

NPM No. 097-2016

15 November 2016



Re: Alternative Bids

Dear [REDACTED]:

This refers to your e-mail inquiring whether or not the agency may consider the two price quotations submitted by one supplier for the procurement of sacks of rice.

You mentioned in your e-mail that your Office intended to procure sacks of rice for the employees' rice grant for the 3rd quarter of 2016 with an ABC of less than P500,000.00. There were three (3) suppliers who submitted their corresponding bids. However, during the opening and evaluation of bids, one of the suppliers submitted two (2) price quotations with different amounts. It was also disclosed that the submitted bid contain two different prices for two different rice varieties/brands.

Hence, this inquiry.

Alternative bid¹ is defined as an offer made by a bidder in addition to or as a substitute to its original bid which may be included as part of its original bid or submitted separately therewith for purposes of bidding. A bid with options is considered an alternative bid regardless of whether said bid proposal is contained in a single envelope or submitted in two (2) or more separate bid envelopes.

Instructions to Bidders (ITB) Clause 14 of the Philippine Bidding Documents is instructive that Alternative Bids shall be rejected in line with the general principle that improvement of bids or alternative bids shall not be allowed. This practice defeats the concept of competition among the bidders. The bidder who offers two bids has undue advantage over other bidders when he will be allowed to pose two bids, thus eliminating competition.

In the present case, the submission by the bidder of two price quotations constitutes an alternative bid contemplated in the aforementioned definition. R.A. No. 9184 and its IRR are governed by the principles of competitiveness affording equal opportunity to enable eligible and qualified parties to take part in public bidding. Submitting alternative bids hampers this principle since submission of different bids for a single procurement amounts to manipulation

¹ NPM 001-2007 dated January 12, 2007

of bid prices to the detriment of other bidders who may be able to provide a bid proposal that may be more advantageous to the government.

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

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