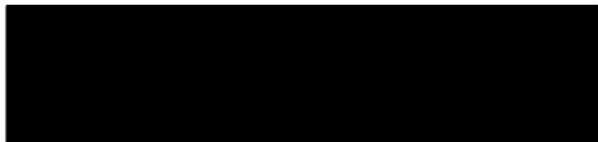


NPM No. 077-2016

15 November 2016



**Re: Disqualification of Blacklisted Supplier in the
Procurement of Goods through Shopping**

Dear [REDACTED]:

This refers to your email requesting for guidance on whether a blacklisted supplier may be allowed to participate in a procurement activity conducted through the alternative method of Shopping under Section 53.2 of the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184.

As represented, Basilan General Hospital resorted to Shopping in the procurement of its supplies. However, upon evaluation of the prospective supplier which submitted the lowest quotation, it was discovered that the said supplier is blacklisted. Hence, this request.

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. We do not have the authority under law to instruct procuring entities on how to proceed with their respective ongoing procurement activities. In this regard, we shall limit our discussion on the relevant procurement rules and regulations pertinent to the issue presented.

Blacklisting, as defined under Item 3.3 of the *Uniform Guidelines for Blacklisting of Manufacturers, Suppliers, Distributors, Contractors and Consultants*¹ (the Guidelines), is an administrative penalty which disqualifies a person or an entity from participating in any government procurement activity for a given period. Accordingly, under Item 7.0 of the Guidelines, a supplier or contractor bearing a blacklisted status shall not be qualified for award of any government project or contract. Hence, a blacklisted person or entity loses its legal capacity to contract with procuring entities for the duration of the blacklisting.

In accordance with Item 3(j) of the Guidelines for Shopping and Small Value Procurement², a procuring entity must validate whether it is entering into a contract with a technically, legally and financially capable supplier. In order to determine such qualifications, the procuring entity may require the submission of relevant documents, or conduct the

¹ GPPB Resolution 09-2004, issued on 20 August 2004.

² GPPB Resolution 09-2009, issued on 23 November 2009.

validation through other means. The latter includes, but is not necessarily limited to, verifying whether a supplier, upon submission of its quotation, is included in the list of blacklisted suppliers as posted in the official website of the GPPB³. If the supplier is not included in the list, the procuring entity may accept and proceed with the evaluation of the quotation received. Otherwise, it shall immediately disqualify the said supplier.

We hope that our advice provided sufficient guidance on the matter. Please note that this opinion is being rendered on the basis of the facts and particular situation presented, and may not be applicable given a different set of facts and circumstances. Should you have additional questions, please do not hesitate to contact us.

(sgd.)

~~DENNIS S. SANTIAGO~~
Executive Director V msd

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³ <http://www.gppb.gov.ph/monitoring/blacklistedSup.php>