



RESOLUTION NO. 10-2019

RESOLUTION ON THE NON-ACCEPTABILITY OF TEMPORARY PCAB LICENSE AS AN ELIGIBILITY REQUIREMENT

WHEREAS, Republic Act (RA) No. 9184, otherwise known as the “Government Procurement Reform Act” and the 2016 revised Implementing Rules and Regulations (IRR) took effect on 26 January 2003 and 28 October 2016, respectively;

WHEREAS, Section 63 of RA No. 9184 and its 2016 revised IRR authorize the Government Procurement Policy Board (GPPB) to formulate public procurement policies, rules and regulations, and amend its IRR, whenever necessary;

WHEREAS, Section 23.1(a)(vi) of the 2016 revised IRR of RA No. 9184 requires the submission of a valid Philippine Contractors Accreditation Board (PCAB) License or Special PCAB License in case of Joint Ventures, and registration for the type and cost of the contract to be bid as part of the eligibility requirements under Class “A” technical documents;

WHEREAS, PCAB issues Temporary PCAB License for contractors filing their renewal on or before 30th of June of each year until the PCAB license is finally issued;

WHEREAS, the GPPB-TSO receives inquiries from Procuring Entities, as well as private entities/contractors, on the acceptability of a Temporary PCAB License as an eligibility requirement;

WHEREAS, considering the volume of phone-in and walk-in queries regarding the acceptability of Temporary PCAB License, the GPPB-TSO presented the issue to the Inter-Agency Technical Working Group (IATWG) of the GPPB during its 3rd Regular Meeting held on 17 August 2018 and recommended for the IATWG to endorse to the GPPB the issuance of a Circular to clarify the acceptability of a Temporary PCAB License as an eligibility requirement;

WHEREAS, the IATWG approved the GPPB-TSO’s recommendation, subject to further verification of turn-around time of renewal process with the PCAB;

WHEREAS, as instructed by the IATWG, the GPPB-TSO requested PCAB to clarify the turn-around time of renewal process of PCAB Licenses, to which the PCAB responded that turn-around time is twenty (20) calendar days;

WHEREAS, on 28 February 2019, representatives from the GPPB-TSO and PCAB met to discuss various matters including the latter’s issuance of a Temporary PCAB License;

WHEREAS, based on the information gathered from the meeting and the reply-letter of PCAB, the GPPB-TSO revised its position and recommended the following:

1. The issuance of a Circular clarifying that Temporary PCAB License is not acceptable as an eligibility requirement; and
2. To remind all prospective contractors intending to participate in government procurement, to renew their license in accordance with the PCAB rules and regulations.

WHEREAS, during the 3rd Regular Meeting of the IATWG held on 11 April 2019, the GPPB-TSO presented its findings and recommendation and after due consideration, the IATWG resolved to endorse the GPPB-TSO's recommendation to the GPPB for its approval with the following modification:

1. The issuance of a Circular clarifying that Temporary PCAB License is not acceptable as an eligibility requirement, in lieu of a valid PCAB license for the purpose of participating in government bidding;
2. To remind all prospective bidders intending to participate in government procurement, to ensure that they submit a valid PCAB license during submission of bid and to ensure that said license is valid until completion of the infrastructure project;
3. To encourage prospective bidders to renew their licenses in accordance with the PCAB rules and regulations; and
4. To remind the PCAB to ensure the timely issuance of a valid PCAB license taking into consideration the requirement to streamline its processes in view of the Ease of Doing Business Act.

WHEREAS, during the 3rd Regular Meeting of the GPPB on 22 April 2019, the members of the Board discussed the foregoing recommendation of the IATWG and agreed to issue a Circular;

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:

- a) **ISSUE** a Circular clarifying that Temporary PCAB License is not acceptable as an eligibility requirement, in lieu of a valid PCAB license for the purpose of participating in government bidding;
- b) **REMIND** all prospective bidders intending to participate in government procurement, to ensure that they submit a valid PCAB license during submission of bid and to ensure that said license is valid until completion of the infrastructure project;
- c) **ENJOIN** prospective bidders to comply with the period of renewal of licenses under PCAB rules and regulations; and
- d) **REMIND** the PCAB to ensure the timely issuance of a valid PCAB license taking into consideration the requirement to streamline its processes in view of the Ease of Doing Business Act.

This Resolution shall take effect immediately.

APPROVED this 22nd day of April 2019 at Manila City, Philippines.

