

NPM No. 35-2009

15 July 2009

MS. LEILA B. BONIFACIO
Chairperson, Bids and Awards Committee for In-House and Local Procurement
NATIONAL ELECTRIFICATION ADMINISTRATION
NIA Road, Government Center, Diliman, Quezon City

Re: Negotiated Procurement

Dear Ms. Bonifacio:

We respond to your letter dated 13 July 2009 requesting for guidance on the procedure/guidelines in the conduct of negotiated procurement after two (2) failed biddings.

Based on your representations, your office had undertaken competitive bidding for the procurement of one (1) unit vehicle and, after two failed biddings, you now wish to resort to negotiated procurement.

Pursuant to Section 54.2.b of the of the Implementing Rules and Regulations Part A (IRR-A) of Republic Act No. 9184 (R.A. 9184), and as expounded in the Manual of Procedures for the Procurement of Goods and Services (Volume 2), the following procedures, terms and conditions for the use of negotiated procurement after two failed biddings, shall be observed:

1. The method of procurement shall be as indicated in the approved Annual Procurement Plan (APP). If the original mode of procurement recommended in the APP was Public Bidding but cannot be ultimately pursued, the Bids and Awards Committee (BAC), through a resolution, shall justify and recommend the change in the mode of procurement to be approved by the Head of the Procuring Entity (HOPE).
2. The BAC convenes the appropriate officials for the pre-procurement conference, if deemed necessary.
3. The BAC, through the Secretariat, posts for information purposes the procurement opportunity, for a period of seven (7) calendar days, in: a) the PhilGEPS; b) website of the procuring entity; and c) in any conspicuous place within the premises of the procuring entity.

4. The BAC, through its Secretariat, issues invitations to at least three (3) suppliers in good standing to submit bids and negotiate with the bidder who submitted the lowest calculated bid. If the offer of the bidder who submitted the lowest calculated bid is not responsive to the original specifications and the Approved Budget for the Contract (ABC), negotiation shall be made in ascending order starting from the lowest offer. The bidder whose bid is found to be responsive to the original specifications and ABC shall be considered for award.
5. The BAC shall issue a resolution recommending to the HOPE the award of contract to the lowest calculated and responsive bidder for approval.
6. The BAC Secretariat/Procurement Unit prepares the contract/purchase order for approval of appropriate authorities and serves the same to the winning bidder. The bidder shall thereafter post the required performance security.
7. The award shall be posted at the PhilGEPS website, website of the procuring entity, if any, and in conspicuous place within the premises of the procuring entity.

It is clear from the above that, after two failed biddings, and the procuring entity decides to resort to negotiated procurement instead of a third bidding, the procuring entity shall issue invitations to at least three (3) suppliers in good standing for purposes of submitting a bid and negotiating a contract, subject to compliance with all the conditions stipulated for the purpose.

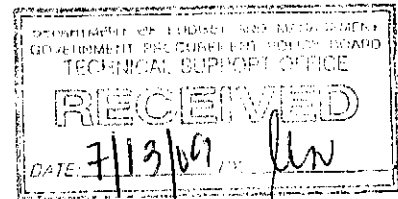
We trust that this sufficiently addresses your concern. Should you have any additional questions, please do not hesitate to contact us.

Very truly yours,

Emiluisa C. Peñano
EMILUISA C. PEÑANO
Officer-In-Charge



Republic of the Philippines
National Electrification Administration
Quezon City



13 July 2009

ATTY. RUBY U. ALVAREZ
Executive Director III
Government Procurement Policy Board (GPPB)
Unit 2506 Raffles Corporate Center
F. Ortigas, Jr. Road, Pasig City

Dear Exec. Dir. Alvarez :

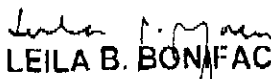
The National Electrification Administration (NEA), through its Bids and Awards Committee (BAC), undertook a competitive bidding for the procurement of 1-unit vehicle. After two failed biddings, we understand that a negotiated procurement may be adopted.

In this regard, may we respectfully request for your guidance on the conduct of the negotiated procurement particularly the procedures/guidelines to effectively carry-out this mode of procurement

Thank you for your continued support and assistance.

Warm regards.

Very truly yours,


LEILA B. BONIFACIO
Chairperson
Bids and Awards Committee (BAC)
for In-House and Local Procurement