

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

13TH CONGRESS

SECOND REGULAR SESSION

HOUSE BILL No. 5915



Introduced by HON. HERMILANDO I. MANDANAS
Congressmen, Second District, Batangas

EXPLANATORY NOTE

The 1987 Constitution expressly guarantees the right of the people to be informed of all contracts entered into by the government more particularly those that involve public interest.

Section 28, Article II of the Constitution provides that subject to reasonable conditions prescribed by law, the state adopts and implements a policy of full public disclosure of all its transactions involving public interest.

Under Section 7, Article III of the Constitution, the right of the people to information on matters of public concern shall be recognized. Access to official transactions shall be afforded the citizen, subject to such limitations as may be provided by law.

Consistent with the foregoing constitutional provisions, the government has adopted a policy that ensures transparency and equal opportunity with respect to the procurement of domestic and foreign goods.

In conformity with the Constitution and laws giving preference to Filipinos, congress enacted into law on January 10, 2003 Republic Act No. 9184 entitled "An Act Providing for the Modernization, Standardization and Regularization of the Procurement Activities of the Government and for Other Purposes," otherwise known as the "Government Procurement Reform Act." Said law prescribes Filipino ownership/equity requirement as one of the eligibility criteria for entities that wish to participate in the procurement of goods, while at the same time allowing foreign suppliers to participate in the procurement of goods in certain instances.

One of the governing principles of the Government Procurement Reform Act is competitiveness which extends equal opportunity to enable private contracting parties who are eligible and qualified to participate in public bidding. Hence, Section 10 of Article IV of the said law provides that all procurement shall be done through Competitive Bidding.

However, it has been noted that Section 43 of Article XII of the Government Procurement Reform Act concerning procurement of domestic and foreign goods provides that goods may be obtained from domestic or foreign sources and the procurement thereof shall be open to all eligible suppliers, manufacturers and distributors.

To strictly observe compliance with the procurement process provided for by the Government Procurement Reform Act on competitive bidding pursuant to government policy on transparency in government procurement transactions, SECTION 43, ARTICLE XII of the said procurement law has to be amended.

In this regard, urgent and immediate approval of this bill is sought.



REP. HERMILANDO I. MANDANAS

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**AN ACT AMENDING SECTION 43, ARTICLE XII OF
REPUBLIC ACT 9184, OTHERWISE KNOWN AS
“GOVERNMENT PROCUREMENT REFORM ACT”**

*Be enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

Section 1. “ ***Section 43. Procurement of Domestic and Foreign Goods.*** – Consistent with the country’s obligations under international treaties or agreements, goods may be obtained for domestic or foreign sources and the procurement thereof shall be open to all eligible suppliers, manufacturers and distributors. **When the international treaties or agreements require that suppliers, manufacturers, and/ or distributors be from the funding country, procurement from eligible suppliers/manufacturers/distributors from that funding country will still be subject to the principles and pertinent provisions of this Act.** However, in the interest of availability, efficiency and timely delivery of Goods, the Procuring Entity may give preference to the purchase of domestically-produced and manufacturer goods, supplies and materials that meet the specified or desired quality.

Section 2. This act shall take effect fifteen (15) days following its publication in the official gazette or in two (2) newspapers of general circulation.