



Department of Budget and Management
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE

NPM No. 53-2014

14 October 2014

MR. BENITO BERNARDO, JR.
Cityland Herrera Tower Unit 2415
98 V A Rufino St. Salcedo 1227
Makati City

Re: Participation of a Newly-Formed Corporation in Government Bidding

Dear Mr. Bernardo:

This refers to your electronic mail dated 29 September 2014 inquiring how a newly-formed corporation (less than a year in operation) can participate in offering services to different Local Government Units (LGUs) and government agencies.

At the outset, it is worth noting that one of the principles espoused by Republic Act (RA) No. 9184 and its revised Implementing Rules and Regulations (IRR) is *competition*. This entails providing equal opportunity to private contracting parties that are eligible and qualified to participate in competitive bidding, whether as an individual, sole proprietor, partnership, corporation, cooperative or joint venture. For corporations, the procurement law and the rules do not qualify or limit based on length of corporate existence or operations.

Under Section 5 of RA 9184 and its IRR, "Competitive or Public Bidding" refers to a method of procurement which is open to participation by any interested party subject to eligibility and qualification requirements of the law. A "Bidder" is then defined as an eligible contractor, manufacturer, supplier, distributor and/or consultant competing for the award of a contract in any procurement by the Government of the Philippines (GOP). A contractor, manufacturer, supplier, distributor or consultant is said to be eligible if it meets all the eligibility requirements issued by the procuring entity and complies with the eligibility criteria under Section 23 and 24 of the IRR of RA 9184.

Accordingly, even a newly-formed corporation can participate in competitive or public bidding as long as it meets all the legal, technical and financial eligibility requirements, and comply with all the technical and financial bid requirements of the procurement at hand. This is also true in the case of alternative modalities of procurement, provided the newly-formed corporation complies with the legal, technical and financial requirements of the project.

We hope 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 you have further questions, please do not hesitate to contact us.

Very truly yours,



DENNIS S. SANTIAGO
Executive Director V

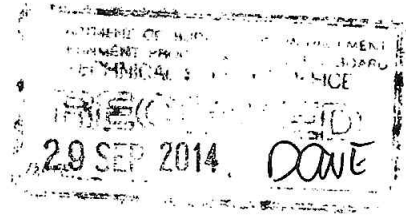
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GPPB

From: babernardojr@secur-a-doc.com
Sent: Monday, September 29, 2014 1:22 PM
To: gppb@gppb.gov.ph
Subject: Eligibility of Newly Formed Corporation



Hi,

Pls advise how a newly formed corporation (less than a year in operation) can participate in offering services to different LGUs and gov't agencies. They have shown interest when we demonstrated our system.

Kind regards,
Benito Bernardo, Jr.

Sent from Windows Mail

*Jan/Dane,
Please prepare OPINION.
Kindly quote relevant law
provision.*

GPPB

From: babernardojr@secur-a-doc.com
Sent: Wednesday, October 01, 2014 5:59 PM
To: GPPB
Subject: Re: Eligibility of Newly Formed Corporation

In reply to your questions:

1. **Mr. Benito Jr. Antonio Bernardo**

President

2. Cityland Herrera Tower Unit 2415

98 V A Rufino St Salcedo 1227
Makati City
Metro Manila
NCR
Philippines

Sent from Windows Mail

From: GPPB
Sent: Wednesday, October 01, 2014 5:32 PM
To: babernardojr@secur-a-doc.com

Dear Mr. Bernardo:

Regarding your email below may we request for the following:

1. Your Complete Name and Designation and
2. Office Address

Thank you

Government Procurement Policy Board - Technical Support Office
Unit 2506 Raffles Corporate Center
F. Ortigas Jr. Road, Ortigas Center, Pasig City
Tel. Nos. 9006741 to 44
www.gppb.gov.ph

From: babernardojr@secur-a-doc.com [<mailto:babernardojr@secur-a-doc.com>]
Sent: Monday, September 29, 2014 1:22 PM
To: gppb@gppb.gov.ph
Subject: Eligibility of Newly Formed Corporation

Hi,