

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

NPM No. 135-2013

27 December 2013

MS. PAULINE THERESA D. EUSEBIO

Officer-In-Charge, Procurement Office

BANGKO SENTRAL NG PILIPINAS

A. Mabini St., Cor. P. Ocampo St., Malate, Manila 1004

Re : Delegation of the Conduct of Limited Source Bidding

Dear Ms. Eusebio:

We respond to your letter dated 25 July 2013, seeking clarification whether the Bids and Awards Committee (BAC) may delegate the conduct of Limited Source Bidding (LSB) to another office.

It is represented that the *Bangko Sentral ng Pilipinas* (BSP) intends to devolve the conduct of LSB to its Procurement Office, an organic department charged with the duty to assist the BAC in processing the procurement requirements of BSP. BSP notes that the delegation to appropriate bureau, committee, or support unit duly authorized by the BAC is allowed in alternative modes of procurement, such as in Shopping and Negotiated Procurement (Small Value Procurement). It is on this basis that BSP intends to devolve the conduct of Limited Source Bidding.

Limited Source Bidding otherwise known as selective bidding is an alternative method of procurement of goods and consulting services that involves direct invitation to bid by the procuring entity from the list of pre-selected suppliers or consultants with known experience and proven capability on the requirements of the particular contract. Please note that, except for the advertisement requirement provided under Section 21.2.1(a) of the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, Section 49.4 of the IRR of RA 9184 and Section 4.8.1 of the Guidelines on Pre-Selection Procedure in the Conduct of Limited Source Bidding¹ require the procuring entity to adopt the same rules on competitive bidding in the use of LSB as an alternative procurement modality.

For your guidance, Section 12.1 of the IRR of RA 9184 categorically vests upon the BAC the authority to process and evaluate the procurement requirements of bidders.


¹ GPPB Resolution No. 06-2012 dated 30 March 2012.

As mentioned in our previous opinion², even the BAC Secretariat, which is tasked to assist the BAC, cannot be delegated with the functions expressly conferred upon the BAC by RA 9184 and its IRR. An exception to this policy was established for procurement using Shopping and Negotiated Procurement (Small Value Procurement) under GPPB Resolution No. 09-2009³ for the reason that these particular methods of procurement are used for contracts that are of considerably small amount and are generally simple/routinary, such that delegating the functions to another unit will be more efficient and economical for the procuring entity.

A reading of GPPB Resolution No. 09-2009 would reveal that it did not provide that the same exception be applicable to LSB inasmuch as the circumstances surrounding procurement activities using LSB are not similar to those covered by Shopping and Negotiated Procurement (Small Value Procurement). Accordingly, we are of the opinion that the BAC cannot delegate the conduct of Limited Source Bidding to another office/body in the procuring entity.

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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² Non-Policy Matter No. 003-2005 dated 13 January 2005.

³ Guidelines for Shopping and Small Value Procurement, issued on 23 November 2009, and published in the Daily Tribune on 2 December 2009.