

GOVERNMENT PROCUREMENT POLICY BOARD

RESOLUTION NO. 07-2004

WHEREAS, Republic Act No. 9184 (“R.A. 9184”), entitled “An Act Providing for Modernization, Standardization and Regulation of the Procurement Activities of the Government for other Purposes,” was signed into law on January 10, 2003, and took effect on January 26, 2003. On the other hand, its Implementing Rules and Regulations Part A (“IRR-A”) took effect on October 8, 2003;

WHEREAS, Section 61 of R.A. 9184 explicitly provides that all bid prices shall be considered as fixed prices, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances and upon prior approval of the Government Procurement Policy Board (“GPPB”);

WHEREAS, pursuant to Section 61 of R.A. 9184 which designates the GPPB as the approving authority for all requests for price escalation based on “extraordinary circumstances,” the GPPB, during its 6th meeting for year 2003 held on October 20, 2003, tasked the GPPB-Technical Support Office (“GPPB-TSO”) and the National Economic and Development Authority (“NEDA”) to draft the guidelines that will govern requests for contract price escalation for the procurement of goods and infrastructure projects;

WHEREAS, the members of the GPPB have reviewed the draft Guidelines for Contract Price Escalation submitted by the GPPB-TSO and the NEDA during its 4th meeting for the year held on June 10, 2004, and unanimously agreed to adopt the said draft Guidelines, subject to the incorporation of their comments ;

WHEREAS, during the 5th meeting of the GPPB held on July 22, 2004, the Members of the GPPB discussed and unanimously approved to adopt the Guidelines for Contract Price Escalation, a copy of which is attached hereto as Annex “A” to form an integral part hereof;

NOW, THEREFORE, for and in consideration of the foregoing, WE, the Members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, by virtue of the powers vested on US by law, hereby **RESOLVE** to confirm, adopt and approve, as WE hereby confirm, adopt and approve the Guidelines for Contract Price Escalation as submitted to US and modified according to OUR comments.

APPROVED this 22nd day of July, 2004 at Pasig City, Philippines.

HON. EMILIA T. BONCODIN
Secretary
Department of Budget and Management

HON. ROMULO L. NERI
Director General
National Economic and Development
Authority

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DEPARTMENT OF EDUCATION

DEPARTMENT OF ENERGY

DEPARTMENT OF FINANCE

DEPARTMENT OF HEALTH

**DEPARTMENT OF INTERIOR AND
LOCAL GOVERNMENT**

**DEPARTMENT OF NATIONAL
DEFENSE**

**DEPARTMENT OF PUBLIC WORKS
AND HIGHWAYS**

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

**DEPARTMENT OF TRADE AND
INDUSTRY**

**DEPARTMENT OF TRANSPORTATION
AND COMMUNICATIONS**

PRIVATE SECTOR REPRESENTATIVE