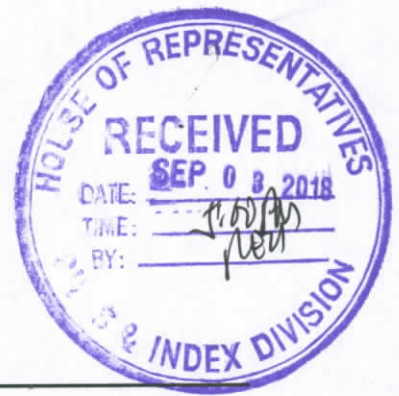


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
17th CONGRESS
Third Regular Session
8173
House Bill No. _____



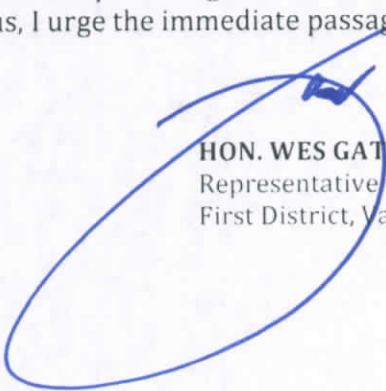
Introduced by **Representative Wes Gatchalian**

EXPLANATORY NOTE

One of the governing principles embodied in Republic Act No. 9184, also known as the Government Procurement Reform Act (GPRA), is competitiveness. The GPRA describes competitiveness as extending equal opportunities to eligible and qualified private contracting parties in all government procurements, without any mention on the nationality of said parties.

However, the GPRA's adoption of a domestic preference policy as embodied under Commonwealth Act No. 138 – otherwise known as "The Flag Law" – and which is similarly adopted in Republic Act No. 5183 has reduced the principle of competitiveness in government procurements. For the last 78 years, such domestic preference policy has confined competition in government procurements within our territorial boundaries and has discriminated against foreign suppliers. The supposed benefits that have been produced by such domestic preference policy should have been apparent and largely felt by the public through an efficient and effective government procurement after 78 years. But that is not the case. Instead, such policy has largely promoted limited choices, high prices and aging capacities and has discouraged innovation and reduced competitive pressure to the local industries.

Accordingly, this bill should be considered in the context of promoting competition among domestic and foreign suppliers and attracting new and much needed investments to enable the Government to deliver public services that would support the country's initiatives in providing a business climate conducive to investments in the country. Thus, I urge the immediate passage of this bill.


HON. WES GATCHALIAN
Representative
First District, Valenzuela City

Republic of the Philippines
HOUSE OF REPRESENTATIVES

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House Bill No. _____

Introduced by **Representative Wes Gatchalian**

AN ACT
AMENDING 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 4 of Republic Act No. 9184 is hereby amended to read as follows:

"Sec. 4. Scope and Application. – This act shall apply to the Procurement of Infrastructure Projects, Goods and Consulting Services, regardless of source of funds, whether local or foreign, by all branches and instrumentalities of government, its departments, offices and agencies, including government-owned and/or controlled corporation and local government units [, subject to the provisions of Commonwealth Act No. 138]. Any treaty or international or executive agreement affecting the subject matter of this Act to which the Philippine government is a signatory shall be observed."

SECTION 2. Section 76 of Republic Act No. 9184 is hereby amended to read as follows:

"Sec. 76. Repealing Clause. – This law repeals COMMONWEALTH ACT NO. 138, ENTITLED "AN ACT TO GIVE NATIVE PRODUCTS AND DOMESTIC ENTITIES THE PREFERENCE IN THE PURCHASE OF ARTICLES FOR THE GOVERNMENT"; REPUBLIC ACT NO. 5183, ENTITLED "AN ACT REGULATING THE AWARD OF CONTRACTS FOR THE SUPPLY TO, OR PROCUREMENT BY, ANY GOVERNMENT-OWNED OR CONTROLLED CORPORATION, COMPANY, AGENCY OR MUNICIPAL CORPORATION OF MATERIALS, EQUIPMENT, GOODS AND COMMODITIES, AND PROVIDING PENALTY FOR THE VIOLATION THEREOF"; Executive Order No. 40, series of 2001, entitled "Consolidating Procurement Rules and Procedures for all National Government Agencies, Government-Owned-or-Controlled Corporations and/or Government Financial Institutions, and requiring the Use of the Government Electronic Procurement System"; Executive Order No. 262, series of 2000, entitled "Amending Executive Order No. 302, series of 1996, entitled "Providing Policies, Guidelines, Rules and Regulations for the Procurement of Goods/Supplies by the National Government" and Section 3 of Executive Order No. 201, series of 2000, entitled "Providing Additional Policies and Guidelines in the Procurement

of Goods/Supplies by the National Government"; Executive Order No. 302, series of 1996 entitled "Providing Policies, Guidelines, Rules and Regulations for the Procurement of Goods/Supplies by the National Government" and Presidential Decree No. 1594 dated June 11, 1978, entitled "Prescribing Policies; Guidelines, Rule and Regulations for Government Infrastructure Contracts." This law amends Title Six, Book Two of Republic Act No. 7160, otherwise known as the "Local Government Code of 1991"; the relevant provisions of Executive Order No. 164, series of 1987, entitled "Providing Additional Guidelines in the Processing and Approval of Contracts of the National Government;" and the relevant provisions of Republic Act No. 7898 dated February 23, 1995, entitled "An Act Providing for the Modernization of the Armed Forces of the Philippines and for Other Purposes." Any other law, presidential decree or issuance, executive order, letter of instruction, administrative order, proclamation, charter, rule or regulation and/or parts thereof contrary to or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly."

SECTION 3. *Separability Clause.* – If any portion of this Act is declared invalid or unconstitutional, the portions or provisions which are not affected shall remain valid and subsisting.

SECTION 4. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,