

REPUBLIC OF THE PHILIPPINES  
**GOVERNMENT PROCUREMENT POLICY BOARD**  
**Technical Support Office**  
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**NPM No. 026-2004**

March 8, 2004

**MR. CARLOS R. BAUTISTA JR.**  
Senior Managing Head,  
Corporate and Legal Services Department  
Philippine Amusement and Gaming Corporation (PAGCOR)

**Re : Use of the Gartner Standard in the Procurement of Software**

Dear Mr. Bautista:

This refers to your letter dated December 15, 2003, addressed to the Honorable Secretary Emilia T. Boncodin as Chairperson of the Government Procurement Policy Board ("GPPB"), requesting for guidance whether it is acceptable to use the Gartner Standard for the specifications in the Terms of Reference ("TOR") in the procurement of computer software, although such standard is not listed with the National Computer Center ("NCC"). This concern was raised in connection with your agency's procurement of computer software for Enterprise Resource Planning ("ERP"). We have determined the sole issue that needs to be addressed, to wit:

Whether or not the Gartner Standard may be used in the specifications in the TOR for the procurement of ERP software.

**Use of the Gartner Standard**

Gartner, Inc. is a U.S.-based private company organized into four sectors designed to provide clients with the full range of research and consulting services required to drive the efficient and effective use of information technology.<sup>1</sup> In the course of its business, it provides clients with benchmarking capabilities and set standards for purposes of properly measuring various vital points in a business, such as technology effectiveness. The Gartner Standard then may be considered as a brand name as it refers to a particular set of standards, tenets, and crucibles specifically developed by Gartner Inc., to be the basis or standard for qualification or eligibility of a particular service provider or bidder.

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<sup>1</sup> [http://www4.gartner.com/5\\_about/our\\_business/](http://www4.gartner.com/5_about/our_business/)



The standards provided by Gartner, Inc. may be used as a guide in developing technical specifications for various procurements such as procurement of ERP software. However, it should be stressed that the term "Gartner Standard" cannot be specifically included in the bidding documents in referring to the technical specifications for the ERP software desired by the procuring entity. Additionally, mention of the brand names Oracle, SAP, Microsoft, Peoplesoft and J.D. Edwards in the TOR for the said procurement is prohibited; notwithstanding the fact that these products are the only ones which comply with the Gartner Standard. Section 18 of Republic Act 9184 ("R.A. 9184") and its Implementing Rules and Regulations Part A ("IRR-A") prohibits reference to brand names as follows:

Specifications for the Procurement of Goods shall be based on relevant characteristics and/or performance requirements. **Reference to brand names shall not be allowed.** (Emphasis supplied)

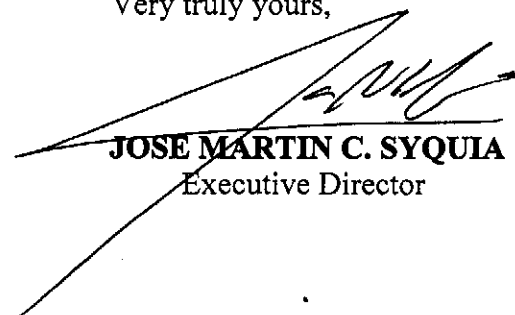
Since only few software companies comply with "Gartner Standard," it clearly excludes the rest who may desire to participate in the bidding, thereby defeating the concept of competition.

One of the governing principles of R.A. 9184 is ensuring competitiveness among all private contracting parties. By requiring a specific brand or a particular standard pertinent only to a certain software or program developer as yardstick, either for a product or a set of standards, will cater to the disadvantage of bidders whose products, although not of the same brand name, can equally comply with the procuring entity's desired output.

In this regard, although the use of the "Gartner Standard" as basis for developing the technical specifications for your agency's procurement of ERP software may be allowed, the TOR cannot expressly include or specifically state the term "Gartner Standard" in defining the technical requirements and in determining compliance on the technical specifications.

We trust that this clarifies matters.

Very truly yours,



**JOSE MARTIN C. SYQUIA**  
Executive Director