



RESOLUTION NO. 016-2005

**TO ENDORSE FOR THE APPROVAL OF THE PRESIDENT OF THE
REPUBLIC OF THE PHILIPPINES, HER EXCELLENCY PRESIDENT GLORIA
MACAPAGAL-ARROYO THE PROPOSED AMENDMENT TO SECTION 61.1
OF THE IMPLEMENTING RULES AND REGULATIONS PART A (IRR-A) OF
REPUBLIC ACT NO. 9184 (RA 9184)**

WHEREAS, Republic Act No. 9184 (“R.A. 9184”), entitled “An Act Providing for Modernization, Standardization and Regulation of the Procurement Activities of the Government and 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”) was approved on September 18, 2003 and took effect on October 8, 2003;

WHEREAS, Section 61.1 of the IRR-A of R.A. 9184 provides that all contracts shall be denominated and payable in Philippine currency, and this shall be stated in the bidding documents: Provided, however, That should the procuring entity receive bids denominated in foreign currency, the same shall be converted to Philippine currency based on the exchange rate prevailing on the day of bid opening;

WHEREAS, Section 1 of R.A. 8183 provides that all monetary obligations shall be settled in the Philippine currency which is the legal tender in the Philippines. However, the parties may agree that the obligation or transaction shall be settled in any other currency at the time of payment;

WHEREAS, Section 61 of R.A. 9184 does not provide for the requirement that all contracts shall be denominated and payable in Philippine currency, as provided under the Section 61.1 of the IRR-A of R.A. 9184;

WHEREAS, in view of the concerns raised by procuring entities and suppliers/contractors regarding the difficulty of fixing in Philippine currency contract prices, the GPPB deems it necessary to amend Section 61.1 of the IRR-A of R.A. 9184 to be able to unburden the procuring entities from the potential reluctance and/or refusal of suppliers/contractors to transact with government and assume the risk of foreign exchange;



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WHEREAS, in so doing, the government would not have to deal with high contingency provisions in the bids of suppliers/contractors as a result of the foreign exchange risk;

WHEREAS, during the 8th GPPB meeting held on 12 September 2005, the members of the Board discussed and considered to amend Section 61.1 of the IRR-A of R.A. 9184 to conform to R.A. 8183, Section 1, and endorse for approval to the President of the Republic of the Philippines, Her Excellency President Gloria Macapagal-Arroyo, the amendment thereto.

NOW, THEREFORE, for and in consideration of the foregoing, WE, the Members of the **Government Procurement Policy Board**, by virtue of the powers vested in US by law, hereby **RESOLVE**:

To endorse for approval to the President of the Republic of the Philippines, Her Excellency President Gloria Macapagal-Arroyo, the proposed amendment to Section 61.1 of the IRR-A of R.A. 9184, to conform to R.A. 8183, as follows:

“61.1 For the given scope of work in the contract as awarded, 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 GPPB. All contracts shall be denominated and payable in Philippine currency, and this shall be stated in the bidding documents: **Provided, however, That subject to the guidelines issued by the GPPB, the procuring entity may provide in the bidding documents that obligations may be paid in foreign currency;** **Provided, further,** That should the procuring entity receive bids denominated in foreign currency, the same shall be converted to Philippine currency based on the exchange rate prevailing on the day of the bid opening **for purposes of bid comparison and evaluation.**”



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This resolution shall take effect immediately.

APPROVED this 12th of September, 2005 at Pasig City, Philippines.

ROMULO L. NERI
Secretary
Department of Budget and Management

AGUSTO B. SANTOS
Acting 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

**DEPARTMENT OF PUBLIC WORKS
AND HIGHWAYS**

DEPARTMENT OF FINANCE



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**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