

REPUBLIC OF THE PHILIPPINES
GOVERNMENT PROCUREMENT POLICY BOARD
Technical Support Office

*Unit 2506 Raffles Corporate Center, Emerald Avenue, Ortigas Center, Pasig City
Telefax Nos. (02) 900-6741 to 44*

NPM No. 011-2005

February 10, 2005

MR. TITO A. CUERDO
Board Member
NIA Employees Association of the Philippines
National Irrigation Administration
National Government Center, E. De Los Santos,
Quezon City

Re : Grant of Honoraria to Observers

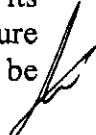
Dear Mr. Cuervo:

This refers to your letter dated 09 November 2004, addressed to the Honorable Budget and Management Secretary Emilia T. Boncodin which this office received through Director Nora C. Oliveros of the Budget and Management Bureau – E of the Department of Budget and Management on 03 February 2005, wherein you seek clarification on whether the Observers participating in public biddings are entitled to any remuneration/benefit.

In an earlier opinion,¹ a similar query was raised from where the pertinent portion that provides answer to your query is quoted hereunder:

Observers are invited in all stages of the procurement process in order to enhance transparency therein, with the general responsibility of checking if each stage of the procurement process was conducted in accordance with the provisions of R.A. 9184 and its IRR-A.

It is imperative, then, for observers to maintain independence from any influence the body it monitors may assert so that the integrity of its observations will not be compromised or tainted with bias. To ensure this independence, we are of the opinion that observers should not be



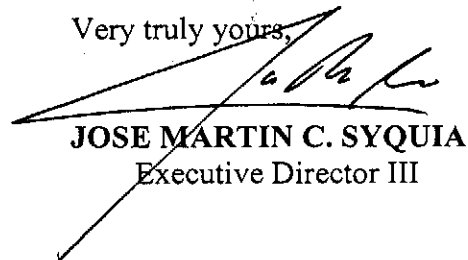
¹ NPM 003-2005, dated 13 January 2005.

granted honoraria by the procuring entity for its participation in the procurement process.

This view is strengthened by Section 15 of R.A. 9184 and its IRR-A which categorically provides that payment of honoraria may be granted to the members of the Bids and Awards Committee (BAC), BAC Secretariat, and Technical Working Group. It will be noticed that in the enumeration of persons who may be granted payment of honoraria, observers are not included. Thus, this silence by R.A. 9184 and its IRR-A may be construed to mean that the law meant to exclude observers from the payment of honoraria.

We trust that the foregoing elucidation resolves the matter being raised.

Very truly yours,



JOSE MARTIN C. SYQUIA
Executive Director III

Copy furnished:

MS. NORA C. OLIVEROS
Director
Budget and Management Bureau – E
Department of Budget and Management

/dlsn/02.05