



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

NPM No. 137-2012

30 October 2012

2011

ENGR. VIVIAN G. SOLOMON
Chief, Planning & Programming Division
OFFICE OF THE PROVINCIAL ENGINEER
PROVINCE OF NEGROS ORIENTAL
Capitol Area, Dumaguete City,
Negros Oriental

Re : Payment of Additional Compensation to Consultant

Dear Engr. Solomon:

This refers to your letter¹ seeking opinion whether giving additional compensation to a consultant may be allowed under Clause 14 of the General Conditions of Contract (GCC), Philippine Bidding Documents (PBDs 4th Edition) for the Procurement of Consulting Services issued by the Government Procurement Policy Board (GPPB).

As represented, the original design for a four (4) storey building prepared by the consultant and approved by the procuring entity was later on revised to a five (5) storey building upon the instructions of the latter. In addition, since part of the funds will be from the Department of Health, the Department's comments on the floor plan and shape of the building were also adopted. It is in this regard that you seek our opinion whether additional compensation to the consultant may be granted based on GCC Clause 14.

Please note that GCC Clause 14 pertains to instances of unfair operations, and provides that the parties shall use their best efforts to agree on an action that may be necessary to remove the cause or causes of any unfair operation. Accordingly, this Clause does not provide the basis for payment of additional compensation.

Based on GCC Clause 52.2 and Appendix IV of the PBDs, the cost of the consulting services shall be based on an identified set of outputs and deliverables. Any amendments thereto or variation therefrom may be allowed provided that no additional payment is made thereon as provided in GCC Clause 55.6.

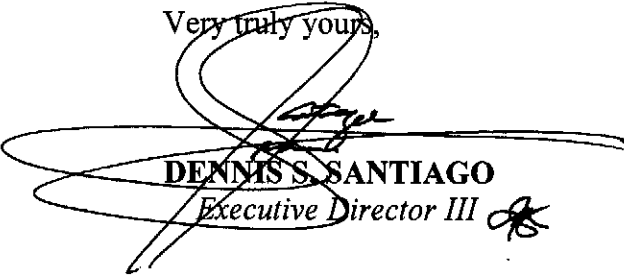
In view of the foregoing, we are of the view that additional compensation for the revisions done by the consultant on the original design cannot be granted based on

¹ Dated 5 December 2011.

GCC Clause 14 of the PBDs. Although the GCC allows variation orders, it prohibits payment of such amendments.

We hope our advice 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 S. SANTIAGO
Executive Director III

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