



NPM No. 34-2013

27 March 2013

MR. REX B. BUAC
Officer-in-Charge, Region XI
PHILIPPINE COCONUT AUTHORITY (PHILCOA)
PCA Complex, Bago-Oshiro,
Tugbok District, Davao City

**Re: Posting on Philippine Government Electronic Procurement System
(PhilGEPS)**

Dear Mr. Buac:

We respond to your letter seeking advice on whether registration with the PhilGEPS is required for procurement activities below Fifty Thousand Pesos (PhP 50,000.00) under Republic Act (RA) No. 9184 and its revised Implementing Rules and Regulations (IRR).

It is represented that PHILCOA is to procure Three Thousand (3,000) pieces of Tacunan variety seednuts costing Thirteen Pesos (PhP 13.00) per piece or a total of Thirty Nine Thousand Pesos (PhP 39,000.00), pursuant to the Coconut Seedling Dispersal Project under the Accelerated Coconut Planting and Replanting Program. PHILCOA intends to procure the aforesaid variety of seednuts from its only registered supplier who could not validly register with PhilGEPS due to the absence of a valid business permit. PHILCOA maintains that it needs the seednuts in establishing a coconut seed farm for the Tacunan variety. However, since the requirement of business permits has caused problems in the registration of farmer seednut suppliers with PHILCOA, it has already removed the said requirement on February 2012. Nonetheless, PHILCOA's auditor require all of its suppliers to be PhilGEPS registered regardless if the procurement is above or below Fifty Thousand Pesos (PhP 50,000.00).

For your guidance, Section 8.5.1 of the IRR of RA 9184 requires manufacturers, suppliers, distributors and contractors and/or consultants to register with PhilGEPS so that they may be apprised of procurement activities of different Procuring Entities (PEs). This provision allows a manufacturer, supplier, distributor, contractor and/or consultant to participate in a procurement undertaken by any PE, provided that it maintains its registration current and updated in accordance with rules laid down in the IRR, and its registration is proper and relevant to the particular type of procurement.

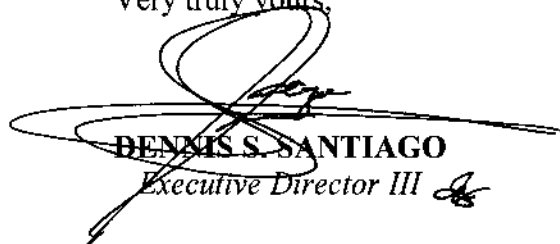
It bears stressing that Section 8.5.1 of the IRR of RA 9184 does not qualify the requirement for PhilGEPS registration (*e.g.* based on a threshold amount); hence, compliance with this condition should be considered absolute. We note that PHILCOA's planned

procurement of the Tacunan variety of seednuts may fall under Small Value Procurement, as total cost is less than Fifty Thousand Pesos (PhP 50,000.00) and the request for quotation and award of the contract are no longer required to be posted in the PhilGEPS website. Nonetheless, the inapplicability of the posting requirement is not tantamount to a situation where PhilGEPS registration may also be dispensed with since the amount of the procurement project is not a factor for this condition to apply.

Based on the foregoing, we are of the view that the requirement for manufacturers, suppliers, distributors and contractors and/or consultants to register with PhilGEPS under Section 8.5.1 of the IRR of RA 9184 is absolute. Hence, compliance with this requirement is mandatory regardless whether the cost of procurement is more than or less than Fifty Thousand Pesos (PhP 50,000.000).

We hope that our advice provided sufficient guidance on the matter. Please note that this opinion is being rendered on the basis of the facts and particular situation presented, and may not be applicable given a different set of facts and circumstances. Should you have additional questions, please do not hesitate to contact us.

Very truly yours,


DENNIS S. SANTIAGO
Executive Director III

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