



Republic of the Philippines
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE



NPM No. 031-2016

28 April 2016

MR. AMADO P. IMPER, Ph.D.
Bids and Awards Committee (BAC) Chairperson
KALINGA-APAYAO STATE COLLEGE (KASC)
Tabuk City, Kalinga

Re: Discrepancy in the Summary of Detailed Cost Estimates

Dear Dr. Imper:

This refers to your letter requesting our opinion on the rules to be observed in case of discrepancy in the Summary of Detailed Cost Estimates.

As represented, after two (2) failures of bidding, you conducted the third (3rd) bidding for the construction of Academic Building with Science Laboratory in KASC Rizal Campus. During the bid opening on 8 December 2015, only one (1) bidder participated and was determined to meet the requirements for the project. However, it was found out during the post qualification stage that in the Summary of Detailed Cost Estimates, there is a discrepancy in the bid prices in figures (Php 23,626,908.43) and in words (Twenty-One Million Six Hundred Eighty-Six Thousand Six Hundred Fifty-Nine Pesos and Twelve Centavos or Php 21,686,659.12). Hence this request for opinion to support your decision.

At the outset, we would like to clarify that the Government Procurement Policy Board (GPPB) and its Technical Support Office (TSO) render policy and non-policy matter opinions, respectively, on issues purely pertaining to the interpretation and application of procurement laws, rules and regulations. We have no authority to dictate to the Procuring Entity (PE) how to decide or resolve issues relative to its procurement activities. Moreover, we adhere to the position that we cannot, nor any other agency, authority, or official, encroach upon or interfere with the exercise of the functions of the Head of the Procuring Entity (HOPE) and the Bids and Awards Committee (BAC), since these duties and responsibilities fall solely within the ambit of their authority and discretion. In this regard, we shall limit our discussion on the interpretation of relevant procurement rules and regulations pertinent to the issues presented.

We wish to clarify that Section 32.2.3 of the revised Implementing Rules and Regulation (IRR) of Republic Act (RA) No. 9184 provides for the rules to be observed during bid evaluation in case there are discrepancies in the financial component of the bid, thus:

- (a) bid price in words shall prevail over bid price in figures;
- (b) unit price for the item as extended or multiplied by the quantity of that item shall prevail over total price per item;

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- (b) unit price for the item as extended or multiplied by the quantity of that item shall prevail over total price per item;
- (c) actual sum of prices of component items shall prevail over stated total price; and
- (d) unit cost in the bill of quantities shall prevail over unit cost in the detailed estimate and.

It appears that applying the above-mentioned rules, the bid prices in words (Php 21,686,659.12) shall prevail over the bid prices in figures (Php 23,626,908.43). However, we noted that in the bid form submitted by the bidder, which was forwarded to our office as an attachment to the request for opinion, both the bid prices in words and in figures are in the amount of Php 23,626,908.43, which is consistent with the bid prices in figures stated in the Summary of Detailed Cost Estimates. This created a discrepancy between the amount stated in the bid form and bid prices in figures stated in the Summary of Detailed Cost Estimates (Php 23,626,908.43), on one hand, and the bid prices in words stated in the Summary of Detailed Cost Estimates (Php 21,686,659.12), on the other hand.

The rule that the bid price in words shall prevail over the bid price in figures should not be applied in its strictest sense if doing so would defeat the purpose of bid evaluation. In our jurisdiction, there were instances, though involving subjects different from procurement, where the rule that the number expressed in words shall prevail over the number expressed in figures were not applied. In the case of *Lim v. Maglanoc and Francia*¹, the Supreme Court ordered the recounting of votes for the sole purpose of determining the true statement of votes rather than applying the rule that number in words must prevail over that in figures. In the other case of *People v. Romero and Rodriguez*², the High Tribunal held that the rule in the Negotiable Instruments Law that the amount in words would prevail over the amount in figures finds no application in the case, and instead, gave consideration on the real intention and agreement of the parties. In these cases, the Supreme Court put more emphasis on the real intention and true statement of the parties.

It bears stressing that the purpose of bid evaluation is to determine the Lowest Calculated Bid (LCB)³ by establishing correct total calculated bid prices to enable proper comparison of all eligible bids. Thus, the total bid price in the Summary of Detailed Cost Estimates (or Bill of Quantities), whether in words or in figures, should correspond to the actual sum of prices of component items and should be consistent with the bid price indicated in the bid form to reflect the real intention and true statement of the bidder.

In this regard, it is our considered view that in case of discrepancy in the amount in words and in figures indicated in the Summary of Detailed Cost Estimates, the rule that the bid price in words shall prevail over the bid price in figures should not automatically be applied. As between the amount in words and that in figures indicated in the Summary of Detailed Cost Estimates, that which correspond to the actual sum of prices of component items and is consistent with the bid price indicated in the bid form shall prevail in establishing the correct total calculated bid price so as to reflect the real intention and true statement of the bidder and not to defeat the purpose of bid evaluation.

¹ G.R. No. L-16566 promulgated on 31 August 1961, citing *Jose Parlade, et al. v. Judges Perfecto Quicho and Mateo Alcasid, et al.*, G.R. No. L-16259, 29 December 1959.

² G.R. No. 112985 promulgated on 21 April 1999.

³ Section 32.2 of the IRR of RA 9184.

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,


MELISSA A. SANTIAGO-YAN
Officer-in-Charge

