



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

**NPM No. 58-2014**

15 October 2014

**MR. RONALD MARCUS C. RENDON**

*Owner/Authorized Managing Officer*

**MIGO CONSTRUCTION**

Barangay Benitez, Banga,  
South Cotabato

**Re: Government Procurement Policy Board (GPPB) Resolution No. 25-2013**

Dear Mr. Rendon:

This is in response to your letter requesting clarification on GPPB Resolution No. 25-2013 dated 30 August 2013, particularly the amendment on the acceptable forms of bid security under Section 27.2 of the revised Implementing Rules and Regulations of Republic Act No. 9184.

We wish to inform you that the GPPB clarified this matter in GPPB Circular No. 01-2014<sup>1</sup> stating that pursuant to Section 27.2 of the IRR of RA 9184, as amended, PEs are given the option to limit the choices of acceptable forms of bid security in the Bidding Documents, one of which shall be the BSD as a mandatory form, while the other form may be chosen from at least one (1) of the following, thus:

Form of Bid Security	Amount of Bid Security (Equal to Percentage of the ABC)
a) Cash or cashier's/manager's check, issued by a Universal or Commercial Bank.	Two percent (2%)
b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	
c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the	Five percent (5%)

<sup>1</sup> Dated 23 May 2014.

Insurance Commission as authorized to issue such security.	
d) Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

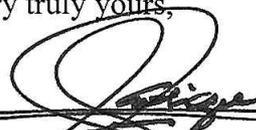
On the other hand, the prospective bidder shall post just one form of bid security, that is, a BSD **OR** the other form of bid security indicated by the PE in the Bidding Documents.

To illustrate, the PE shall include BSD, as one of the choices; the other form of bid security may be Cashier's Check (or Cash, Manager's Check, Bank Draft/Guarantee, Irrevocable Letter of Credit, Surety Bond, or combination of the identified forms). The prospective bidder shall then post **ONLY ONE (1) FORM** of bid security, either the BSD OR Cashier's Check, not both, as its bid security.

In view of the foregoing, bidders are not required to post two (2) forms of bid security. The bidder shall choose and post only one (1) form of bid security from the acceptable forms provided by the procuring entity and indicated in the bidding documents.

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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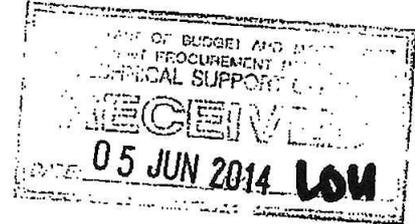
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# MIGO CONSTRUCTION

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3 June 2014

**Marc Solano**  
Legal and Research Division  
GPPB-Technical Support Group  
Manila



**Subject: Clarification Regarding GPPB Resolution No. 25-2013**

Dear Sir:

We would like to request you to please clarify the above-named Resolution particularly the amended Section 27.2 which says:

*"The procuring entity shall indicate in the Bidding Documents the acceptable forms of bid security that the bidders may opt to use, which shall include the Bid Securing Declaration provided in Section 27.5 of this IRR and at least one (1) other form, the amount of which shall be equal to a percentage of the ABC in accordance with the following schedule: . . . ."*

In complying with this provision, the DPWH is requiring us to submit as Bid Security, **two** sets of documents:

1. Bid Securing Declaration; and
2. One other form of Bid Security (either Bidders Bond, Bank Guarantee, or Cash)

Is the interpretation of the DPWH correct?

Sincerely yours,

**RONALD MARCUS C. RENDON**  
Owner/Authorized Managing Officer