



## TECHNICAL SUPPORT OFFICE

Unit 2506 Raffles Corporate Center,  
F. Ortigas Jr. Road, Ortigas Center,  
Pasig City, Philippines 1605

**NPM No. 22-2006**

15 December 2006

**LYNN SF. SICANGCO**  
*Regional Cluster Director*  
**COMMISSION ON AUDIT (COA)**  
Local Government Sector  
Cluster II – Central and Northern Luzon  
Region III (Sub-Cluster IV)  
San Fernando, Pampanga

**Re : Procurement of a Second Hand Mitsubishi Delica, 2003  
Model with Four Wheel Drive**

Dear Director Sicangco:

This pertains to COA Indorsement Letter, dated 14 June 2006, referring to the Technical Support Office of the Government Procurement Policy Board the query raised by City Mayor Genaro M. Mendoza on whether Barangay Balanti may procure a second hand Mitsubishi Delica model 2003 with four wheel drive.

Please be advised that under Administrative Order No. (A.O.) 339 dated 6 June 1997<sup>1</sup> and National Budget Circular No. 446-A dated 30 January 1998, punong barangays are authorized to procure transport and heavy equipment for their respective barangays out of unencumbered local funds covered by an appropriations ordinance, subject to specifications prescribed in A.O. 339 and other appropriate rules and regulations.

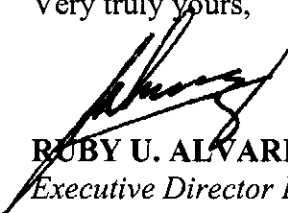
It bears stressing, however, that said procurement of second-hand vehicle must follow the procedure prescribed in Republic Act No. (R.A.) 9184, *i.e.*, conduct of competitive public bidding, unless circumstances warrant resort to any of the alternative modes of procurement. Consequently, in Non-Policy Opinion (NPM) No. 138-2004, this office has resolved that purchase of a second-hand vehicle through an auction is not sanctioned by R.A. 9184.

<sup>1</sup> Entitled "Prescribing Guidelines and Specifications of Motor Vehicles for Local Government Units"

Further, reference to brand names is prohibited under Section 18 of R.A. 9184. We thus recommend that, instead of specifying a specific brand and/or model, the barangay during the public bidding expressly provide in its bidding documents the detailed specifications or descriptions of its desired vehicle to enable it to acquire the type or class of motor vehicle peculiar to its needs.

We hope to have clarified the matter.

Very truly yours,



**RUBY U. ALVAREZ**  
*Executive Director III*