

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19th CONGRESS
Second Regular Session

HOUSE BILL NO. 5748



Introduced by REP. JOHNNY T. PIMENTEL

EXPLANATORY NOTE

The Procurement Services –Department of Budget and Management (PS – DBM) was created on October 18, 1978 through the Letter of Instruction (LOI) No. 755. It was intended to create an integrated procurement system for the national government and its instrumentalities. It has then served as the national government’s procurement arm and carried out the procurement of common-use supplies, equipment, and infrastructure projects.

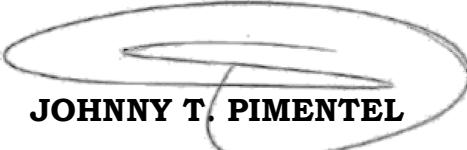
The subsequent enactment of the Government Procurement Reform Act through Republic Act No. 9184 has placed the mandate of the DBM – PS irrelevant. The same law has mandated government offices to establish their own Bids and Awards Committees (BACs) for their respective procurements.

Furthermore, PS – DBM has been embroiled with various scandals and controversies in relation to its operations. During the peak of the Covid pandemic, the same office was subject to the controversial transfer of Php 42 Billion from the Department of Health used for the purchase of face masks, face shields and other medical assets used to combat Covid. Earlier this year, it was again under scrutiny for its acquisition of subpar laptop units for highly inflated prices.

Public office is public trust. It is no less than the Philippine Constitution which requires that the State maintain honesty and integrity in the public service, and take positive and effective measures against graft and corruption.

Where an office becomes riddled and corroded with irreparable distrust, it must be the thrust of the people’s representatives to address it. This bill seeks to abolish the PS – DBM office.

The approval of this Bill is earnestly sought.



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AN ACT
ABOLISHING THE PROCUREMENT SERVICES -
DEPARTMENT OF BUDGET AND MANAGEMENT (PS – DBM) AND FOR
OTHER PURPOSES

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

Section 1. The Procurement Services - Department and Budget and Management (PS – DBM) created under Letter of Instruction (LOI) No. 755 and other laws, rules and regulations concerning its creation is hereby abolished.

Respective Departments, Agencies, Government Owned and/or Controlled Corporations (GOCCs), State Universities and Colleges (SUCs), and Local Government Units (LGUs) shall, thereafter, undertake the procurement of common-use supplies, materials, and equipment.

Section 2. Employees affected by the abolition of the DBM-PS shall receive separation benefits under the Government Reorganization Law and other existing laws, rules and regulations. *Provided that*, those who are qualified to retire and receive retirement benefits under existing retirement laws, rules and regulations shall be allowed to retire under the same laws, rules and regulations.

Section 3. In coordination with the concerned Departments, Agencies, Government Owned and/or Controlled Corporations (GOCCs), State Universities and Colleges (SUCs), and Local Government Units (LGUs), all prior year's and current year's advances for the purchase of supplies, materials and equipment not available in the DBM – PS inventory shall be reverted to the National Treasury.

Section 4. One (1) year upon effectivity of this Act, the PS – DBM, in coordination and under direction supervision of the Department of Budget and Management (DBM), shall undertake an inventory of all the supplies, materials, and equipment under their custody for the use of the different Departments, Agencies, Government Owned and/or Controlled Corporations (GOCCs), State Universities and Colleges (SUCs), and Local Government Units (LGUs). The PS – DBM shall continue to service the requirements for common-use supplies, materials, and equipment until the inventories of such are fully consumed. *Provided that*, no additional procurement shall be undertaken by the PS – DBM during the same period.

Section 5. If any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

Section 6. All laws, executive orders, proclamations, rules, regulations and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

Section 7. This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,