



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

**NPM No. 127-2013**

27 December 2013

**MS. EDNA C. TAPAR**

*Chief Accountant*

**DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS (DOTC)**  
Columbia Tower, Ortigas Ave., Mandaluyong City

**Re : Definition of General Support Services**


Dear Ms. Tapar:

This is in response to your electronic mail sent on 18 November 2013 requesting information and guidance on whether encoding services may be deemed included in the definition of general support services.

The above-mentioned request is being made in relation to the succeeding facts and circumstances presented in said letter. The DOTC has been annually procuring encoding services to continuously update the data in various automated systems it operates. Last year, a contract was awarded to a service provider for a period of one (1) year, renewable for two (2) years, subject to an annual performance evaluation. At the end of the first year, an annual performance evaluation was conducted, and a request to the Bids and Awards Committee (BAC) was made for the renewal of said contract. However, your office was advised that the procurement of the encoding services have to be done through public bidding, as it does not fall under general support services.

Republic Act No. (RA) 9184 and its revised Implementing Rules and Regulations (IRR) define Goods to refer to general support services, including non-personal or contractual services, and related or analogous services. This definition broadly covers all kinds of similarly natured services that are essential to the operation of the procuring entity. Moreover, in the Revised Guidelines on the Extension of Contracts for General Support Services, the term "general support services" is understood to include those services that are essential, indispensable, or necessary to support the operations of the procuring entity or for the enhancement of the welfare of its personnel, including non-personal or contractual services.<sup>1</sup>

In this regard, if the encoding services being acquired by DOTC are essential, indispensable, or necessary to support its operations, then such service may be considered within the coverage of the term "general support services".

<sup>1</sup> Non-Policy Matter No. 82-2013 dated 29 October 2013. 


Moreover, please be advised that RA 9184 and its IRR are silent on the issue of multi-year contracts. The Guidelines on the Procurement of Security and Janitorial Services, does not make any categorical pronouncement that multi-year contracts may be availed of only in the case of janitorial and security services contracts; rather, said Guidelines simply state that it shall be applicable to the procurement of janitorial and security services. Likewise, the Revised Guidelines on Extension of Contracts for General Support Services does not prohibit procuring entities from entering into contracts on a multi-year basis. It simply provides that contracts for general support services can be extended, but not to exceed one (1) year for the purpose of averting hiatus in support services essential, indispensable, or necessary in the operations of a procuring entity.<sup>3</sup>

At this juncture, we wish to note that the General Appropriations Act provides that no agency shall enter into a multi-year contract without securing a Multi-Year Obligational Authority (MYOA) from the Department of Budget and Management (DBM) following the provisions of Circular Letter No. 2004-12 dated 27 October 2004.

Accordingly, we wish to clarify that although encoding services may be classified as general support services, DOTC must have secured a MYOA from DBM for the multi-year contract it entered into for such service in order that it may be validly renewed. Absent such authority, DOTC may only extend a general support service in accordance with the Revised Guidelines on Extension of Contracts for General Support Services.

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 other concerns, please do not hesitate to contact us.

Very truly yours,

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

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<sup>3</sup> Non-Policy Matter No. 08-2012 dated 6 January 2012.