



## TECHNICAL SUPPORT OFFICE

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Pasig City, Philippines 1605

**NPM No. 59-2007**

3 December 2007

**Dr. YOLANDA R. ROBLES Ph.D**  
*Chairperson, Bids and Awards Committee 2*  
**UNIVERSITY OF THE PHILIPPINES MANILA**  
8/F Philippine General Hospital  
Taft Avenue, Manila

**Re: Clarification on Various Provisions of Republic Act No. 9184 and its Implementing Rules and Regulations**

Dear Dr. Robles:

We refer to your letter dated 6 August 2006 in connection with the procurement of janitorial, security and other services of the University of the Philippines-Manila. In particular, you seek clarification on the following issues:

1. Whether it is permissible to award service contracts, such as security and janitorial services, to the highest rated responsive bid rather than to the lowest calculated responsive bid;
2. Whether the posting of Invitation to Apply for Eligibility and to Bid may be dispensed with for specific alternative modes of procurement such as limited source bidding and direct contracting;
3. Whether lease contracts is under Republic Act (R.A) 9184 and its Implementing rules and Regulations-A (IRR-A).

### **Bid Evaluation for Service Contracts**

Service contracts such as janitorial and security services are expressly considered as goods pursuant to Section 5 (h) of R. A. 9184<sup>1</sup>.

<sup>1</sup> Section 5, paragraph (h) of R. A. 9184 defines Goods as follows:

“Goods refer to all items , supplies, materials and general support services, except consulting services and infrastructure projects, which may be needed in the transaction of businesses or in the pursuit of any government undertaking, project or activity, whether in the nature of equipment, furniture, stationary, materials for

In the procurement of goods, the purpose of bid evaluation is to determine the Lowest Calculated Bid (Section 32.1 [Bid Evaluation for the Procurement of Goods and Infrastructure Projects], IRR-A). This is determined in two steps:

- a) The detailed evaluation of the financial component of the bids, to establish the correct calculated prices of the bids; and
- b) The ranking of the total bid prices as so calculated from the lowest to the highest. The bid with the lowest price shall be identified as the Lowest Calculated Bid. (Section 32.2, IRR-A)

Based on the forgoing, we regret to inform you that R.A. 9184 and its IRR-A do not allow the use of any point or grading system in the bid evaluation of security and janitorial services nor the award of janitorial or security contracts to the highest rated bid.

Nevertheless, please note that the Government Procurement Policy Board (GPPB), mindful of the difficulties encountered by procuring entities in the bidding of service contracts, issued the Guidelines on the Procurement of Security and Janitorial Services last 28 September 2007. An electronic copy of said guidelines may be secured from our website ([www.gppb.gov.ph](http://www.gppb.gov.ph)).

### **Posting Requirements**

The posting requirement under any of the alternative methods of procurement is required under R.A. 9184 and its IRR-A<sup>2</sup>. This is in line with the principles of transparency, competitiveness and public monitoring of government procurement. Thus, increasing the number of prospective bidders that will participate is not the sole consideration of the posting requirements.

### **Contract of Lease**

The lease of construction and office equipment, including computers, communication and information technology equipment are subject to the same public bidding and to the processes prescribed under the IRR-A (Section 46, IRR-A).

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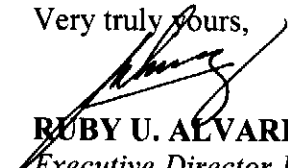
construction, or personal property of any kind, including non personal and contractual services such as the repair and maintenance of equipment and furniture, as well as trucking, hauling, janitorial, security and other analogous services, as well as procurement of supplies provided by the procuring entity for such services.”  
(Emphasis supplied)

<sup>2</sup> Under Section 21.2.4 of the Implementing Rules and Regulations Part A (IRR-A) of Republic Act No. 9184 (R. A. 9184), the posting requirements for alternative methods of procurement are as follows: (i) the website of the procuring entity concerned, if available; (ii) the Government Electronic Procurement System (G-EPS); and (iii) at any conspicuous place reserved for this purpose in the premises of the procuring entity as certified by the head of the Bids and Awards Secretariat, for seven (7) calendar days.

As regards the lease of real estate, we wish to inform you that the GPPB in its Resolution No. 4-2007 dated 4 May 2007, which took effect last 14 August 2007, resolved to amend Section 53 of the IRR-A to include lease of privately owned real estate for official use as one of the instances when the procuring entity may enter into Negotiated Procurement. If you wish to secure a copy of the implementing guidelines approved by the GPPB, you may visit our website at [www.gppb.gov.ph](http://www.gppb.gov.ph).

We trust this clarifies the matters. Should you have additional questions, please do not hesitate to contact us.

Very truly yours,



**RUBY U. ALVAREZ**  
*Executive Director III*