

REPUBLIC OF THE PHILIPPINES  
**GOVERNMENT PROCUREMENT POLICY BOARD**  
Technical Support Office  
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**NPM No. 065-2004**

May 6, 2004

**MS. TESSIE M. GONZALES**  
Chairperson, Bids and Awards Committee  
Home Development Mutual Fund  
The Atrium of Makati, Makati Ave.,  
Makati City

REGISTRY RECEIPT  
MALACANANG POST OFFICE  
Post Office MANILA 1442  
Letter/Package No. 1001878  
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**Re : Extent of Participation of Consultants in Procurement Activities**

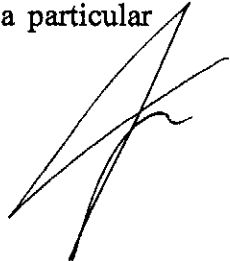
Dear Ms. Gonzales:

This refers to your letter dated February 19, 2004, which was forwarded to us through facsimile on April 26, 2004 by the Office of the Executive Director of the Department of Budget and Management – Procurement Service, requesting for clarification on the extent of participation allowed of a consultant in public bidding activities. This request is in consideration of the intention of the Home Development Mutual Fund (“HDMF”) to engage the services of consultants in all stages of the bidding process in view of the highly technical nature of the Pag-IBIG Integrated Information System procurement project. The issue to be resolved therefore is as follows:

Whether or not the Implementing Rules and Regulations Part A (“IRR-A”) of Republic Act 9184 (“R.A. 9184”) allows a procuring entity to engage the services of consultants to assist in all stages of a procurement activity, *i.e.*, from pre-procurement up to contract implementation.

**Participation of Consultants In All Stages of Procurement Allowed**

The IRR-A of R.A. 9184, under Section 24.3 thereof, allows procuring entities to engage the services of consultants for government projects or related activities when the magnitude and/or scope of which would require a level of expertise or attention that is beyond the in-house capability of the procuring entity. Moreover, Section 53(e) of the said IRR-A permits procuring entities from recruiting and hiring consultants or procurement agents to assist them directly and/or train their staff in the management of the procurement function in case they may not have the proficiency or capability to undertake a particular procurement.



Please note that the functions mentioned in Section 20.1 of the IRR-A pertains to the pre-procurement stage of the procurement process and would therefore be limited to pre-procurement functions that consultants may provide. As such, the functions of consultants enumerated in the above-quoted provision should not be interpreted as exclusive. The pertinent portion of Section 20.1 of the IRR-A is hereinafter quoted, to wit:

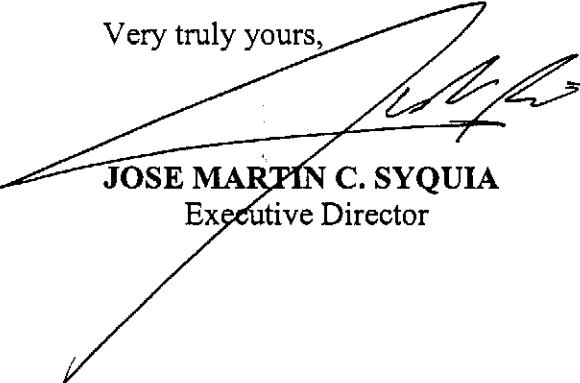
Prior to the advertisement or the issuance of the Invitation to Apply for Eligibility and to Bid for each procurement undertaken through a public bidding, the BAC, through its Secretariat, shall call for a pre-procurement conference. The pre-procurement conference shall be attended by the BAC, the Secretariat, the unit or officials, including **consultants hired by the procuring entity who prepared the technical plans, technical specifications, TORs, bidding documents and the draft advertisement**, as the case may be, for each procurement, as well as those who separately reviewed these documents prior to final approval, if any. During this conference, the participants, led by the BAC, shall:

x x x x (Emphasis supplied)

In view of the above-mentioned provisions of the IRR-A of R.A. 9184, we are of the opinion that the services of consultants may be engaged for the entire procurement activity, including contract implementation. The extent of the participation of consultants in a procuring entity's procurement activity is defined in the contract and the Terms of Reference ("TOR"), which should adequately define the objectives, scope, and expected outputs of the proposed work.

We trust that this clarifies matters.

Very truly yours,



**JOSE MARTIN C. SYQUIA**  
Executive Director