



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

NPM No. 54-2014

14 October 2014

DR. BERNADETTE L. REYNES
Chairperson, Bids and Awards Committee (BAC)
PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH)
REGIONAL OFFICE VI
Gaisano City Mall, Luna St., Lapaz, Iloilo City

Re: Pre-Procurement Conference

Dear Dr. Reynes:

This refers to your letter dated 1 October 2014 seeking opinion on the amendment of Terms of Reference (TOR) of a project during the pre-procurement conference.

It is represented that the BAC conducted its pre-procurement conference to discuss the terms, conditions and specifications relative to the procurement of air-conditioning units. During the conference, it was noted that the TOR used the word "thickness", instead of diameter, which is the more appropriate term to describe the specifications of the pipes. It is in this context that our opinion is sought.

The pre-procurement conference is the forum where all officials¹ involved in the procurement meet and discuss all aspects of a specific procurement activity, which includes the technical specifications; the approved budget for the contract (ABC); the applicability and appropriateness of the recommended method of procurement and the related milestones; the bidding documents; and availability of the pertinent budget release for the project.

A pre-procurement conference is conducted to determine the readiness of the Procuring Entity to procure goods and services in terms of the legal, technical and financial requirements of the project. More specifically, it ensures that the procurement will proceed in accordance with the Project Procurement Management Plan (PPMP) and APP (Approved Procurement Plan), and confirms the availability of appropriations and programmed budget for the contract, including the review and completion of all relevant documents in relation to their adherence to the law.

Prior to the advertisement or the issuance of the Invitation to Bid (IB)/Request for Expression of Interest (REI) for each procurement undertaken through a public bidding, the BAC, through its Secretariat, shall call for a pre-procurement conference². In the Generic Procurement Manual for the Procurement of Goods, at least seven (7) calendar days prior to publication or issuance of the Invitation to Bid (IB) would be an advisable timeframe for the

¹ BAC, Secretariat and TWG Members, End-Users, including consultants.

² Section 20.1, IRR of RA 9184.

pre-procurement conference, to give the technical staff sufficient time to incorporate the necessary changes, amendments or revisions to the bidding documents.

Accordingly, as long as the procurement opportunity has not yet been advertised and posted, the procuring entity can still change or amend the TOR for the project during the pre-procurement conference or at anytime prior to advertisement and posting of the IB/REI. Otherwise, any amendments thereto can only be effected thru a supplemental bid bulletin issued by the BAC pursuant to Section 22.5 of the IRR of RA 9184 after the IB/REI has been advertised and posted.

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

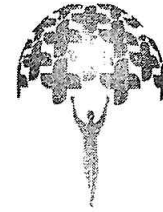
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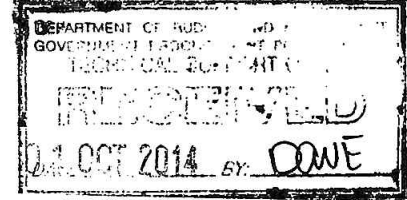
1/14/15



Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION
Philhealth Regional Office VI
Gaisano City Mall, Luna St., Lapaz, Iloilo City
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September 29, 2014



DENNIS S. SANTIAGO

Executive Director IV
Government Procurement and Policy Board
Unit 2506, Raffles Corporate Center, F. Ortigas Jr. F
Ortigas Center, Pasig City 1605
Metro Manila

Ven / koren,

*please prepare OPINION
by 10/8. The PT can change
anything ~~as~~ larger for oppor-
tunity has not been advertised
ref. 5m158*

Dear Dir. Santiago,

This is with reference to the procurement of Airconditioning Units of Philhealth Regional Office VI with an approved budget for the contract of Two Million Eighty Five Thousand Pesos (Php 2,085,000.00).

The Bids and Awards Committee conducted the pre-procurement conference on September 23, 2014 to discuss the terms, conditions and specifications of the said procurement in compliance to Section 20.2 of the Revised IRR of RA 9184. This was attended by the BAC, Secretariat, TWG and end-user. The end-user presented the terms of reference which is base from Philhealth Office Order 0082 s. 2013 on the procurement of Airconditioning Units. One of the issues raised during the conference is on the term "thickness" for the drain lines, as follows:

1. 1" **thickness** Sch. 40 PVC pipes for 3.0TR & 5.0TR airconditioning units and for ceiling mounted and cassette type of airconditioning units regardless of cooling capacity.
2. 3/4" **thickness** Sch. 40 PVC pipes for split wall mounted airconditioning units not to exceed 20ft. total length of drain line. Exceeding 20ft. use 1" **thickness** Sch. 40 PVC pipes.
3. Provide pipe insulations at a minimum of 3/4" **thickness** of drain line passing inside ceiling and unconditioned space. Provide proper slope on every drain lines.

The end-user seeks clarification on the issue raise at the PRID Central Office on September 23, 2014. On September 29, 2014, the BAC received a reply from PRID stating that the term "**thickness**" was wrongly used as it should be in "**diameter**" and that the said concern may be clarified during the pre-bid conference by declaring to the bidders that the correct term is "**diameter**" instead of "**thickness**".

In this regard, the BAC respectfully request for a clarification on the following, to wit:

1. Whether the Terms of Reference can be changed in the pre-procurement stage prior to the pre-bid conference to effect the correct specifications taking into account the reply from PRID and to at the same time inform prospective bidders who may opt not to attend the pre-bid conference?
2. Whether the end-user/admin can amend the terms of reference who issued and signed to establish the correct specifications prior to amendment of the Office Order to avoid unnecessary delay? And
3. Whether the BAC can modify/ amend the Terms of Reference during the pre-procurement conference?

Hoping for a positive response on the matter. Thank you.

Very truly yours,


DR. BERNADETTE L. REYNES
BAC Chairperson