

NPM No. 33-2006

Unit 2506 Raffles Corporate Center

27 December 2006

HON. ROSARIO MEDIATRIX FERNANDEZ TUPAS

Municipal Mayor
Municipality of San Enrique
Province of Iloilo

Re : Procurement of Second-Hand Vehicles

Dear Sir:

We refer to your letter dated 15 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 vehicles, namely, a Grader, a Dump Truck and a Delica Van.

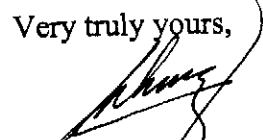
Please be advised that the procurement of second-hand motor vehicles is not prohibited by R.A. 9184 and its IRR-A. It is the procurement of second-hand vehicle through an auction that is prohibited by R.A. 9184 for reasons we have stated in our Non Policy Matter Opinion No. 138-2004 dated 26 October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