

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

FIFTEENTH CONGRESS  
Second Regular Session

House Bill No. 4955

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Introduced by HON. ERICO B. AUMENTADO

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EXPLANATORY NOTE

This bill seeks to restore the privilege of provincial bidders to undertake provincial projects in accordance with the provisions of Section 45 of Republic Act No. 9184, otherwise known as "Government Procurement Reform Act".

Section 45 on Provincial Bidders provides, to wit:

*"Within five (5) years from the effectivity of this Act, a contractor who participates in the bidding of provincial programs and infrastructure projects, whose principal office is within the same province, and who submits the lowest bid among the provincial bidders which is higher than the lowest bid made by a contractor with principal office outside the said province shall be granted the privilege to match the bid made by the latter: Provided, however, that the release of funds for said projects shall be published in a local newspaper with the widest circulation and the website of the DBM, the mechanisms of which shall be spelled out in the IRR."*

It is thus evident from the foregoing that the provincial bidder's privilege to match the lowest calculated bid made by a contractor with a principal office outside the province is limited to five years from the effectivity of R.A. 9184 on January 10, 2003. Consequently, that privilege ended effectively on January 10, 2008.

It has been observed that a **qualified** provincial bidder performs much better than an outsider in the implementation of projects within his province as his logistics, equipment and manpower are on place therein. The provincial bidder has advantage of mobilizing his manpower and equipments faster than an outside bidder who must bring his logistics into the province where the project is located.

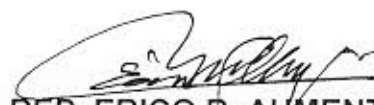
In fact, in more cases than not, outside bidder resorts to rent equipment from a local contractor which hampers the efficiency and effectiveness of his work. Normally, the latter would satisfy first the requirements of his own contracted project, and thus either delay the outsider's project or provide the borrower with the less efficient equipments.

The provincial bidder normally performs well in his place because of fear and apprehension that his work will be scrutinized closely by the local officials and residents. Another reason is for avoiding criticisms and rebuke from his provincemate for a bad work.

On the economic front, the provincial bidder utilizes local labor and qualified local materials. The funds for the provincial projects circulate in the province and the profit, if any, is being retained in the province by the provincial bidder thereby stimulating the local economy.

The matching privilege granted to provincial contractors shall not apply to contracts the coverage of which includes more than one (1) province, consulting services, projects for implementation within Metro Manila, and foreign-assisted projects.

In the light of the foregoing, it is urged most respectfully of this House of Representatives for the approval of this bill.

  
REP. ERICO B. AUMENTADO  
2<sup>nd</sup> District, Bohol

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**AN ACT**

**RESTORING THE PROVINCIAL BIDDERS PRIVILEGE ON PROVINCIAL PROJECTS,  
AMENDING FOR THE PURPOSE SECTION 45 OF REPUBLIC ACT NO. 9184,  
OTHERWISE KNOWN AS THE "GOVERNMENT PROCUREMENT REFORM ACT", AND  
FOR OTHER PURPOSES**

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

Section 1. Section 45 of Republic Act No. 9184 is hereby amended to read as follows:

"A CONTRACTOR WHO PARTICIPATES IN THE BIDDING OF PROVINCIAL PRIORITY PROGRAMS AND INFRASTRUCTURE PROJECTS, WHOSE PRINCIPAL OFFICE IS WITHIN THE SAME PROVINCE, AND WHO SUBMITS THE LOWEST BID AMONG THE PROVINCIAL BIDDERS WHICH IS HIGHER THAN THE LOWEST CALCULATED BID MADE BY A CONTRACTOR WITH PRINCIPAL OFFICE OUTSIDE THE SAID PROVINCE SHALL BE GIVEN FORTY-EIGHT (48) HOURS FROM RECEIPT OF WRITTEN ADVICE FROM THE BIDS AND AWARDS COMMITTEE (BAC) TO MATCH IN WRITING THE LOWEST CALCULATED BID. MATCHING SHALL BE MADE THROUGH APPROPRIATE ADJUSTMENTS IN HIS UNIT BID PRICES WITHOUT CHANGING THE SCOPE OF WORK AND WORK ITEMS PRESCRIBED BY THE PROCURING ENTITY IN THE BIDDING DOCUMENTS. SHOULD THE SAID PROVINCIAL BIDDER FAIL TO MATCH THE LOWEST CALCULATED BID WITHIN THE SPECIFIED PERIOD, THE CONTRACT SHALL BE AWARDED TO THE BIDDER WITH THE LOWEST CALCULATED BID. IF THE PROVINCIAL BIDDER, IS ABLE TO MATCH THE SUBMITTED LOWEST CALCULATED BID WITHIN THE SPECIFIED PERIOD, HE SHALL BE AWARDED THE CONTRACT PROVIDED HE PASSES THE POST-QUALIFICATION. PROVIDED HOWEVER, THAT THIS SECTION SHALL NOT APPLY TO CONTRACTS THE COVERAGE OF WHICH INCLUDES MORE THAN ONE PROVINCE: PROVIDED, FURTHER, THAT THIS SECTION SHALL NOT COVER THE PROCUREMENT OF CONSULTING SERVICES: PROVIDED, FINALLY, THAT THIS SECTION SHALL NOT APPLY TO PROJECTS WITHIN METRO MANILA, AND FOREIGN-ASSISTED PROJECTS.

Section 2. This act shall take effect immediately upon its approval

APPROVED.