



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

NPM No. 127-2014

14 November 2014

MS. EDCEL NACION
edcel_nacion@yahoo.com

Re: Shopping and Request for Quotation

Dear Ms. Nacion:

This refers to your electronic mail seeking our opinion on the following: whether in Shopping, you can award a contract, if among the three suppliers, only one supplier offered a price (and is responsive) and the other two indicated "NONE" in the canvass; and who approves the Request for Quotation and if there is a standard form for this.

Shopping: Number of Quotations Received

As we have discussed in a previous opinion¹, the Guidelines for Shopping and Small Value Procurement² (Guidelines), specifically in Section 3(c), provides clear and unambiguous rules in terms of the required number of Requests for Quotation (RFQs) that must be sent and price quotations that must be obtained when procuring through Shopping.

Under Section 3(a) of the Guidelines, the RFQ, which shall indicate the specification, quantity, approved Budget for the Contract (ABC) and other terms and conditions of the item to be procured, shall be sent to at least three (3) suppliers. In the case of Shopping under Section 52.1(a) of the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184 (shopping in an unforeseen contingency requiring immediate purchase), Section 3(c) of the Guidelines further provides that sending the RFQ to only one (1) supplier, and eventually receiving one (1) quotation only, is sufficient.

However, in terms of the number of quotations required to be obtained, Section 3(f) of the Guidelines specifically provides that in case of Shopping under Section 52.1(b) of the IRR, at least three (3) price quotations must be obtained. The Guidelines does not impose the same requirement in procurement through Shopping under Section 52.1(a) considering that under this provision the requisition is made under the context of immediacy and necessity. *EB*

¹ Non-Policy Matter (NPM) No. 008-2013.

² Issued through GPPB Resolution 09-2009 dated 23 November 2009.

From the foregoing, when the procurement method is Shopping under Section 52.1(b) (common-use supply and equipment not available in the Procurement Service) of the revised IRR, the procuring entity is required to obtain at least three (3) quotations. Thus, when the number of quotations obtained is less than three (3), the procuring entity should extend the deadline for the submission of quotations until it has obtained at least three (3) quotations. Failure to comply with this requirement renders the procurement invalid, and the responsible officials are accountable for non-compliance with relevant rules and regulations. A response of "NONE" in the canvass is not considered a price quotation for purposes of the Guidelines. Award of contract shall then be made to the lowest quotation which complies with the specifications and other terms and conditions stated in the RFQ.

In the case of procurement through Shopping under Section 52.1(a) (unforeseen contingency), where it is not necessary to obtain at least three (3) quotations, contract award may be made to the lone supplier that submitted its quotation subject to compliance with the specifications and terms and conditions stated in the RFQ.

Approval of Request for Quotation

As to the second question, please be informed that as with any type of procurement, including alternative modes of procurement such as Shopping, the Bids and Awards Committee (BAC) has the power to conduct the bidding activities. Nonetheless, the Guidelines provides that after the decision to resort to Shopping has been made, the BAC may validly delegate the authority to a unit within the agency to handle shopping and small value procurement. It bears stressing, however, that only those powers specifically delegated by the BAC may be exercised by the identified unit.³ It is also worth mentioning that the powers delegated by the BAC do not include the power to award the procurement contract as this is vested with the Head of the Procuring Entity (HOPE). The HOPE may however, delegate this power to an approving authority⁴.

No Standard Form for the Request for Quotation

Lastly, there is no prescribed template or standard form for the RFQ. Nonetheless, even without the prescribed template, the RFQ must indicate the specification, quantity, ABC, and other terms and conditions of the item to be procured pursuant to Section 3(a) of the Guidelines. In addition, Section 3(b) of the Guidelines provides that RFQ must prescribe the manner by which price quotations shall be submitted *i.e.*, by sealed or open quotation.⁵

In sum, for Shopping under Section 52.1(a), the RFQ may be sent to only one (1) supplier. Corollarily, one (1) price quotation received by the BAC or delegated unit will be sufficient for contract award. On the other hand, Shopping under Section 52.1(b) would require the sending of RFQs to at least three (3) suppliers and it is required that the BAC or the delegated unit receive at least three (3) price quotations. As for the approval of the RFQ, the BAC conducts or oversees the whole procurement process for Shopping, including recommendation of award, unless delegated to a unit within the agency. The HOPE approves the contract award unless such authority is delegated to another official.

³ NPM No. 34-2012 dated 4 April 2012.

⁴ Section 37 of Republic Act No. 9184.

⁵ NPM No. 067-2013 dated 27 June 2013.

LA

Lastly, The RFQ does not have a standard form. The PE is free to make its own form for the RFQ as long as it contains all the necessary information provided under RA 9184, its associated IRR and the relevant Guidelines.

We hope that this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Note that this is issued on the basis of particular facts and situations presented, and may not be applicable given a different set of facts and circumstances. Should there be other concerns, please do not hesitate to contact us.

Very truly yours,



DENNIS S. SANTIAGO
Executive Director

//lrd4

GPPB

2/12/15

From: edcel nacion <edcel_nacion@yahoo.com>
Sent: Wednesday, October 29, 2014 2:46 PM
To: gppb@gppb.gov.ph; gppb@gppb.gov.ph
Subject: Clarification on RFQ

30 OCT 2014 OWE

Good afternoon!

We would like to hear your opinion regarding this:

- 1) In a transaction where Shopping is the mode of procurement, we are required to have atleast three quotations from eligible suppliers. Question: Can we award a transaction, if among the three suppliers, only one supplier offered a price (and is responsive) and the other two indicated "NONE" in the canvass?
- 2) Who approves the Request for Quotation and do we have standard form for this?

thanks,

Edcel A. Nacion

*Yes,
please prepare
OPINION.*

*ENC,
DAS*