



Republic of the Philippines
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE



NPM No. 11-2015

7 April 2015

MR. JONELITO H. VICENTE
Chairperson, Bids and Awards Committee
PHILIPPINE COCONUT AUTHORITY (PCA) REGION XI
PCA Complex, Bago Oshiro,
Tugbok District, Davao City

Re: Single Largest Completed Contract (SLCC)

Dear Mr. Vicente:

This refers to your letter requesting approval to procure 4,609,600 pieces of seednuts amounting to Php 69,144,000.00 in four (4) phases instead of single procurement. As represented, the request is anchored on the failure of suppliers to meet the technical criterion under Section 23.5.1.3¹ of the revised Implementing Rules and Regulation (IRR) of Republic Act (RA) No. 9184.

At the outset, we wish to clarify that the Government Procurement Policy Board (GPPB) and its Technical Support Office (GPPB-TSO) do not approve strategies or approaches for specific procurement activity of a Procuring Entity (PE). Instead, we are mandated to ensure proper implementation of RA 9184, its IRR and other associated rules and regulations and assisting the PEs to improve their procurement performance and compliance. In this regard, we shall limit our discussion on the relevant procurement rules and regulations pertinent to the issue presented.

The Single Largest Completed Contract (SLCC) requirement under Section 23.5.1.3 of the IRR of RA 9184, as technical eligibility criterion, is imposed for the purpose of establishing a tangible gauge for the bidder's track record and capacity to perform contractual obligations.² This is a guarantee to all PEs that only eligible and qualified private contracting parties can participate in public bidding. Nonetheless, this general rule on the SLCC requirement for the procurement of goods is subject to an exception. Thus, if at the outset and after conducting market research, the PE can already determine that imposing the SLCC requirement will likely result to failure of bidding, or monopoly that will defeat the purpose of public bidding, the PE, in lieu of the SLCC, may require the following:

¹ The prospective bidder must have completed, within the period specified in the Invitation to Bid, a single contract that is similar to the contract to be bid, and whose value, adjusted to current prices using the National Statistics Office (NSO) consumer price indices, must be at least fifty percent (50%) of the ABC. However, in the case of Expendable Supplies, said single contract must be at least twenty five percent (25%) of the ABC.

² NPM No. 031-2009 dated 10 June 2009.

- a) The prospective bidder should have completed at least two (2) similar contracts and the aggregate contract amounts should be equivalent to at least the percentage of the required ABC; and
- b) The largest of these similar contracts must be equivalent to at least half of the percentage of the required ABC.³

In relation to this, under Bid Data Sheet (BDS) Clause 5.4 of the Philippine Bidding Documents (PBDs) for the Procurement of Goods, PEs are mandated to select whether they will impose the general SLCC requirement or they will use the exception under the second paragraph of Section 23.5.1.3 of the IRR of RA 9184 to properly inform all interested bidders on the technical eligibility criterion to be used for the specific procurement project.

In this regard, if it is determined by PCA Region XI that imposing the SLCC requirement will likely result in failure of bidding, or monopoly that will defeat the purpose of public bidding, the exception under the second paragraph of Section 23.5.1.3 of the IRR of RA 9184 may be utilized, provided that it is clearly indicated in BDS Clause 5.4 of the PBDs for the Procurement of Goods.

We hope this opinion issued by 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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³ Section 23.5.1.3, 2nd par. of the IRR of RA 9184.