



NPM No. 28-2009

29 May 2009

MS. YU BENG L. CHUA
Chairman of the Board
METRO COTABATO WATER DISTRICT
Gov. Gutierrez Avenue, Cotabato City

Re: Purchase of Goods on an Emergency Basis

Dear Ms. Chua:

We respond to your letter dated 02 March 2009 requesting for an opinion on whether the Water District can purchase pumps and motors for the pumping stations on an emergency basis.

As a general rule, the procuring entity shall employ public bidding as a mode of procurement. However, in order to promote efficiency and economy, the procuring entity may resort to any of the alternative mode of procurement whenever justified by the conditions provided under the law.¹

Under the Government Procurement Reform Act (RA 9184), there are two ways by which a procuring entity can make an emergency purchase. They are the following:

- (1) *Shopping* under Section 52 (a) of the Implementing Rules and Regulations Part A (IRR-A) of RA 9184, which allows the procuring entity to purchase goods when there is an unforeseen contingency requiring immediate purchase, provided that the amount of the item shall not exceed fifty thousand pesos (P50,000); and
- (2) *Negotiated procurement* under Section 53 (b), which allows the procurement of goods, infrastructure projects and consulting services “[i]n case of imminent danger to life or to property during a state of calamity, or when time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities.”

¹ RA 9184, Sec. 48

We hope to have provided sufficient guidance on the matter. Should you have additional questions, please do not hesitate to contact us.

Very truly yours,



RUBY U. ALVAREZ
Executive Director III



TECHNICAL SUPPORT OFFICE

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

25 May 2009

MS. YU BENG L. CHUA
Chairman of the Board
METRO COTABATO WATER DISTRICT
Gov. Gutierrez Avenue, Cotabato City

Re: Purchase of Goods on an Emergency Basis

Dear Ms. Chua:

This refers to your letter dated 02 March 2009 requesting for an opinion on whether the Water District can purchase pumps and motors for the pumping stations on an emergency basis.

As a general rule, the procuring entity shall employ public bidding as a mode of procurement. However, in order to promote efficiency and economy, the procuring entity may resort to any of the alternative mode of procurement whenever justified by the conditions provided under the law.¹

Under the Government Procurement Reform Act (RA 9184), there are two ways by which a procuring entity can make emergency purchase. They are the following:

- (1) *Shopping* in section 52 (a) of the IRR-A of RA 9184, which allows the procuring entity to purchase goods when there is an unforeseen contingency requiring immediate purchase, provided that the amount of the item shall not exceed fifty thousand pesos (P50,000); and
- (2) *Negotiated procurement* in section 53 (b), which allows the procurement of goods, infrastructure projects and consulting services “[i]n case of imminent danger to life or to property during a state of calamity, or when time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities.”

We understand your concern that the regular course of procurement thru competitive bidding may result in tremendous losses caused by undue delay. But the procuring entity cannot just resort to these modes of procurement in absence of the conditions laid down in above-cited provisions.

We trust that this clarifies the matter.

Thank you.

Very truly yours,

RUBY U. ALVAREZ
Executive Director III

¹ RA 9184, Sec. 48