



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

NPM No. 88-2014

27 October 2014

MR. ANTONIO G. ARQUERO

Accountant III

DEPARTMENT OF EDUCATION REGIONAL OFFICE III (DEPED)

San Fernando City, Pampanga

Re: Lease of Venue

Dear Mr. Arquero:

This is in response to your letter dated 13 October 2014 inquiring the maximum amount of the Approved Budget for the Contract (ABC) allowed in resorting to Negotiated Procurement (Lease of Real Property) under Section 52.10 of the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184.

It is represented that DepEd has numerous trainings/seminar activities. The Bids and Awards Committee has a difficulty in conducting public bidding for lease of venue because some hotels/establishments do not participate in public bidding even if their facilities meet the agency's requirements. In addition, PhilGEPS website does not accept posting of the request for quotation for lease of venue with ABC more than P500,000.00.

Although competitive bidding is the general mode of procurement as stated under Section 10 of Republic Act No. 9184 and its IRR and reiterated in Section 48.2 of the revised IRR, this admits of certain exceptions. Thus, alternative methods of procurement may be resorted to in highly exceptional cases and subject to the conditions required by RA 9184, its revised IRR and applicable guidelines.

A careful review of the *Implementing Guidelines for Lease of Privately-Owned Real Estate and Venue*¹ (Guidelines) shows no ceiling in the amount of ABC before a Procuring Entity (PE) can use such modality. In addition, prior resort to competitive bidding is not a pre-condition for the PE to be able to use such modality. The Guidelines merely requires PE to conduct cost benefit analysis to assess feasibility of leasing a privately-owned real estate or venue as against purchasing or leasing from a government owned real estate or venue.²

Anent your last concern, it bears stressing that posting of the Request for Quotation (RFQ) as prescribed in Section 21.2.1 of the IRR may be dispensed with in the case of Negotiated Procurement (Lease of Real Property) pursuant to Section 54.2 of the revised IRR of RA 9184. As such, regardless of the amount of ABC, the PE may dispense with the posting of the RFQ. In the event that the PE still opts to post the RFQ, notwithstanding Section 54.2,

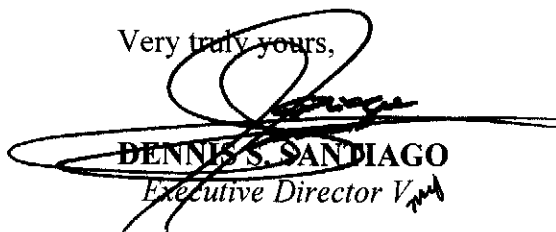
¹ Appendix 7 of the revised IRR.

² NPM 67-2012 dated 31 May 2012.

the PE may directly coordinate with PhilGEPS relative to its inability to post RFQs for lease of venue with more than Php500,000.00 ABC.

We hope that the opinion issued by GPPB-TSO provided sufficient guidance on the matter. Note that this is issued on the basis of particular facts and situation presented, and may not be applicable given a different set of facts and circumstances. Should there be other concerns, please do not hesitate to contact us.

Very truly yours,



DENNIS S. SAN DIAGO
Executive Director

Wrd2

Secretariat

01/27/15

From: tony arquero <tonyarquero@yahoo.com>
Sent: Monday, October 13, 2014 11:29 AM
To: secretariat@gppb.gov.ph
Cc: gppb@gppb.gov.ph; legal@gppb.gov.ph-
Subject: inquiry on the use of negotiated procurement for lease of venue costing more than P500,000.00
Attachments: INQUIRY-GPPB-VENUE.pdf

The Secretariat

Government Procurement Policy Board (GPPB)
Unit 2506, Raffles Corporate Center, F. Ortigas Jr. Road, Ortigas Center, Pasig City

Subject: Inquiry on the lease of venue costing more than P500,000.00

Sir:

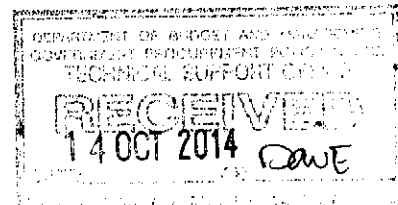
May we inquire if agencies are allowed to directly apply Negotiated Procurement under Section 53.10 of the Revised IRR, RA 9184, in the lease of venue for training/seminar purposes without the benefit of public bidding even if the approved budget for the contract (ABC) is more than Five Hundred Thousand Pesos (P500,000.00)?

It may be mentioned that DepEd has numerous training/seminar activities and we have difficulty in conducting public bidding for lease of venues since some hotels/establishments do not participate in public bidding though their facilities and documents are complying with the agency requirements.

Further, the request for quotation for lease of venues with ABC more than P500,000.00 using alternative mode of procurement (AMP) is not acceptable for posting in the PhilGEPS website.

Attached is the signed letter. Please advise us. Thank you.

ANTONIO G. ARQUERO
Accountant III
DepEd Regional Office III
City of San Fernando, Pampanga



See [redacted]
Please prepare OPINION.
Apply the rules/guidelines on
lease of real property. TWR-DSS