



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

**NPM No. 123-2013**

27 December 2013

**MS. ANRONICA T. ROMA**

*President and General Manager*

**NIKKA TRADING**

Unit 1014 Cityland Herrera Tower,  
98 V. Rufino Street cor. Valero Street,  
Salcedo Village, Makati City

**Re : Single Largest Completed Contract for Several Lots**

Dear Ms. Roma:

This refers to your letter dated 27 December 2013, requesting for clarification on whether one Single Largest Completed Contract (SLCC) may be considered for several lots for the purpose of evaluating compliance with Section 23.5.1.3 of the revised Implementing Rules and Regulations (IRR) of Republic Act No. (RA) 9184.

As represented, Nikka Trading has been participating in competitive biddings in government. Per its experience, procuring entities have been packaging their procurement projects in a single Invitation to Bid for similar and related requirements, but divide the same into several lots. In such procurement activities, the prevailing interpretation of the procuring entities where you participate in is that the SLCC should be considered as against the total Approved Budget for the Contract (ABC), *i.e.*, the SLCC is evaluated vis-à-vis the total project amount and not on a per lot basis. It is in this context that the above-mentioned clarification is being requested.

As clearly provided in Section 23.5.1.3 of the revised IRR, the eligibility criteria requires a bidder to have completed a single contract that is similar to the contract being bid out and is at least fifty percent (50%) of its approved budget. This requirement assures procuring entities that they will be dealing only with bidders having adequate experience in performing or delivering contractual obligations that are similar with that in the contract being bid out.

It will be noted that the reference of the required minimum percentage of the amount of the SLCC to be complied with is the Approved Budget for the Contract (ABC). The reason behind such policy is that the ABC is a factor that appropriately reflects the magnitude and complexity of a contract, such that a bidder who has completed a similar contract of a reasonable percentage may be presumed capable of performing the obligations under the contract subject of the bidding.


In the case of a procurement activity that is divided into several lots, where each lot may result in a separate contract, the ABC for each lot becomes the reference of such requirement. However, since the eligibility criteria only seek to filter suitable bidders from those unfit to perform the contract, it is not necessary for a bidder to present a corresponding SLCC for each lot that it participates in. Verily, requiring a bidder to submit and identify one SLCC per lot or per bidding will result in the procuring entity verifying whether the SLCC presented for a particular lot or bidding has not yet been used for another bidding activity of other procuring entities – a task that is not only arduous, but also inconsequential in establishing a bidder's experience.

In view of the foregoing, we wish to clarify that the participation of a bidder in several lots does not require the submission of an SLCC that will specifically correspond to each lot. It is sufficient that the bidder presents an SLCC that complies with the percentage requirement for every lot that it participates in.

In connection with this, we wish to inform you that Section 23.1(a)(iii) of the IRR of RA 9184 has been amended through Government Procurement Policy Board (GPPB) Resolution No. 29-2012 dated 23 November 2012, published on 9 September 2013 at the Malaya Business Insight, and took effect on 10 September 2013. The revised Section 23.1(a)(iii) of the IRR now requires bidders to submit a statement of all its ongoing government and private contracts and a statement identifying its SLCC similar to the contract to be bid.

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 situation presented, and may not be applicable to a different set of facts and circumstances. Should you have other concerns, please do not hesitate to contact us.

Very truly yours,

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