



**ADOPTING A DEFINITIVE INTERPRETATION OF SECTION 5
OF REPUBLIC ACT NO. 9184 AND OF THE IMPLEMENTING
RULES AND REGULATIONS PART-A**

WHEREAS, Republic Act No. 9184 (R.A. 9184), otherwise known as “Government Procurement Reform Act” and its Implementing Rules and Regulations Part A (IRR-A) took effect on January 26, 2003 and October 8, 2003, respectively;

WHEREAS, Section 5 (a) of R.A. 9184 defines “Approved Budget for the Contract (ABC)” as referring to the budget for the contract duly approved by the Head of the Procuring Entity, as provided for in the General Appropriations Act and/or continuing appropriations, in the case of National Government Agencies; the Corporate Budget for the contract approved by the governing Boards, pursuant to E.O. No. 518, series of 1979, in the case of Government Owned and/or Controlled Corporations, Government Financial Institutions, State Universities and Colleges; and the Budget for the contract approved by the respective Sanggunian, in the case of Local Government Units;

WHEREAS, counterpart provision in the IRR-A reiterates, verbatim, the definition stated in the law, except for some minor addition and/or clarification as to the interchangeable use and similar meanings of the terms “Approved Budget for the Contract” and “Approved Budget” for purposes of the said implementing rules and regulations;

WHEREAS, a manifest and perceived confusion as to the meaning of the said provisions and varying interpretations as to their literal import may prove prejudicial to the effective implementation of the present procurement law;

WHEREAS, adherence to the literal interpretation and meaning of the provision, or an interpretation that otherwise veers from the original intent may render procurement hardly practicable or operative because of the resultant absurdity and contradictions in the law or the virtual defeat of the plain and vital purpose of Republic Act No. 9184;

WHEREAS, in order to give reverence to said law as a solemn enactment of the State acting through its legislature, the provisions therein included shall be interpreted in such way as to give force and effect to every provision thereof;

WHEREAS, by examination of the provisions of the law in its entirety and consideration of the history of the subject provision, Section 5 (a) of R.A. 9184 and of IRR-A should be given a meaning that renders it operative and harmonious with other provisions of the law and the IRR-A.



RESOLUTION NO. 011-2005

Now, **THEREFORE**, premises considered, **WE**, the Members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, by virtue of the powers vested on **US** by law, hereby **RESOLVE** to adopt, as **WE** hereby adopt the following interpretation of Section 5 of R.A. 9184 and of IRR-A, stated as follows:

“The Approved Budget for the Contract (ABC), insofar as National Government Agencies are concerned, refers to the budget for the contract duly approved by the Head of the Procuring Entity (HOPE) which is contained in the Agency Budget as reflected in the General Appropriations Act (GAA) or to be proposed in succeeding GAAs. Thus, the ABC referred to in the R.A. 9184 and its IRR-A basically refers to the proposed budget for the project approved by the HOPE based on the Annual Procurement Plan (APP) as consolidated from various Procurement Project Management Plans (PPMPs).”

This resolution shall take effect immediately.

APPROVED this 26th of May, 2005 at Pasig City, Philippines.

EMILIA T. BONCODIN
Secretary
Department of Budget and Management

ROMULO L. NERI
Director General
National Economic and Development
Authority

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

**DEPARTMENT OF NATIONAL
DEFENSE**

DEPARTMENT OF EDUCATION

DEPARTMENT OF HEALTH

**DEPARTMENT OF INTERIOR AND
LOCAL GOVERNMENT**

DEPARTMENT OF ENERGY



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**DEPARTMENT OF PUBLIC WORKS
AND HIGHWAYS**

DEPARTMENT OF FINANCE

**DEPARTMENT OF TRADE AND
INDUSTRY**

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

**DEPARTMENT OF TRANSPORTATION
AND COMMUNICATIONS**

PRIVATE SECTOR REPRESENTATIVE

Attested by:

JOSE MARTIN C. SYQUIA
Board Secretary, GPPB
Executive Director, GPPB-TSO