

NPM No. 054-2017

21 December 2017

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Re: Accreditation as a Pre-requisite in Government Procurement -

Dear Mr. Adviento:

This refers to your electronic mail (e-mail) requesting for clarification whether accreditation by the Procuring Entity is a requisite to participate in Government Procurement opportunity.

At the outset, we would like to clarify that the Government Procurement Policy Board (GPPB) and its Technical Support Office (TSO) render policy and non-policy matter opinions, respectively, on issues purely pertaining to the interpretation and application of procurement laws, rules and regulations. We have no authority to dictate to the Procuring Entity how to decide or resolve issues relative to its procurement activities. Moreover, we adhere to the position that we cannot, nor any other agency, authority, or official, except courts of competent jurisdiction, encroach upon or interfere with the exercise of the functions of the Head of the Procuring Entity (HoPE) and the BAC, since these duties and responsibilities fall solely within the ambit of their authority and discretion. In this regard, we shall limit our discussion on the interpretation of relevant procurement rules and regulations pertinent to the issues presented.

Accreditation as a requirement to participate in Government Procurement is not consistent with the Republic Act (RA) No. 9184, the Government Procurement Reform Act, and its 2016 revised Implementing Rules and Regulations (IRR). The eligibility requirements under Sections 23 and 24 of the 2016 IRR of RA 9184 are the only valid criteria required to determine whether or not a prospective bidder may be eligible to participate in the government procurement opportunity.

In an earlier Non-Policy Matter (NPM) Opinion¹, we mentioned that implementation of an accreditation system by Procuring Entities are not consistent with the Procurement law, its associated rules and regulation, thus:

The enactment of RA 9184 brought about major reforms in the procurement system, the most significant of which is the use of competitive

¹ NPM No. 033-2011 dated 28 December 2014

bidding in all government procurement as a matter of policy. Consequently, the creation of an accreditation system is not in accordance with the mandate of the present procurement law because it in fact contravenes the very basic principles of competitive bidding. As it was previously discussed in Non-Policy Matter 28-2005, the establishment of an accreditation system within the agency would limit the participation of bidders only to the accredited suppliers, to the exclusion and prejudice of the bidders in the market.

Accordingly, accreditation, or even a pre-qualification exercise, is not a requisite to participate in Government Procurement as it contravenes the very basic principles of competitive bidding. The pre-qualification regime or accreditation brings about a situation where only those who are pre-qualified or accredited will be allowed to bid, which is antithetical to the concept of competition, where all eligible market operators will be allowed to participate whether they have been pre-qualified/accredited or not, thereby opening the procurement opportunity to wider market participation to bring forth the best quality goods and services at the best price.

We hope that 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 there be other concerns, please do not hesitate to contact us.

Very truly yours,
(sgd.)

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Executive Director V. *nmh*

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