



RESOLUTION NO. 13-2014

APPROVING CLARIFICATION ON GPPB RESOLUTION NO. 25-2013 WITH RESPECT TO THE FORMS OF BID SECURITY THAT BIDDERS MAY SUBMIT DURING PUBLIC BIDDING

WHEREAS, Republic Act (RA) No. 9184 entitled “An Act Providing for the Modernization, Standardization and Regulation of the Procurement Activities of the Government and For Other Purposes,” took effect on 26 January 2003, while its revised Implementing Rules and Regulations (IRR) took effect on 2 September 2009;

WHEREAS, Section 63.1(b) of RA 9184 and its IRR authorize the Government Procurement Policy Board (GPPB) to formulate public procurement policies, rules and regulations, and amend, whenever necessary, the IRR;

WHEREAS, in a meeting held on 09 July 2013, the Inter Agency Technical Working Group (IATWG) adopted the proposal of the Bureau of Internal Revenue (BIR) to grant the procuring entities the option to choose the forms of bid and performance securities and limit the same to at least two (2) forms of security that bidders will post;

WHEREAS, during its 5th Regular Meeting held on 30 July 2013, the GPPB discussed the matter, and, after careful deliberation, approved the recommendation of the IATWG;

WHEREAS, during the 6th Regular GPPB Meeting held on 30 August 2013, the GPPB-Technical Support Office sought clarification from the GPPB on how to proceed with the amendment of Section 27.2 of the IRR of RA 9184 in relation to the use of Bid Securing Declaration;

WHEREAS, after a thorough and careful discussion and deliberation, the members of the GPPB agreed that procuring entities should be required to select and use Bid Securing Declaration in the identification of at least two (2) acceptable forms of bid security;

WHEREAS, the GPPB issued Resolution No. 25-2013 dated 30 August 2013, amending among others, Section 27.2 of the IRR of RA 9184, which allowed the Procuring Entity to indicate in the Bidding Documents at least two (2) forms of bid security, which shall include the Bid Securing Declaration, from which the prospective bidders will choose and submit during public bidding, thus:

ORIGINAL	AMENDED
<p>Section 27.2</p> <p>“The bid security shall be in an amount equal to a percentage of the ABC in accordance with the following schedule:</p> <p>...</p>	<p>Section 27.2</p> <p><i>“The procuring entity shall indicate in the Bidding Documents the acceptable forms of bid security that bidders may opt to use, which shall include the Bid Securing Declaration provided in Section 27.5 of this IRR and at least one (1) other form, the amount of which shall be equal to</i></p>

<p>For biddings conducted by LGUs, the prospective bidder may also submit bid securities in the form of cashier's/manager's check, bank draft/guarantee, or irrevocable letter of credit from other banks certified by the BSP as authorized to issue such financial instrument.”</p>	<p>a percentage of the ABC in accordance with the following schedule: ... For biddings conducted by LGUs, <i>the procuring entity may also require bidders to submit bid securities in the form of...</i></p>
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WHEREAS, since the publication of GPPB Resolution No. 25-2013, GPPB-Technical Support Office (TSO) has been receiving queries and/concerns on the language of Section 27.2 of the IRR of RA 9184 and its corresponding clauses in the Philippine Bidding Documents, where some bidders and Procuring Entities interpret the foregoing provision as requiring bidders to submit two (2) forms of bid security, one of which is a Bid Securing Declaration;

WHEREAS, during the 3rd Regular GPPB Meeting held on 23 May 2014, the GPPB-TSO presented the foregoing issue for the Board's information and consideration;

WHEREAS, to avoid further confusion, the GPPB resolved to issue a Circular clarifying that the Section 27.5 of the revised IRR of RA 9184, as amended by GPPB Resolution No. 25-2013, grants a procuring entity the authority to identify and limit the forms of bid security that are acceptable to it, which shall include the bid securing declaration and at least one (1) other form of bid security;

WHEREAS, the GPPB further clarified that bidders shall have the option to select one form of bid security from the list of acceptable forms identified by the Procuring Entities in their Bidding Documents;

NOW, THEREFORE, for and in consideration of the foregoing, **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, as **WE** hereby confirm, adopt and approve the following:

ISSUE a Circular clarifying GPPB Resolution No. 25-2013 dated 30 August 2013 and the corresponding amendments to Section 27.2 of the IRR of RA 9184 and the corresponding clauses of the Philippine Bidding Documents for the Procurement of Goods, Infrastructure Projects, and Consulting Services.

This Resolution shall take effect immediately.

APPROVED this 23rd day of May 2014 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**

(Sgd.)

**DEPARTMENT OF TRADE AND
INDUSTRY**

**DEPARTMENT OF TRANSPORTATION
AND COMMUNICATIONS**

(Sgd.)

PRIVATE SECTOR REPRESENTATIVE

Attested by:

(Sgd.)

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