

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

NPM No. 85-2012

16 July 2012

MR. MICHAEL M. BACARISAS

Head – Bids and Awards Committee (BAC) Secretariat

Officer-in-Charge (OIC) – Procurement Division

MACTAN-CEBU INTERNATIONAL AIRPORT AUTHORITY (MCIAA)

Lapu-Lapu City, Cebu

Re: Honorarium

Dear Mr. Bacarisas:

We respond to your letter dated 22 May 2012 seeking our opinion on whether the Head of the BAC Secretariat who is at the same time holding the position of OIC of the Procurement Division may be entitled to receive honorarium.

It is represented that you are currently occupying the *plantilla* position of a Business Development Analyst-A in MCIAA. On 16 January 2009, you have been designated as OIC of the Procurement Division and Head of the BAC Secretariat at the same time. As OIC of the Procurement Division, you are receiving representation and transportation allowance (RATA). However, you have not been given honorarium as Head of the BAC Secretariat on the grounds that you have already received RATA and it is prohibited under Section 4.4.1¹ of Department of Budget and Management (DBM) Circular No. 2004-5 dated 23 March 2004. Considering that your present *plantilla* position is not from the procurement unit, you are seeking our opinion on whether you are entitled to receive honorarium as Head of the BAC Secretariat since the Procurement Unit of MCIAA has been designated to serve as the BAC Secretariat, in addition to the current functions of its office.

For your guidance, certain provisions in DBM Circular No. 2004-5 were further clarified in DBM Circular No. 2004-5A issued on 7 October 2005. Under the latest Circular, particularly, the second paragraph of Section 5.6, states that the members of the BAC Secretariat whose positions are in the Procurement Unit of the agency shall not be entitled to honoraria although the payment of overtime services may be allowed, subject to existing policy on the matter.

¹ The members of the BAC Secretariat whose positions are in the Procurement Unit of the agency shall not be entitled to honoraria. The payment of overtime services may be allowed however, subject to the guidelines under Budget Circular (BC) No. 10 dated March 29, 1996.

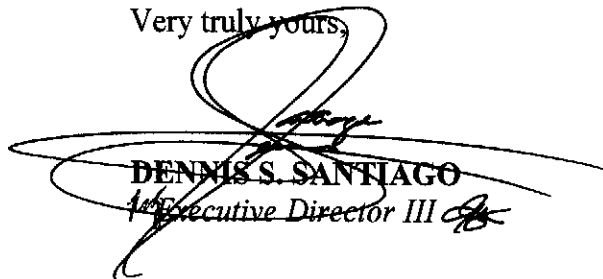
In an opinion² issued by the Organization, Position Classification and Compensation Bureau (OPCCB) of the DBM, the request for payment of honoraria to personnel of the Procurement Unit who are concurrently members of the BAC Secretariat and the Technical Working Group (TWG) was denied. The OPCCB opined that since the rationale for the grant of honoraria is to recompense personnel for the performance of tasks or involvement in activities beyond their regular functions, serving as member of the BAC Secretariat or the TWG is an inherent function of the Procurement Unit.

Considering the OPCCB opinion, we are of the view that the prohibition provided in Section 5.6 of DBM Circular No. 2004-5A is applicable in your case. Having been officially designated as OIC of the Procurement Division, your primary functions and regular tasks are those related to procurement activities, regardless if your *plantilla* position is outside this division. As such, part of your inherent function is to serve as a member of the BAC Secretariat, where you have been duly designated as the Head. Furthermore, the contemplated payment of honorarium on top of your RATA runs counter to the rationale for its grant, as it would result to double compensation, which is prohibited under Section 8, Article IX(B) of the 1987 Constitution³.

Based on the foregoing, we are of the opinion that in holding the positions of both OIC of the Procurement Division and BAC Secretariat Head, you are no longer entitled to the payment of honorarium as provided under Section 5.6 of DBM Circular No. 2004-5A.

We hope our advice provided sufficient guidance on the matter. Note that this opinion is being issued on the basis of facts and particular circumstances presented. Should you have further questions, please do not hesitate to contact us.

Very truly yours,



DENNIS S. SANTIAGO
Executive Director III

//LSD3 *[initials]*

² Dated 29 August 2007.

³ No elective or appointive public officer or employee shall receive additional, double, or indirect compensation, unless specifically authorized by law, nor accept without the consent of the Congress, any present, emolument, office, or title of any kind from any foreign government. Pensions or gratuities shall not be considered as additional, double, or indirect compensation.