



RESOLUTION NO. 05-2011

APPROVING THE PRE-SELECTION PROCEDURE IN THE CONDUCT OF LIMITED SOURCE BIDDING UNDER SECTION 49 OF REPUBLIC ACT 9184 AND ITS REVISED IMPLEMENTING RULES AND REGULATIONS

Section 48 of Republic Act 9184 (RA 9184) provides that Limited Source Bidding, otherwise known as Selective Source Bidding, is a method of procurement that involves direct invitation to bid by the procuring entity from a set of pre-selected suppliers or consultants with known experience and proven capability relative to the requirements of a particular contract.

Under Section 49 of RA 9184 and its revised Implementing Rules and Regulations (IRR), it may be employed under any of the following conditions: (1) procurement of highly specialized types of goods (*e.g.*, sophisticated defense equipment, complex air navigation systems, coal) and consulting services where only a few suppliers or consultants are known to be available, such that resorting to the public bidding method will not likely result in any additional suppliers or consultants participating in the bidding; or (2) procurement of major plant components where it is deemed advantageous to limit the bidding to known qualified bidders in order to maintain uniform quality and performance of the plant as a whole.

Section 49.2 of the IRR of RA 9184 provides that the pre-selected suppliers or consultants shall be those appearing in a list maintained by the relevant government authority that has expertise in the type of procurement concerned. The list of pre-selected suppliers or consultants shall be updated periodically. A copy of the list shall be submitted to, and maintained updated with, the Government Procurement Policy Board (GPPB).

In addition, the IRR under Section 49.3 thereof, prescribes that pre-selection shall be based upon the capability and resources of the bidders to perform the contract taking into account their experience and past performance on similar contracts, capabilities with respect to personnel equipment or manufacturing facilities, and financial position. In this regard, pre-selection shall be done in accordance with the procedures provided in the Generic Procurement Manuals (GPMs).

Finally, Section 49.4 of the IRR requires that the BAC of the concerned procuring entity shall directly invite all the suppliers or consultants appearing in the pre-selected list. All other procedures for competitive bidding shall be undertaken, except for the advertisement of Invitation to Bid/Request for Expression of Interest under Section 21.2.1 (a) of the IRR.

In its 8th Regular Meeting held last 15 October 2010, Inter-Agency Technical Working Group Meeting (IATWG) discussed the matter of whether pre-selected lists require GPPB approval in light of the lists submitted by various procuring entities for the procurement of their requirements. The IATWG agreed to recommend that such approval shall not be necessary before the lists may be adopted by the procuring entity.

The GPPB, during its 9th Regular Meeting last 29 October 2010, resolved to approve the IATWG recommendation that submission by the procuring entities of pre-selected lists shall be merely reportorial in nature. It was also agreed that specific rules should be established in the guidelines in order to reduce discretion on the part of the procuring entities. The Board likewise agreed that the guidelines on pre-selection shall contain measures to serve as safeguards against its abuse.

In its 2nd Regular Meeting held last 18 February 2011, the IATWG discussed the findings, analyses and procedural restrictions for the pre-selection process and agreed to recommend to the Board the proposed procedure.

Finally, during the 2nd Regular Meeting last 25 February 2011, the GPPB approved the pre-selection procedure for Limited Source Bidding subject to the lengthening of the posting requirement in the websites of the Philippine Government Electronic Procurement System (PhilGEPS), the procuring entity and in conspicuous places within the premises of the procuring entity.

NOW, THEREFORE, the undersigned, constituting members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, hereby resolve to approve the following principles and procedures for the pre-selection procedure for purposes of Limited Source Bidding under Section 49 of RA 9184 and its IRR:

1. Upon determination that a procurement activity may be done through Limited Source Bidding, the procuring entity, through the Bids and Awards Committee (BAC), shall prepare a list of suppliers or consultants which must include all the industry players on the goods/consulting service to be procured.
2. In preparing the list, the BAC, with the assistance of the Technical Working Group (TWG), shall adopt a set of criteria to be used as basis in evaluating the capability of the entities. Said criteria shall take into consideration the following characteristics of the supplier/consultant:
 - a) Capability and resources to perform the contract taking into account their experience and past performance on similar contracts;
 - b) Capabilities with respect to personnel, equipment, or manufacturing facilities; and
 - c) Financial position.
2. The BAC shall evaluate and submit the recommended pre-selected list to the head of the procuring entity (HOPE) for approval. The pre-selected list shall include (i) the technical specifications/terms of reference of the project, and (ii) the specific criteria used by the procuring entity for the evaluation of the pre-selected suppliers or consultants. The list shall be considered specific to the project unless adopted by other procuring entities for their respective procurement activities.
3. Upon approval, the HOPE shall transmit the pre-selected list to the GPPB in compliance with Section 49.2 of the IRR of RA 9184. The list must be accompanied with a certification from the HOPE: (i) justifying the resort to

Limited Source Bidding, and (ii) verifying the compliance with the criteria previously set.

4. The GPPB-TSO shall acknowledge receipt of the pre-selected list and shall post it in the GPPB or PhilGEPS website for the purpose of transparency. The function of the GPPB-TSO shall partake of a ministerial nature and will not include the validation of the qualifications of the suppliers or consultants contained in the list. Concerns on the propriety of the list shall be directed to the procuring entity that issued/adopted the list for a particular procurement activity following the protest mechanism provided under Section 55 of the IRR of RA 9184.
5. The procuring entity shall post the procurement activity to be undertaken through Limited Source Bidding in the PhilGEPS website upon receipt of said acknowledgment letter. It shall adopt the rules on competitive bidding as prescribed in RA 9184 and its IRR, except advertisement as provided under Section 21.2.1 (a) of the IRR of RA 9184. Notwithstanding the pre-selected list, prospective bidders not included in the list are not precluded from participating in the public bidding process as mentioned herein.

This resolution shall take effect immediately.

APPROVED this 25th day of February 2011 at Pasig City, Philippines

(Sgd.)

DEPARTMENT OF BUDGET AND
MANAGEMENT

By:

(Sgd.)

NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY

By:

(Sgd.)

DEPARTMENT OF NATIONAL DEFENSE

By:

(Sgd.)

DEPARTMENT OF PUBLIC WORKS
AND HIGHWAYS

By:

(Sgd.)

DEPARTMENT OF EDUCATION

By:

(Sgd.)

DEPARTMENT OF HEALTH

By:

(Sgd.)

DEPARTMENT OF THE INTERIOR
AND LOCAL GOVERNMENT

By:

(Sgd.)

DEPARTMENT OF ENERGY

By:

(Sgd.)

**DEPARTMENT OF TRADE AND
INDUSTRY**

By:

(Sgd.)

DEPARTMENT OF FINANCE

By:

(Sgd.)

**DEPARTMENT OF TRANSPORTATION
AND COMMUNICATIONS**

By:

(Sgd.)

**DEPARTMENT OF SCIENCE
AND TECHNOLOGY**

By:

(Sgd.)

PRIVATE SECTOR REPRESENTATIVE

By:

Attested by:

(Sgd.)

DENNIS LORNE S. NACARIO

Board Secretary, GPPB
OIC-Executive Director, GPPB-TSO