

REPUBLIC OF THE PHILIPPINES
GOVERNMENT PROCUREMENT POLICY BOARD
Technical Support Office
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NPM No. 010-2004

February 6, 2004

EUGENIO C. PAYONGAYONG
Municipal Accountant
Office of the Municipal Accountant
Municipality of Guiguinto
Province of Bulacan

Re : Applicability of Section 52 (b) of IRR-A of R.A. 9184 to Local Government Units

Dear Mr. Payongayong:

This refers to your letter dated 29 December 2003 requesting for clarification on whether or not Section 52 (b) of the Implementing Rules and Regulations Part A ("IRR-A") of Republic Act No. 9184 ("R.A. 9184"), which allows procurement of ordinary or regular office supplies and equipment not available in the Procurement Service of the Department of Budget and Management involving an amount not exceeding Php 250,000.00, also applies to Local Government Units ("LGUs") regardless of its conflict with Section 367 of Republic Act No. 7160 ("R.A. 7160"), otherwise known as the "Local Government Code of 1991," which provides for a maximum allowable amount of purchase through personal canvass by a particular type of LGU, to wit:

Procurement through Personal Canvass. - Upon approval by the Committee on Awards, procurement of supplies may be effected after personal canvass of at least three (3) responsible suppliers in the locality by a committee of three (3) composed of the local general services officer or the municipal or barangay treasurer, as the case may be, the local accountant, and the head of office or department for whose use the supplies are being procured. The award shall be decided by the Committee on Awards. **Purchases under this Section shall not exceed the amounts specified hereunder for all items in any one (1) month for each local government unit:**

Provinces and Cities and Municipalities within the Metropolitan Manila Area:

- **First and Second Class - One hundred fifty thousand pesos (P150,000.00)**
- **Third and Fourth Class - One hundred thousand pesos (P100,000.00)**

- **Fifth and Sixth Class - Fifty thousand pesos (P50,000.00)**

Municipalities:

- **First Class - Sixty thousand pesos (P60,000.00)**
- **Second and Third Class - Forty thousand pesos (P40,000.00)**
- **Fourth Class and Below - Twenty thousand pesos (P20,000.00)**

(Emphasis supplied)

It should be noted that Title Six (Property and Supply Management in the Local Government Units), Book Two (Local Taxation and Fiscal Matters) of R.A. 7160, which includes the above-quoted provision, was amended by R.A. 9184 under Section 76 thereof. Section 76 of R.A. 9184 provides thus:

Repealing Clause. - This law repeals Executive Order No. 40, series of 2001, entitled "Consolidating Procurement Rules and Procedures for All National Government Agencies, Government-Owned-or-Controlled Corporations and/or Government Financial Institutions, and Requiring the Use of the Government Electronic Procurement System"; Executive Order No. 262, Series of 2000, entitled "Amending Executive Order No. 302, series of 1996, entitled "Providing Polices, Guidelines, Rules and Regulations for the Procurement of Goods/ Supplies by the National Government" and Section Three (3) of Executive order No. 201, series of 2000, entitled "Providing Additional Policies and Guidelines in the Procurement of Goods/Supplies by the National Government"; Executive Order No. 302, series of 1996, entitled "Providing Policies, Guidelines, Rules and Regulations for the Procurement of Goods/Supplies by the National Government" and Presidential Decree No. 1594 dated June 11, 1978, entitled "Prescribing Policies, Guidelines, Rules and Regulations for Government Infrastructure Contracts." **This law amends Title Six, Book Two of Republic Act No. 7160, otherwise known as the "Local Government Code of 1991"**; the relevant provisions of Executive Order No. 164, Series of 1987, entitled "Providing Additional Guidelines in the Processing and Approval of Contracts of the National Government"; and the relevant provisions of Republic Act No. 7898 dated February 23, 1995, entitled "An Act Providing for the Modernization of the Armed Forces of the Philippines and for Other Purposes." Any other law, presidential decree or issuance, executive order, letter of instruction, administrative order, proclamation, charter, rule or regulation and/or parts thereof contrary to or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly. (Emphasis supplied)

Moreover, Section 4 of R.A. 9184 expressly provides that it shall also apply to the procurement of infrastructure projects, goods, and consulting services by LGUs, as follows:


This Act shall apply to the Procurement of Infrastructure Projects, Goods, and Consulting Services, regardless of source of funds, whether local or foreign, by all branches and instrumentalities of government, its departments, offices and agencies, including government-owned and/or -controlled corporations and local government units, subject to the provisions of Commonwealth Act No. 138. Any treaty or international or executive agreement affecting the subject matter of this Act to which the Philippine government is a signatory shall be observed. (Emphasis and underscoring supplied)

Based on the above-quoted provisions of R.A. 9184, the intention of the Legislature to amend the procurement related provisions of R.A. 7160 and make the provisions of R.A. 9184 and its IRR-A applicable even to LGUs is apparent and undeniable.

In this regard, Section 52 (b) of IRR-A of R.A. 9184 applies to LGUs regardless of its type as the classification provided under Section 367 of R.A. 7160 is considered amended by the former.

We trust that this clarifies matters.

Very truly yours,


ESTANISLAO C. GRANADOS JR.
Acting Executive Director