



Republic of the Philippines
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE



NPM No. 055-2016

2 November 2016

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Re: Period of Payment after the Delivery of Goods

Dear [REDACTED]

This refers to your electronic mail (e-mail) seeking clarification on the period of payment by the procuring entity after full delivery by the supplier of the goods subject of procurement.

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 opinions, respectively, on issues purely pertaining to the interpretation and application of procurement laws, rules and regulations. It has no authority to decide for and on behalf, or overturn a decision, of a procuring entity.


General Conditions of the Contract (GCC) Clause 10 of the Philippine Bidding Documents (PBD) for Goods and Services is instructive on payment of obligations by Procuring Entities. In that, payments shall be made only upon a certification by the Head of the Procuring Entity to the effect that the Goods have been rendered or delivered in accordance with the terms of the Contract and have been duly inspected and accepted. It must be noted that, except with prior approval of the President, no payment shall be made for services not yet rendered or for supplies and materials not yet delivered under a Contract. Ten percent (10%) of the amount of each payment shall be retained by the Procuring Entity to cover the Supplier's warranty obligations under this Contract as described in GCC Clause 17. The Supplier's request(s) for payment shall be made to the Procuring Entity in writing, accompanied by an invoice describing, as appropriate, the goods delivered and/or services performed, and by documents submitted pursuant to the Special Conditions of the Contract (SCC) provision for GCC Clause 6.2, and upon fulfillment of other obligations stipulated in the Contract. Pursuant to GCC Clause 10.2, payments shall be made promptly by the Procuring Entity, but in *no case later than sixty (60) days after submission of an invoice or claim by the Supplier.*


In view of the foregoing, there are several conditions that must be complied with prior to the payment to the supplier for the goods delivered or services rendered. Nonetheless, payment

to the supplier must be made immediately after the supplier submitted or filed its written claim and must not be later than sixty (60) days after such claim.

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.)

DENNIS S. SANTIAGO
Executive Director V 




1/12/12