



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

NPM No. 70-2013

2 August 2013

HON. GIL S. BELTRAN

Undersecretary and BAC Chairman

DEPARTMENT OF FINANCE (DOF)

Roxas Boulevard Corner Pablo Ocampo, Sr. Street, Manila 1004

Re: Additional Participants in the Consultancy Service Contract

Dear Undersecretary Beltran:

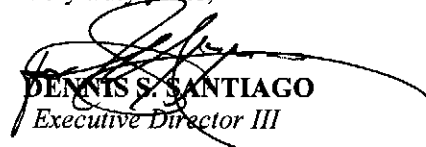
We respond to the Honorable Undersecretary's letter dated 16 July 2013 seeking our opinion on whether additional qualified participants could attend the Masteral Degree Program covered by the Consultancy Service Contract¹ between the DOF and Asian Institute of Management, with Approved Budget for the Contract in the amount of Twelve Million Six Hundred Thousand Pesos (Php12,600,000.00).

Please be informed that rules on procurement and implementation of consulting services contracts contain provisions against increase in contract cost. Section 61.1 of the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184 provides that all bid prices shall be considered as fixed prices, and therefore not subject to price adjustment and escalation during the contract implementation. Moreover, Section 2 of Annex F² of the IRR of RA 9184 reiterates the same principle and adds that any extension of the contract time shall not involve any additional cost. Lastly, Clause 55.6 of the General Conditions of the Contract of the Philippine Bidding Documents for the Procurement of Consulting Services provides that no additional payment for variation order, if any, shall be allowed for the consultancy contract.

In view of the foregoing, we are of the opinion that additional participants may be sent to attend the program provided that there will be no increase in the original price of Php12,600,000.00. DOF cannot increase the number of participants and increase the contract cost without running aground with the provisions of RA 9184, its IRR and associated issuances.

We hope that our advice 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 III

11/12/13

¹ Contract for Consulting Service for the Design, Development and Implementation of a Curriculum for the DOF Professional Development Program through a Customized Masteral Degree with Specialization in Public Finance.

² Contract Implementation Guidelines for the Procurement of Consulting Services.