

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 6887



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

EXPLANATORY NOTE

Infrastructure is significant in a country's economic growth, diplomatic prestige and, ultimately, the people's quality of life. However, investments on public sector infrastructure has long been consistently below 3% of the gross domestic product (GDP).¹ The government has recognized this failing in the past and has since steadily increased infrastructure spending. In 2015, spending increased to 4% of GDP. 2016 and 2017 continued the trend with 5.2% (PhP756.4 billion) and 5.4% (PhP860.7 billion) of GDP respectively.² However, despite the increased spending in recent years, the Philippines has long been underinvesting in infrastructure causing an infrastructure deficit yet to be reduced. The Philippines ranked 97th out of 137 countries in the World Economic Forum (WEF) report of 2017-2018.³ Its score was the same with Rwanda and surpassed by Kenya, Cape Verde, and Albania.

To close the infrastructure gap, the government aims to spend 7.1% of its GDP by 2022. Philippine infrastructure is expected to experience robust growth in the next five years with the local construction industry growing more than half by 2020 with the Three-Year Rolling Infrastructure Plan.⁴ To ensure inclusive economic growth, the construction industry should not be monopolized by infrastructure giants. The government should also enable smaller players to contribute in their infrastructure plan. This can be done by allotting them better chances in winning

¹ DBM, Budget of Expenditures

² Ibid.

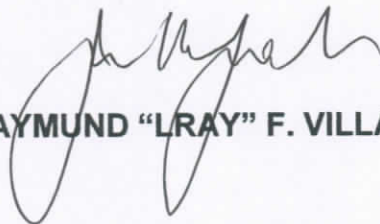
³ <https://www.rappler.com/business/183416-infrastructure-philippines-wef-global-competitiveness-index-2017-2018>

⁴ <http://www.philstar.com/business/2016/05/26/1586914/philippine-construction-works-seen-growing-over-50-2020>

government infrastructure contracts and amending the Government Procurement Act, otherwise known as Republic Act No. 9184, accordingly.

This bill seeks to support the local infrastructure industry, promote small infrastructure firms' growth and encourage small firms to set up offices in the provinces. The bill proposes additional eligibility requirements for the procurement of hard infrastructure projects to give priority to infrastructure firms whose main office is situated in the province or region where the project shall be implemented by determining the participation of prospective bidders for the procurement of infrastructure projects based on the approved budget for the contract.

In view of the foregoing, immediate passage of this bill is earnestly sought.

A handwritten signature in black ink, appearing to read 'Luis Raymund F. Villafuerte, Jr.', is positioned above the printed name.

LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

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Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

AN ACT
STRENGTHENING LOCAL INFRASTRUCTURE INDUSTRY PLAYERS,
AMENDING FOR THE PURPOSE SECTION 23 OF REPUBLIC ACT NO. 9184,
OTHERWISE KNOWN AS THE GOVERNMENT PROCUREMENT REFORM ACT,
AND FOR OTHER PURPOSES.

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

SECTION 1. Section 23 of Republic Act No. 9184 otherwise known as the "Government Procurement Reform Act" is hereby amended to read as follows;

"Sec. 23. Eligibility Requirements for the Procurement of Goods and Infrastructure Projects. - The BAC or, under special circumstances specified in the IRR, its duly designated organic office shall determine the eligibility of prospective bidders for the procurement of Goods and Infrastructure Projects, based on the bidders' compliance with the eligibility requirements within the period set forth in the Invitation to Bid. The eligibility requirements shall provide for fair and equal access to all prospective bidders. The documents submitted in satisfaction of the eligibility requirements shall be made under oath by the prospective bidder or by his duly authorized representative certifying to the correctness of the statements made and the completeness and authenticity of the documents submitted.

A prospective bidder may be allowed to submit his eligibility requirements electronically. However, said bidder shall later on certify under oath as to correctness of the statements made and the completeness and authenticity of the documents submitted.

PROVIDED, THAT, FOR THE PROCUREMENT OF INFRASTRUCTURE PROJECTS, THE PARTICIPATION OF PROSPECTIVE BIDDERS SHALL BE DETERMINED BASED ON THE APPROVED BUDGET FOR THE CONTRACT (ABC) AS FOLLOWS;

1. ABC OF ONE HUNDRED MILLION PESOS (P100,000,000.00) AND BELOW - LOCATION OF THE MAIN OFFICE OF THE BIDDER MUST BE WITHIN THE PROVINCE WHERE THE PROJECT SHALL BE IMPLEMENTED;

2. ABC OF ABOVE ONE HUNDRED MILLION PESOS (P100,000,000.00) AND BELOW TWO HUNDRED MILLION PESOS (P200,000,000.00) - LOCATION OF THE MAIN OFFICE OF THE BIDDER MUST BE WITHIN THE REGION WHERE THE PROJECT SHALL BE IMPLEMENTED; AND

3. ABC OF ABOVE TWO HUNDRED MILLION PESOS (P200,000,000.00) - LOCATION OF THE MAIN OFFICE OF THE BIDDER CAN BE ANYWHERE IN THE PHILIPPINES."

SECTION 2. *Implementing Rules and Regulations.* – The Secretary of the Department of Public Works and Highways and the Government Procurement Policy Board shall within sixty (60) days from the effectivity of this Act, jointly issue the necessary rules and regulations for the effective implementation of this Act.

SECTION 3. *Separability Clause.* – If any provisions of this Act is declared unconstitutional or invalid, the other parts or provisions hereof which are not affected thereby shall continue in full force and effect.

SECTION 4. *Repealing Clause.* – All other laws, orders, issuances, circulars, rules and regulations or parts thereof which are inconsistent with the provisions of this Act, are hereby repealed and/or modified accordingly.

SECTION 5. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation or the *Official Gazette*, whichever comes first.

Approved,