

NPM No. 45-2008

5 November 2008

MS. ELVIRA M. RAÑOPA
Chairman, Bids and Awards Committee
CALUMPIT WATER DISTRICT
Corazon, Calumpit, Bulacan

Re : Negotiated Procurement under Section 53 (d), R.A. 9184

Dear Ms. Rañopa:

We refer to your letter dated 21 August 2007 requesting clarification on the application of the alternative method of negotiated procurement under Section 53 (d) in relation to Section 54.2 of the Implementing Rules and Regulations Part A (IRR-A) of Republic Act (R.A.) No. 9184. In addition, your office is also asking for guidance on the proper interpretation of Items 3.2 and 3.3 of the Guidelines for the Implementation of Infrastructure Projects Through Negotiated Procurement Under Section 54.2 (d) of the IRR-A and by Administration provided under GPPB Resolution No.13-2005, dated 5 August 2005.

Based on your letter, we understand that the Calumpit Water District is constructing a three (3)-storey building with roof deck. However, your office is proposing to convert the roof deck to a fourth floor extension with multi-purpose hall. To avoid any delay, your office intends to use negotiated procurement under Section 53 (d) of the IRR-A.

Under Section 53 (d) of the IRR-A, the procuring entity may directly negotiate a contract with a technically, legally, and financially capable contractor where the subject contract is adjacent or contiguous to an on-going infrastructure project subject to the following conditions:

- (i) the original contract is the result of competitive bidding;
- (ii) the subject contract to be negotiated has similar or related scopes of work;
- (iii) it is within the contracting capacity of the contractor;
- (iv) the contractor uses the same prices or lower unit prices as in the original contract less mobilization cost;
- (v) the amount involved does not exceed the amount of the on-going project;
- (vi) the contractor has no negative slippage; and

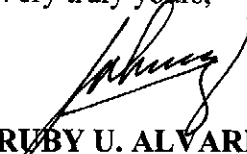
- (vii) the negotiations for the procurement are commenced before the expiry of the original contract.

Likewise, Section 54.2 (f) of the IRR-A explicitly states that the terms "adjacent" and "contiguous" are synonymous and shall mean that the projects concerned must be in actual physical contact with each other.

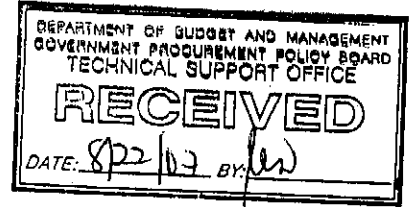
Finally, we wish to inform you that Items 3.2 and 3.3 of the Guidelines for the Implementation of Infrastructure Projects Through Negotiated Procurement Under Section 54.2 (d) had already been repealed by the Government Procurement Policy Board last 6 December 2006.

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

Very truly yours,



RUBY U. ALVAREZ
Executive Director III



**REPUBLIC OF THE PHILIPPINES
CALUMPIT WATER DISTRICT**

Corazon Calumpit, Bulacan
Tel Nos. 044 675 2680/ 202 5479
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21 August 2007

To: **Ms. Ruby Alvarez**
Executive Director
Government Procurement Policy Board
Unit 2506 Raffles Corp. Center,
F. Ortigas Jr. Rd., Ortigas Center
Pasig City
Fax # 02900-6744
Thru: Mr. Bryan Bigalbal

Dear Madame,

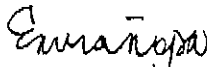
Greetings!

We wish to inform your office that the construction of Calumpit Water District's Three-3 Storey Office Building with Roof Deck is currently on-going and it is expected to be completed on October of this year. It is located at M. Serrano St. Brgy. Corazon Calumpit, Bulacan. In this regard, our Procuring Entity has proposed for the construction of Fourth Floor Extension to be used as Multi- Purpose hall instead of a roof deck, as per original project plan.

In view of this, may we request your office to please enlighten us regarding this matter, particularly Section 53. (d) of Negotiated Procurement, Section 54.2 (f) of Terms and Conditions for the Use of Alternative Methods of IRR-A 9184 and 3.2 & 3.3 of Conditions and Requirements for the use of the Negotiated Procurement under Section 54.2 (d) of the IRR-A of RA 9184, as we are planning to recommend it to the Procuring Entity.

Thank you very much and we are hoping for your kindest favorable reply.

Respectfully yours,


Ms. Elvira M. Rañopa
BAC Chairman

Cc/GM EFRed

**REPUBLIC OF THE PHILIPPINES
CALUMPIT WATER DISTRICT**

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→ Envy

16 August 2007

To: **Ms. Ruby Alvarez**
Executive Director
Government Procurement Policy Board
Thru: Mr. Bryan Bigalbal

Dear Madame,

Greetings!

We wish to inform your office that the construction of Calumpit Water District's Three-3 Storey Office Building with Roof Deck is currently on-going and it is expected to be completed on October of this year. It is located at M. Serrano St. Brgy. Corazon Calumpit, Bulacan. In this regard, our Procuring Entity has proposed for the construction of Fourth Floor Extension to be used as Multi- Purpose hall instead of a roof deck, as per original project plan.

In view of this, may we request your office to please enlighten us regarding this matter, particularly Section 53. d & f under Negotiated Procurement and 3.2 & 3.3 of Section 54.2 d under Terms and Conditions for the use of Alternative Methods of I-RRA 9184, as we are planning to recommend it to the Procuring Entity.

Thank you very much and we are hoping for your kindest favorable reply.

Respectfully yours,

Envy

Ms. Elvira M. Rañopa
BAC Chairman

*Note: replaced by**letter dtd 8/21/07**REC'D : 8/22/07*