



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

**NPM No. 114-2013**

26 December 2013

**MR. JONATHAN C. MARTIR**

*Director*

**GOVERNMENT ARSENAL (GA)**

**DEPARTMENT OF NATIONAL DEFENSE**

Camp General Antonio Luna, Limay, Bataan

**Re : Conduct of Post-qualification under Section 34 of the revised  
Implementing Rules and Regulations (IRR) of Republic Act No.  
(RA) 9184**

Dear Director Martir:

This is in response to your letter, which we received on 29 October 2013, seeking clearance/authority to conduct post-qualification pursuant to Section 34 of the IRR of RA 9184 without plant visit to winning bidders that have been dealing with the GA for many years and have proven their legal, financial, and technical competence.

As represented, the GA, as established pursuant to RA 18841, is mandated, among others, to design, develop, manufacture, repair, procure, stockpile, and allocate arms, mortars and other weapons and munitions without the necessity of obtaining any permits or licenses and devise ways and means for the efficient mobilization of civilian industry to augment the production of the arsenal in times of emergency. In line with such mandate, the GA has already established a database of credible suppliers after engaging them in numerous transactions for supply and delivery of various goods and services including data as to their legal, technical, and financial capabilities, indicating that a number of suppliers have already established a good standing with the GA. Moreover, it has adopted the policy of conducting Pre-Delivery Inspection (PDI) for all procured items in order to ensure compliance to specifications. Part of the PDI is a tour of the manufacturing facility of the supplier through which the GA inspectors establish the supplier's technical capability. It contends that the supplier's financial capability is proven with their compliance to the contracted delivery period. The GA further explains that it can seek the assistance of its Defense and Armed Forces Attaché and/or Consular Officials to validate some data or documents that could not be done on-line.

Considering the long experience of the GA in dealing with these suppliers, it claims to know their legal, technical, and financial capabilities, such that conducting post-qualification, particularly plant visit, to these same suppliers/manufacturers will not only result in waste of time, but more importantly, of government funds on an activity the outcome of which the GA already knows. It proffers that the GA spent more than Three Million Pesos on the conduct of post-qualification, which could have been saved and used to procure much needed equipment and/or supplies for the improvement of the GA.

<sup>1</sup> An Act to Establish a Government Arsenal, Provide for its Operation and for Other Purposes.

Based on this, the GA is requesting, *first*, authority to conduct post-qualification to winning proponents/suppliers, as follows: (a) mandatorily for new suppliers; and (b) an online post-qualification *sans* plant visit for old suppliers with good standing; provided, however, that plant visit shall be conducted every five (5) years, in the event that they are determined to be the Lowest Calculated Bid (LCB); and *second*, that the PDI be mandatorily conducted on all procured equipment and raw materials to ensure that all deliveries are compliant to the GA's specifications.

Please note that post-qualification is one of the stages of competitive bidding required to be conducted by the Bids and Awards Committee (BAC) for the purpose of verifying, validating, and ascertaining the compliance of the bidder with the LCB with the legal, technical, and financial requirements for each specific procurement activity. We wish to stress that RA 9184 and its IRR do not qualify or distinguish when or on whom the process of post-qualification shall be applied. Both law and rules are clear that the bidder with the LCB should undergo post-qualification in order to determine whether it complies with and is responsive to all the requirements and conditions specified in the Bidding Documents. In this regard, post-qualification should be conducted regardless of the extent of the procuring entity's experience in contracting with any supplier.

However, it is worth noting that the manner of verifying, validating, and ascertaining all statements made and documents submitted by the bidder with the LCB is not prescribed in detail in RA 9184 and its IRR. It merely requires that the procuring entity ensures that the bidder is legally, technically, and financially capable and that it complies with all the requirements prescribed in the Bidding Documents, as well as by the revised IRR of RA 9184.

Thus, the procuring entity may adopt internal procedures on how it will conduct the post-qualification in a manner that it deems effective in establishing the responsiveness of the bidder with the requirements, and at the same time, reliable in impressing upon the procuring entity the confidence of and certainty in declaring the bidder as having submitted the Lowest Calculated Responsive Bid. It should be pointed out, however, that no additional documentary requirement other than those provided or recognized in RA 9184 and its IRR shall be imposed on the bidder as part of the post-qualification, and that the accountability in establishing that the post-qualified bidder has indeed complied with all the requirements in the Bidding Documents and under RA 9184 and its IRR remains with the procuring entity.

In sum, we wish to clarify that the adoption of an internal procedure on the manner of conducting post-qualification is well within the discretion and accountability of the procuring entity to undertake, and does not need the clearance or authority from the GPPB as long as it does not run counter to the provisions of RA 9184 and its IRR.

We hope that this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Note that this opinion 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 you have further questions, please do not hesitate to contact us.

Very truly yours,

  
**DENNIS LORNE S. NACARIO**  
*Officer-in-Charge*