

NPM No. 33-2017

20 December 2017

MR. KIT LOPEZ
Jkm8873@yahoo.com.ph


Re : Completeness of Purchase Order

Dear Mr. Lopez:

This refers to your request for guidance on whether the Purchase Order (PO) issued by Northern Luzon Polytechnic State University (NLPSU) is a valid PO since it does not indicate the Scope of Work, and has no details on the specific quantities of materials to be used.

Government procurement contracts are special contracts due to the particular and specific requirements as to forms and solemnities that need be complied with prior to its execution. Section 37.1.4 of the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, the Government Procurement Reform Act, provides that the award of contract is subject to compliance with the conditions enumerated therein, the issuance of the Notice of Award (NOA) and its receipt by the winning bidder must be accompanied by the actual execution and signing of the contract, including the posting of the performance security, among others. Hence, the NOA must not only be duly issued, communicated to and received by the winning bidder for the contract to be deemed perfected, it must also comply with all the requirements provided for under the law and the rules for it to be legally enforceable.


For procurements that are considerably small, and are generally simple or routine, some government procurement contracts are in the form of a PO being issued by the PE. Jurisprudence provides that a PO, by itself, is an offer to buy, and a meeting of minds thereon "takes place when the vendor receive[s] the PO, agree[s] to its terms and act[s] upon it."¹ Thus, it must be emphasized that the PO must be clear as to the desired requirements found in the Bidding Documents, such that it should provide for the scope of work; bill of materials or bill of quantities; and, terms of payment as required in the Bidding Documents, so that it is complete.

Accordingly, a PO will constitute an accepted offer that will give rise to a perfected contract of sale when the winning bidder received the same and agreed to its terms and conditions. Corollarily, the PO must be complete so that the offeror and offeree may validly give their consent to the object and consideration of the contract so that there will be meeting of minds. 

¹ *Raza Appliance Center v. Villaraza*, 202 Phil. 903, (1982)

We hope this opinion issued by the 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 you have further questions, please do not hesitate to contact us.

(sgd.)

DENNIS S. SANTIAGO
Executive Director 

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