



Republic of the Philippines
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE



NPM No. 51-2015

9 October 2015

MR. MOISES G. MOLEN, JR.
General Manager
METRO ILOILO WATER DISTRICT
Bonifacio Drive, Iloilo City

Re : Threshold for Small Value Procurement (SVP)

Dear General Manager Molen:

This refers to your letter dated 28 July 2015, requesting for authority to increase the threshold for SVP from Php 500,000.00 to Php 2,000,000. Impliedly, this is also a request for exemption from the requirements and limitations provided for under the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184 and its Annex "H" providing for the thresholds for Shopping and Small Value Procurement.

In our earlier issuances, we have consistently held that the GPPB and its TSO only renders Policy and Non-Policy Matter Opinions, respectively, on issues purely relating to the interpretation and application of our procurement laws, rules and regulations. Thus, we have no authority to grant any exceptions to the law or the rules by authorizing any procuring entity to increase or decrease identified thresholds. In **NPM No. 06-2012**, dated 6 January 2012, we had the occasion to explain that:

At the outset, the GPPB cannot grant exemption to the bidding requirement in line with its mandate to provide policy direction in the field of public procurement as it cannot exercise functions beyond the scope of its authority. This office has been consistent with its position that the GPPB cannot waive any provisions of RA 9184 and its IRR or allow any exemption from the application of procurement laws, rules and regulations in favor of procuring entities, suppliers, manufacturers, consultants and contractors. (Emphasis supplied)

Accordingly, our authority is confined within identified limits, and the grant of exemptions from the application of the procurement law and its associated IRR is not one of them.

As regards the threshold amount for the use of SVP, *i.e.*, procurement not to exceed Php 500,000.00, the GPPB is mindful of its mandate under the rules – “[t]o increase or

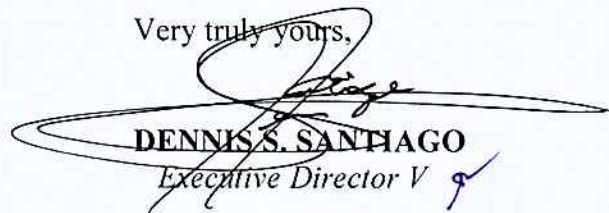
decrease the said amount (threshold value) in order to reflect the changes in economic conditions and for other justifiable reasons.”¹

The GPPB and its TSO have been steadily monitoring and consistently observing the financial, market and economic conditions, specifically those affecting government contracting and the procurement environment, rest assured that we are conscious about these developments and shall make appropriate proposals and changes, more importantly on identified budget thresholds, based on necessity and timeliness.

All told, the procurement law and its associated rules are institutionalized for complete and strict compliance by all procuring entities, and the GPPB or its TSO has no authority to provide exemption from the threshold requirements and limitations. At best, the GPPB is authorized to conduct a periodic review of the said thresholds and to increase or decrease the same for inclusive implementation that encompasses all procuring entities covered by RA 9184 and its rules and regulations.

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,


DENNIS S. SANTIAGO
Executive Director V

WJ
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¹ Section 53.9.2, IRR of RA 9184.