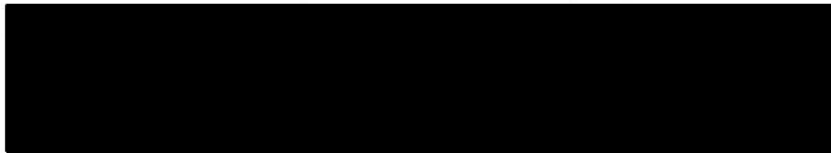


**NPM No. 111-2015**

2 November 2015



**Re: BAC Secretariat Members and their Honoraria**

Dear [REDACTED]:

This refers to your letter inquiring whether the head or any employee under the Internal Audit Service (IAS) office may become a member of the Bids and Awards Committee (BAC), its Secretariat or the Technical Working Group (TWG); and is allowed to be paid honoraria.

It is represented that a member of the BAC Secretariat was reassigned as part of the support staff of the IAS. You inquire whether this is allowed under the rules, and if payment of honoraria to the said employee is appropriate.

**Prohibition on BAC Members**

At the outset, we refer you to our previous opinion<sup>1</sup> where we reiterated the principle consistently held by this office when the issue of the composition of the BAC is raised *vis-à-vis* the provisions of COA Circular No. 2003-004.

The list of offices mentioned in Sec. 11.2.3 of the IRR of RA 9184 is not exclusive. Members of the BAC may come from offices other than those included in the enumeration, except the Chief Accountant and any personnel from the Accounting Unit because of the existence of conflict of interest.<sup>2</sup>

This is consistent with Government Procurement Policy Board (GPPB) Circular No. 03-2003, issued by the GPPB on 01 December 2003, informing the Heads of Departments, Bureaus, Offices and Agencies of the National Government; Government-Owned or Controlled Corporations (GOCCs), including State Universities and Colleges (SUCs); Local Government Units; and all other concerned on the applicability and implementation of COA Circular No. 2003-004 in relation to the relevant provisions of the Implementing Rules and Regulations Part A (IRR-A) of Republic Act (RA) No. 9184. In the Circular, the Board explained that:

[T]he head of the procuring entity may designate any personnel from the finance area thereof, in the case of NGAs, departments, bureaus, offices, or

A handwritten signature in black ink, appearing to be a stylized 'S' or 'B'.

<sup>1</sup> NPM No. 016-2015 dated 7 September 2015.

<sup>2</sup> NPM No. 036-2014 dated 9 October 2014.

branches, constitutional commissions, SUCs, GOCCs, and GFIs, or from the Budget Office, in the case of LGUs, provided that such official is neither the Chief Accountant nor a personnel of the Accounting Unit of the procuring entity concerned. However, the Chief Accountant and any personnel of the Accounting Unit of a procuring entity may serve as provisional members when the said Unit is the end-user of the items, subject of the bidding.

In view of the foregoing discussion, a staff of the IAS office may be designated by the head of the procuring entity as a member of the BAC if no conflict of interest exists such as in the case of the Chief Accountant and all accounting personnel. More so, he/she can be designated as a member of the BAC Secretariat or TWG as the prohibition expressly applies only to regular members of the BAC.

### **Payment of Honoraria**

Anent the payment of honoraria, as provided under Section 5.6 of Department of Budget and Management (DBM) National Budget Circular (NBC) No. 2004-5A<sup>3</sup>, BAC Secretariat members are entitled to receive their respective honoraria provided that they “are performing the attendant functions in addition to their regular duties in other non-procurement units of the agency.” The DBM Circular also provides that BAC Secretariat members whose positions are in the Procurement Unit of the agency are not entitled to receive honoraria; instead, they may receive payment for the overtime services rendered pursuant to such BAC Secretariat work. Accordingly, it behooves one to show, through the Organizational Structure, Staffing Complement, Position Classification, Position Description, Department Order, Special Designation, or through other means, that the position occupied and functions performed by the BAC Secretariat member is within or without the Procurement Unit.<sup>4</sup>

However, this office is not in the best position to render an opinion concerning the organizational structure of your agency in relation to the Guidelines on the Establishment of Procurement Units.<sup>5</sup> We respectfully suggest that a definitive opinion on the matter be secured directly from the DBM – Organization, Position Classification and Compensation Bureau (OPCCB)<sup>6</sup>, as it is the appropriate government agency with the authority to make determinations and/or clarifications on the matter involving position classifications and grant of honoraria.<sup>7</sup>

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*

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<sup>3</sup> Issued on 7 October 2005.

<sup>4</sup> NPM No. 030-2015, dated 8 October 2015

<sup>5</sup> DBM National Budget Circular No. 517 dated 22 December 2008.

<sup>6</sup> 3/F DBM Boncodin Hall, Gen. Solano St., San Miguel, Manila; Tel. loc. 2641, 7367572.

<sup>7</sup> NPM No. 030-2015, *Id.*