



Republic of the Philippines
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE



NPM No. 47-2015

9 October 2015

MR. EDMUNDO C. MONTANES
President/ General Manager
PHILCARE MANPOWER SERVICES (PMS)
6111 Albert Street, Makati City

Re: Applicability of Repeat Order for the Procurement of General Support Services

Dear Mr. Montanes:

This is in response to your letter seeking clarification as to whether Repeat Order under Section 51 of Republic Act (RA) No. 9184 and its revised Implementing Rules and Regulations (IRR) covers janitorial services.

It is represented that Philcare Manpower Services (PMS), a registered service provider in PhilGEPS pursuant to Section 8.5 of the Revised Implementing Rules and Regulations of Republic Act No. 9184, is presently doing business with various government agencies as provider of janitorial services. In line with the provisions of its existing contract wherein the client may increase or decrease the number of janitors, some of PMS clients are now requesting for additional janitors/janitresses. It is in this context that our opinion is being sought as to the applicability of Repeat Order in janitorial services.

Repeat Order; Requirements

As a general rule, all procurement shall be done through competitive bidding.¹ The exception to this is provided for in Article XVI of R.A. 9184, the Alternative Methods of Procurement. In order to safeguard the governing principles on government procurement,² the conditions under the exceptions must be strictly complied with.

Section 51 of R.A. 9184 enumerates the condition for Repeat Order as one of the Alternative Methods of Procurement, thus:

Repeat Order. - When provided for in the Annual Procurement Plan, Repeat Order may be allowed wherein the Procuring Entity directly procures Goods from the previous winning bidder whenever there arises a need to replenish goods procured under a contract previously awarded through Competitive Bidding, subject to post-qualification process prescribed in the Bidding Documents and provided all the following conditions are present:

¹ Section 10 of Republic Act No. 9184.

² Section 3 of Republic Act No. 9184.

- a) The unit price must be equal to or lower than that provided in the original contract;
- b) The repeat order does not result in splitting of requisitions or purchase orders;
- c) Except in special circumstances defined in the IRR the repeat order shall be availed of only within six (6) months from the date of the Notice to Proceed arising from the original contract; and,
- d) The repeat order shall not exceed twenty-five percent (25%) of the quantity of each item of the original contract.

Based on the above mentioned conditions, repeat order is inapplicable for the procurement of general support services such as janitorial services. This has been thoroughly discussed in one of our opinions³ which states that a cursory reading of the above-quoted provision (also Section 51 of the previous IRR-A of R.A. 9184) reveals that repeat order applies to procurement of actual goods only. Repeat order, as an alternative method of procurement, finds its application only to procurement of tangible goods, such as items, supplies, materials, and equipment; but excludes procurement of goods in the nature of general support services, *i.e.* janitorial services, security services, and health maintenance.

Our earlier opinion further cited that the inclusion of the phrase "*procured item is clearly superior to the other bids not only in terms of the price quoted but also in terms of equipment reliability, availability of spare parts, after-sales service and delivery period*", apparently limits the application of the provision so as to exclude general support services. This interpretation is further corroborated by the fourth condition imposed by law for repeat order, wherein the percentage limit, *i.e.*, 25%, is based on quantity of the items procured. Obviously, this condition cannot be applied with exactitude and precision to general support services considering that services procured are not quantified, hence there is no accurate gauge by which the 25% limit for repeat order can be determined.

Guidelines on the Procurement of Security and Janitorial Services

Notwithstanding the inapplicability of Repeat Order to janitorial services, we refer you to the Guidelines on the Procurement of Security and Janitorial Services⁴ (Guidelines). Under Section 5.2 of the Guidelines, "bid prices" for a janitorial or security services contract "for a duration of three (3) years shall be fixed and shall not be adjusted during contract implementation", except, "if during the term of the contract the procuring entity sees the need for an increase or decrease in the number of security guards or janitorial attendants, the resulting cost of said increase or decrease, provided that the approved budget for the contract (ABC) for the relevant year is not exceeded."⁵ The Guidelines further provides that the "[p]rocurring entity shall ensure that the foregoing allowable price adjustments are specified under Section 8.1 if the Special Conditions of Contract (SCC) of the Philippine Bidding Documents (PBDs)."

³ NPM 096-2004 dated 15 July 2004.

⁴ Issues through GPPB Resolution No. 24-2007, dated 28 September 2007, and published in the Manila Times on 26 October 2007.

⁵ Section 5.2.3, Guidelines on the Procurement of Security and Janitorial Services.

From the foregoing, while Repeat Order does not apply to janitorial services, requests for additional janitors or janitresses is allowed provided that the cost for such increase does not exceed the ABC for the relevant year of the contract and such allowable price adjustment must be properly indicated in the bidding documents.

We hope that the opinion issued by GPPB-TSO 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 V

\\rd2