

**NPM No. 61-2007**

3 December 2007

**MR. MARIO M. GONZALES**

*Chairman, Bids and Awards Committee*

**NATIONAL FOOD AUTHORITY REGIONAL OFFICE II**

**Cagayan Valley Regional Office II**

**Santiago City**

**Re : Contract by Administration**

Dear Mr. Gonzales:

We respond to your letter dated 8 November 2006 requesting for clarification on certain issues relating to the Integration of Dehuller RM/Polisher Project (the *Project*) of the National Food Authority (NFA) which shall be implemented by administration. You wish to be clarified on the following matters:

- a) Whether the NFA can procure the material components of the Project through shopping;
- b) Whether the NFA may source the labor component through pakyaw system.

It is a general policy of the government that procurement shall be competitive and transparent, and therefore through public bidding (Section 10 of R. A. 9184). Thus, Section 3.5 of the Revised Guidelines on Implementation of Infrastructure Projects By Administration<sup>1</sup> expressly state that procurement of tools and construction equipment for infrastructure projects undertaken by administration shall be subject to the rules on public bidding. Alternative methods of procurement are resorted to only in highly exceptional cases as set forth under Republic Act No. 9184 and its Implementing Rules and Regulations Part A (IRR-A), subject to the approval of the head of the procuring entity (Section 48 of R. A. 9184).

Hence, the material component of the Project should be procured through competitive bidding, unless the conditions provided under Section 52 of the IRR-A are present, as recommended by the Bids and Awards Committee and duly approved by the head of the procuring entity.


Anent the acquisition of the labor component of the Project, Section 3.7 of the Revised Guidelines for the Implementation of Infrastructure Projects by Administration expressly states

<sup>1</sup> GPPB Resolution No. 018-2006, dated 6 December 2006.

that the manual labor component of infrastructure projects to be implemented by administration may be undertaken in-house by the implementing agency concerned, by job-order or through the pakyaw contracting system, in accordance with Section 4 thereof.

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*