



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

NPM No. 167-2012

28 December 2012

MR. NOEL C. CALUMPANG
Chairman, Bids and Awards Committee (BAC)
TANJAY WATER DISTRICT (TWD)
Legaspi St., Tanjay City

Re: Procurement through Shopping

Dear Mr. Calumpang:

We respond to your letter dated 3 October 2012 seeking our opinion on the following issues:

- a) Whether Shopping is the proper mode of procurement for one (1) unit pump and motor; and,
- b) Whether the Procuring Entity (PE) may proceed with the opening of the sealed quotations received in a procurement through Shopping, despite the fact that only two (2) quotations were sent.

As represented, the TWD-BAC resorted to Shopping as the mode of procurement for one (1) unit pump and motor with an Approved Budget for the Contract (ABC) of Three Hundred Fifty Thousand Pesos (Php 350,000.00). Upon posting of the Request for Quotation (RFQ) for the said procurement at the PhilGEPS website, three (3) suppliers expressed their interest but only two (2) suppliers submitted their quotations.

We wish to inform you that Shopping is an alternative method of procurement for readily available off-the-shelf goods, or ordinary/regular equipment.¹ As defined under Section 52.2 of the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) 9184, these ordinary/regular office equipment or supplies are understood to include those supplies, commodities, or materials which, depending on the PEs mandate and nature of operations, are necessary in the transaction of its official businesses, and consumed in the day-to-day operations of said PE.

In line with the foregoing, the TWD-BAC may resort to Shopping as an alternative method of procurement provided that pump and motor is categorized as ordinary/regular office equipment or supplies as defined under Section 52.2 of the IRR of RA 9184. *g*

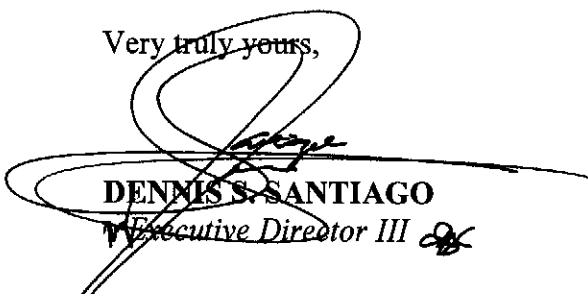
¹Section 1(b); Guidelines for Shopping and Small Value Procurement; issued through Government Procurement Policy Board (GPPB) Resolution No. 09-2009, dated 23 November 2009.

Shopping, as an alternative method of procurement, requires that after posting of the RFQ, at least three (3) quotations are obtained by the PE concerned.² Hence, after the issuance of the RFQ, the PE must obtain at least three (3) quotations before it may commence the opening and examination of the proposals.

In view of the above-mentioned discussions, the TWD-BAC must have obtained at least three (3) quotations in order to comply with the rules. In the event that less than three (3) quotations are obtained, the deadline for submission may be extended in order to secure the required number of price quotations.³

We hope that 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 further questions, please do not hesitate to contact us.

Very truly yours,



DENNIS S. SANTIAGO
Executive Director III

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²Section 3(f); *Id.*

³Section 3(g); "The deadline for submission may be extended if none or less than the required number of price quotations are received. Extensions of deadline shall be posted in accord subparagraph 3(d) of these Guidelines."