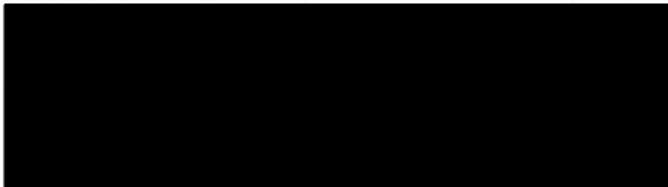


NPM No. 145-2015

27 November 2015



Re: Small Value Procurement

Dear [REDACTED]

This refers to your electronic mail inquiring whether NAPOLCOM may award a contract if only one (1) supplier submitted a quotation for the procurement of goods undertaken through Small Value Procurement (SVP) in accordance with Section 53.9 of the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184.

As represented, you claim that the items subject of procurement are not ordinary office supplies and were initially procured through Shopping under Section 52 of RA 9184 and its IRR. However, you would like to inquire as to whether NAPOLCOM may award the contract to a lone bidder in the event that the mode of procurement is changed to SVP for the same items.

We wish to stress that the Government Procurement Policy Board has issued the *Guidelines for Shopping and Small Value Procurement*¹ (*Guidelines*), which prescribes the general procedures for alternative mode of procurement through: (1) Shopping of readily available off-the-shelf goods, or ordinary/regular equipment under Section 52.1(a) and (b) of the IRR of RA 9184; and, (2) SVP of goods, infrastructure projects, and consulting services under Section 53.9 of the revised IRR of RA 9184. Thus, procuring entities (PEs) are mandated to observe these *Guidelines* in the conduct of their procurement activities Shopping or SVP.

It is noteworthy to stress, however, that in determining which modality should be resorted to in the procurement of goods, whether Shopping or SVP, PEs should be guided by the nature of the goods to be procured, and subject to the thresholds provided for under Annex "H" of the IRR of RA 9184. Hence, the PE should resort to Shopping modality if the goods are considered as off-the-shelf goods or ordinary/regular equipment; otherwise, SVP may be the proper modality.

¹ GPPB Resolution No. 09-2009, dated 23 November 2003.

THM


While Section 3(f) of the *Guidelines* specifically provides that “for Shopping under Section 52.1(b), at least three (3) price quotations must be obtained,” such *Guidelines* does not impose the same requirement for procurement through SVP under Section 53.9 or even in procurement through Shopping under Section 52.1(a) of the IRR of RA 9184 relative to unforeseen contingency. Consequently, in procurement activities conducted through SVP, award of contract may be made even if only one (1) supplier submitted a quotation in response to the Request for Quotation, provided that the PE invited at least three (3) suppliers to submit quotations, and that the submission complies with the required specifications and the corresponding terms and conditions identified by the PE.

Accordingly, in SVP, it is mandatory to send the Request for Quotation to at least three (3) prospective bidders/proponents and invite them to submit proposals; but it is not necessary to actually receive 3 quotations on the day of the deadline for submission of quotations. It is enough that the procuring entity receives at least one (1) bid/proposal on the day of the deadline for submission of quotations. Thus, if the lone proposal already complies with the technical, legal and financial requirements of the procuring entity, the contract can be awarded to the lone offeror, without the necessity of waiting for two (2) more quotations. After all, the rules provide that “[t]he procuring entity shall draw up a list of at least three (3) suppliers, contractors, or consultants of known qualifications which will be invited to submit proposals.”²

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.

Very truly yours,

(sgd.)

 DENNIS S. SANTIAGO
Executive Director V

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² Section 53.9.1, IRR of RA 9184.