REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

April 3, 2007

REVENUE MEMORANDUM ORDER NO. 3-2007

SUBJECT : Policies and Procedures for the Processing of Applications for Eligibility and Issuance of Certificates of Eligibility, for Class "A" Documents to Prospective Bidders and Maintenance of Database of All Eligible Bidders Under Republic Act No. 9184.

TO : All Revenue Officials, Employees and Others Concerned.

I. OBJECTIVES

This Order is issued to:

1. Establish policies and procedures in the processing of Application for Eligibility for Class "A" Documents (Annex "A") and issuance of Certificate of Eligibility (Annex "A") for Class "A" documents, to applicants/prospective bidders;

2. Reduce and eliminate duplications of paper works and enhance the existing procedures in the submission and evaluation of Class "A" documents of the prospective bidders in every bidding or any of the alternative modes of procurement in a given year; and

3. Maintain database of all eligible bidders for easy access to information.

II. POLICIES

1. Prospective bidders may apply for issuance of Certificate of Eligibility by submitting their Applications for Eligibility for Class "A" Documents to the Bids and Awards Committee (BAC).

2. Each prospective bidder who is a new applicant shall pay a processing fee of Two Thousand Pesos only (Php 2,000.00), and each prospective bidder who is an old applicant shall pay a processing fee of One Thousand Pesos only (Php 1,000.00) every year, for the renewal of their Certificate of Eligibility, both of which amounts may be subject to increase upon resolution by the BAC.

   A prospective bidder is considered a new applicant as referred to herein if he has no existing records in the BIR database of eligible bidders.

3. The BAC shall examine the completeness of each eligibility document submitted by the applicants as prospective bidders and evaluate their compliance with the eligibility requirements. Applications received within a week (Monday to Thursday) will be opened for evaluation on Friday of the same week, or the next working day, if Friday is a holiday or declared a non-working day.

4. Applicants who pass the evaluation shall be issued a Certificate of Eligibility, together with the Details of Eligibility (Annex "C"). The said certificate shall be submitted in lieu of Class "A" documents, together with the additional eligibility documents that may be required in biddings that they will be participating.

5. Prospective bidders who are issued the Certificate of Eligibility are required to maintain an updated records with the BAC by submitting new or amended documents, at least once a year or as needed, especially when there are changes in the eligibility documents previously submitted, without need of demand from the BAC. Their failure to submit updates to the BAC shall be ground for the BAC to invalidate the previously issued Certificate of Eligibility.

6. Prospective bidders who are issued Certificate of Eligibility shall apply for renewal thereof, on or before January 31 of each year or prior to joining any bidding for the current year, upon payment of processing fee of One Thousand Pesos only (Php 1,000.00) and submission of their Application for Eligibility for Class "A" Documents.

7. All applicants/prospective bidders who pass the evaluation shall be included in the BIR's Database of Eligible Bidders, which shall be maintained and updated by the BAC Secretariat.

III. DOCUMENTARY REQUIREMENTS

The Application for Eligibility for Class "A" Documents shall be submitted in three (3) sets, together with the following documents:

1. Authority of the signatory/ies or representative/s with specimen signature/s or Secretary's Certificate or Special Power of Attorney, whichever is applicable, authorizing him/her or them to apply for eligibility, as the case may be;

2. Certified photocopy of Philippine Government Electronic Procurement System (PhilGEPS) certificate of registration, if applicable;

3. <u>For Single/Sole Proprietorship</u> (duly authenticated photocopy of):

    a. Department of Trade and Industry registration certificate;

    <u>For Partnership</u> (duly authenticated photocopies of):

    a. Department of Trade and Industry registration certificate;
    b. Securities and Exchange Commission registration certificate;
    c. Articles of Partnership;
    d. List of Partners and Percentage of Interest duly certified by the Managing Partner;

    NOTE: For the Procurement of:

Goods and Consulting Services:	*At least 60% of the interest should belong to citizens of the Philippines.*
Infrastructure projects:	*At least 75% of the interest should belong to citizens of the Philippines.*

    For Corporation (duly authenticated photocopies of):

    a. Department of Trade and Industry registration certificate;
    b. Securities and Exchange Commission registration certificate;
    c. Articles of Incorporation;
    d. By laws;
    e. Latest General Information Sheet duly stamped "Received" by the Securities and Exchange Commission;

NOTE: For the Procurement of:

Goods and Consulting Services:	*At least 60% of the outstanding capital stock of the company should belong to citizens of the Philippines.*
Infrastructure projects:	*At least 75% of the outstanding capital stock of the company should belong to citizens of the Philippines.*

For Cooperatives (duly authenticated photocopies of):

a. Department of Trade and Industry or Cooperatives Development Authority registration certificate;
b. Articles of Cooperation;
c. By laws;

