



Republic of the Philippines
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE



NPM No. 100-2015

13 October 2015

ATTY. JOHN DALE A. BALLINAN

Associate Solicitor

OFFICE OF THE SOLICITOR GENERAL (OSG)

134 Amorsolo St., Legaspi Village,
Makati City, 1229

Re: Purchase of Motor Vehicles

Dear Atty. Ballinan:

This refers to your electronic mail (e-mail) requesting our opinion regarding the procurement of Multi-Purpose Vehicles (MPVs).

As represented, the Office of the Solicitor General (OSG) was given the budget of Six Million Pesos (Php 6,000,000.00) for the procurement of six (6) MPVs for the use of the OSG. In order not to exceed the budget, you inquire whether the OSG can procure two (2) types of MPVs in one bidding process which will require the OSG to provide different technical specifications for each type of procurement. Hence, this request for opinion.

Section 18 of Republic Act (RA) No. 9184 and its revised Implementing Rules and Regulations (IRR) provides that specifications for the procurement of goods shall be based on relevant characteristics and/or performance requirements and reference to brand names shall not be allowed. In determining the technical specifications of the goods it will procure, the Project Management Office or end-user unit of the Procuring Entity (PE) must consider the objectives of the project or the procurement at hand, and identify the standards that should be met by the goods in terms of function, performance, environmental interface and/or design.¹

In an earlier opinion² involving the procurement of motor vehicle, we expressed our view that PEs shall provide in its bidding documents the detailed specifications or descriptions of its desired vehicle to enable it to acquire the type or class of motor vehicle peculiar to its needs. PEs are given the discretion to indicate the technical specifications of the motor vehicle that they will procure, but such specifications must correspond to the needs of the PE and to the purpose or objective in procuring the specific type of vehicle.

In relation to this, we wish to emphasize that MPVs with an engine displacement exceeding 2000cc, if gasoline-fed, or 2500cc, if diesel-fed, and with an engine exceeding 4

¹ Manual of Procedures for the Procurement of Goods and Services, p. 10.

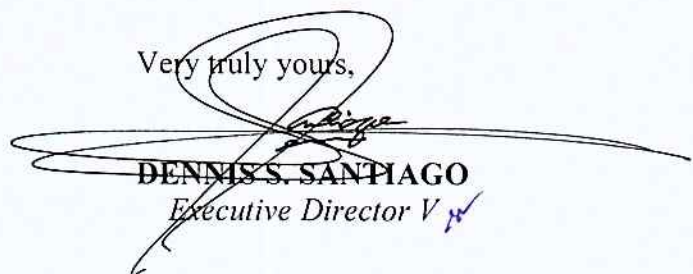
² NPM No. 22-2006, dated 15 December 2006.

cylinders are considered luxury vehicles and are therefore prohibited to be acquired by all government offices.³ On the other hand, for motor vehicle acquisitions of departments, attached agencies, Government Owned and Controlled Corporations (GOCCs), and Government Financial Institutions (GFIs), involving MPVs with an engine displacement not exceeding 2000cc, if gasoline-fed, or 2500cc, if diesel-fed, evaluating and recommending authority is vested with the Department of Budget and Management, while the approving authority is vested with the Department Secretary concerned.⁴ The processes, procedures and requirements in seeking such approval are laid down in Memorandum Circular No. 9, dated 14 December 2010, entitled *Government Policy and Procedural/Documentary Requirements on the Approval/Issuance of Authority to Purchase Motor Vehicles*, subject to the amendments introduced by Administrative Order No. 15, series of 2011 issued on 25 May 2011.

In fine, the OSG may indicate different technical specifications for different vehicles that it may procure in one bidding process, provided that the technical specifications correspond to the needs of the OSG and the purpose or objective for which the vehicles are being procured. Additionally, alongside determination of the need and the identification of the appropriate specifications to address such need, the OSG should likewise comply with existing guidelines, issuances, rules and regulations pertaining to the acquisition of motor vehicles.

We hope that this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Note that this is being issued on the basis of particular facts and 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 S. SANTIAGO
Executive Director V

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³ Section 2.3 in relation to Section 1.0 of the Administrative Order No. 233, series of 2008 issued on 1 August 2008.

⁴ Section 3.2 of the Guidelines on the Acquisition and Use of Government Vehicles DBM Circular No. 2010-2, dated 1 March 2010, as amended by Section 3 of Administrative Order No. 15, series of 2011 issued on 25 May 2011.