

**NPM No. 28-2006**

18 December 2006

**IMELDA C. LACERAS**

*Director IV*

**DEPARTMENT OF BUDGET AND MANAGEMENT**

Regional Office VIII

Villa Ruiz, Barangay 77

Marasbaras, Tacloban City

**Re : Clarification on the Provisions of Republic Act No. 9184  
and the Implementing Rules and Regulations**

Dear Dir. Laceras:

We refer to your Memorandum dated 7 July 2006 where the following queries were raised:

1. Whether a Local Government Unit (LGU) is allowed to purchase a second hand vehicle under Republic Act No. 9184 (R.A. 9184) and its Implementing Rules and Regulation (IRR-A); and
2. Whether the acquisition of reconditioned vehicle, specifically, a fire truck through a lease contract is contemplated under Section 46 of IRR-A.

**Purchase of Second Hand Vehicles**

Please be advised that R.A. 9184 and its IRR-A do not prohibit the purchase of second-hand vehicle. It is the procurement of a second-hand vehicle through an auction that is prohibited by R.A. 9184 for reasons we have stated in our Non Policy Opinion No. 138-2004 dated 26 October 2004.

Consequently, purchase of second-hand vehicle, though allowed under R.A. 9184, 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.

## **Lease of Fire Truck**

It is also our considered opinion that lease of fire trucks is subject to competitive bidding under Section 5 in relation to Section 10 of the IRR-A.

While it is not contemplated under Section 46 of the IRR-A, which specifically relates to construction and office equipment, Section 5 of the IRR-A expressly defines goods as including "related" or "analogous services," such as, lease or purchase of office space, media advertisements, health maintenance services, and other services essential to the operation of the procuring entity.

Undoubtedly, a vehicle needed in pursuit of its fire-fighting functions is essential, if not, indispensable to the operation of an LGU. Thus, although lease of fire trucks is not covered under Section 46, it is contemplated under Section 5 and, therefore, subject to the general rule on public bidding.

This opinion is being rendered on the basis of the facts and particular circumstances represented.

We hope to have clarified the matter.

Very truly yours,



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