4. Certified photocopy of valid and current Mayor's Permit/Municipal License;

5. Certified photocopy of Taxpayer Identification Number;

6. Certified photocopy of BIR Registration Certificate (BIR Form No. 2303) and proof of current annual registration fee (BIR Form No. 0605);

7. Certified photocopy of BIR Tax Clearance Certificate issued by the Collection Enforcement Division, BIR National Office Bldg., Diliman, Quezon City (as provided for under Executive Order No. 398 and implemented by Revenue Regulations No. 3-2005);

8. Certified photocopies of latest Annual Income Tax Return (BIR Form No. 1702) duly filed thru the Electronic Filing and Payment System of the BIR and duly validated confirmation document evidencing the tax payment made (Filing Reference Number), together with the Audited Financial Statements duly stamped "Received" by the BIR or its duly authorized agents, showing, among others, the applicant-prospective bidder's total current assets and liabilities;

9. Certified photocopies of latest two (2) quarters of Quarterly Value-Added Tax Return (BIR Form No. 2550Q), together with their corresponding Monthly Value-Added Tax Declaration (BIR Form No. 2550M), duly filed thru the Electronic Filing and Payment System of the BIR and duly validated confirmation document evidencing the tax payment made (Filing Reference Number);

10. Location sketch of office, shop, facility, service center, branch, factory and/or warehouse/bodega, whichever is applicable;

11. List of Manufacturing or Service Equipment and other plant facilities, if applicable;

12. Certified photocopy of Certificate of Exclusive Distributorship and/or other Distributorship Agreements, if applicable;

13. Customer References – Applicant's/prospective bidder's list of client references for goods that have been provided or services that have been rendered within the last three (3) years that may be contacted by BAC (state name, address, contact person/s and telephone number/s);

14. Product lists/catalogues/brochures, where applicable (indicate kind, brand, and origin of manufacture); and

15. Letter authorizing the BAC or its duly authorized representative/s to verify any or all the documents submitted for the Application for Eligibility for Class "A" Documents and conduct office/plant visit during office hours.

IV. PROCEDURES

1. The **Applicant/Prospective Bidder** shall:

   a. Secure an Application for Eligibility for Class "A" Documents form from the BAC Secretariat, c/o Procurement Division, Bureau of Internal Revenue, Room 605, BIR National Office Bldg., Diliman, Quezon City, and accomplish the same;

   b. Secure an Order of Payment from the Accounting Division (Room 1005) and pay to the Cash Collecting Officer, General Services Division, Bureau of Internal Revenue, Room 803, BIR National Office Bldg., Diliman, Quezon City, the processing fee amounting to Php 2,000.00 for new applicant-prospective bidder or Php 1,000.00 for old applicant-prospective bidder, in the form of cash or cashier's check or manager's check. The check must be payable to "Commissioner of Internal Revenue, BIR - NOB, Diliman, Quezon City"; and

   c. Submit to the BAC Secretariat the duly accomplished Application for Eligibility for Class "A" Documents, together with the complete supporting documents and Official Receipt evidencing payment of the processing fee.

   Once a Certificate of Eligibility has been issued, such certificate shall be used and submitted, in lieu of Class "A" documents, together with other eligibility documents that may be required, in biddings or in any alternative modes of procurement to be subsequently participated.

2. The **BAC Secretariat** shall:

   a. Issue the Application for Eligibility for Class "A" Documents form to applicant/prospective bidder or eligible bidder requiring renewal or update of his/its eligibility requirements;

   b. Receive applications during office hours (8:00 a.m. to 5:00p.m.) from Monday to Thursday;

   c. Assist the TWG in the conduct of evaluation of received Applications for Eligibility for Class "A" Documents and prepare Details of Eligibility;

   d. Prepare Certificate of Eligibility for approval of the BAC and signature of the BAC Chairman;

   e. Issue Certificate of Eligibility, together with the Details of Eligibility to eligible bidder;

   f. Store and maintain the Database of Eligible Bidders; and

   g. Generate a list of eligible bidders from the database, whenever necessary.

3. The **Accounting Division** shall issue Order of Payment to applicant/prospective bidder or eligible bidder.

4. The **General Services Division** shall receive payment of applicable processing fee from the applicant/prospective bidder and issue Official Receipt.

5. The **Technical Working Group** shall:

   a. Check, review and verify the completeness and validity of the documents submitted by applicant/prospective bidder or eligible bidder using the Details of Eligibility;

   b. Conduct office/plant visit for all new prospective bidders;

c. Prepare and sign the duly accomplished Details of Eligibility; and

d. Report to BAC the result of its evaluation.

6. The **Bids and Awards Committee** shall approve and sign Certificate of Eligibility and Details of Eligibility, after due evaluation.

V. EFFECTIVITY

This Order shall take effect immediately.

(Original Signed)
JOSE MARIO C. BUÑAG
Commissioner of Internal Revenue

N-4/BAC Secretariat