

NPM No. 16-2006

7 November 2006

MR. PLACIDO Q. URBANES III

General Manger

CATALINA SECURITY AGENCY

626 G. Araneta Avenue

Quezon City

Re: Classification of Security Services

Dear Mr. Urbanes:

In letter dated 25 August 2006, you posed the following query:

Whether security services may be classified as consulting services, and thus, allow the procuring entity to employ either a quality-cost based or quality based evaluation /selection procedure.

Section 5 of Republic Act No. (R.A.) 9184 and its Implementing Rules and Regulations Part A (IRR-A) expressly classify security services as goods and not consulting services. Section 5 (h) of R.A. 9184 reads:

Goods – refer to all items, supplies, materials and general support services, except consulting services and infrastructure projects, which may be needed in the transaction of public businesses or in the pursuit of government undertaking, project or activity . . . **including non-personal or contractual services such as** the repair and maintenance of equipment and furniture, as well as trucking, hauling, janitorial, **security**, and related or analogous services, as well as procurement of materials and supplies provided by the procuring entity for such services. (Emphasis supplied)

Furthermore, to erase any doubt, such express classification was reiterated in Section 5(k) of the IRR-A. It reads:

Goods. Refer to all items, supplies, materials and general support services, except consulting services and infrastructure projects, which may be needed in the transaction of public businesses or in the pursuit of any government undertaking, project or activity, . . . **including non-personal or contractual services such as** the repair and maintenance of equipment and furniture, as well as trucking, hauling, janitorial, **security**, and related or analogous services, as well as procurement of materials and supplies provided by the procuring entity for such services. (Emphasis supplied)

Consequently, procurement of security services should be governed by the rules on procurement of goods and not consulting services. Hence, during bid opening, procuring entity must utilize the non-discretionary pass/fail criteria. The financial bids are then arranged from the lowest to the highest and the bidder with the lowest calculated bid goes through post-qualification first. If the lowest calculated bid is post disqualified, then the next lowest calculated bid goes through post qualification. Award is given to the lowest competitive bid which passes post qualification.

We trust that we have sufficiently addressed your concerns. Should you have any additional questions, please do not hesitate to contact us.

Very truly yours,



RUBY U. ALVAREZ
Executive Director III