

REPUBLIC OF THE PHILIPPINES
GOVERNMENT PROCUREMENT POLICY BOARD
Technical Support Office
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NPM No. 42-2004

March 29, 2004

MR. AUGUSTO Y. AGURA
Municipal Budget Officer
BAC Chairman
Municipality of Canaman
Province of Camarines Sur

Dear Mr. Agura:

This refers to your letter dated January 28, 2004 addressed to Honorable Emilia T. Boncodin as Chairperson of the Government Procurement Policy Board ("GPPB") which we received on the same date, requesting for some opinion on these issues:

- 1) Whether or not the Municipality of Canaman can use its usual bidding forms for procurement pending the issuance of the procurement manuals and standard bidding documents;
- 2) Whether or not the Bids and Awards Committee ("BAC") of the Municipality may conduct the bidding for barangay infrastructure projects; and
- 3) Whether or not the Barangays are required to procure on their own from the Procurement Service.

Standardization of Procurement Process and Forms

To systematize the procurement process, avoid confusion and ensure transparency, Section 6 of Republic Act No. 9184 ("R.A. 9184") mandates that the procurement process, including the manuals and forms to be used shall be standardized. To this end, the GPPB shall formulate, approve and disseminate the generic procurement manuals and standard bidding forms for the mandatory use of all Procuring Entities.

However, we would like to inform you that the GPPB still has to finalize the procurement manuals and standard bidding documents. Thus, pending the issuance of such, procuring entities may still utilize their existing bidding forms in all their procurement activities modifying its contents to conform with Section 17 of R.A. 9184 and its Implementing Rules and Regulations Part A ("IRR-A").



Procurement of Barangay Infrastructure Projects

With regard to the conduct of public bidding for Barangay infrastructure projects, the BAC of the local government unit concerned may undertake the procurement of such project for its barangay component pursuant to *Section 53(e)* of IRR-A of R.A. 9184, to wit:

Purchases of goods from another agency of the Government, such as the PS-DBM, which is tasked with a centralized procurement of commonly used Goods for the government in accordance with Letters of Instruction No. 755 and Executive Order No. 359, series of 1989. **Further, in order to hasten project implementation, agencies which may not have the proficiency or capability to undertake a particular procurement, as determined by the head of the procuring entity concerned, may request other agencies to undertake such procurement for them**, or at their option, recruit and hire consultants or procurement agents to assist them directly and/or train their staff in the management of the procurement function. (Emphasis supplied)

Notwithstanding the above-cited provision, if the barangay has already constituted its own BAC, said BAC may procure infrastructure projects for the barangay. Needless to say, the Barangay as the basic political unit which is primarily concerned in the implementation of government programs in its jurisdiction should conduct the procurement of its projects through its BAC. However, for procurements not within its capability as determined by the Punong Barangay, it may request the city or municipal government which has jurisdiction over it to undertake such procurement in its behalf.

Procurement of Common-Use Goods

By virtue of Letter of Instruction No. 755 ("LOI 755"), all government agencies are mandated to procure common use supplies and goods from the Procurement Service, which was established to implement an integrated procurement system for supplies, materials and other items needed by the government. The operation of a government-wide procurement system mandated by LOI 755 had been reiterated by succeeding presidential issuances such as Executive Order Nos. 285 and 359, promulgated on July 28, 1987 and June 2, 1989 respectively.

Subsequently, with the enactment of R.A. 9184 and its IRR-A, all procuring entities as well as local government units which include Barangays, are now required to procure their common-use supplies from the Procurement Service ("PS"). This can be inferred from *Section 52 of R.A. 9184*, to wit:

Shopping is a method of procurement of goods whereby the procuring entity simply requests for the submission of price quotations for readily available off-the-shelf or ordinary/regular equipment to be procured directly from the suppliers of known qualifications. This method of procurement shall be employed only in any of the following cases:

- a) x x x x

- b) **Procurement of ordinary or regular office supplies and equipment not available in the Procurement Service involving an amount not exceeding two hundred fifty thousand pesos (P250,000):** Provided, however, That the procurement does not result in splitting of contracts, as provided in Section 54.1 of this IRR-A: Provided, further, That at least three (3) price quotations from bona fide suppliers shall be obtained. (Emphasis supplied)

Furthermore, *Section 54.2(g) of the IRR-A of R.A. 9184* explicitly provides:

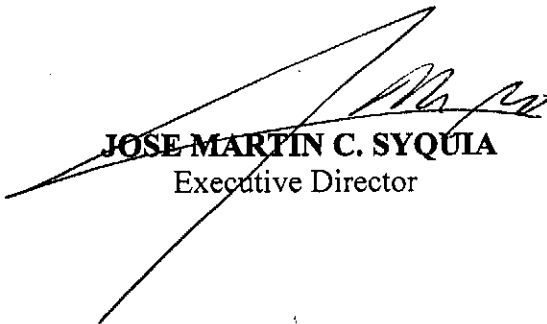
With respect to item (e) of Section 53 of the Act and this IRR-A, a direct negotiation may be made with the Government agency concerned: Provided, however, **That the procurement of common-use goods and supplies shall be undertaken through the PS-DBM.** (Emphasis supplied)

In view of the foregoing provisions, Barangays should procure their common use supplies from the PS either directly, or request the city or municipal government which has jurisdiction over them to undertake such procurement in their behalf, pursuant to Section 53(e) of the IRR-A of R.A. 9184.

With the foregoing elucidations, we trust that our opinion has provided the Municipality of Canaman, Camarines Sur with needed information relevant to its procurement concerns.

This opinion is being rendered on the basis of the facts and particular circumstances as represented. It may not necessarily be applicable upon a different set of facts or circumstances.

Very truly yours,



JOSE MARTIN C. SYQUIA
Executive Director