



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

**NPM No. 129-2013**

27 December 2013

**MS. CECILIA M. SARMIENTO**  
*Member, Technical Working Group*  
*Bids and Awards Committee (BAC)*  
**DUTY FREE PHILIPPINES CORPORATION (DUTY FREE)**  
New Fiesta Mall, EHA Building,  
Ninoy Aquino Avenue, Paranaque City

**Re : Rounding Off Decimals**

Dear Ms. Sarmiento:

This is in response to your letter dated 12 December 2013, inquiring whether there are restrictions or limitations in the exercise of bid evaluation pertaining to rounding off the amounts indicated in bids into decimal places.

It is represented that during bid evaluation for the procurement of security services, Duty Free found out that in computing the Daily Rate per Guard as listed on their respective price schedules, a bidder used nine (9) decimal places and another used two (2) decimal places. In spite of this, both bidders have correct computations and do not have discrepancy in their price schedule and cost distribution. It is in this context that you are inquiring on restrictions or limitations in bid evaluation, particularly, seeking our opinion on the number of decimal places that Duty Free should use in evaluating the bids, and inquiring on the responsiveness of the bids considering that the decimal places used in rounding off were different.

For your guidance, please note that Section 32 of the IRR of RA 9184 provides the rules governing the conduct of detailed evaluation of bids. Section 32.2.1 thereof prescribes the use of non-discretionary criteria in considering the completeness of the bid and arithmetical corrections. This process entails the determination whether the bid addressed all the required items in the Bidding Documents and whether there are arithmetical corrections necessary to address computational errors and omissions.

In determining the completeness of the bid, Section 32.2.1 (a) of the IRR of RA 9184 instructs the BAC to verify whether the bid addressed all the required items in the Bidding Documents, such that bids not addressing or providing all of the required items shall be automatically disqualified. It further states that not indicating a price for a required item shall be considered non-responsive, but specifying a "0" for an item would mean that it is being offered for free. Hence, unless the Bidding Documents require that


bids should follow a specific number of decimal places for bid prices, differences in the number of decimal places will not render the bid incomplete and non-responsive.

Furthermore, we explained in an earlier opinion that arithmetical correction of bids necessarily includes the process of rounding off numbers; however, the details on how the prices should be rounded off should be clearly stated by the procuring entity in its Invitation to Bid (IB), and applied similarly to all bids so as to ensure that bids are evaluated on equal footing, to ensure fair and competitive bid evaluation.<sup>1</sup> If the Bidding Documents do not specify the number of decimal places at which numbers will be rounded off, the BAC may apply the generally accepted rules and methods for rounding off financial values. Considering that bid prices represent a monetary value, it is logical to adopt two (2) decimal places as the default rule in rounding off. It should be stressed, however, that whatever rule the BAC adopts, such rule should be consistently applied to all bids in order to ensure fair and competitive bid evaluation.

Based on the foregoing, as long as bids address or provide all the required items in the Bidding Documents, then the same may be considered complete, despite the difference in the number of decimal places used to round off their respective Daily Rate Per Guard. The rules in rounding off should be provided in the Bidding Documents; but, in absence of such instruction, the BAC may adopt the generally accepted rules on the number of decimal places that will be maintained in rounding off bid prices, and uniformly apply such rules in evaluating all the bids.

We hope that this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Please note that this opinion is being rendered on the basis of the facts and particular situation presented, and may not be applicable given a different set of facts and circumstances. Should you have additional questions, please do not hesitate to contact us.

Very truly yours,

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

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<sup>1</sup> Non-Policy Matter No. 125-2013 dated 27 December 2013.