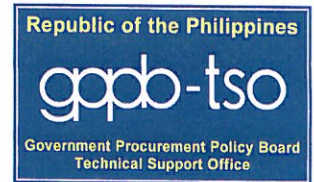




Republic of the Philippines
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE



NPM No. 100-2017

29 December 2017

MS. KATRINE MARTINEZ
Katrinemartinez110389@gmail.com

Re: Honoraria of Bids and Awards Committee Secretariat Members -

Dear Ms. Martinez:

This refers to your electronic mail inquiring whether a single Secretariat for the two (2) Bids and Awards Committees (BAC) for Goods and Infrastructure Projects is allowed to be paid honoraria for services rendered as Secretariat for both Committees.

An honorarium is defined as something given not as a matter of obligation but in appreciation for services rendered, a voluntary donation in consideration of services which admit of no compensation in money.¹ Section 15 of Republic Act (RA) No. 9184, the Government Procurement Reform Act, uses the word "may" which signifies that the honorarium cannot be demanded as a matter of right.²

As provided by RA 9184, the payment of honoraria to the members of the BAC, the TWG, and the Secretariat is governed by the applicable rules and guidelines prescribed by the Department of Budget and Management (DBM). Section 15 of R.A. No. 9184 is explicit as it states: "For this purpose, the DBM shall promulgate the necessary guidelines." In this regard, the DBM Budget Circular 2004-5A³ provides that the payment of honoraria should be made only for "successfully completed procurement projects." This phrase was clarified that a procurement project shall be considered successfully completed once the contract has been awarded to the winning bidder.

It is noteworthy that a procurement project refers to the entire project identified, described, detailed, scheduled and budgeted for in the Project Procurement Management Plan (PPMP) and Annual Procurement Plan (APP) prepared by the agency, and shall be considered successfully completed once the contract has been awarded to the winning bidder.⁴ Thus, the determination on whether the procurement personnel, particularly the members of BAC Secretariat, are entitled to honoraria for services rendered in connection with their functions on the procurement activities depends on every successfully completed project of both Committees.

¹ *Sison V. Tablang*, G.R. No. 177011, June 5, 2009 citing *Santiago v. Commission on Audit*, G.R. No. 92284, July 12, 1991, 199 SCRA 125, 130.

² *Supra* Note 1, citing *See Allarde v. Commission on Audit*, G.R. No. 103578, January 29, 1993, 218 SCRA 227, 232.

³ October 7, 2005.

⁴ Section 5.1 of DBM BC 2004-5A.

For guidance, please refer to the Department of Budget and Management (DBM) Budget Circular (BC) Nos. 2004-5A⁵ and 2007-3,⁶ dated 23 March 2004 and 29 November 2007, respectively, which provide the rules and guidelines on the grant of honoraria to government personnel involved in government procurement consistent with RA 9184 and its 2016 revised Implementing Rules and Regulations. These DBM Circulars provide the parameters on the grant of honoraria to procurement personnel such as, the modalities as to when the honoraria may be granted, the sources of fund, rates per completed procurement project, among others.

Accordingly, the determination as to whether the members of BAC Secretariat are entitled to honoraria for services rendered in connection with their functions in the procurement activities of two (2) separate BACs, depends on the successfully completed projects of both Committees.

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.

(sgd.)

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Executive Director V *TRM*

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⁵ Issued on 7 October 2005.

⁶ Issued on 29 November 2007.