

NPM No. 52-2008

23 December 2008

MS. IMELDA C. LACERAS*Regional Director***DEPARTMENT OF BUDGET AND MANAGEMENT****REGIONAL OFFICE VIII**

Villa Ruiz, Brgy. 77, Marasbaeas, Tacloban City

Re : Negotiated Procurement under Section 53 (h)

Dear Dir. Laceras:

In letter dated 19 December 2008, the Organization, Position, Classification and Compensation Bureau of the Department of Budget and Management referred to this office your request for clarification, embodied in Memorandum dated 12 December 2008, on whether procurement through Negotiated Procurement under Section 53 (h) of the Implementing Rules and Regulations Part A (IRR-A) of Republic Act No. 9184 (R.A. 9184) entails competitive bidding activities.

Negotiated Procurement under Section 53 (h) of IRR-A does not involve any bidding activity. Under Section 53 (h) of the IRR-A, procuring entities are allowed to resort to the alternative method of negotiated procurement where the amount involved is Fifty Thousand Pesos (P50,000) or less. Consequently, the procuring entity shall simply draw up a list of at least three (3) suppliers, contractors or consultants of known qualifications which will be invited to submit proposals, in case of goods and infrastructure projects, or curriculum vitae, in case of consulting services.¹

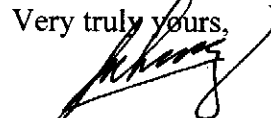
Under Section 5 (e) of R.A. 9184, competitive bidding consists of the following processes: advertisement, pre-bid conference, eligibility screening of prospective bidders, receipt and opening of bids, evaluation of bids, post-qualification, and award of contract.²

¹ As amended by GPPB Resolution 04-2006, dated 20 January 2006, published in the Philippine Star on 09 September 2006.

² Please also see Section 5 (h) of the IRR-A of R.A. 9184

We hope to have clarified the matter. Should you have additional questions, please do not hesitate to contact us.

Very truly yours,


RUBY U. ALVAREZ
Executive Director III

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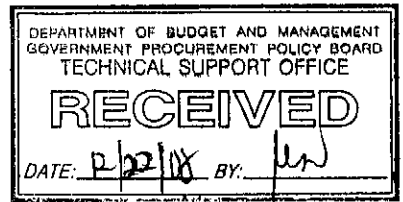
MS. MYRNA S. CHUA

Director

DEPARTMENT OF BUDGET AND MANAGEMENT

ORGANIZATION, POSITION, CLASSIFICATION AND COMPENSATION BUREAU

2nd Floor, DBM Building I, General Solano Street,
San Miguel, Manila.



REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
ORGANIZATION, POSITION CLASSIFICATION AND COMPENSATION BUREAU
2nd floor, DBM Building I, General Solano Street, San Miguel, Manila

December 19, 2008

Atty. Ruby U. Alvarez
Executive Director
Government Procurement Policy Board (GPPB) -
Technical Support Office (TSO)
Unit 2506 Raffles Corporate Center, Emerald Avenue
Ortigas Center, Pasig City

Dear Director Alvarez:

May we refer the herein request of the Director of Department of Budget and Management Regional Office No. VIII for clarification on whether procurement following Section 53(h) of the Implementing Rules and Regulations (IRR) Part-A of Republic Act (RA) 9184 entails competitive bidding. The query is posed to resolve whether the personnel involved may be granted honoraria consistent with the rules under Budget Circular (BC) No. 2004-5A (Guidelines on the Grant of Honoraria to Government Personnel Involved in Government Procurement).

May we seek your comments thereon to finally resolve the issue at hand.

Very truly yours,


MYRNA S. CHUA
Director



REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
ORGANIZATION, POSITION CLASSIFICATION AND COMPENSATION BUREAU
2nd floor, DBM Building I, General Solano Street, San Miguel, Manila

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Director





Republic of the Philippines
DEPARTMENT OF BUDGET AND MANAGEMENT
 Regional Office VIII

Villa Ruiz, Brgy. 77, Marasbaras, Tacloban City
 Tel. No. 523-7456, 523-1162, 523-1523, 321-2327; TeleFax 325-7848

December 12, 2008

ORGANIZATION POSITION CLASSIFICATION
 AND COMPENSATION BUREAU (OPCB)

REG. NO. 1270 / 635

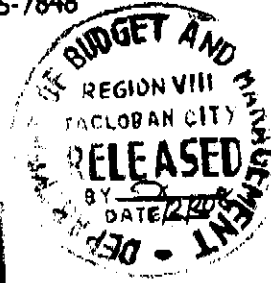
MEMORANDUM

FOR : MYRNA S. CHUA
 Director IV, OPCB

DATE :
 BY :
 REF. R :

BUDGET
 DIVISION

NOV 12 2008



SUBJECT : **Honoraria to Government Personnel Involved in Government Procurement**

1.0 This is to respectfully request for clarification on the grant of honoraria to government personnel involved in government procurement, specifically, on Section 5.2 of Budget Circular (BC) No. 2004-5A dated October 7, 2005 listing mode of procurement wherein competitive bidding activities are present, if Negotiated Procurement under Section 53 (h) of the IRR-A of RA 9184 qualifies under procurement that involves competitive bidding.

2.0 This office is of the opinion that procurement under Section 53 (h) of the IRR-A of RA 9184 involves competitive bidding as explained hereunder:

BC No. 2004-5A dated October 7, 2005 lists mode of procurement wherein competitive bidding is present. The list include Negotiated procurement under Section 53 (b) of the IRR-A following procedures under Section 54.2 (b), whereby the procuring entity shall draw up a list of at least 3 suppliers or contractors which will be invited to submit bids.

In January 20, 2006, the GPPB in its Resolution No. 004-2006 has amended Section 53 to include item (h) which states thus:

"h) Where the amount involved is Fifty Thousand Pesos (P50,000.00) and below; Provided, however, that the procurement does not result to splitting of contracts, as provided under Section 54.1 of this IRR-A: Provided, further, that the procurement does not fall under Shopping in Section 52 of this IRR-A . . ."

Department of Budget and Management
 In full wing-up, pls. cite # 2008-000441R



2008-000441R

GPRB-RO Andy
 Dec 07/08

As further provided in Section 54.2 (i) which states "With respect to item (h) of Section 53 of this IRR-A, the procuring entity shall draw up a list of at least three (3) suppliers, contractors or consultants of known qualifications which will be invited to submit proposals, in case of goods and infrastructure projects, or curriculum vitae, in case of consulting services."

Considering that the processes involved in Section 53(b), which is identified as mode of procurement that involves competitive bidding is congruent to Section 53(h), we believe that competitive bidding is likewise present in this method of procurement, hence, successfully completed procurement projects under this method qualifies payment of honoraria to the government personnel involved in the procurement.

3.0 May we thus, ask for confirmation if successfully completed procurement projects under Section 53 (h) of the IRR-A entitle the personnel involved in the procurement to honoraria.

4.0 We would appreciate receiving reply at the earliest possible time.

5.0 For your consideration, please.


IMELDA C. LACERAS

EBT/JPE/jal