

Department of Budget and Management
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE

NPM No. 40-2011

28 December 2011

MR. DARWIN L. CUNANAN

Chairman, Bids and Awards Committee

CLARK INTERNATIONAL AIRPORT CORPORATION

Corporate Office Building, Civil Aviation Complex,
Clark Freeport Zone, Pampanga

**Re: Guidelines on the Procurement of Security and
Janitorial Services and Multi-Year Contracts**

Dear Mr. Cunanan:

We respond to your letter dated 9 September 2011 seeking clarification on the applicability of the Guidelines on the Procurement of Security and Janitorial Services¹ (Guidelines) to government-owned-and-controlled corporations (GOCCs), particularly, the option to enter into multi-year contracts for such services.

As represented, Clark International Airport Corporation's (CIAC) Commission on Audit (COA) Resident Auditor advised that only government agencies under the Department of Budget and Management (DBM) are covered by the Guidelines on multi-year contracts.

For your guidance, Section 2 of the Guidelines clearly indicates that it shall apply to all government agencies, without any distinction or qualification. Thus, following the well-recognized rule "*ubi lex non distinguit, nec nos distinguere debemus*"², the Guidelines also applies to GOCCs. Therefore, CIAC is required to follow the Guidelines in its plan to enter into multi-year contracts for its security and janitorial services.

However, considering that DBM has issued DBM Circular 2004-12 prescribing the guidelines and procedures for the implementation of multi-year contracts, we urge you to validate with DBM if said circular applies to CIAC. In addition, "inasmuch as accountability for entering into multi-year contracts solely rests on your Bids and Awards Committee and the Head of Procuring Entity, we urge you to validate if your governing board is authorized to enter into multi-year contracts, and whether there is no additional budgetary authority required for the purpose. Otherwise, we strongly suggest that the contract services be procured on a yearly basis."³

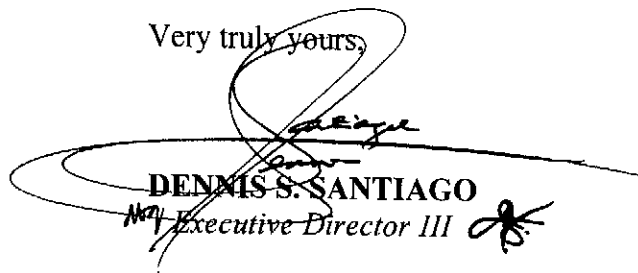
¹ GPPB Resolution No. 24-2007 dated 28 September 2007

² "Where the law does not distinguish, the courts should not distinguish". Reyes vs. CA, G.R. No. 167002. 12 December 2011

³ NPM No. 030-2009 dated 10 June 2009

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

Very truly yours,



DENNIS S. SANTIAGO
Executive Director III

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