

NPM No. 031-2017

20 December 2017

MR. ENGR. THESSA LYN A. BONGCAWEL
Engineer II/TWG Chairman
DEPARTMENT OF AGRICULTURE - CARAGA REGION
Capitol Site, Butuan City

Single Largest Completed Contract (SLCC) Requirement –

Dear Engr. Bongcawel:

This refers to your email inquiry relative to the construction of a Diversion Dam with an approved budget for the contract of PhP 5,570,000.00, where the supposed Lowest Calculated Bidder (LCB), per representation, allegedly did not submit the SLCC requirement, except for one similar contract with a 42.7% level of accomplishment.

SLCC Requirement -

The submission of the SLCC is required to determine whether a bidder has the technical experience and capability to perform and accomplish the project at hand *vis-à-vis* the well-established concept in public procurement that the project shall be awarded to the bidder not only with the legal and financial capacity, but also the technical capability to undertake the project to its completion. Thus, to be eligible to participate in the procurement opportunity, a bidder must submit its SLCC that is similar to the contract to be bid whose value must be at least fifty percent (50%) of the ABC to be bid. Witness Section 23.4.2.4 of the 2016 revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, the Government Procurement Reform Act (GPRA), thus:

23.4.2.4. The prospective bidder must have completed an SLCC that is similar to the contract to be bid, and whose value, adjusted to current prices using the PSA consumer price indices, must be at least fifty percent (50%) of the ABC to be bid: Provided, however, That contractors under Small A and Small B categories without similar experience on the contract to be bid may be allowed to bid if the cost of such contract is not more than the Allowable Range of Contract Cost (ARCC) of their registration based on the guidelines as prescribed by the PCAB.

SLCC; Qualifier –

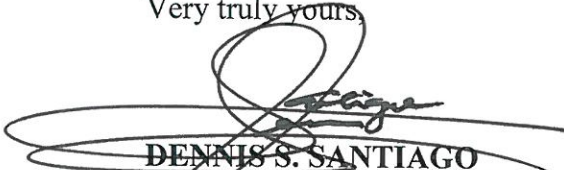
It is noteworthy to point out, however, that the above-cited rule provides for an exception. In that, contractors with Philippine Contractors Accreditation Board License (PCAB) under Small A and Small B categories, without similar experience of having

completed a contract that is 50% of the ABC to be bid, may be allowed to bid if the cost of the contract presently being bid out is not more than the ARCC of their registration based on the guidelines prescribed by the PCAB.

Per PCAB Board Resolution No. 949, s. 2003¹ and PCAB Board Resolution No. 001, Series of 2004,² adopting the second (2nd) stage of ARCC³ that took effect on 01 July 2009, the ARCC for Small B contractors is up to PhP 15 Million. Accordingly, under Section 23.4.2.4. of the 2016 IRR of RA 9184, Small B contractors without similar experience on the contract presently being bid out may be allowed to bid up to PhP 15 Million, subject to such other guidelines the PCAB may prescribe.

We hope that this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Note that this is issued on the basis of particular facts and situations presented, and may not be applicable given a different set of facts and circumstances. Should there be other concerns, please do not hesitate to contact us.

Very truly yours,



DENNIS S. SANTIAGO
Executive Director V

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¹ 19 December 2003.

² 16 January 2004.

³ Amended by PCAB Board Resolution No. 201, Series of 2017, dated 22 November 2017, to take effect starting 2018.