



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

NPM No. 113-2012

5 September 2012

LT. COL. JOSE M. SOMBILLO (Ret.)
President and General Manager
MASADA SECURITY AGENCY, INC. (MSAI)
Diliman, Quezon City

Re: Correction of Bids by the Procuring Entity

Dear Lt. Col. Sombillo:

We respond to your letter, dated 31 March 2012, requesting for clarification on whether "correction" of bid during post-qualification at the instance of the procuring entity is allowed under Republic Act (RA) No. 9184 and its revised Implementing Rules and Regulations (IRR); and if so, whether this is different from modification of bids under Section 26 of RA 9184 and its IRR.

As represented, the Cultural Center of the Philippines (CCP) Bids and Awards Committee (BAC) conducted a public bidding for procurement of security services wherein MSAI was ranked as the third lowest calculated bidder. After post-qualification, MSAI received notice from the CCP-BAC that the contract was recommended for award to the second lowest calculated bidder. Upon an inquiry on the reason why the contract was not awarded to the lowest calculated bidder, MSAI was informed by the CCP-BAC that during the establishment of the correct calculated bids, the lowest calculated bid turned out to have the highest bid. Consequently, the CCP-BAC proceeded with the evaluation of the financial bid of the second lowest bidder, and in doing so, made a correction on the required itemized components thereof, which resulted in a lesser amount than what was actually submitted. The CCP-BAC explained that the correction was made pursuant to Section 32.2.3 of the revised IRR of RA 9184.

To elucidate, Section 26 of the Revised IRR confers to the bidder the right to modify bids prior to the deadline for submission and receipt of bids. Hence, bid modifications received after the applicable deadline shall not be considered and shall be returned to the bidder unopened¹. It cannot be over emphasized that the right to modify the bid belongs to the bidder, and no such

¹ Section 26.1, Revised IRR of RA 9184.

right is conferred upon the Procuring Entity. Clearly, this process is entirely different from the correction of bids done by the BAC during bid evaluation².

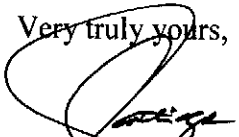
Correction of bids done by the BAC is pursuant to and in accordance with the rules provided in Section 32.2 of the revised IRR, and is thus limited to arithmetical corrections. These corrections are done only for purposes of bid evaluation to determine the lowest calculated bid by considering minor arithmetical corrections of computational errors to enable proper comparison of all eligible bids.

It should be noted, however, that the correction of bids by the procuring entity does not extend to correction of errors committed by bidders in complying with the itemized components and documentary requirements in the bidding documents. As provided in Section 32.2.1(a) of the revised IRR, bids not addressing or providing all of the required items in the bidding documents shall be considered non-responsive and, thus, automatically disqualified. The correction is also not intended to increase or decrease the quantity of items or the number of personnel to be supplied, because such are not mere arithmetical corrections or discrepancies in the costs affecting the total price, but are substantial changes which would altogether alter the bid.

In sum, we opine that even though simple arithmetical corrections of bid may be conducted by the Procuring Entity during the bid evaluation stage, the same should be consistent with the provisions of Section 32 of the revised IRR of RA 9184. Thus, such corrections should be done only for purposes of considering minor arithmetical corrections³ or corrections of specific bid discrepancies⁴ and should not extend to the rectification of the submitted bid by revising its contents or introducing additional documents to alter or change the bid proposal to make the bid compliant with the legal, technical and financial aspects of the project.

We hope that our advice provided sufficient guidance on the matter. Note that this opinion is being issued on the basis of the facts and particular circumstances presented, and may not be applicable to a different set of facts and circumstances. Should you have further questions, please do not hesitate to contact us.

Very truly yours,


DENNIS S. SANTIAGO
Executive Director III

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² Section 32.2.1, Revised IRR of RA 9184.

³ Section 32.2.1(b), Revised IRR of RA 9184

⁴ Section 32.2.3, Revised IRR of RA 9184.