



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

**NPM No. 105-2014**

4 November 2014

**ENGR. CLARO V. MARANAN**

*Administrator*

**NATIONAL IRRIGATION ADMINISTRATION**

National Government Center, E. Delos Santos,  
Quezon City


**Re: Single Largest Completed Contract**

Dear Administrator Maranan:

This is in response to the Honorable Administrator's letter requesting the Government Procurement Policy Board (GPPB) to allow a consortium of Construction Firms duly authorized by a Special Philippine Contractors Accreditation Board (PCAB) License to participate in the procurement of locally-funded Infrastructure Projects with project cost of One (1) Billion Pesos and above through the issuance of a GPPB Resolution. This request is being made relative to the requirement of a Single Largest Completed Contract (SLCC) under Section 23.5.2.5 of the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184.

The Honorable Administrator raised the concern that local contractors may not be able to qualify singly on the required experience of having completed at least one (1) contract that is similar to the contract to be bid and whose value must be at least equal to fifty percent (50%) of the Approved Budget Contract (ABC) to be bid, where the ABC is One (1) Billion Pesos and above.

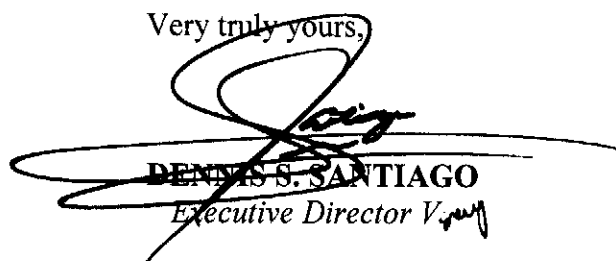
We recognize the Honorable Administrator's concern. However, RA 9184 and its IRR provide for recourse should an interested bidder does not possess the minimum requirements set by the rules. Section 23.5.1.1(e) of the IRR of RA 9184 allows the participation of persons/entities forming themselves into a joint venture, *i.e.*, a group of two (2) or more persons/entities that intend to be jointly and severally responsible or liable for a particular contract. Under this provision, bidders who lack qualifications may enter into a joint venture with other persons or entities possessing the requirements provided by law.

In view of the foregoing, the issue can be addressed by measures sanctioned by RA 9184 and its associated rules.<sup>1</sup> As such, local contractors may still comply with the SLCC by forming a joint venture with other capable contractors, without necessarily having a GPPB issuance allowing a consortium of construction firms to participate in government procurement for infrastructure projects with an ABC of One (1) Billion Pesos and above. 

<sup>1</sup> Sections 23.5.2.1 and 23.5.2.5 of the revised IRR of RA 9184.

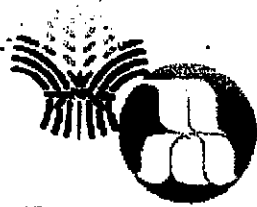
We hope that this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Note that this is being issued on the basis of facts and particular situations presented, and may not be applicable given a different set of facts and circumstances. Should there be other concerns, please do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

Very truly yours,



**DENNIS S. SANTIAGO**  
*Executive Director*

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Republic of the Philippines  
Department of Agriculture  
NATIONAL IRRIGATION ADMINISTRATION  
Quezon City

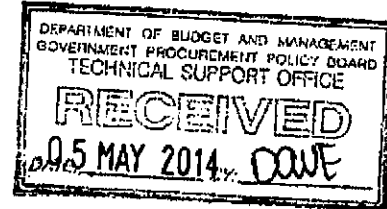


OFFICE ADDRESS: NATIONAL GOVERNMENT CENTER  
E. DE LOS SANTOS  
QUEZON CITY, PHILIPPINES

TELEPHONE NOS. : (02) 927-60-71 to 78  
FAX NO. : (02) 925-4614  
TIN No. : 000 916 415

April 28, 2014

**HON. FLORENCIO B. ABAD**  
Chairman - Government Procurement Policy Board  
Unit 2506 Raffles Corporate Center  
F. Ortigas Jr. Road, Ortigas Center  
Pasig City



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Sir:

This refers to the procurement of Locally Funded Infrastructure Projects with the Project Cost of PhP 1 Billion and above.

Section 23.5.2.5 of the Revised IRR of R.A. 9184 as amended by GPPB Resolution No. 11-2012 provides,

The prospective bidder must have an experience of having completed at least one (1) contract that is similar to the contract to be bid, and whose value adjusted to current prices using the NSO consumer price indices, must be at least fifty percent (50%) of the ABC to be bid xxx

With the requirement we see it impractical to commence procurement activities, especially on civil works such as dams and the like, which warranties as provided under Section 62.2 of RA 9184 need be the responsibility of only one construction entity, hence, cannot be programmed into smaller packages. Our local contractors may not qualify singly on the needed experience of having completed at least one (1) contract that is similar to the contract to be bid, where the ABC to be bid is PhP 1 Billion or more.

Section 63 of R.A. 9184, provides among others, the GPPB shall have the following duties and responsibilities:

xxx

2. To formulate and amend public procurement policies, rules and regulations, and amend, whenever necessary, the revised IRR and the corresponding standard forms for procurement;

xxx

Hence, it is most respectfully requested that in order to satisfy the foregoing experience requirement, through a GPPB Resolution, a consortium of Construction Firms duly authorized by a Special PCAB License for the purpose and which total aggregate experience at whose value adjusted to current prices using the NSO consumer price indices, must be at least fifty percent (50%) of the ABC to be bid, be allowed to participate in the procurement process.

We earnestly hope favorable action, thank you very much.

Very truly yours,

  
**CLARO V. MARANAN**  
Administrator



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Department of Agriculture  
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