

REPUBLIC OF THE PHILIPPINES
GOVERNMENT PROCUREMENT POLICY BOARD
Technical Support Office
Mezzanine 125, Mabini Hall, Malacañang, Manila
Telefax Nos. (02) 735-4962; (02) 736-5758

NPM No. 089-2004

June 23, 2004

MS. ARLYN T. NIERE
Regional Director
Regional Office X
Department of Budget and Management
Zone 1 National Highway, Bulua,
Cagayan de Oro City

Re : Various Queries/Issues on Republic Act 9184 and its Implementing Rules and Regulations Part A

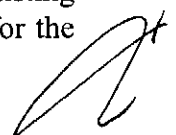
Dear Director Niere:

This refers to your letter dated May 31, 2004, requesting for clarification on queries raised during the test orientation seminar conducted by the Regional Composite Team for the Bids and Awards Committee ("BAC") members, Technical Working Group, and BAC Secretariat of the Department of Budget and Management ("DBM") Regional Office X and the Department of Interior and Local Government ("DILG") Regional Office X, as follows:

1. Can a Sanggunian Secretary be a member of the Secretariat?;
2. How does a Regular Office differ from an Organic Office?;
3. Are BAC and BAC-TWG entitled to honoraria if alternative mode of procurement is used?; and
4. When is the procurement project considered successfully completed?

Sanggunian Secretary May Be Designated as Member of the BAC Secretariat

Section 14.1 of the Implementing Rules and Regulations Part A ("IRR-A") of Republic Act 9184 ("R.A. 9184") mandates the creation of a BAC Secretariat and provides for its functions and responsibilities. In the creation of a BAC Secretariat, the head of the procuring entity has the option of creating another unit or simply designating an existing organic office within the procuring entity. Section 14.2, on the other hand, provides for the



minimum qualifications of an employee or official who may be designated as the head of the BAC Secretariat. It should be noted, however, that it is silent as regards the minimum qualifications of its members.

There being no qualification provided for BAC Secretariat members, we are of the opinion that it may be inferred that any employee or official within the procuring entity may be designated as a member of the BAC Secretariat. However, we recommend that the functions and responsibilities of the BAC Secretariat as provided under Section 14.1 of the IRR-A be considered in the selection of BAC Secretariat members, to wit:

1. Provide administrative support to the BAC;
2. Organize and make all necessary arrangements for the BAC meetings;
3. Attend BAC meetings as Secretary;
4. Prepare Minutes of the BAC meetings;
5. Take custody of procurement documents and be responsible for the sale and distribution of bidding documents to interested bidders;
6. Assist in managing the procurement process;
7. Monitor procurement activities and milestones for proper reporting to relevant agencies when required;
8. Consolidate PPMPs from various units of the procuring entity to make them available for review as indicated in Section 7 of this IRR-A;
9. Make arrangements for the pre-procurement and pre-bid conferences and bid openings; and
10. Be the central channel of communications for the BAC with end users, PMOs, other units of the line agency, other government agencies, providers of goods, civil works and consulting services, and the general public.

Difference Between Regular Office and Organic Office

For purposes of the IRR-A, the terms "regular office" and "organic office" do not have substantial or consequential difference in meaning, and may therefore be interchangeably used. The terms "regular" and "organic" merely refer to an existing office with an organized structure.

It should be clarified, however, that the "regular offices" mentioned under Section 11.2.2 of the IRR-A from which the representatives for the BAC for Local Government Units ("LGUs") are taken should be understood to mean those offices under the Office of the Local Chief Executive as provided under Republic Act 7160, otherwise known as the "Local Government Code of 1991." The "organic office" mentioned in Section 14.1, on the other hand, simply refers to any organized structure or unit existing within the procuring entity.

Successfully Completed Procurement Project

In a letter dated June 16, 2004 issued in response to the request for clarification of the Cebu Port Authority, the Organization, Position Classification and Compensation Bureau ("OPCCB") clarified that, for purposes of determining the payment of honoraria to the chairs and members of the BAC and the Technical Working Group ("TWG") as provided under Section 4.1 of Budget Circular 2004-5, a project is successfully completed with the awarding of the contract to the winning bidder.

For purposes of determining the proper interpretation of Budget Circular 2004-5 on whether or not the BAC and BAC-TWG are entitled to honoraria if alternative method of procurement is used, we have referred the matter to the OPCCB through an indorsement dated June 23, 2004.

We trust that this clarifies matters.

Very truly yours,



JOSE MARTIN C. SYQUIA
Executive Director

/dlsn/npm/dbmx/06.04

RESPONSE SHEET FOR PHONE OPINIONS

Date Received/Date Called : 06.01.04 / 06.02.04
Requesting Agency : DBM Region X
Contact Person : Virgil Edosto (089) 350-1794
Issues/Requests :

- ① Can the Sanggunian Secretary be a member of the Secretariat?
- ② How does a regular office differ from an organic office?
- ③ Are BAC & BAC-TNG entitled to honoraria if alternative mode of procurement is used?
- ④ ~~What is the~~ When is the procurement project considered successfully completed?

Response: 1. Yes. The IRR-A merely provides for the requirement for the head of the BAC Secretariat but not members thereof.

2. Regular offices are those created by law.

Organic offices are those created by the agencies themselves.

Questions 3 & 4 should be referred to the OPCS.

REMARKS: Written response requested for issues 1 & 2
Issues 3 & 4 will be referred to OPCS.

Assigned to: Dennis

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June 1, 2004

MS. ARLYN T. NIERE
Regional Director
Regional Office X
Department of Budget and Management
Zone 1 National Highway, Bulua,
Cagayan de Oro City

Dear Dir. Niere:

This refers to your letter dated May 31, 2004, which we received through facsimile on June 1, 2004, addressed to the Executive Director Jose Martin C. Syquia, requesting for clarification on the provisions of Republic Act 9184 and its Implementing Rules and Regulations Part A.

We wish to inform you that we shall respond to your concerns either through phone or in writing at the earliest possible opportunity, or raise the same to the Government Procurement Policy Board for appropriate resolution should referral thereto becomes necessary.

Very truly yours,


ATTY. REYNALDO H. BICOL JR.
Procurement Management Officer V