

NPM No. 103-2017

29 December 2017

MS. CIARA LIDASAN
<chauncy012000@yahoo.com>

Re: Method of Procurement-

Dear Ms. Lidasan:

This refers to your electronic mail (e-mail) inquiring about the procurement method you may use to purchase farm machineries such as 'kuliglig', 'bao-bao' and floating tiller to be distributed to farmers, the amount thereof shall not exceed PhP300,000.00. Thus, you seek clarification on the following:

1. What procurement method can be you used to satisfy the PhilGEPS requirements?
2. Is there a sample Request For Quotation (RFQ) on farm machineries that you can use as guide?

PhilGEPS Registration Requirements -

Under Section 8 of Republic Act (RA) No. 9184, there shall be a single portal that shall serve as the primary source of information on all government procurement in order to promote transparency and efficiency by utilizing information and communications technology in the conduct of procurement procedures. In line with this mandate, the Government Electronic Procurement System (G-EPS) or PhilGEPS was identified as the primary source and definitive information on all government procurement.

Pursuant to Section 8.2.2(a) of the 2016 revised Implementing Rules and Regulations (IRR) of RA 9184, the Government Procurement Reform Act, the PhilGEPS shall have a centralized electronic database of all manufacturers, suppliers, distributors, contractors and consultants registered under the system. Accordingly, proof of PhilGEPS Registration is required in identified methods of procurement. For Competitive Bidding, Limited Source Bidding and Negotiated Procurement under Two Failed Biddings modality, the required proof shall be in the form of PhilGEPS Certificate of Registration and Membership.¹ On the other hand, only a PhilGEPS Registration Number, as a condition for award of the contract, is required in the specified alternative methods of procurement under Section 54.6 of the 2016 IRR.

Method of Procurement -

At the outset, we wish to clarify that the determination of the appropriate method of procurement rests within the sole authority and accountability of the Head of the Procuring

¹ 2016 Revised IRR of RA 9184, Section 25.2 in relation to Section 54.6.

Entity (HOPE), as the approving authority, and the Bids and Awards Committee (BAC), as the recommendatory body.² We adhere to the position that no other agency, office or official may interfere with these functions of the HOPE and the BAC, and dictate the method of procurement to be used for a particular project. Guided by the provisions of Republic Act (RA) 9184 and its 2016 IRR, the Procuring Entity (PE), through the HOPE and the BAC, is in the best position to determine the correct method of procurement for all its projects taking into consideration all the surrounding conditions for each procurement project.

RA 9184, per Section 10, mandates that all procurement shall be done through competitive bidding, except as provided for in Article XVI thereof, which enumerates the allowable alternative methods of procurement. Accordingly, alternative methods of procurement may be resorted to only upon prior approval of the Head of the Procuring Entity (HOPE), in order to promote economy and efficiency, and whenever justified by the conditions for each alternative method of procurement specified in Sections 49 to 53 of the IRR of RA 9184.³

In this light, kindly refer to Annex "H", or the *Consolidated Guidelines for the Alternative Methods of Procurement* (Guidelines) under the 2016 IRR where you can find the conditions, rules and procedure for identified alternative modalities of procurement, which may be applicable in this scenario, e.g., Small Value Procurement. For the certain modalities, you will note that only the PhilGEPS Registration Number shall be required as a condition for the award of contract.

No Standard Form for the Request for Quotation -

There is no prescribed template or standard form for the RFQ. Nonetheless, even without the prescribed template, the RFQ must indicate the specification, quantity, Approved Budget for Contract (ABC), and other terms and conditions of the item to be procured pursuant to Section 3(a) of the Guidelines. In addition, Section 3(b) of the Guidelines provides that RFQ must prescribe the manner by which price quotations shall be submitted *i.e.*, by sealed or open quotation.⁴

Summary –

In sum, we wish to stress the following:

1. For Competitive Bidding, Limited Source Bidding and Negotiated Procurement under Two Failed Biddings modality, the required proof shall be in the form of PhilGEPS Certificate of Registration and Membership pursuant to Sections 25.2 in relation to Sections 8.5.2 and 54.6 of the 2016 IRR, while only a PhilGEPS Registration Number, as a condition for award of the contract, is required in certain identified alternative methods of procurement under Section 54.6 of the 2016 IRR;
2. The procuring entity may consider resorting to any Negotiated Procurement Modality, such as Small Value Procurement, under Section 53.9 of the IRR of RA 9184, taking into account that the ABC of the agency for the procurement of kuliglig', 'bao-bao' and floating tiller to be

² Section 12.1 of the IRR of RA 9184 in relation to Section 48.1 of the IRR of RA 9184.

³ Section 48.1 of the IRR of RA 9184.

⁴ NPM No. 067-2013, dated 27 June 2013.

distributed to farmers, which is in the amount not exceeding PhP300,000.00; and

3. While there is no prescribed template or standard form for the RFQ, the RFQ must indicate the specification, quantity, Approved Budget for Contract (ABC), and other terms and conditions of the item to be procured pursuant to Section 3(a) of the Guidelines, and prescribe the manner by which price quotations shall be submitted *i.e.*, by sealed or open quotation.

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.)

~~DENNIS S. SANTIAGO~~
Executive Director V *mm*

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