

NPM No. 29-2006

18 December 2006

HON. SUZZETTE A. MAMON

Municipal Mayor
Municipality of Badiangan
Province of Iloilo

**Re : Procurement of Second-Hand Heavy Equipment and
Service Vehicle**

Dear Madame:

We refer to your letter dated 27 November 2006 requesting for exemption from the alleged prohibition tacitly provided under Republic Act No. 9184 (R.A. 9184) and its Implementing Rules and Regulations Part A (IRR-A) on the procurement of a second-hand heavy equipment and a service vehicle by the Municipality of Badiangan.

We wish to inform you that procurement of second-hand vehicles is not prohibited by R.A. 9184 and its IRR-A. It is the procurement of second-hand vehicle through an auction that is prohibited by R.A. 9184 for reasons we have stated in our Non Policy Matter Opinion No. 138-2004 dated 26 October 2004.

Local Government Units are authorized to procure second-hand or reconditioned vehicles under National Budget Circular No. 446-A dated 30 January 1998 of the Department of Budget and Management, without need of securing a permission from the Government Procurement and Policy Board, subject to the specifications prescribed under Administrative Order No. 339 dated 6 June 1997¹ and other applicable rules and regulations.

Consequently, procurement of second-hand vehicle, although allowed, must follow the procedures prescribed in R.A. 9184 and its IRR-A, *i.e.*, conduct of competitive public bidding, unless circumstances warrant resort to any of the alternative modes of procurement.

We hope to have clarified the matter.

Very truly yours,



RUBY U. ALVAREZ
Executive Director III

¹ Entitled "Prescribing Guidelines and Specifications of Motor Vehicles for Local Government Units"