

**NPM No. 059-2016**

3 November 2016

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

**Re: Honoraria; Supply Officer**

Dear [REDACTED]:

This refers to your letter requesting clarification on whether a Supply Officer designated as a member of the Bids Awards Committee (BAC) is entitled to honoraria.

As represented, you are the OIC of the Supply and Property Office, and designated as a member of CvSU-BAC. According to CvSU's Internal Auditor, the former Supply Officer, designated as BAC member received only overtime pay, instead of honoraria on the ground that the Supply and Property Office performs procurement functions for the University. It is in this context that the foregoing issue is being raised.

Honoraria is a form of compensation granted to individuals for the performance of tasks or involvement in activities beyond their regular functions. Equity calls for compensation for performance of additional tasks, with substantially similar degrees of responsibility; and propriety dictates that only persons who have successfully completed such tasks, or participated in concluded activities pursuant thereto should be compensated.

For guidance, we refer to Department of Budget and Management (DBM) Budget Circular (BC) No. 2004-5A<sup>1</sup>, dated 23 March 2004, which provides that the Chairs and Members of the BAC and Technical Working Group (TWG) may be paid honoraria for successfully completed procurement projects<sup>2</sup>. Under Section 5.5 of DBM BC 2004-5A, to be entitled to honoraria, the personnel should be duly assigned as Chair or Member of the BAC or TWG by the Head of the Procuring Entity.

On the other hand, the members of the BAC Secretariat who are performing the attendant functions in addition to their regular duties in other non-procurement units of the agency may likewise be paid honoraria at the same rate as the TWG Chair and Members, subject to the same regulations<sup>3</sup>. However, BAC Secretariat members whose positions are in

<sup>1</sup> Guidelines on the Grant of Honoraria to Government Personnel Involved in Government Procurement.

<sup>2</sup> Sec. 5.1, DBM BC 2004-5A.

<sup>3</sup> Sec. 5.6, DBM BC 2004-5A.

the Procurement Unit of the agency shall not be entitled to honoraria. However, the payment of overtime services may be allowed, subject to existing policy on the matter.

Accordingly, the designation of the OIC of the Supply and Property Office as a BAC member entitles him/her to honoraria for successfully completed procurement projects in accordance with Sections 5.1 and 5.5 of DBM BC 2004-5A. The disqualification on the entitlement of honoraria only refers to BAC Secretariat members whose positions are in the Procurement Unit of the agency and whose functions, duties and responsibilities involve the performance of BAC Secretariat functions; the *rationale* being that one should not be compensated another time for performing work he or she ought to perform, as this will be against the principle of double compensation.

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.

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(sgd.)

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

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