

NPM No. 15-2007

17 July 2007

MR. ARMAND C. ARREZA
Administrator and CEO
SUBIC BAY METROPOLITAN AUTHORITY
Bldg. 229, Waterfront Road,
Subic Bay Freeport Zone

Re: Authority to Purchase a Point of Sale Facility

Dear Mr. Arreza:

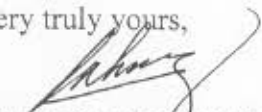
We refer to your letter dated 2 August 2006. Based on said letter, the Subic Bay Metropolitan Authority (SBMA) is in the process of improving its manual revenue collection system through the installation of point-of-sales (POS) facility. SBMA's plan is to install ten (10) POS facilities in its various revenue centers. However, in view of the inauguration of the "Botika ng Bayan," on 09 August 2006, you wish to seek favorable consideration and approved for the immediate purchase of one (1) point-of-sales (POS) facility with an estimated budget of Two Hundred Fifty Thousand Pesos (Php. 250,000.00) each.

Please be advised that the approval of the Government Procurement Policy Board (GPPB) on the use of a particular alternative method of procurement is not required under Republic Act No. 9184, except those contracts falling under Executive Order No. 423 (E.O. 423) dated 30 April 2005. E. O. 423 provides that where the head of the procuring entity has made a determination that a government contract involving an amount of at least P500 Million falls under any of the exceptions from public bidding, the head of the procuring entity before proceeding with the alternative methods of procurement provided by law and applicable rules and regulations, obtain the approval of the GPPB that said procurement falls within the exceptions from public bidding.

Considering the procurement at hand involves an amount below P500 Million, the GPPB has no authority to grant permission and approval for the immediate purchase of the POS facility. The head of the procuring entity shall have the full authority and accountability to give final approval and to enter into government contracts involving an amount below Five Hundred Million Pesos (Php. 500,000,000.00) Million through any of the alternative methods of procurement allowed by law (Section 4 [b], E. O. 423).

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. _____

Posted on _____

Preserve this receipt for reference in case of inquiry

10
096797

Postmaster/Teller

JUL 20 2007