

REPUBLIC OF THE PHILIPPINES
GOVERNMENT PROCUREMENT POLICY BOARD
Technical Support Office
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NPM No. 083-2004

June 16, 2004

ATTY. VIOLA P. VILLANUEVA
State Auditor V
Regional Cluster Director
Commission on Audit
Regional Office VI
Barangay Ungka I, Pavia, Iloilo City

Re : Request for Clarification on Section 32.4.1 of the Implementing Rules and Regulations Part A of Republic Act 9184

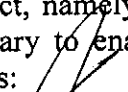
Dear Atty. Villanueva:

This refers to your letter dated May 20, 2004, reiterating your request for clarification on Section 32.4.1 of the Implementing Rules and Regulations Part A ("IRR-A") of Republic Act 9184 ("R.A. 9184") submitted through a previous letter dated March 3, 2004 addressed to Executive Director Estanislao C. Granados Jr. of the Department of Budget and Management – Procurement Service.

The above-mentioned request focuses on the allowance of the submission of partial bids as provided under Section 32.4.1(a) of the IRR-A, and is being raised due to the absence of any provision in the said IRR-A outlining the proper procedure or guidelines for partial bid submission.

Submission of Partial Bids Guidelines

Section 32.4.1 of the IRR-A provides two (2) considerations that procuring entities should take into account in determining the Lowest Calculated Bid for a particular procurement project, namely: (a) the completeness of a bid; and (b) the minor arithmetical corrections necessary to enable proper comparison of bids. Section 32.4.1(a) specifically provides as follows:



The bid must be complete. Unless the Instructions to Bidders specifically allow partial bids, bids not addressing or providing all of the required items in the bidding documents including, where applicable, bill of quantities, shall be considered non-responsive and, thus, automatically disqualified. In this regard, where a required item is provided, but no price is indicated, the same shall be considered as non-responsive, but specifying a "0" (zero) for the said item would mean that it is being offered for free to the Government;

A cursory reading of the above-quoted provision would immediately reveal that the general rule is that every submitted bid should be complete such that it properly addresses or provides all of the required items in the bidding documents. The exception to this rule is when the procuring entity specifically provides in the bidding documents that submission of partial bids or line item bids is allowed. In this case, a Lowest Calculated Bid will be determined for each item in the procurement project.

At this point, we would like to affirm your interpretation of Section 32.4.1(a) and express our agreement to your comments, to wit:

1. Partial bids could only be allowed if the project to be implemented is divisible;
2. The total ABC of the project must be allocated to each subdivision of the project such that each subdivision has its own ABC; and
3. The bidders must indicate in their envelopes whether they are bidding for the whole requirements or partially.

However, we are of the opinion that it is not necessary to require that envelopes of bidders that submitted bids for the total requirements be opened prior to those which submitted partial bids. It is sufficient that procuring entities maintain an abstract of bids for each item indicating the name of the bidder, its corresponding bid, and whether its bid is divisible or not.

In view of the foregoing, we are providing you with the following guidelines to observe pertinent to submission of partial bids:

1. The procurement project should be divisible in nature;
2. The bidding documents should indicate that partial bids are allowed;
3. The bidding documents should indicate the budget ceiling for each item;
4. Bids received for each line item shall not exceed the budget allocated therefor;
5. The aggregate amount of the budget ceiling for each item should not exceed the Approved Budget for the Contract ("ABC"); and

6. The aggregate amount of the bids for each item should not exceed the ABC.

We trust that this clarifies matters.

Very truly yours,


JOSE MARTIN C. SYQUIA
Executive Director

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