



Republic of the Philippines
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE



NPM No. 035-2016

17 May 2016

ENGR. ROLAND SUNI
Chairperson, BAC Technical Working Group
DAGUPAN CITY
AB Fernandez E Ave, Downtown District,
Dagupan, 2400 Pangasinan

Re: Accreditation of Bidders

Dear Engr. Suni:

This refers to your letter requesting our opinion relative to the accreditation of bidders for newspaper publication.

As represented, there are Invitations to Bid (IBs) that are required to be published in a national newspaper but there is no newspaper publication accredited by the City Government of Dagupan. It is your understanding that the City Government shall only transact business with suppliers or contractors accredited by the City. However, national newspaper publications show no interest to be accredited. In your desire to strictly implement the provisions of Republic Act (RA) No. 9184, citing in particular a provision of Section 21¹ thereof, you are seeking clarification if the national accreditation or Philippine Government Electronic Procurement System (PhilGEPS) Certification of newspaper publication is sufficient or tantamount to substantial compliance with the requirements of RA 9184 to allow them to transact business with the City Government. Further, you are also inquiring on whether a mere IB to suppliers is sufficient for Request for Quotation (RFQ) purposes.

We wish to inform you that we have clarified in a previous opinion² that requiring an accreditation process as a condition precedent for participation in procurement activities of the local government unit runs counter to RA 9184 and its revised Implementing Rules and Regulations (IRR). We explained that the establishment of an accreditation system within the agency would limit the participation of bidders only to those accredited suppliers, to the exclusion and prejudice of other bidders in the market³. Consequently, the creation of an

¹ In line with the principle of transparency and competitiveness, all Invitations to Bid for contracts under competitive bidding shall be advertised by the Procuring Entity in such manner and for such length of time as may be necessary under the circumstances, in order to ensure the widest possible dissemination thereof, such as, but not limited to, posting in the Procuring Entity's premises, in newspapers of general circulation, the G-EPS and the website of the Procuring Entity, if available.

² NPM No. 47-2013 dated 17 June 2013.

³ NPM No. 28-2005 dated 31 May 2005.

accreditation system is not in accordance with the mandate of the present procurement law because it in fact contravenes the very basic principles of competitive bidding⁴.

Under Section 3(b) of RA 9184 and its IRR, government procurement is governed by the principle of competitiveness, which means extending equal opportunity to enable eligible and qualified market operators to participate in public bidding. Thus, all bidders that are able to comply with the requirements set by RA 9184 and its IRR, particularly Sections 23 and 24 thereof, shall be declared eligible and will be allowed to participate in the procurement activity. Relatedly, Section 3(c) of RA 9184 and its IRR provides another governing principle in government procurement, that is, streamlined procurement process that will uniformly apply to all government procurement. We note that accreditation of bidders by a Procuring Entity is not part of the standardized bidding procedures under RA 9184 and its IRR.

In this regard, we wish to restate our earlier opinion that requiring an accreditation process as a condition precedent for participation in procurement activities of the local government unit runs counter to RA 9184 and its IRR as it would limit the participation of bidders only to those accredited suppliers, to the exclusion and prejudice of other bidders in the market, and it in fact contravenes the very basic principles of competitive bidding. It must be emphasized that the eligibility of bidders to participate in government procurement is determined based on their compliance with the eligibility requirements prescribed in Sections 23 and 24 of the IRR of RA 9184.

Anent your second query, we assume that the query pertains on whether an IB can be used as a substitute to RFQ in resorting to alternative methods of procurement specifically Shopping and Small Value Procurement. In connection with this, for as long as the IB contains the minimum information required in Section 3(a) and (b) of the Guidelines for Shopping and Small Value Procurement⁵, it may be considered as a substitute to RFQ. Thus, the IB shall indicate the specification, quantity, Approved Budget for the Contract (ABC) and other terms and conditions of the item to be procured, as well as the manner by which price quotations shall be submitted and the deadline for the submission, to be considered as the RFQ to be used in resorting to Shopping and Small Value Procurement. Be that as it may, it is still prudent to denominate the invitation for Shopping and Small Value Procurement when approaching the market as "Request for Quotation" to avoid confusion.

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,


MELISSA A. SANTIAGO-YAN
Officer-in-Charge

Wrd3

⁴ NPM No. 33-2011 dated 28 December 2011.

⁵ GPPB Resolution No. 09-2009 dated 23 November 2009.