

NPM No. 101-2015

13 October 2015

MAGDALENA S. CRUZ, DVM
Chair, Bids and Awards Committee
BUREAU OF ANIMAL INDUSTRY (BAI)
Visayas Avenue, Diliman, Quezon City

Re : Submission of a Credit Line Commitment (CLC)

Dear Ms. Cruz:

This refers to your letter inquiring whether a Credit Line Commitment (CLC) may be accepted as an alternative to the prospective bidder's computation of its Net Financial Contracting Capacity (NFCC).

As represented, one of your bidders submitted a CLC in compliance with the requirement of NFCC. However, one of the competing bidders informed the Bids and Awards Committee (BAC) of the Guidelines issued by the Government Procurement Policy Board (GPPB) stating that the CLC is no longer accepted as a valid substitute or alternative to NFCC.

For your guidance, Section 23.1(a)(vi) was amended pursuant to GPPB Resolution No. 20-2013 which removed CLC as an alternative financial eligibility document. Hence, upon effectivity of GPPB Resolution No. 20-2013, the CLC is no longer acceptable for purposes of complying with the financial eligibility requirements and, thus, cannot be a substitute for the NFCC computation¹.

We hope this opinion issued by GPPB-TSO provided sufficient guidance on the matter. Note that this is 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

¹ NPM No. 013-2014 dated 31 March 2014.