

**NPM No. 110-2017**

29 December 2017

**MS. MARISSA PADUA**

*Bids and Awards Committee (BAC) Secretariat*

**Re: Mode of Procurement -**

Dear Ms. Padua:

This refers to your electronic mail (email) seeking guidance on the appropriate mode of procurement for your agency's Janitorial Services requirement for Calendar Year (CY) 2018 with an Approved Budget for the Contract (ABC) amounting to Ninety Nine Thousand Pesos (PhP 99,000).

At the outset, we wish to clarify that the determination of the appropriate method of procurement rests within the sole authority and accountability of the Head of the Procuring Entity (HOPE), as the approving authority, and the Bids and Awards Committee (BAC), as the recommendatory body.<sup>1</sup> We adhere to the position that no other agency, office or official may interfere with these functions of the HOPE and the BAC, and dictate the method of procurement to be used for a particular project, since these duties and responsibilities fall solely within the ambit of their authority and discretion.

Section 10 of RA 9184 provides that all procurement, as a general rule, shall be done through competitive bidding. Alternative methods of procurement may be resorted to only in highly exceptional cases subject to the prior approval of the HOPE, and whenever justified by the conditions for each alternative modality specified in Sections 49 to 53 of the 2016 revised Implementing Rules and Regulations of RA 9184<sup>2</sup>, the Government Procurement Reform Act, and Annex "H" of the same 2016 IRR relative to the *Consolidated Guidelines for the Alternative Methods of Procurement* (Guidelines).

On the other hand, to promote economy and efficiency, the procuring entity may consider resorting to Negotiated Procurement under Small Value Procurement modality as sanctioned by Section 53.9 of the 2016 IRR of RA 9184; taking into account that the ABC of the agency, *i.e.*, Ninety Nine Thousand Pesos (PhP 99,000), for its procurement of janitorial services falls within the prescribed threshold<sup>3</sup> in Annex "H" of the 2016 IRR, that is, One Million Pesos (PhP 1,000,000.00).



<sup>1</sup> Section 12.1 of the IRR of RA 9184 in relation to Section 48.1 of the IRR of RA 9184.

<sup>2</sup> Section 48.1 of the IRR of RA 9184.

<sup>3</sup> Under Section V(D)(8)(a) of the Consolidated Guidelines for the Alternative Methods of Procurement, procurement of (a) goods not covered by Shopping under Section 52 of the IRR of RA 9184, (b) infrastructure projects, and (c) consulting services where the amount involved does not exceed the following threshold:

- i. For NGAs, GOCCs, GFIs, SUCs, and Autonomous Regional Government, One Million Pesos (PhP1,000,000)
- ii. ...

We hope that this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Note that this opinion is being issued on the basis of facts and particular 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 *MS*

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