



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

NPM No. 82-2013

29 October 2013

MR. RODOLFO G. DEL ROSARIO
Vice President for Finance & Administration
CULTURAL CENTER OF THE PHILIPPINES (CCP)
Roxas Boulevard, Pasay City

Re: Multi-Year Contract for Engineering Services

Dear Vice President Del Rosario:

We write in relation to your letter requesting for approval that engineering services be included in the same general support services category as janitorial and security services, and allow the CCP to hire a contractor for said service for up to three (3) years.

As represented, the CCP hires an engineering contractor for the maintenance of its buildings' civil, electrical, and mechanical facilities, which are necessary for the continuous operation of CCP offices, rehearsal halls, and three performance venues. It is the observation of the CCP that existing procurement rules and regulations do not specifically address the matter of contracting for engineering services on a multi-year basis as it does with security and janitorial services¹. It is for this reason that the afore-mentioned requests are being made.

Republic Act No. (RA) 9184 and its Revised Implementing Rules and Regulations (IRR) define Goods to refer to general support services, including non-personal or contractual services, and related or analogous services. This definition broadly covers all kinds of similarly natured services that are essential to the operation of the procuring entity.

Moreover, in the Revised Guidelines on the Extension of Contracts for General Support Services², general support services are understood to include those services that are essential, indispensable, or necessary to support the operations of the procuring entity or for the enhancement of the welfare of its personnel, including non-personal or contractual services. It can be deduced from the foregoing that engineering services for the maintenance of the CCP offices and facilities may be considered as within the contemplated coverage of general support services, in the same vein as are the services for janitorial and security.

As regards the request for approval to allow CCP to hire an engineering contractor for up to three (3) years, we wish to emphasize that neither the Government Procurement Policy Board (GPPB) nor its Technical Support Office (GPPB-TSO) has the authority to grant permission to CCP to enter into any multi-year contract. *AR*

¹ The GPPB issued the Guidelines on the Procurement of Security and Janitorial Services through GPPB Resolution No. 24-2007.


² Issued through GPPB Resolution No. 03-2011.

RA 9184 and its IRR are silent on the matter of multi-year contracts. Nonetheless, it is not to be understood that procuring entities are prohibited from entering into multi-year contracts inasmuch as it is an acceptable form of contractual arrangement.³ Furthermore, please note that the Guidelines on the Procurement of Security and Janitorial Services issued by the GPPB merely states that such services may be entered into on a multi-year basis, but does not operate to limit such contractual arrangement to janitorial and security services only.

Please note that, in the case of national government agencies, the requirements for the engagement of services on a multi-year basis are identified in the Department of Budget and Management (DBM) Circular Letter No. 2004-12. In this regard, we respectfully suggest that an inquiry on the matter should be made with the DBM for appropriate guidance.

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 other concerns, please do not hesitate to contact us.

Very truly yours,



DENNIS S. SANTIAGO
Executive Director III

³ Non-Policy Matter Opinion No. 10-2011 dated 25 May 2011.