



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

NPM No. 71-2012

7 June 2012

ATTY. NILO C. PALA
Chairman, Bids and Awards Committee
COMMISSION ON AUDIT REGION VII
Cebu City

Re: Extension of contract for catering services

Dear Atty. Pala:

We respond to your letter dated 26 April 2012, a copy of which was forwarded to our office by Atty. Carmela S. Fernan, Director IV of the Department of Budget and Management, Regional Office No. VII, inquiring on whether the extension of contracts for general support services provided under the Revised Guidelines on the Extension of Contracts for General Support Services¹ ("Guidelines") includes contracts for catering services.

It is represented that the Commission on Audit (COA) maintains a training center that conducts seminars for its personnel. It is likewise represented that for the purpose of serving food and beverages in the seminars, COA conducted a public bidding in the year 2011 for an annual contract for catering services. For this year, the Training Division of COA has filed a request for approval of a one (1)-year contract extension of the catering services before the Bids and Awards Committee (BAC). It is in this context that you are seeking guidance on whether catering services can be classified as general support services, and whether the Guidelines can be made the basis for extension of contract for catering services.

Goods and Services refer to all items, supplies, materials and general support services, except consulting services and infrastructure projects, which may be needed in the pursuit of any government undertaking, project, or activity. It also refers to trucking, hauling, janitorial, security, and related or analogous services, e.g. rental of venues and facilities, **catering services**, attendance to trainings and seminars, short-term services not considered as consulting services, as well as the procurement of materials and supplies provided by the Procuring Entity (PE) for such services². Hence, catering services may be considered general support service, as contemplated in the foregoing definition, provided that the same is determined by the COA to be necessary in undertaking its activities.

¹ GPPB Resolution No. 23-2007 dated 28 September 2007.

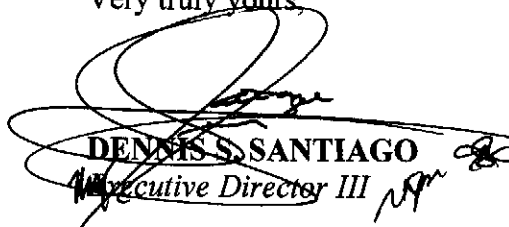
² Scope of Volume 2, Manual of Procedures for the Procurement of Goods and Services, Volume 2 of the Generic Procurement Manuals dated June 2006.

Moreover, to be covered by the Guidelines³, COA should establish that catering services is essential, indispensable, or necessary to support its operations. Likewise, the extension must comply with the general conditions for extension as provided under Section 4.0 of the Guidelines.

Furthermore, please be reminded that all contract extensions shall be subject to the prior approval of the Head of the Procuring Entity (HOPE) or his duly authorized representative upon recommendation of the BAC. In addition, if the proposed contract extension exceeds six (6) months, the HOPE or his duly authorized representative shall immediately report to the Government Procurement Policy Board (GPPB) in writing of its intent to extend the existing contract beyond six (6) months⁴.

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 circumstances as presented. Should you have additional questions, please do not hesitate to contact us.

Very truly yours,



DENNIS S. SANTIAGO
Executive Director III

Copy furnished:

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Director IV
Department of Budget and Management
Regional Office No. VII,
Sudion, Lahug, Cebu City

//LSDS

³ *Supra* note 1. Section 3.0 of Annex "A".

⁴ *Supra* note 1. Section 5.0 of Annex "A".