

**NPM No. 12-2007**

17 July 2007

**MR. JUAN G. RAÑOLA, JR.**  
*Department Manager - Legal*  
**DEPARTMENT OF FINANCE**  
**PRIVATIZATION AND MANAGEMENT OFFICE**  
104 Gamboa St., Legaspi Village  
Makati City

**Re: Procurement of Promotional Airtime**

Dear Mr. Rañola:

This pertains to your letter dated 11 July 2006 seeking clarification on whether the procurement of promotional airtime on television programs falls under the procurement of goods as defined under Section 5 (k) of the Implementing Rules and Regulations-Part A (IRR-A) of Republic Act No. 9184 (R. A. 9184). Additionally, you wish to know whether the procurement of promotional airtime is subject to competitive bidding or may be procured under the alternative methods of procurement under R. A. No. 9184 and its IRR-A.

The term "Goods" is defined under Section 5 (k) of IRR-A of R. A. 9184, as follows:

Section 5. Definition of Terms

For purposes of this IRR-A, the following terms or words and phrases shall mean or be understood as follows:

xxx

- k) **Goods.** Refer to all items, supplies, materials and general support services, except consulting services and infrastructure projects, which may be needed in the transaction of public businesses or in the pursuit of any government undertaking, project or activity, whether in the nature of equipment, furniture, stationery, materials for construction, or personal property of any kind, including non-personal or contractual services such as the repair and

maintenance of equipment and furniture, as well as trucking, hauling, janitorial, security, and related or analogous services, as well as procurement of materials and supplies provided by the procuring entity for such services. The term **“related” or “analogous services”** shall include, but not be limited to, lease or purchase of office space, **media advertisements**, health maintenance services, and other services essential to the operation of the procuring entity. (Emphasis supplied)

“Media advertisement”, in popular parlance, means to make publicly and generally known, or to call public attention by emphasizing the desirable qualities of a particular subject matter so as to arouse a desire to acquire or patronize the same using television, radio or print as medium. (Random House Webster’s Unabridged Dictionary)

Keeping this in mind, the acquisition of “promotional airtime” on television programs for the purpose of discussing concerns on the assets to be disposed by the Privatization and Management Office is precisely to raise the awareness of the general public. In other words, the term “promotional airtime” is akin to or is a species of “media advertisement”. This being the case, the same squarely falls within the definition of “goods” under Section 5 (k) of IRR-A.

Regarding your second query, Section 10 of R. A. 9184 prescribes that, as a general rule, all procurement shall be done through competitive bidding. It is only in exceptional cases when resort to alternative methods may be had, subject further that the conditions provided in the IRR-A are met and complied with. The foregoing determination must be made by its Bids and Awards Committee.

Nevertheless, under GPPB Resolution No. 03-2007, which will become effective on 24 July 2007, Section 53 (e) of IRR-A has been amended to expand the concept of agency-to-agency agreements, viz:

- e) **Procurement of infrastructure, consulting services and goods from another agency of the Government, such as the PS-DBM, which is tasked with a centralized procurement of commonly used Goods for the government in accordance with Letters of Instruction No. 755 and Executive Order No. 359, series of 1989. For purposes of this paragraph, the term agency shall exclude GOCCs incorporated under Batas Pambansa Blg. 168, otherwise known as the Corporation Code of the Philippines.**

In order to hasten project implementation, agencies which may not have the proficiency or capability to undertake a particular procurement, as determined by the head of the procuring entity concerned, may request other agencies to undertake such procurement for them, or at their option, recruit and hire consultants or procurement agents to assist


them directly and/or train their staff in the management of the procurement function;

**The GPPB shall issue guidelines to implement this provision.**

This signifies that for the procurement of media advertisements, your office may contract with qualified government media networks through Negotiated Procurement, provided that the same has been created through a separate charter.

We hope to have clarified the matter. Should you have additional questions, please do not hesitate to let us know.

Very truly yours,

  
**RUBY U. ALVAREZ**  
*Executive Director III*

REGISTRY RECEIPT

Post Office \_\_\_\_\_  
Letter/Package No. **006794**  
Posted on \_\_\_\_\_ 19\_\_\_\_  
I have this receipt for reference in case of inquiry.  
No. \_\_\_\_\_ Postmaster/Teller \_\_\_\_\_