



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

NPM No. 21-2014

17 June 2014

MR. NICASIO G. TAMBAL
Assistant Regional Director
Chairman, Bids and Awards Committee (BAC),
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
REGION IV-B, MIMAROPA
EDSA, Quezon City

Re: Government Procurement Policy Board (GPPB) Resolution No. 25-2013

Dear Director Tambal:

This refers to your letter dated 16 June 2014, seeking our opinion on the interpretation of GPPB Resolution No. 25-2013 dated 30 August 2013, relative to the acceptable forms of bid security that bidders may post during the submission of bids, to wit:

1. Whether the bidders are now required to post two (2) forms of bid securities - (1) Bid Securing Declaration (BSD) as mandatory form; and (2) of any of the two bid security forms to be prescribed by the Procuring Entity (PE); or,
2. The bidders will choose from and shall post only one (1) of the two (2) bid security forms as prescribed by the PE, wherein the BSD is a mandatory form.

During its 3rd Regular Meeting last 23 May 2014 and pursuant to its original intent, the Board clarified that pursuant to Section 27.2 of the IRR of RA 9184, as amended, PEs are given the option to limit the acceptable forms of bid security in the Bidding Documents, one of which shall be the BSD as a mandatory form to be included, while the other form may be chosen from at least one (1) of the following, thus:

Form of Bid Security	Amount of Bid Security (Equal to Percentage of the ABC)
a) Cash or cashier's/manager's check, issued by a Universal or Commercial Bank.	Two percent (2%)
b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or	

Commercial Bank, if issued by a foreign bank.	
c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Five percent (5%)
d) Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

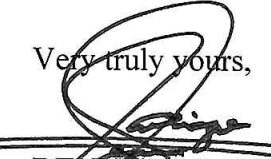
On the other hand, the prospective bidder is given the choice to post just one form of bid security, that is, a BSD **OR** any other form of bid security indicated by the PE in the Bidding Documents.

To illustrate, the PE shall include BSD, as one of the choices; the other form of bid security may be Cashier's Check (or Cash, Manager's Check, Bank Draft/Guarantee, Irrevocable Letter of Credit, Surety Bond, or combination of the identified forms). The prospective bidder shall post **ONLY ONE (1) FORM** of bid security, a BSD OR Cashier's Check as its bid security. Accordingly, the prospective bidder is required to post only one (1) form of bid security, in this example, it could either be a BSD **OR** Cashier's Check.

In view of the foregoing, bidders are not required to post two (2) forms of bid security. We wish to clarify that the PE is mandated to include the BSD in its Bidding Documents as an acceptable form of bid security and at least one (1) of the forms provided for under the rules. Ultimately, the bidder has the discretion and choice as to what form of bid security it shall post.

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 V

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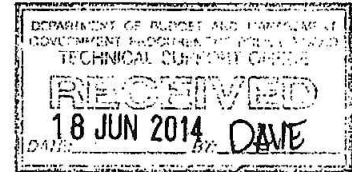


Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
Region IV-B, MIMAROPA
OFFICE OF THE REGIONAL DIRECTOR
EDSA, Quezon City

DPWH. RMS. ADM.
DATE: 6-17-14
FILE NO. 097.7

June 16, 2014

The Executive Director
Department of Budget and Management
Government Procurement Policy Board
Technical Support Office
Unit 2506 Raffles Corporate Center
F. Ortigas Jr. Road, Ortigas, Pasig City



Sir:

This is in connection with GPPB Resolution No. 25-2013 approving amendments to Sections 27.2, 27.5 and 39.2 of the Revised Implementing Rules and Regulations of Republic Act 9184; The Philippine Bidding Documents for Goods, Infrastructure Projects and Consulting Services; and the Guidelines for the use of Bid Securing Declaration, specifically section 27.2 which read as "The procuring entity shall indicate in the Bidding Documents the acceptable forms of bid security that bidders may opt to use which shall include the Bid Securing Declaration provided in section 27.5 of this IRR and at least one (1) other form".

This office would like to be clarified as to the interpretation of the said section:

- 1) Whether the bidders are now required to post two (2) bid securities; one (1) Bid Securing Declaration as mandatory and one (1) of any of the two bid security forms to be prescribed by this procuring entity; or
- 2) The bidders shall post only one (1) of the two (2) Bid Securing forms to be prescribed by the procuring entity, wherein the Bid Security Declaration is mandatory to be one of the two bid security forms to be prescribed by the procuring entity.

We hope to be enlightened on the matter. Thank you and Godbless.

Very Truly yours,


NICASIO G. TAMBAL
Assistant Regional Director
BAC Chairman