



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
REGION VIII

BAC Resolution Recommending Negotiated Procurement - Agency to Agency for the needed "Venue, Accommodation and Catering Services for the Conduct of FY 2023 APPEAR and Sports and Cultural Activity"

RESOLUTION No. 2023-02-004

WHEREAS, the Committee received procurement request from the Finance and Administration (FAD) for the needed "**Venue, Accommodation and Catering Services for the Conduct of FY 2023 APPEAR and Sports and Cultural Activity**" with an approved budget of ₱84,130 charged against FY 2023 General Appropriations Act (GAA), Republic Act (RA) No. 11936;

WHEREAS, the FAD recommended Negotiated – Agency to Agency as mode of procurement citing the following justifications:

- 1) The office conducted a market survey of three (3) proposed hotels and one (1) State University and College (SUC) in Manila, specifically, Philippine Normal University (PNU), where the proposed FY 2023 Annual Planning, Performance Evaluation and Assessment Review (APPEAR) of the office will be conducted from February 27 to March 1, 2023. The office is only provided with a budget limited to ₱6,000 per person, inclusive of travel expenses. It was through this opportunity that the group chose to conduct the APPEAR outside the region, specifically Metropolitan Manila. Considering the high cost of living in the city, the office decided to search for hotels and hostels in SUC that could provide the needed services at a reasonable price. Of the four agencies, PNU has the lowest cost offered for the group at ₱84,130 for a 3-day/2-night full board stay with use of facilities in the metropolis. The quotations submitted by Manila Prince, Bayview, and Acacia Hotels are ₱ 242,000, ₱215,500, and ₱310,936, respectively. From the cost presented, it shows that PNU has the lowest and most reasonable cost for the group to avail of. Also, the location of the SUC is in the heart of the city which provides easy access to transportation and nearby cultural sights. PNU can likewise provide transportation for immediate needs for the proposed city tour after the prepared program of activities;
- 2) The total cost for the proposed project is ₱84,130, which is 1.06% of the total procurement budget for goods and services;
- 3) Under the Higher Education Modernization Act of 1997, SUCs are authorized to retain and utilize their income generated from tuition fees and other charges or sources. As one of the internally generated project of PNU to continuously support the educational agenda of the University, the University is operating a hostel, guest house, dormitory and catering services as one among the additional sources of income. The operations of hostel and catering service is under the Auxiliary Services of the University; and
- 4) PNU has access to the necessary facilities, amenities and services that a hostel can provide;

WHEREAS, Rule XVI of the 2016 Revised IRR of RA9184 provides the alternative methods of procurement from which the procuring entity may choose from in order to promote economy and efficiency while ensuring that the most advantageous price for the Government is obtained;

WHEREAS, one (1) of the alternative methods provided is Negotiated-Agency to Agency under Section 53.5, subject to the conditions/requirements provided under Annex H of the 2016 Revised Implementing Rules and Regulations (IRR);

WHEREAS, Annex H of the 2016 Revised IRR of RA9184 (pages 169-170) provides that while it is a general policy of government to purchase its requirements from the private sector, however, it acknowledges that, in some exceptional cases, procurement from another agency of the government is more efficient and economical for the government, subject to the following conditions:

- 1) The Procuring Entity shall justify that entering into an Agency-to Agency Agreement with the Servicing Agency is more efficient and economical to the government;
- 2) Servicing Agency has the mandate to deliver the goods and services required to be procured or to undertake the infrastructure project or consultancy required by the Procuring Agency;
- 3) Servicing Agency has the absorptive capacity to undertake the project;
- 4) Servicing Agency owns or has access to the necessary tools and equipment required for the project;
- 5) Sub-contracting is not allowed. However, the servicing agency may implement the infrastructure project in-house, by job-order, or through the pakyaw contracting system; and
- 6) For procurement of infrastructure projects, the Servicing Agency must have a track record of having completed, or supervised a project, by administration or by contract, similar to and with a cost of at least fifty percent (50%) of the project at hand.

WHEREAS, the justifications provided by FAD is in consonance with the foregoing conditions except for items 5 and 6 since the same do not apply to the case at hand;

WHEREAS, the PNU likewise submitted a certification signed by the Director of the Auxiliary Services stating that the University complies with the foregoing requirements and conditions set out in the 2016 Revised IRR of RA9184 for Agency-to-Agency agreements;

NOW, THEREFORE, We, the members of the Bids and Awards Committee, hereby RESOLVE as it is hereby RESOLVED:

- 1) To recommend for approval by the Head of Procuring Entity (HOPE) the conduct of **Negotiated - Agency to Agency for the needed "Venue, Accommodation and Catering Services for the Conduct of FY 2023 APPEAR and Sports and Cultural Activity"** with an ABC of **P84,130**;
- 2) In case of approval, the HOPE shall enter into a Memorandum of Agreement (MOA) with the Servicing Agency; and
- 3) To recommend for approval by the **REGIONAL DIRECTOR** of the **DEPARTMENT OF BUDGET AND MANAGEMENT RO VIII** the foregoing findings and recommendation.

RESOLVED, at the DBM-ROVIII Office, this 21st day of February 2023.

2/21/23
FLORITA M. LACDO-O
Chairperson

(on official travel)
JUVY A. LOBEDICA
Vice-Chairperson

[Signature]
LIBERACE N. LIMSIACO
Member

[Signature]
EMILIO M. ALBOS III
Member

[Signature]
ABSAL N. ABAH
Member

APPROVED
 DISAPPROVED

[Signature]
IMELDA C. LACERAS, CESO III
Head of Procuring Entity
Date 2/24/23