

NPM No. 12-2006

June 27, 2006

HON. BENITO R. CATINDIG
Assistant Secretary
Department of Interior and Local Government
A. Francisco Gold Condominium II Building
Corner Mapagmahal St., Diliman, Quezon City

Re: Lifetime of a BAC Resolution

Dear Sir:

This pertains to your letter, dated 15 March 2006, inquiring on the "lifetime" or period of validity of a Bids and Awards Committee (BAC) Resolution.

You present a hypothetical situation where, after having complied with the bidding requirements for a contract of service, a BAC Resolution was issued declaring a winning bidder and a Notice of Award was issued thereafter. The procuring entity, however, failed to sign the contract until the end of the year. Now, the BAC intends to honor the bidding process conducted in the previous year by continuing with the award of the contract to the winning bidder. However, authority to sign the contract shall be based on the BAC resolution issued the previous year.

Hence, this query is raised as to whether the subject BAC Resolution issued the previous year may still be used as basis to enter into a contract for the incumbent year.

Republic Act No. 9184 (RA 9184) and its Implementing Rules and Regulations Part A (IRR-A) are silent on the effectivity period of BAC actions. However, a survey of the relevant provisions of the IRR-A indicates that all procurement activities are generally done on a yearly basis. Hence, a Project Procurement Management Plan (PPMP) and an Annual Procurement Plan (APP) should be meticulously and judiciously prepared by the procuring entity at the onset of the budget/fiscal year.

Consequently, all procurement activities should stem from these yearly plans, including those conducted by the BAC, the Procurement Management Offices (PMOs), and the end-user units, it is, thus, our considered opinion that any BAC action or resolution may only be valid for the procurement project identified therein and

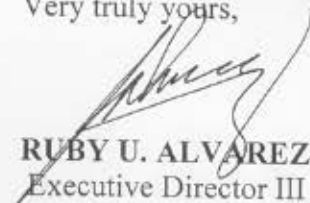
only be valid for the procurement project identified therein and therefore, must be implemented within the year for which said APP and PPMP are relevant.

From the foregoing, we believe that the validity of a BAC Resolution is project-specific; and, hence, expires upon the closing of the budget/fiscal year within which a given APP or PPMP is pertinent.

This opinion is being rendered on the basis of the facts and particular circumstances as represented.

We trust that this clarifies matters.

Very truly yours,



RUBY U. ALVAREZ
Executive Director III