

REPUBLIC OF THE PHILIPPINES
GOVERNMENT PROCUREMENT POLICY BOARD
Technical Support Office
Unit 2506 Raffles Corporate Center, Emerald Avenue, Ortigas Center, Pasig City
Telefax Nos. (02) 900-6741 to 44

NPM No. 137-2004

October 22, 2004

MR. TEODORO A. VELASCO
Assistant Administrator
National Irrigation Administration
E. De Los Santos Avenue, Quezon City

Re : Approval by the Government Procurement Policy Board of the Supplemental Annual Procurement Plan

Dear Mr. Velasco:

This refers to your letter dated October 6, 2004, which we received on October 8, 2004, requesting approval from the Government Procurement Policy Board (GPPB) of the Supplemental Annual Procurement Plan of the National Irrigation Administration (NIA) for the procurement of four (4) units of Timekeeping Machines for its Central Office.

This request is in compliance with the clause provided in the NIA Board of Directors Resolution 7280-04, approving the said Supplemental Annual Procurement Plan, that the procurement of timekeeping machines shall be "subject to the favorable opinion of Government Procurement Policy Board."

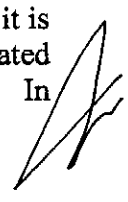
The sole substantive issue for resolution is as follows:

Whether or not Supplemental Annual Procurement Plans are subject to the approval of the GPPB.

Approval of GPPB Not Necessary for Supplemental Annual Procurement Plans

In view of the requirement under the Implementing Rules and Regulations Part A (IRR-A) of Republic Act 9184 (R.A. 9184) that "no government procurement shall be undertaken unless it is in accordance with an approved Annual Procurement Plan (APP),"¹ procuring entities are mandated to update its APP by reflecting additional procurement activities they intend to conduct. In

¹ Section 7.1, IRR-A, R.A. 9184.



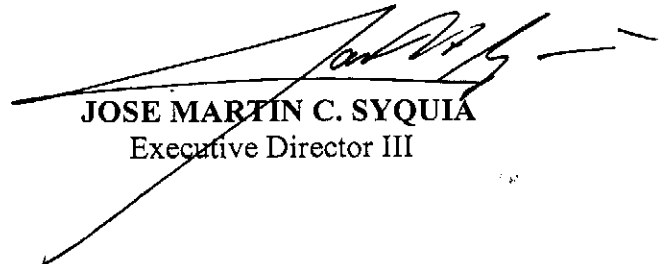
addition, the APP shall "bear the approval of the head of the procuring entity or second-ranking official designated by the head of the procuring entity to act on his behalf, and must be consistent with its duly approved yearly budget."²

Based on the foregoing, it is incumbent upon the head of the procuring entity to approve or disapprove his agency's APP, including any amendments or revisions thereto. R.A. 9184 and its IRR-A do not require the submission of the APPs of procuring entities to the GPPB, much more its approval.

As such, we are of the opinion that it is not necessary for the GPPB to issue a favorable opinion for the NIA Board of Directors Resolution 7280-04 to be effective. The approval of such Supplemental APP is enough to make the conduct of the subject procurement project valid. Lastly, please note that consistent with government fiscal discipline measures, the APP shall include only those that are required for the day-to-day operations or are in pursuit of the principal mandate of the procuring entity concerned.³

We trust that this clarifies matters.

Very truly yours,



JOSE MARTIN C. SYQUIA
Executive Director III

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² Section 7.2, IRR-A, R.A. 9184.

³ *Ibid.*