



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

NPM No. 81-2013

24 October 2013

HON. TEODORO J. HERBOSA, MD
Undersecretary for Health
Chairperson, Central Office Bids and Awards Committee
DEPARTMENT OF HEALTH
San Lazaro Compound, Sta. Cruz, Manila

Re: Experience Requirement for Design and Build Projects


Dear Undersecretary Herbosa:

This is in response to your letter¹ dated 24 September 2013 seeking clarification on whether the experience requirement of a bidder for a design and build project to be awarded consist of a single contract or separate contracts, *i.e.*, one (1) contract for design and another contract for construction.

As represented, the DOH is ascertaining the single largest completed contract submitted by a bidder with the second (2nd) lowest calculated bid for a Design and Build Infrastructure Project for the Dr. Jose Fabella Memorial Hospital Transfer and Redevelopment.

Section 9.2(ii)(a) of the Guidelines for the Procurement and Implementation of Contracts for Design and Build Infrastructure Project² states that:

*“The eligibility of design and build contractors shall be based on the legal, technical and financial requirements abovementioned. In the technical requirements the design and build contractor, (as solo or in joint venture/consortia) should be able to comply with the experience requirement under the IRR of RA 9184, where one of the parties (in a joint venture/consortia) should have at least one similar project, **both in design and construction**, with at least 50% of the cost of the ABC.” (Emphasis ours)*

We wish to point out that a design and build project is an infrastructure project awarded as a single contract for architectural design and construction.³ As such, it involves two (2) components, *i.e.*, a design component, (architectural/engineering aspect of the project, and a construction component (infrastructure aspect of the project), both of which are to be carried out by the winning bidder. Consequently, the bidders are required to have experience both in the architectural/engineering and construction aspects of the project. 

¹ Received by the Government Procurement Policy Board – Technical Support Office on 30 September 2013.

² Annex “G”; Revised Implementing Rules and Regulations; Republic Act No. 9184.

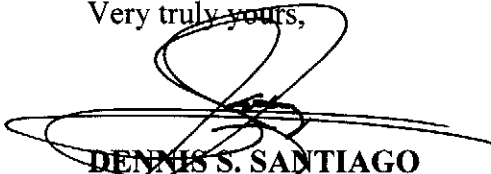
³ *Id.*; Section 4(d)

Accordingly, we wish to clarify that the phrase "both in design and construction", as mentioned above, should be interpreted to mean that the bidder participating in a bidding for an infrastructure project that will be implemented through a design and build scheme is required to submit, as technical requirement, either at least one (1) similar contract for design and build that is at least fifty percent (50%) of the cost of the Approved Budget for the Contract (ABC) for the project; or at least one (1) contract for design and at least one (1) contract for construction, each of which should be at least fifty percent (50%) of the cost of the ABC.

Thus, in the event that the bidder does not have a similar largest completed contract for design and build, it should submit at least one (1) similar contract for design, which should be at least fifty percent (50%) of the ABC for the project, and at least one (1) similar contract for construction, which should also be at least fifty percent (50%) of the ABC for the project.

We hope that this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Note that this opinion is being issued on the basis of facts and particular 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 III

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