



# TECHNICAL SUPPORT OFFICE

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Pasig City, Philippines 1605

**NPM No. 20-2010**

1 July 2010

**ATTY. MA. VICTORIA C. MAGCASE**  
*Chairperson, Bids and Awards Committee I*  
**PHILIPPINE INTERNATIONAL TRADING CORPORATION**  
NDC Building, 115 Tordesillas Street  
Salcedo Village, 1227 Makati City

**Re : Bid Price Discrepancy**

Dear Atty. Magcase:

We refer to your letter dated 5 November 2009 requesting for guidance and opinion on the issue of bid price discrepancy.

We understand that the Philippine International Trading Corporation (PITC) bid 18,108 sets of uniforms under Implementing Rules and Regulations Part – A (IRR-A) of Republic Act 9184. Upon opening the financial proposal of the lone bidder, the following discrepancies<sup>1</sup> were noted:

- (a) Duplicate and triplicate copies reflected a higher total bid price compared to that stated in the original bid;
- (b) In the original bid, total amount in figures is lower than total amount in words;
- (c) Unit price in figures is higher than total bid price in figures.

To Illustrate:

BID PRICE (PESOS)	ORIGINAL		DUPLICATE COPY		TRIPLICATE COPY	
	Unit Price	Total Bid Price	Unit Price	Total Bid Price	Unit Price	Total Bid Price
IN FIGURES	1,580	26,610,640	1,580	28,610,640	1,580	28,610,640
IN WORDS	Twenty Eight Million Six Hundred Ten Thousand Six Hundred Forty Pesos		Twenty Eight Million Six Hundred Ten Thousand Six Hundred Forty Pesos		Twenty Eight Million Six Hundred Ten Thousand Six Hundred Forty Pesos	

<sup>1</sup> Since there is also a discrepancy between the factual description and illustration of the relevant facts by PITC, this opinion is based on the illustration contained in the 2<sup>nd</sup> page of PITC letter dated 5 November 2009.

### ***The Original Prevails***

The bid price indicated in the original bid prevails over the bid price reflected in the duplicate and triplicate copies. This rule is reflected in the second sentence of Section 23.1 of the Philippine Bidding Documents for Goods,<sup>2</sup> which states: "In the event of any discrepancy between the original and the copies, the original shall prevail."

### ***Words Over Figures***

However, the original bid also contains a discrepancy between the bid price stated in words over that stated in figures. Applying Section 32.4.3<sup>3</sup> of IRR-A, the bid price stated in words shall prevail over the bid price in figures. Hence, using the illustration above, the submitted bid price is P28,610,640 and not P26,610,640.

### ***Unit Price Over Total Price***

Section 32.4.3<sup>4</sup> of the IRR-A also states that in case of discrepancies between total prices and unit prices, the latter shall prevail. In the case at hand, there is a discrepancy between the total price (P26,610,640) and the product of the unit price multiplied by the quantity to be procured (P1,580 multiplied by 18,108 is P28,610,640). Consequently, applying Section 32.4.3, the calculated bid price is P 28,610,640.

### ***No Discrepancy Between Submitted and Calculated Bid Price***

Since submitted bid price of P28,610,640 in this case is the same as the calculated bid price of P28,610,640, there is no need to apply the rule under Section 37.1<sup>5</sup> of IRR-A which states that award of contract shall be at the lower bid price of the two.

### ***HOPE Approval/Disapproval of BAC Recommendation***

With respect to your query on the powers of the Head of Procuring Entity (HOPE), please be reminded that it is within the powers of the HOPE to approve or disapprove the recommendations of the Bids and Awards Committee (BAC). Pursuant to Section 12.1 of the IRR-A, however, if the decision of the HOPE is one of disapproval, it should be based on valid, reasonable and justifiable grounds expressed in writing and copy furnished the BAC.<sup>6</sup> In such a case, accountability shall rest with the HOPE.

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<sup>2</sup> Now found under Section 19.5 of the 3<sup>rd</sup> Edition, Philippine Bidding Documents for Goods.

<sup>3</sup> This rule is also found under Section 32.2.3 of the Revised IRR.

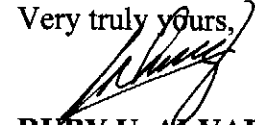
<sup>4</sup> This rule is more explicitly stated in Section 32.2.3 of the Revised IRR, which states that in case of discrepancies between total price per item and unit price for the item as extended or multiplied by the quantity of that item, the latter shall prevail.

<sup>5</sup> Now found under Section 34.4 of the Revised IRR.

<sup>6</sup> Now found in Section 37.1.3 of the Revised IRR.

We hope to have provided sufficient guidance on the matter. Should you have additional questions, please do not hesitate to contact us.

Very truly yours,



**RUBY U. ALVAREZ**  
*Executive Director III*