

TECHNICAL SUPPORT OFFICE

Unit 2506 Raffles Corporate Center,
F. Ortigas Jr. Road, Ortigas Center,
Pasig City, Philippines 1605

NPM No. 04-2008

5 February 2008

MS. AIDA P. DIZON

*Assistant General Manager
Finance and Administration*

PHILIPPINE PORTS AUTHORITY

Bonifacio Drive, South Harbor,
Port Area, Manila 1018, Philippines

Re: Outsourcing of Manpower Services

Dear Ms. Dizon:

We respond to your letter dated 22 January 2008 asking for advice on whether the Philippine Ports Authority (PPA) can enter into a multi-year contract (i.e. two-year contract) for outsourcing the manpower services requirement of its Head Office Responsibility Centers and Engineering Projects, using as basis paragraph 5.0 of Annex "A" of GPPB Resolution No. 24-2007, dated 28 September 2007 on the Guidelines on the Procurement of Security and Janitorial Services.

In reference to the above cited guidelines, paragraph 2.0 thereof explicitly states, viz:

2.0 Scope and Application

These guidelines shall govern the procurement of security and janitorial services by government agencies.

These guidelines shall not apply to the procurement of other general support services, such as, repair and maintenance of equipment and furniture, trucking, hauling, and other services. (italics supplied)

It is clear from the foregoing that the subject guidelines cover only Security and Janitorial Services, to the exclusion of other general support services. Thus, the same may not be used as basis for the outsourcing of technical and administrative support personnel of the concerned units of your agency.

This opinion is being rendered on the basis of the facts and particular circumstances as represented.

We trust that this clarifies matters.

Very truly yours,



EMILUISA C. PENANO
Executive Director II



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F. Ortigas Jr. Road, Ortigas Center,
Pasig City, Philippines 1605

NPM No. ___-2007

February 5, 2008

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Assitant General Manager
Finance and Administration
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**PHILIPPINE PORTS
AUTHORITY**

Bonifacio Drive, South Harbor, Port Area, Manila 1018, Philippines, P.O. Box 436, Manila, Philippines
Tel. No. (0632) 527-8356, Fax No. (0632) 527-4855, http://www.ppa.com.ph

January 22, 2008

Message:
Check if outsourcing is also general support services, as claimed by PPA.
For discussion in the next → [unclear]
LPG Mtg.

DATE: 1/22/08
BY: [unclear]

ATTY. RUBY U. ALVAREZ
Executive Director III
Government Procurement Policy Board (GPPB)
Unit 2506 Raffles Corporate Center
Emerald Avenue, Ortigas Center
Pasig City

TR. pp
2/1/08
I think PPA is just requesting for confirmation of their action. It seems what they are proposing is in accord w/ the guidelines. Pls. handle. Sign in my behalf.
Rf 2/1/08

Subject: MULTI-YEAR CONTRACTS

Dear Director Alvarez::

This refers to Annex "A" of GPPB Resolution No. 24-2007, dated 28 September 2007 on the Guidelines on the Procurement of Security and Janitorial Services providing, among others, for multi-year contracts. Paragraph 5.0 thereof explicitly provides:

5.0 MULTI-YEAR CONTRACTS

Procuring entities may enter into multi-year contracts, **but not to exceed three (3) years**, in the procurement of security and janitorial services, subject to the following conditions:

- 5.1 The Invitation to Apply for Eligibility and to Bid must expressly state the following:
 - 5.1.1 Duration of the contract to be bid, which should not exceed three (3) years;
 - 5.1.2 The Approved Budget for the Contract (ABC) for the first year only.
- 5.2 All bid prices for a duration of three (3) years shall be fixed and shall not be adjusted during contract implementation, except the following:
 - 5.2.1 Increase in minimum daily wage pursuant to law or new wage order issued after date of bidding;
 - 5.2.2 Increase in taxes; and
 - 5.2.3 If during the term of the contract the procuring entity sees the need for an increase or decrease in the number of

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VISION

MISSION

By 2010, PPA shall have met the international standards in port facilities and services in at least ten (10) ports in support of national development.

We commit to provide reliable and responsive services in our ports, sustain development of our port communities and the environment, and be a model corporate agency of the government.

security guards or janitorial attendants, the resulting cost of said increase or decrease, provided that the ABC for the relevant year is not exceeded.

For the current year 2008, PPA is outsourcing thru manpower service provider two-hundred fifty-eight (258) positions. We would like to have a two-year service contract for this service to assure a steady supply of competent technical and administrative support personnel to its Head Office Responsibility Centers and Engineering Projects. The two-year contract is also more economical on the part of the PPA considering that the procurement process will be conducted only once thereby saving the government expenses in the advertisements and other related procurement expenses (materials) and stability in the costs of providing manpower services. A two-year contract will also enable us to increase or decrease the number of outsourced personnel dependent on the need of PPA without the need of undertaking another bidding for the purpose thereby saving time and effort of personnel concerned in the procurement process. Outsourcing is also general support services like security and janitorial services in that it involves supply of manpower and that public transactions may also be affected or impaired in the absence thereof.

Should our request merit your consideration, we would indicate in our Invitation to Apply for Eligibility and to Bid in the procurement of manpower services, the duration of the contract which should not exceed two (2) years including the Approved Budget for the Contract (ABC) for the first year only. Likewise, we will stipulate in our contract for the purpose that all bid prices shall be fixed and shall not be adjusted during contract implementation except those enumerated above.

Thank you for giving this request your kind consideration.

Very truly yours,



AIDA P. DIZON

Assistant General Manager
Finance and Administration