



TECHNICAL SUPPORT OFFICE

Unit 2506 Raffles Corporate Center,
F. Ortigas Jr. Avenue, Ortigas Center,
Pasig City, Philippines 1605

NPM No. 02-2006

March 13, 2006

MR. NOLANDO B. SANCHEZ
Municipal Engineer
Municipality of Sto. Tomas
Province of Batangas

Re : Clarifications on the Applicable Warranty Period under RA 9184 and its IRR-A

Dear Mr. Sanchez:

This refers to your letter dated 9 January 2006 which we received on 08 February 2006 seeking clarifications on the applicable warranty period under Republic Act 9184 (RA 9184) and its Implementing Rules and Regulations Part A (IRR-A), particularly, for the equipment installed in an infrastructure project.

Warranty Period for the Equipment Installed in an Infrastructure Project

The matter was raised to the Inter-Agency Technical Working Group (IATWG) of the Government Procurement Policy Board (GPPB) last 02 March 2006 and the body was of the view that the warranty periods provided under Section 62.2.2 of the IRR-A of RA 9184, that is, fifteen (15) years for permanent structure; five (5) years for semi-permanent structure; and two (2) years for other structures apply to the infrastructure project alone. Accordingly, the equipment installed in an infrastructure project shall be governed by the applicable warranty period for goods as provided under Section 62.1 of the IRR-A.

Furthermore, the IATWG opined that a procuring entity may require a longer warranty period for the equipment based on the expected life span of such equipment, or in accordance with the warranty period provided by the supplier of such equipment.

In relation thereto, the IATWG had the occasion to discuss whether a separate warranty security must be required from the contractor in case an equipment is installed as part or component of the infrastructure project subject of the bid. In this light, the IATWG was of the opinion that the contractor must post a separate warranty security for the equipment based on its unit contract price stated in the bill of quantities, and for such duration depending on the life expectancy of the equipment taking into

consideration normal wear and tear, aside from the warranty security for the civil work or infrastructure project. However, the warranty security of the structure shall be based on the total contract price less the contract price of the equipment appearing on the bill of quantities.

Moreover, to avoid confusion among prospective bidders on the applicable warranty periods, it was suggested that the procuring entity may include in its bidding documents, a schedule of warranties providing the timetable of warranty periods for the equipment, or machineries included in the bill of quantities as well as the warranty period for the civil works or infrastructure project.

We trust that this clarifies matters.

Very truly yours,


ESTANISLAO C. GRANADOS JR.
Executive Director-IV



TECHNICAL SUPPORT OFFICE

Unit 2506 Raffles Corporate Center,
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Pasig City, Philippines 1605

February 20, 2006

MR. NOLANDO B. SANCHEZ

Municipal Engineer
Municipality of Santo Tomas
Province of Batangas
Poblacion I, Sto. Tomas
Batangas

Dear Engineer Sanchez:

This is to acknowledge receipt by this office, on 08 February 2006, of your letter-query dated 09 January 2006 and addressed to the Executive Director of the Government Procurement Policy Board- Technical Support Office. The letter-query raises concerns anent the warranty period requirement for an equipment incorporated in an infrastructure project.

We wish to inform you that, after initial review of the concern raised and due consideration of the facts as represented, we find that in its resolution and/or disposal, further research and/or study is necessary so that in rendering our opinion on the same, we are able to present a deliberate and considered view on the matters which are within this office's competence to discuss or interpret. As may be determined appropriate by this office, the said issues may be raised to the GPPB Technical Working Group and/or to the GPPB itself for their consideration and resolution.

Thank you.

Very truly yours,



ATTY. SALVADOR C. MALANA III
Head, Legal and Policy Group