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**CIRCULAR 02-2010**

24 November 2010

**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 : Guidelines on Comparison of Bids Submitted by Cooperatives**

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**1.0 Purpose**

This Circular is being issued to clarify the procedure for comparison of bids submitted by cooperatives in line with the principle that all bids shall be evaluated on an equal footing to ensure fair and competitive bid comparison.

**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 Guidelines on Comparison of Bids Involving Cooperatives and Non-Cooperatives**

3.1 Under Section 32.2.2 of the Implementing Rules and Regulations (IRR) of Republic Act 9184, all bidders shall be required to include the cost of all taxes, such as, but not limited to, value added tax, income tax, local taxes, and other fiscal levies and duties which shall be itemized in the bid form and reflected in the detailed estimates.

Such bids, including said taxes, shall be the basis for bid evaluation and comparison.

3.2 Since cooperatives are granted tax exemptions by law, they enjoy a clear advantage over non-cooperatives.

3.3 To ensure that all bids shall be evaluated on an equal footing, all taxes itemized by non-cooperatives in their bids and which cooperatives are exempt from shall be added to the bids of cooperatives strictly for purposes of evaluation and comparison.

3.4 If, after evaluation and comparison, the bid submitted by a cooperative is still determined to be the lowest bid, the taxes added during bid evaluation shall be removed. Award of contract shall be based on the original bid price, subject to Section 34.4 of the IRR.

4.0 This Circular shall take effect immediately.

5.0 For guidance and compliance.

**(Sgd.)**

**FLORENCIO B. ABAD**

*Chairperson*