthly extension.

This resolution shall take effect immediately.

APPROVED this 20th of January, 2006 at Pasig City, Philippines.

(Sgd)
ROMULO L. NERI
Secretary
Department of Budget and Management

(Sgd)
AUGUSTO B. SANTOS
Secretary
National Economic and Development
Authority

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

(Sgd)
**DEPARTMENT OF NATIONAL
DEFENSE**



RESOLUTION NO. 03-2006

(Sgd)
DEPARTMENT OF EDUCATION

(Sgd)
DEPARTMENT OF HEALTH

(Sgd)
**DEPARTMENT OF THE INTERIOR
AND LOCAL GOVERNMENT**

(Sgd)
DEPARTMENT OF ENERGY

(Sgd)
**DEPARTMENT OF PUBLIC WORKS
AND HIGHWAYS**

(Sgd)
DEPARTMENT OF FINANCE

(Sgd)
**DEPARTMENT OF TRADE AND
INDUSTRY**

(Sgd)
**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

(Sgd)
**DEPARTMENT OF TRANSPORTATION
AND COMMUNICATIONS**

(Sgd)
PRIVATE SECTOR REPRESENTATIVE

Attested by:

(Sgd)
ELMER H. DORADO
OIC Board Secretary, GPPB
Officer-in-Charge, GPPB-TSO

GUIDELINES FOR THE EXTENSION OF CONTRACTS FOR GENERAL SERVICES

1.0 POLICY STATEMENT

As a general policy, extensions of contracts for general services are discouraged.

2.0 SCOPE

These guidelines shall govern the extension of ongoing contracts of general services which are essential, indispensable, or necessary to support the operation of the Procuring Entity or for the enhancement of the welfare of its personnel to include, but shall not be limited to, services such as equipment maintenance, janitorial and security services, and internet and telephone services.

3.0 PURPOSE

These guidelines are formulated to identify the conditions for the allowance of contract extension and to prescribe the rules and procedures governing the same, for the purpose of averting hiatus in support services indispensable in the operations of a procuring entity.

4.0 CONDITIONS FOR EXTENSION

4.1. The Head of the Procuring Entity may extend the duration or effectivity of an ongoing contract about to expire, under the following conditions:

- a. The original contract subject of the extension was awarded as a result of competitive bidding, Limited Source Bidding or Negotiated Procurement, when appropriate, duly and lawfully undertaken by the procuring entity pursuant to the provisions of Republic Act 9184 (R.A. 9184).
- b. There should be a certification by the Head of the Procuring Entity or his duly authorized representative that efforts are being undertaken toward procuring the required services under R.A. 9184. Thus, the Procuring Entity should have completed all procurement activities required prior to award.
- c. The Head of the Procuring Entity or his duly authorized representative certifies that it cannot award a new contract anytime before or within a month after the expiration of the term

of the original contract because of circumstances beyond its control.

- 4.2. In any case, the Head of the Procuring Entity or his duly authorized representative, shall certify that the contemplated extension is merely an emergency measure to maintain status quo in the operations of the Procuring Entity and to avoid interruption of service.

5.0 RULES FOR EXTENSION

- 5.1. Unless otherwise approved by the GPPB and upon written request by the Procuring Entity, contract extension shall be allowed only on a periodic month-to-month basis not to exceed an aggregate period of six (6) months. The first monthly extension shall reckon from the day immediately following the last day of the period of the original contract; provided, that the Procuring Entity, prior to that date, has substantially undertaken procurement activities required prior to award. Succeeding monthly extensions shall reckon from the day immediately following the last day of the period of the preceding monthly extension.¹
- 5.2. Any contract extension must be subject to the condition that the service provider has not violated any of the provisions of the original contract.
- 5.3. The Procuring Entity shall ensure the expeditious completion of the procurement process.
- 5.4. The terms and conditions of the original contract shall not be changed or modified, except when changes or modifications will redound to the advantage of the government at no additional cost to the Procuring Entity.
- 5.5. No further contract extension shall be allowed after the Procuring Entity shall have issued the Notice to Proceed in favor of the contract awardee except to complete the period of the original contract or the agreed period of the extension. The Procuring Entity shall ensure that contract periods of the renewed contract and the new contract shall not overlap.

6.0 EFFECTIVITY

These guidelines or any amendments hereto shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general nationwide circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies of these guidelines.

¹ As amended by GPPB Resolution 003-2006, dated 11 March 2006.