

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4583



Introduced by Representative BERNADETTE HERRERA

AN ACT
AMENDING REPUBLIC ACT NO. 11032 TO INCLUDE PAYMENTS TO INDIVIDUAL AND
CORPORATE CONTRACTORS, SERVICE PROVIDERS, HIGHLY TECHNICAL
CONSULTANTS, JOB ORDER PROVIDERS, ETC., AS COMPLEX TRANSACTIONS.

Explanatory Note

Dealings with the government have, for the most part, been fraught with red tape and delays. Far too often, individuals and corporate entities with governmental contracts have completed their terms and submitted their accomplishment reports, in preparation for the last stages of their contract – final payment.

However, it has been reported to this humble representation that payment of individual and corporate contractors has gone beyond their contractual payment terms. In fact, for some governmental construction contracts the delays on payment have reached beyond months to years. For other individual contracts, payments to consultants, job order providers, etc. have taken as long as six months to one year.

This leads to private persons and entities suffering long delays despite having fully completed their contracts and projects with the government entities. These delays have severe adverse consequences as the liquidity of these private contractors are diminished, thereby limiting their financial capacities to compete and bid for other projects.

If the Philippines is truly focusing on enhancing Public-Private Partnerships, the payment of completed governmental projects must be done expeditiously and without unnecessary delay.

Hence, this Bill seeks to amend Republic Act No. 11032 or the Ease of Doing Business and Efficient Government Services Delivery Act, to include payments to individual and corporate contractors, consultants, service providers, and the like, within the coverage and scope of Highly Technical Transactions that have a limit of a maximum of twenty (20) days.

Early approval of this Bill is earnestly sought.


BERNADETTE "BH" HERRERA

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

SECTION 1. *Short Title.* – This Act shall be known as the “Private Contractor Payment Amendment of the Ease of Doing Business Law.”

SEC. 2. *Declaration of Policy.* – Section 20, Article II, of the Constitution provides that the State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments. Furthermore, it is the declared policy of the State to recognize the private sector as the main engine for national growth and development, and provide an enabling environment for private sector participation to mobilize private resources for the purpose of financing, designing, constructing, operating and maintaining development programs and projects normally undertaken by the government. Aside from financial incentives as provided by law, the government shall foster robust private sector participation by ensuring a competitive climate through reduced costs of doing business by providing cost-effective and time-saving government regulations and procedures and specific government undertakings in support of the private sector without endangering the county’s fiscal strength.

Furthermore, subject to reasonable rules, the State shall ensure fair and reasonable pricing and timely delivery of quality infrastructure and services through equitable risk allocation inherent in PPP Projects.

SEC. 3. *Scope and Application.* – This Act shall apply to all Contractors, Consultants, Service Providers, Job Order Providers, in regular contract, in PPP Projects, Joint Ventures, etc. undertaken by the Philippine government and all its Departments, Agencies, Bureaus, Commissions, and political subdivisions.

SEC. 4. *Inclusion as Complex Transactions.* – Section 9 of RA No. 11032 is hereby amended as follows:

“Sec. 9. Accessing Government Services – The following shall be adopted by all government offices and agencies:

xxx

(b) Action of Offices. -

xxx

For applications or requests involving activities which pose danger to public health, public safety, public morals, public policy, and highly technical application, the prescribed processing time shall in no case be longer than twenty (20) working days or as determined by the government agency or instrumentality concerned, whichever is shorter. ***Provided, that this processing time shall include the applications for payments from individual and corporate contractors, consultants, service providers, job order providers, etc., and that the reckoning point of the processing time shall begin from the time the accomplishment reports, turnover reports, and/or actual turnover of the project, its materials, software, buildings, premises, etc., as applicable, have been received by the governmental department, office, agency, bureau, instrumentality, or political subdivision.***”

SEC. 5. *Applicability of the Penalty Provisions.* – For purposes of this Act, any delay in the payment of contractors, consultants, service providers, job order providers, etc. beyond the prescribed

processing time shall result in the same penalty provisions under Section 21 (e) and Section 22 of Republic Act No. 11032, as amended.

SEC. 6. *Separability Clause.* – If any provision of this Act is declared unconstitutional or invalid, other parts or provisions hereof not affected thereby shall continue to be in full force and effect.

SEC. 7. *Repealing Clause.* – All other laws, decrees, orders, rules and regulations, and all other related national and local issuances or parts thereof inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 8. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,