



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

**NPM No. 97-2013**

20 December 2013

**MR. RALPH A. CABRERA**

*President and Chief Executive Officer*

**INCA PHILIPPINES, INC. (INCA)**

Bldg. No. 4 Philcrest Compound, West Service Road,  
Cupang, Muntinlupa City

**Re : Registry System and Requirement for Business  
Registration Permit**

Dear Mr. Cabrera:

We write in reference to your letter dated 29 October 2013 requesting for clarification on whether procuring entities, particularly Local Government Units (LGUs), may require prospective bidders to apply for business registration permits in their locality as part of the qualification process.

Based on your representation, and the attached letter from the Quezon City Government to your company dated 7 October 2013, Inca was denied of its request to join public bidding with the Quezon City Government “on the basis that your company is not listed in the registered bidders for the year 2013.” The Quezon City Government further explained that it is “currently adopting a Periodic Registry System as per Resolution No. 12-001R, which provides that ‘a prospective bidder may only apply for registration under the Registry System during the last quarter of the year, for the purpose of qualifying to participate in the succeeding year in the bidding for the procurement of goods.’” In addition, Inca is being required to establish an office/satellite office located in Quezon City for the approval of its registration and eligibility to bid. It is in this context that clarification is being requested on whether prospective bidders may be required to apply for business registration permits in the LGU where it intends to participate, as part of the qualification process.

**Registry System**

For your guidance, we have clarified in an earlier opinion<sup>1</sup> that “prospective bidders not included in the registry system used by the procuring entity, whether the PhilGEPs or its own manual or electronic system, should not be precluded from participating in any procurement opportunity, and should be allowed to submit its Class ‘A’ documents, together with its bid, prior to or during the deadline for the submission and opening of bids. Moreover, it should be stressed that inclusion in the registry system should not be considered an

<sup>1</sup> Non Policy Matter 16-2013 dated 27 March 2013.

accreditation system, and is not tantamount to a finding of eligibility, nor a guarantee that the registered supplier, contractor, or consultant will be eligible for any particular procurement activity or contract award.”

In this regard, we wish to reiterate that, although procuring entities are not precluded from establishing a manual registry system for its procurement activities, such registry system cannot function as an accreditation system where only registered prospective bidders are allowed to participate in its procurement activities, and non-registered bidders are precluded from joining procurement activities.

### **Business Registration Permit**

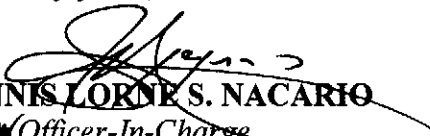
In a separate opinion, we explained that “the eligibility requirements specified in Section 23.1 of the IRR of RA 9184 are absolute and exclusive.”<sup>2</sup> This means that procuring entities cannot delete, replace, or add to the requirements that are applicable to the category of their procurement activity.

It should be noted that both Sections 23.1 and 24.1 of the IRR of RA 9184, which provide the eligibility requirements for the procurement of goods and infrastructure projects and procurement for consulting services, respectively, do not require prospective bidders to apply for business registration permit nor require bidders to establish an office/satellite office in the LGU-procuring entity for purposes of eligibility.

Based on the foregoing, we wish to clarify that procuring entities cannot require the submission of documentary requirements for purposes of determining a bidder’s eligibility to participate in its procurement activities other than those eligibility requirements provided in Sections 23.1 and 24.1 of the IRR of RA 9184.

We hope 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 there be other concerns, please do not hesitate to contact us.

Very truly yours,

  
**DENNIS LORNE S. NACARIO**  
*Officer-In-Charge*

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<sup>2</sup> Non Policy Matter 163-2012 dated 21 December 2012.