

**NPM No. 79-2007**

3 December 2007

**MR. GUILLERMO T. PILI, JR.**  
*General Manager*  
**SAN PEDRO WATER DISTRICT**  
110 J.P. Rizal Street, San Pedro, Laguna

**Re : Annual Procurement Plan**

Dear Mr. Pili, Jr.:

We respond to your letter 10 April 2006 requesting for opinion relating to the Genesis Transmission Lines and Laram Pipelines Extension Projects (the "Project"). Based on said letter, the Projects were bid out of the CY 2005 budget. As we understand, the Notices of Award for the Projects were given on 16 January 2006 to the winning bidders. However, the Projects were not included in the CY 2006 budget. You wish to clarify the following matters:

1. Whether the San Pedro Water District can still appropriate funds for these Projects in the year 2006; and
2. Whether the results of the bidding conducted in the year 2005 for the said Projects may still be utilized, without the need of re-bidding.

Anent the first issue raised, no procurement shall be undertaken unless it is in accordance with the Annual Procurement Plan (APP).<sup>1</sup> The approved budget for the contract shall be at all times consistent with the appropriations or budget approved by the relevant authority.<sup>2</sup> Updating of the APP for each procuring entity shall be undertaken every six (6) months or as often as may be required by the head of the procuring entity.<sup>3</sup> Implementation of any project not included in the APP shall not be allowed.

In the instant case, assuming that the San Pedro Water District is able to secure from the relevant authority an appropriation for the Projects in accordance with applicable auditing rules and regulations, the Project Management Office or end-user

<sup>1</sup> Section 7.1 of the IRR-A of R.A. 9184

<sup>2</sup> *Ibid.*

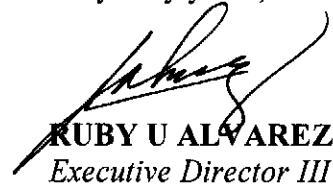
<sup>3</sup> Section 7.5 of the IRR-A of R.A. 9184

unit could accordingly update the Project Procurement Management Plan for the Projects and amend the 2006 APP with the approval of the head of the procuring entity pursuant to Section 7 of the Implementing Rules and Regulations Part A (IRR-A) of Republic Act No. 9184 (R.A. 9184).

As regards the second issue, the results of the bidding undertaken in the previous year may still be utilized provided that the bid and the bid securities of the winning bidder are still valid. Under R.A. 9184 and its IRR-A, contract award shall be made within the bid validity period.<sup>4</sup>

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

Very truly yours,



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

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<sup>4</sup> Section 37.2.2 of the IRR-A of R.A. 9184