NPM No. 88-2012

16 July 2012

MR. TOMAS C. GARRA
Provincial General Services Office
Chairman, Bids and Awards Committee (BAC)
MUNICIPALITY OF BAYOMBONG
PROVINCE OF NUEVA VIZCAYA

Re: Procurement of Accountable Forms by Local Government Units (LGUs)

Dear Mr. Garra:

We respond to your letter dated 25 May 2012 seeking advice on whether LGUs such as the Province of Nueva Vizcaya, can procure Accountable Forms from private printers other than the three (3) recognized government printers (RGPs), mandated by Government Procurement Policy Board (GPPB) Resolution 05-2010[1] or the Guidelines on the Procurement of Printing Services (Guidelines), namely Bangko Sentral ng Pilipinas (BSP), National Printing Office (NPO) and APO Production Unit (APO).

As represented, in the conduct of public bidding for Accountable Forms to be used by the Provincial Treasurer's Office, only one supplier, Ready Form, Inc. (RFI), registered its interest to participate. However, the end-user unit objected to the procurement from said supplier on the basis that it is not one of the RGPs allowed under GPPB Resolution 05-2010. In addition, Bureau of Local Government Finance (BLGF) Circular 13-2009 which allowed the accreditation of private printers including RFI, was declared invalid by a resolution issued by the Office of the Solicitor General (OSG). However, RFI submitted purported GPPB resolutions to the Province of Nueva Vizcaya which allegedly reversed GPPB Resolution 05-2010. Thus, the Province of Nueva Vizcaya sought to be enlightened on this issue.

For your guidance, GPPB Resolution 05-2010 provides that procuring entities should resort to public bidding for all their printing and publication expenditures. Nonetheless, for printing services involving Accountable Forms and Sensitive High Quality/Volume requirements, procuring entities are required to source such service from any of the three (3) RGPs through an Agency-to-Agency Agreement[2] pursuant to Section 53.5 of the Implementing Rules and Regulations (IRR) of Republic Act (RA) 9184.

It bears stressing that LGUs are part of the coverage of the GPPB Resolution 05-2010 as stated in Section 2 on Scope and Application. Thus, the Province of Nueva Vizcaya should observe the Guidelines in its procurement activities involving printing services of

[1] Issued on 29 October 2010.
[2] GPPB Resolution No. 18-2007 dated 31 May 2007.

Accountable Forms and Sensitive High Quality/Volume requirements. However, resort to private printers by the procuring entity is possible only when the conditions cited in Section 4.3.2 of the Guidelines exist, that is, after determination by the Presidential Communications Operations Office that no RGP can undertake the printing services due to (1) time constraints and (2) equipment limitations.

As regards BLGF Circular 13-2009, we are not in a position to comment on this matter since this issue has been settled by the OSG. However, accreditation in any form is not in accordance with the mandate of RA 9184 and its IRR, as it in fact contravenes the very basic principles of competitive bidding. Specifically, the establishment of an accreditation system within the agency would tend to limit the participation of bidders only to those accredited suppliers, to the exclusion of the other bidders in the market.[3]

In line with the foregoing, please be informed that GPPB Resolution 05-2010 remains a valid issuance since the GPPB has not issued any resolution amending, modifying or repealing it. Moreover, the printing of Accountable Forms and Sensitive High Quality/Volume requirements should be undertaken by any of the three (3) identified RGPs. Resort to private printers is allowed only when the two conditions set forth in Section 4.3.2 of the Guidelines are both present.

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

Very truly yours,

DENNIS S. SANTIAGO
Executive Director III

//LSD3

[3] NPM No. 028-2005 dated 31 May 2005.