

NPM No. 14-2007

17 July 2007

MR. OCTAVINO Q. ESGUERRA
Senior Vice-President and Chief Actuary
Chairperson, Bids and Awards Committee for Infrastructure
PHILIPPINE HEALTH INSURANCE CORPORATION
City State Centre, 709 Shaw Boulevard, Pasig City

Re: Section 53 (e) of IRR-A of R. A. No. 9184

Dear Mr. Esguerra:

This refers to your letter dated 9 June 2006 requesting for clarification on the application and/or interpretation of Section 53 (e) of the Implementing Rules and Regulations Part-A (IRR-A) of Republic Act No. 9184 (R.A. 9184) in relation to the construction of Philippine Health Insurance Corporation (PhilHealth) Corporate Headquarters in East Avenue, Quezon City. Specifically, PhilHealth is inquiring on the following:

1. May PhilHealth invoke Section 53 (e) of the IRR-A of R.A. 9184 in awarding the consulting services contract to the Department of Public Works and Highways (DPWH), consistent with its mandate, or to another government agency or corporation for that matter?
2. If not, what options are available to PhilHealth if it so decides to procure the consulting services from DPWH or other government agencies or corporation?
3. In case two or more agencies of government offer similar services in assisting PhilHealth procure the necessary consulting services and civil works, what rules, regulations and procedures should PhilHealth follow in the evaluation as to which entity the contract for project management must be awarded?

Pursuant to Resolution No. 03-2007 dated 30 March 2007, the Government Procurement Policy Board (GPPB) amended Section 53 (e) of IRR-A of R. A. No. 9184 to include infrastructure projects and consulting services. Under said resolution, a procuring entity may directly negotiate a contract with another agency of the Government for the procurement of infrastructure, consulting services, and goods. However, the term "agency" shall exclude government owned and controlled corporations incorporated under Batas

Pambansa Blg. 168, otherwise known as the Corporation Code of the Philippines. Also note that the GPPB has yet to issue guidelines to implement said resolution.

Based on the foregoing, PhilHealth may invoke Section 53 (e) of IRR-A of R. A. No. 9184 in entering into a contract with DPWH for the procurement of consulting services for the construction of PhilHealth's corporate headquarters.

Subject to the implementing guidelines to be issued by the GPPB as mentioned above, in case two or more agencies of Government offer similar services in assisting PhilHealth to procure the necessary consulting services and civil works, the procuring entity shall ensure that the most advantageous price for the Government is obtained taking into account the type of the contract to be employed and the extent/size of the contract scopes/packages (Section 48.1, IRR-A, R. A. No. 9184).

We hope to have clarified the matter. Should you have additional questions, please do not hesitate to contact us.

Very truly yours,


RUBY U. ALVAREZ
Executive Director III

REGISTRY RECEIPT

Post Office

Letter/Package No.

006796

Posted on

JUL 20 2007

Preserve this receipt for reference in case of inquiry

Postmaster/Tele

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