



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

NPM No. 14-2014

31 March 2014

MS. ROCHELLE J. FERNANDEZ

President/ CEO

ARGENT VENTURES INC.

Unit K2, Block 1, Citiplaza 1, Tandang Sora
Avenue corner Visayas Avenue, Quezon City,

Re: Spare Parts

Dear Ms. Fernandez:

This is in response to your letter¹ seeking clarification on whether spare parts should be classified as expendable or non-expendable goods.

It is represented that Argent Ventures Inc. (Argent) inquired with the Commission on Audit (COA) resident Auditor of the National Power Corporation (NPC) on how spare parts should be classified, to which the latter responded that spare parts should be classified as supplies.

Section 5(m) of the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184 defines expendable supplies as articles which are normally consumed in use within one (1) year or converted in the process of manufacture or construction, or those having a life expectancy of more than one (1) year but which shall have decreased substantially in value after being put to use for only one (1) year (e.g. medicines, stationery, fuel, and spare parts).

Following the definition of expendable supplies under Section 5(m) of the IRR of RA 9184, if the spare parts sought to be procured have a life expectancy of more than one (1) year but which shall have decreased substantially in value after being put to use for only one (1) year, then the same shall be classified as expendable supplies; otherwise, said spare parts shall be classified as non-expendable supplies or goods.

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.

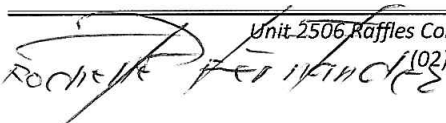
Very truly yours,


DENNIS S. SANTIAGO

Executive Director

Wrd2 

¹ Dated 17 October 2012.





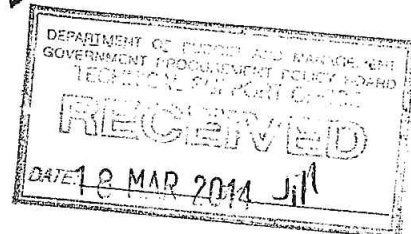
**ARGENT
VENTURES
INC.**

UNIT K2 BLOCK 1 CITIPLAZA I
TANDANG BORA AVE. COR.
VISAYAS AVE., QUEZON CITY 1107
TEL No. 4540729
TELEFAX: 7381391
E-MAIL: argentventures@yahoo.com

FOLLOW UP

October 15, 2012 ✓

Government Procurement Policy Board
Unit 2506, Raffles Corporate Center, F. Ortigas Jr. Road,
Ortigas Center, Pasig City 1605



Attention: Mr. Karl Paulo C. Damian
GPPB-TSO

Dear Sir:

17-OCT-2012 CAWE

This is in reference with our query from your office last Thursday, October 11, 2012, regarding the category of spare parts if it is classified as expendable or non-expendable supplies. We were advised to verify with the Commission on Audit (COA) of the National Power Corporation (NPC) how they categorized said items in their records.

Per inquiry made with COA in NPC, they categorized spare parts as expendable items.

With this verification, may we request from your good office a clarification or opinion on the matter.

Thank you.

Very truly yours,

W

ROCHELLE J. FERNANDEZ
President/CEO

W
Para/Diana
Please prepare OPINION
pursuant to the order.
20.08



ARGENT
VENTURES
INC.



ROCHELLE J. FERNANDEZ

NAME

PRESIDENT / C.E.O.

POSITION

SIGNATURE

ID No. 0001