

NPM No. 30-2006

18 December 2006

HON. FERNANDO C. CORDERA
Municipal Mayor
Municipality of San Jose De Buenavista
Province of Antique

**Re : Procurement of Second-Hand or Reconditioned Equipments that
will be Used for the Solid Waste Management Program**

Dear Sir:

This pertains to your letter dated 23 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 second hand or reconditioned equipments that will be used for the municipality's Solid Waste Management Program.

Please be advised that the procurement of second-hand motor vehicles is not prohibited by R.A. 9184. It is the procurement of second-hand vehicle through an auction that is prohibited by R.A. 9184 and its IRR-A 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 by law, 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,


RUBEN U. ALVAREZ
Executive Director III

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