NPM No. 15-2026

17 July 2026

[redacted]

Subject : Request for Guidance on the Treatment of PCAB Certifications submitted in lieu of PCAB Licenses in Relation to Procurement Eligibility Requirements

Dear [redacted]

We refer to your letter[1] which we received on 07 July 2026 requesting guidance from the Department of Budget and Management, through the Government Procurement Policy Board-Technical Support Office (GPPB-TSO), on the treatment of the Philippine Contractors Accreditation Board (PCAB) Licenses in relation to procurement eligibility requirements. Specifically, guidance was requested for the following matters:

1. Whether a contractor whose PCAB license has expired may still participate in procurement proceedings upon submission of a PCAB certification attesting that its application for license renewal has been duly filed and remain pending for action or evaluation due to circumstances not attributable to the contractor; and

2. For bidders who submitted bids with valid and subsisting PCAB license, but whose license expire before or during bid evaluation or post-qualification, whether the Procuring Entity may continue with bid evaluation, declare the bidder post-qualified, issue the Notice of Award, and proceed to contract execution based on the PCAB certification

Republic Act (RA) No. 4566, as amended,[2] prohibit entities from acting in the capacity of a contractor without a license in good standing from the Philippine Contractors Accreditation Board (PCAB).[3] This prohibition extends to any person or entity that undertakes or purports to have the capacity to undertake, or submits a bid to carry out Works as enumerated under RA No. 4566, Section 9 (b).[4]

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[1] DMS Reference No. 2026-_ AD-0006627

[2] The "*Contractor's License Law,*" as amended by RA No. 11711.

[3] RA No. 11711, sec. 2 which amended Section 35 of RA No. 4566 to read as follows: [xxx] "(c) *It shall be unlawful for any person who is a managing partner, officer, or employee of a licensed partnership, corporation, firm, association or other organization to individually engage in the contracting business or individually act in the capacity of a contractor within this jurisdiction without having a license in good standing to so engage or act* [xxx]."

[4] (b) "Contractor" is deemed synonymous with the term "builder" and, hence, any person who undertakes or offers to undertake or purports to have the capacity to undertake or submits a bid to, or does himself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building, highway, road, railroad, excavation or other structure, project, development or improvement, or to do any part thereof, including the erection of scaffolding or other structures or works in connection therewith. The term contractor includes subcontractor and specialty contractor.

Consistent therewith, Section 52.4.2.3 of the Implementing Rules and Regulations (IRR) of RA No. 12009 expressly provides that "in accordance with RA No. 4566 or the "Contractors' License Law" as amended by RA No. 11711 or an "Act Further Amending Republic Act No. 4566", the persons or entities enumerated in Section 52 of the IRR may participate in the procurement of Infrastructure Projects if it has been issued a license by the PCAB to engage or act as a contractor. Furthermore, the license must be valid as of the date of submission and opening of bids and must remain valid until the final completion of the project. As such, the Procuring Entities must ensure that they monitor the continuing validity of the Contractor's PCAB license and remind the latter to renew the same in a timely manner.[5]

The GPPB-TSO has consistently maintained that the eligibility requirements prescribed under the procurement law and its IRR are mandatory and exclusive.[6] Consequently, Procuring Entities are not authorized to waive, replace, or accept alternative documents in lieu of those expressly required by law. Accordingly, the required PCAB license may not be substituted by another document unless such substitution is expressly authorized under the applicable laws, rules, or regulations.

In this regard, the GPPB-TSO was previously informed by the Construction Industry Authority of the Philippines (CIAP), through its letter dated 13 October 2025, that PCAB certifications attesting to the status or pendency of license applications do not constitute the issuance of a contractor's license and do not, by themselves, confer authority to engage in contracting activities. However, insofar as your request concerns the legal effect of PCAB certifications, the validity of licenses, and the consequences of license expiration under RA No. 4566, these matters pertain to the implementation of the Contractors' License Law and therefore fall within the authority of the Department of Trade and Industry (DTI), through the CIAP and the PCAB.

We likewise note that we have recently been informed that the PCAB has already been reconstituted. Accordingly, we respectfully recommend that you coordinate directly with the DTI, through the CIAP and the PCAB, for guidance on the status of the contractor's license and the legal effect of any certification issued by the PCAB.

Very truly yours,

(sgd.)

ATTY. SOFIA C. YANTO-ABAD
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Government Procurement Policy Board-Technical Support Office

[5] GPPB Circular No. 04-2019, 22 April 2019
[6] See GPPB Circular No. 04-2019 dated 22 April 2019, and Non-Policy Matter (NPM) No. 163-2012 dated 21 December 2012, and NPM No. 126-2014 dated 13 November 2014.