SGD

**DEPARTMENT OF BUDGET AND
MANAGEMENT**

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

SGD

DEPARTMENT OF EDUCATION

DEPARTMENT OF ENERGY

SGD

SGD

DEPARTMENT OF FINANCE

DEPARTMENT OF HEALTH

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**DEPARTMENT OF THE INTERIOR AND
LOCAL GOVERNMENT**

**DEPARTMENT OF NATIONAL
DEFENSE**

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**DEPARTMENT OF PUBLIC WORKS AND
HIGHWAYS**

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

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DEPARTMENT OF TRADE AND INDUSTRY

DEPARTMENT OF TRANSPORTATION

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PRIVATE SECTOR REPRESENTATIVE

**DEPARTMENT OF INFORMATION AND
COMMUNICATIONS TECHNOLOGY**

CIRCULAR 04-2019

22 April 2019

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 : Clarification on the acceptability of a Temporary PCAB License as a requirement in government procurement activities

1.0 PURPOSE

This Circular is issued to clarify the acceptability of a Temporary PCAB License as an eligibility requirement in government procurement either through competitive bidding or any of the alternative modalities of procurement.

2.0 SCOPE

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 DEFINITION OF TERMS

3.1 PCAB License – License issued by the Philippine Contractors Accreditation Board (PCAB) pursuant to Republic Act (RA) No. 4566¹ that allows an applicant to engage in business as a contractor.

3.2 Temporary PCAB License – refers to the document issued by PCAB to a contractor who has filed for renewal of PCAB license before the 30th of June of each year but have not yet been processed due to high volume of applicants.

4.0 GENERAL CONSIDERATIONS

4.1 For purposes of complying with the eligibility requirements as provided under Section 23.1(a)(vi) of the 2016 revised Implementing Rules and Regulations (IRR) of RA No. 9184, bidders must submit a **valid** PCAB License or Special PCAB License in case of Joint Ventures, and registration for the type and cost of the contract to be bid.

¹ An Act Creating the Philippine Licensing Board for Contractors, Prescribing its Powers, Duties and Functions, Providing Funds therefor and For Other Purposes

- 4.2 For the procurement of Goods or Consulting Services with civil works component where PCAB license is likewise required as part of the Technical Specifications or Terms of Reference, bidders must submit a **valid** PCAB License during post-qualification process as one of the licenses or permits required by law.
- 4.3 For purposes of complying with the documentary requirements as provided in Appendix A of Annex "H" or the Consolidated Guidelines for the Alternative Methods of Procurement, bidders must submit a **valid** PCAB License or Special PCAB License, as the case may be.
- 4.4 For purposes of complying with the documentary requirements for Limited Source Bidding and Negotiated Procurement for Non-Governmental Organization Participation under Sections 49 and 53.11 of the 2016 revised IRR of RA No. 9184, respectively, bidders must submit a **valid** PCAB License or Special PCAB License, as the case may be.
- 4.5 In all of the foregoing instances, a Temporary PCAB License **shall not be accepted** as an eligibility or documentary requirement in lieu of a valid PCAB License.

5.0 REMINDER ON RENEWAL OF PCAB LICENSE

5.1 For Contractors intending to participate in Government Procurement:

- a. All prospective bidders, intending to participate in government procurement where a valid PCAB license is required by law to be submitted, are hereby enjoined to renew their PCAB Licenses in accordance with the Mandatory Schedule for Filing of Renewal of Applications under PCAB Board Resolution No. 376 and such other similar or related issuances.
- b. It shall be the duty of the prospective bidder to ensure that it has a valid PCAB license at the time of the submission of bid. The submission of a Temporary PCAB License is a ground for the declaration of the bidder's ineligibility for failure to comply with the requirements of the procurement rules.
- c. Procuring entities are directed to emphasize during the pre-bid conference that only a valid PCAB License shall be accepted as an eligibility requirement and remind all prospective bidders to renew their respective licenses in accordance with the Mandatory Schedule for Filing of Renewal of Applications under PCAB Board Resolution No. 376 and such other similar or related issuances.

5.2 For Contractors implementing government infrastructure projects:

- a. All Contractors implementing government infrastructure projects shall ensure the continuing validity of their PCAB licenses until final completion thereof.
- b. Procuring entities, through their project management office, implementing unit or office or employee/s tasked to monitor the implementation of contract, are enjoined to monitor the continuing

validity of the contractor's PCAB license and remind the latter to renew the same on a timely manner.

6.0 For guidance and compliance.

7.0 This Circular shall take effect immediately.

SGD

LAURA B. PASCUA
Alternate Chairperson