

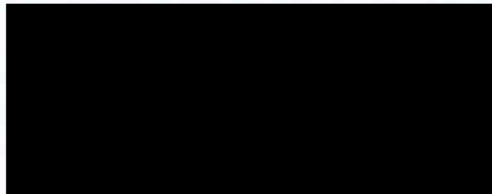


Republic of the Philippines
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE



NPM No. 04-2015

20 February 2015



Re: Bidding Requirements

Dear

This refers to your letter¹ requesting clarification on the updated requirements for competitive bidding for the procurement of goods based on the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184 and the recent issuances of the Government Procurement Policy Board (GPPB).

Pertinent to eligibility requirements, we wish to clarify that Section 23.1 of the IRR of RA 9184 mandates that only the following documents shall be required by the Bids and Awards Committee (BAC) in determining the eligibility of bidders, thus:

Class "A" Documents

Legal Documents

- i) Registration certificate from SEC, Department of Trade and Industry (DTI) for sole proprietorship, or CDA for cooperatives, or any proof of such registration as stated in the Bidding Documents.
- ii) Mayor's permit issued by the city or municipality where the principal place of business of the prospective bidder is located.
- iii) Tax clearance per Executive Order 398, Series of 2005, as finally reviewed and approved by the BIR.²

Technical Documents

- iv) Statement of the prospective bidder of all its ongoing government and private contracts, including contracts awarded but not yet started, if any, whether similar or not similar in nature and complexity to the contract to

¹ With attached Checklist of Eligibility Requirements for Bidders, Checklist of Technical and Financial Envelope Requirements for Bidders, Sample Invitation to Bid, and Bid Data Sheet.

² Amended through GPPB Resolution 21-2013, dated 30 July 2013.

be bid, within the relevant period as provided in the Bidding Documents; and

Statement identifying the bidder's single largest completed contract similar to the contract to be bid, except under conditions provided for in Section 23.5.1.3 of this IRR, within the relevant period as provided in the Bidding Documents in the case of goods.

All of the above statements shall include all information required in the Philippine Bidding Documents (PBDs)³ prescribed by the GPPB.⁴

- v) In the case of procurement of infrastructure projects, a valid Philippine Contractors Accreditation Board (PCAB) license and registration for the type and cost of the contract to be bid.


Financial Documents

- vi) The prospective bidder's audited financial statements, showing, among others, the prospective bidder's total and current assets and liabilities, stamped "received" by the BIR or its duly accredited and authorized institutions, for the preceding calendar year which should not be earlier than two (2) years from the date of bid submission.
- vii) The prospective bidder's computation for its Net Financial Contracting Capacity (NFCC).⁵

Class "B" Document

Valid joint venture agreement (JVA), in case the joint venture is already in existence. In the absence of a JVA, duly notarized statements from all the potential joint venture partners stating that they will enter into and abide by the provisions of the JVA in the instance that the bid is successful shall be included in the bid.

Pointedly, we wish to emphasize that Procuring Entities (PEs) are *proscribed from requiring additional eligibility requirements* since the list of minimum eligibility requirements under the IRR of RA 9184 has been streamlined/simplified, such that only those requirements enumerated in Sections 23.1 of the IRR are necessary for purposes of determining bidder's eligibility.⁶ The rationale for this is to allow greater participation, enhance competition among prospective bidders, and reduce transaction costs.⁷

In relation to the technical and financial components of the bid, the following shall be contained in the bid envelopes, in accordance with the provisions of Section 25.2 of the IRR of RA 9184 and the PBDs for the Procurement of Goods: 

³ Refer to Clause 12.1 of the PBDs for the Procurement of Goods, and for the Procurement of Infrastructure Projects.

⁴ Amended through GPPB Resolution 29-2012, dated 23 November 2012.

⁵ Amended through GPPB Resolution 20-2013, dated 30 July 2013.

⁶ NPM No. 65-2009 dated 17 December 2009.

⁷ *Ibid.*

Technical Component (Part of the 1st Envelope together with the Eligibility Requirements)

- i) Bid security⁸ in accordance with Instruction to Bidders (ITB) Clause 18.
- ii) Conformity with technical specifications, as enumerated and specified in Sections VI and VII of the Bidding Documents; and
- iii) Sworn statement in accordance with Section 25.2(a)(iv)⁹ of the IRR of RA 9184 and using the form prescribed in Section VIII, Bidding Forms (with attached proof of authority of the representative).

Financial Component (2nd Envelope)

Unless otherwise stated in the Bid Data Sheet (BDS), the financial component of the bid shall contain the following:

- i) Financial Bid Form, which includes bid prices and the bill of quantities and the applicable Price Schedules, in accordance with ITB Clauses 15.1 and 15.4;
- ii) If the Bidder claims preference as a Domestic Bidder or Domestic Entity, a certification from the DTI, SEC, or CDA issued in accordance with ITB Clause 27, unless otherwise provided in the BDS; and
- iii) Any other document related to the financial component of the bid as stated in the BDS.

As to the template of the Invitation to Bid and BDS, we have attached the copy of these documents as Annexes "A" and "B", respectively, for your reference.

We hope that this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Note that this is being 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



⁸ Under GPPB Resolution No. 25-2013, dated 30 August 2013, the PE shall prescribe in the BDS the acceptable forms of bid security that bidders may opt to use, which shall include the Bid Securing Declaration and at least one (1) other form. As clarified under GPPB Circular No. 01-2014, dated 23 May 2014, the prospective bidder shall be given the option to post a BSD OR any other form of bid security indicated by the PE in the Bidding Documents.

⁹ Amended through GPPB Resolution No. 22-2013, dated 30 July 2013.