

**NPM No. 019-2017**

21 November 2017

**MR. REYNALDO C. PARUÑGAO, JR.**  
*Administrative Officer V, Procurement Management Division*  
**GOVERNANCE COMMISSION FOR GOCCs (GCG)**  
3/F Citibank Center, 8741 Paseo de Roxas,  
Makati City 1226

**Re: Performance Security for Negotiated Procurement under Highly  
Technical Consultants Modality**

Dear Mr. Paruñgao:

This refers to your electronic mail (e-mail) requesting for clarification on whether posting of Performance Security is required as a condition precedent for the award of contract in Negotiated Procurement under Highly Technical Consultants modality.

We wish to inform you that Section 54.5 of the 2016 revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184 prescribes the rules on the posting of Performance Security applicable to alternative methods of procurement. Posting of Performance Security is required only in Limited Source Bidding and Negotiated Procurement under Two Failed Biddings, Take-over of Contracts and Adjacent or Contiguous modalities. On the other hand, for Negotiated Procurement under Emergency Cases and Small Value Procurement modalities, procuring entity may require posting of Performance Security depending on the nature of the procurement project, provided that it shall be required in infrastructure projects.

Based on the foregoing, we would like to clarify that posting of Performance Security is not required as a condition precedent for the award of contract in Negotiated Procurement under Highly Technical Consultants modality.

We hope this opinion issued by GPPB-TSO provided sufficient guidance on the matter. Note that this is issued on the basis of particular facts and situations presented, and may not be applicable given a different set of facts and circumstances. Should there be other concerns, please do not hesitate to contact us.

Very truly yours,

(sgd.)



*Executive Director V*

