



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

NPM No. 22-2014

17 June 2014

MS. LORELIE S. LOPEZ

Supply Officer II

ROAD BOARD (RB)

2nd Floor Ave Maria Bldg.,

1517 Quezon Avenue cor. Examiner St.,

Quezon City


Re: Classification of Procurement

Dear Ms. Lopez:

This refers to your electronic mail sent on 6 June 2014 seeking our opinion whether installation of reflective pavement markings should be considered as procurement of goods or infrastructure project.

At the outset, we wish to reiterate that the Procuring Entity (PE) is in the best position to determine the correct classification of its procurement based on its identified needs, but should be guided by the parameters and conditions in the relevant provisions of RA 9184 and its IRR on what should be considered as goods, infrastructure project, and consulting services.¹

For your guidance, please note that Sections 5(r) and (u) of the IRR of RA 9184 provide for the categorical definitions of goods and infrastructure projects, respectively. Further, Section 5(aa) of the same IRR provides guidance in classifying procurement activities involving mixed procurements. Whether an intended procurement is in the nature of goods or infrastructure project, the issue necessarily involves the determination of the primary intention for which the contract is sought to be undertaken. While the procurement may have been conceived for a number of purposes or uses, that which is primary or foremost shall dictate in identifying its true nature.²

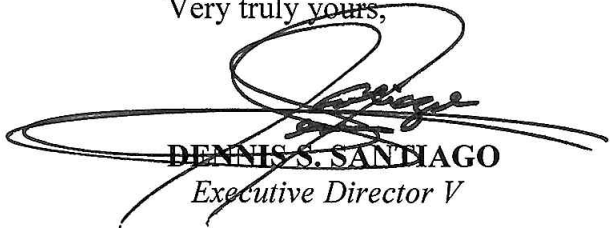
It is our considered view that if the project is solely for the procurement of reflective pavement markings, it could be treated as procurement of goods. Otherwise, if the project includes the installation of said markings, it becomes a mixed procurement involving goods and works procurement, the nature of the procurement will be dictated by the primary purpose of the contract. 

¹ NPM No. 138-2013 dated 27 December 2013.

² NPM No. 029-2008 dated 23 September 2008.

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 you have further questions, please do not hesitate to contact us.

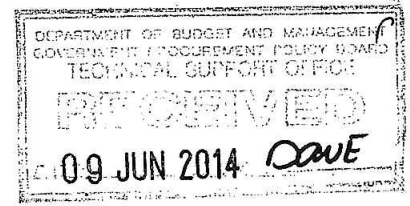
Very truly yours,



DENNIS S. SANTIAGO
Executive Director V

1/1/23

From: Lorelie S. Lopez <lopezls@roadboard.gov.ph>
Sent: Friday, June 06, 2014 11:13 AM
To: gppb@gppb.gov.ph
Subject: Procurement of Goods or Infrastruture Project



Dear Sir/ Madam,

I would like to seek for a definite answer /advise based on your knowledge and from your technical expertise on determining whether the procurement for a particular project which involves Installation of Reflective Pavement Markings on national roads considered as procurement of *Goods* or can be regarded as part of an *Infrastructure Project*?

I am looking forward to your prompt response regarding this matter.

Thank you and may God prosper us all.

Sincerely,

LORELIE S. LOPEZ
Supply Officer II
Road Board
2/F Ave Maria Bldg.
#1517 Quezon Avenue, Quezon City
376-6268 - 71 loc. 42848
Telefax: 376-9028
Mobile No. (63) 916-8815010

Handwritten note:
Please prepare OPINION.
If the project is solely for the procurement of "reflective pavement markings", it could be treated as goods procurement, but if it is to be procured together with the construction of the road, it is an infrastructure project; or it may be treated as mixed procurement. The nature of the procurement for which is dictated by the primary purpose of the R.
TDS,
DSD