



Republic of the Philippines  
**GOVERNMENT PROCUREMENT POLICY BOARD**  
**TECHNICAL SUPPORT OFFICE**



**NPM No. 134-2017**

29 December 2017

**MR. RAMON A. GUIANG**

*Agent*

**JAC AUTOMOBILE INTL. PHILIPPINES, INC.**

89-91 Sgt. Rivera St. Balingasa, Q.C.

**Re: Head of the Procuring Entity; Procurement Outsourcing -**

Dear Mr. Guiang:

This refers to your e-mail seeking for clarification as to who is considered the Head of the Procuring Entity (HoPE) in a case where the project of procurement of goods or services of a government department, office or agency funded from its own budget is done or coursed through Procurement Service-Department of Budget and Management (PS-DBM) or Philippine International Trading Corporation (PITC) under an agreement where the latter is tasked to conduct the public bidding and other related activities for such procurement.

At the outset, please be advised that Section 5(j) of Republic Act (RA) No. 9184 and Section 5(t) of its 2016 Revised Implementing Rules and Regulations (IRR) clearly define the HoPE, *to wit*:

***Head of the Procuring Entity (HoPE).*** Refers to: (i) the head of the agency or body, or **his duly authorized official**, for NGAs and the constitutional commissions or offices, and other branches of government; (ii) the governing board or its duly authorized official, for GOCCs, GFIs and SUCs; or (iii) the local chief executive, for LGUs: Provided, however, That in an agency, department, or office where the procurement is decentralized, the head of each decentralized unit shall be considered as the HoPE, subject to the limitations and authority delegated by the head of the agency, department, or office. (Emphasis ours.)

Under Section 7.3.3 of the 2016 revised IRR of RA 9184, where the Procuring Entity does not have the proficiency or capability to undertake a particular procurement, as determined by the HoPE concerned, it may outsource the procurement tasks by requesting other GoP agencies to undertake such procurement for them, through the execution of a memorandum of agreement containing specific arrangements, stipulations and covenants, in accordance with government budgeting, accounting and auditing rules.

From the foregoing, in case the Procuring Entity outsource its procurement tasks, the HoPE remains that of the Procuring Entity, unless the functions of the HoPE were likewise delegated to the Head of the other GoP agency, as specified in the memorandum of agreement, subject to existing government budgeting, accounting and auditing rules.

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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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