



Department of Budget and Management
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE

NPM No. 08-2013

11 February 2013

ENGR. ANSELMO L. SANG TIAN
General Manager
BUTUAN CITY WATER DISTRICT (BCWD)
Gov. Jose A. Rosales Avenue, Butuan City

Re : Guidelines for Shopping and Small Value Procurement

Dear Engr. Sang Tian:

This refers to your letter dated 11 September 2012 requesting for a concise explanation of the Guidelines for Shopping and Small Value Procurement¹ (Guidelines), particularly on the number of quotations required to be obtained before award may be made.

As represented, the BCWD is at a quandary on how to proceed when, in procuring through Shopping or Small Value Procurement, less than three (3) quotations are received. As mentioned in the request, BCWD awards, after it has posted its notice for extension of deadline (referred to in your letter as the "second posting") in the PhilGEPS², to the bidder with the lowest price offer whether or not it has obtained the three (3) quotations required.

The Guidelines prescribe the general procedures for procurement through Shopping under Section 52.1 of the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) 9184 and Small Value Procurement under Section 53.9 of the same IRR. Resort to Shopping under Section 52.1 may either be by reason of unforeseen contingency under Section 52.1(a); or, by reason of unavailability of ordinary/regular supplies and equipment in the Procurement Service-Department of Budget and Management under Section 52.1(b).

The Guidelines, specifically in Section 3(c), provides clear and unambiguous rules in terms of the required number of Requests for Quotation (RFQs) that must be sent when procuring through Shopping, *i.e.* to at least three (3) suppliers. In the case of Small Value Procurement, Section 53.9.1 of the IRR requires the procuring entity to draw up a list of at least three (3) suppliers, contractors, or consultants of known qualifications which will be invited to submit proposals, in the case of goods and infrastructure projects, or curriculum vitae, in the case of consulting services. In the case of Shopping under Section 52.1(a), Section 3(c) of the Guidelines further provides that sending the RFQ to only one (1) supplier is sufficient.

¹ Issued through GPPB Resolution 09-2009 dated 23 November 2009.

² Philippine Government Electronic Procurement System

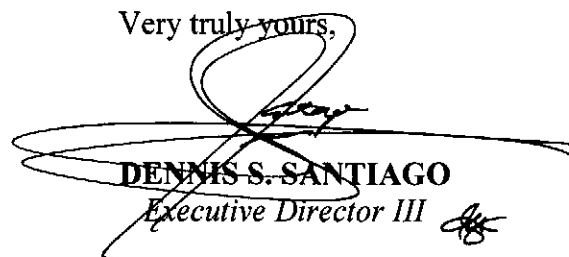
However, in terms of the number of quotations required to be obtained, Section 3(f) of the Guidelines, specifically provides that in case of Shopping under Section 52.1(b) of the IRR, at least three (3) price quotations must be obtained. The Guidelines does not impose the same requirement in procurement through Shopping under Section 52.1(a) and Small Value Procurement under Section 53.9.

Based on this, it can be readily inferred that only when the procurement method is Shopping under Section 52.1(b) of the IRR that the procuring entity is required to obtain at least three (3) quotations. Thus, when the number of quotations obtained is less than three (3), the procuring entity should extend the deadline for the submission of quotations until it has obtained at least three (3) quotations as clearly stated in Section 3(g) of the Guidelines. In the case of procurement through Shopping under Section 52.1(a) and Small Value Procurement under Section 53.9, it is not necessary to obtain at least three (3) quotations.

We wish to stress that, as discussed above, it is imperative that BCWD obtains at least three (3) quotations before awarding a contract that is procured through Shopping under Section 52.1(b). Failure to comply with this requirement renders the procurement invalid, and the responsible officials accountable for non-compliance with rules and regulations.

We hope our advice provided sufficient guidance on the matter. Note that this opinion is being issued on the basis of facts and particular situation presented, and may not be applicable given a different set of facts and circumstances. Should you have other concerns, please do not hesitate to contact us.

Very truly yours,



DENNIS S. SANTIAGO
Executive Director III