



## RESOLUTION NO. 15-2005

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**TO ADOPT AND ENDORSE FOR APPROVAL TO THE PRESIDENT OF THE  
REPUBLIC OF THE PHILIPPINES, HER EXCELLENCY PRESIDENT  
GLORIA MACAPAGAL-ARROYO, THE PROPOSED AMENDMENT TO  
SECTION 53 (G) OF THE IMPLEMENTING RULES AND REGULATIONS  
PART A OF REPUBLIC ACT NO. 9184**

**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 53 (g) of the IRR-A of R.A. 9184 authorizes the Secretary of National Defense to negotiate directly with an agency or instrumentality of another country with which the Philippines has entered into a defense cooperation agreement or otherwise maintains diplomatic relations, for the procurement of major defense equipment for use by the Armed Forces of the Philippines (AFP) upon prior approval of the President of the Philippines, and determination of the Secretary of National Defense that the interest of the country shall be protected;

**WHEREAS**, the Department of National Defense (DND), through its Memorandum dated 30 June 2005 signed by Hon. Jose F. Santos, Undersecretary for Defense Acquisition, requests for the amendment of the above-mentioned provision in order to allow negotiated procurement not only for major defense equipment but also for its related services, and defense-related consultancy services, when expertise or capability required is not available locally;

**WHEREAS**, such proposed amendment is necessary to effectively implement the priority programs of the DND such as the AFP Modernization Program and the Philippine Defense Reform;

**WHEREAS**, in the 6<sup>th</sup> Government Procurement Policy Board (GPPB) meeting on 30 June 2005 held at Unit 2506 Raffles Corporate Center, F. Ortigas Jr. Ave., Ortigas Center, Pasig City, the members of the Board duly considered and discussed the aforementioned request for amendment;

**WHEREAS**, during the same GPPB meeting, the members of Board resolved to adopt the proposed amendment to Section 53 (g) of the IRR-A of R.A. 9184 to allow negotiated procurement for defense-related consultancy services when the expertise or capability required is not available locally, and endorse such amendment for approval to the President of the Republic of the Philippines, Her Excellency President Gloria Macapagal-Arroyo.

**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**:



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To adopt and endorse for the approval of the President of the Philippines, Her Excellency President Gloria Macapagal-Arroyo, Section 53 (g) of the IRR-A of R.A. 9184, as amended, as follows:

“Upon prior approval by the President of the Philippines, and when the procurement *for use by the AFP involves major defense equipment and/or defense-related consultancy services, when the expertise or capability required is not available locally*, and the Secretary of National Defense has determined that the interests of the country shall be protected by negotiating directly with an agency or instrumentality of another country with which the Philippines has entered into a defense cooperation agreement or otherwise maintains diplomatic relations: Provided, however, That the performance by the supplier of its obligations under the procurement contract shall be covered by a foreign government guarantee of the source country covering one hundred percent (100%) of the contract price.”

This resolution shall take effect immediately.

**APPROVED** this 5<sup>th</sup> of August, 2005 at Pasig City, Philippines.

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Sgd  
**ROMULO L. NERI**  
Secretary  
Department of Budget and Management

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**AUGUSTO B. SANTOS**  
Acting Director General  
National Economic and Development  
Authority

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**NATIONAL ECONOMIC AND  
DEVELOPMENT AUTHORITY**

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Sgd  
**DEPARTMENT OF NATIONAL  
DEFENSE**

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Sgd  
**DEPARTMENT OF EDUCATION**

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Sgd  
**DEPARTMENT OF HEALTH**

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**DEPARTMENT OF INTERIOR AND  
LOCAL GOVERNMENT**

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Sgd  
**DEPARTMENT OF ENERGY**



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**DEPARTMENT OF PUBLIC WORKS  
AND HIGHWAYS**

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**DEPARTMENT OF FINANCE**

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**DEPARTMENT OF TRADE AND  
INDUSTRY**

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Sgd  
**DEPARTMENT OF SCIENCE AND  
TECHNOLOGY**

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Sgd  
**DEPARTMENT OF TRANSPORTATION  
AND COMMUNICATIONS**

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Sgd  
**PRIVATE SECTOR REPRESENTATIVE**

Attested by:

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

