



RESOLUTION NO. 30-2017

APPROVING ADDITIONAL AMENDMENT TO THE 2016 REVISED IMPLEMENTING RULES AND REGULATIONS (IRR) OF REPUBLIC ACT NO. 9184

WHEREAS, Republic Act (RA) No. 9184 entitled “An Act Providing for the Modernization, Standardization and Regulation of the Procurement Activities of the Government and for Other Purposes,” took effect on 26 January 2003, while its 2016 Revised Implementing Rules and Regulations (IRR) took effect on 28 October 2016;

WHEREAS, Section 63 of RA 9184 and its 2016 Revised IRR authorizes the Government Procurement Policy Board (GPPB) to formulate public procurement policies, rules and regulations, and amend, whenever necessary, its IRR;

WHEREAS, to further improve public procurement rules, for a more efficient and effective Philippine public procurement system, the GPPB, during its 3rd Regular Meeting on 30 May 2017, approved the amendments and corrections to the 2016 Revised IRR of RA 9184;

WHEREAS, Section 62.1 of the 2016 Revised IRR of RA 9184 mandates that the obligation for warranty for the procurement of goods shall be covered by either retention money in an amount equivalent to at least one percent (1%) of every progress payment, or a special bank guarantee equivalent to at least one percent (1%) of the total contract price;

WHEREAS, during the 4th GPPB Regular Meeting on 31 July 2017, as an off-shoot of the discussion on the additional corrections to the 5th Edition of the Philippine Bidding Documents for Goods, particularly on the rule on warranty security in the form of retention money or special bank guarantee, the GPPB-TSO reported that while the 2016 Revised IRR of RA 9184 already lowered the rate of the warranty security for the procurement of goods from at least ten percent (10%) to at least one percent (1%), agencies are still requiring 10% warranty security because of the word “at least” in the 2016 Revised IRR of RA 9184, thereby effectively defeating the purpose of prescribing a lower rate of warranty security that would eventually lower the bid prices;

WHEREAS, after careful review and due deliberation, the GPPB agreed to prescribe the rate of the warranty security for the procurement of goods to at least one percent (1%) but not to exceed five percent (5%);

NOW, THEREFORE, for and in view of all the foregoing, **WE**, the Members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, by virtue of the powers vested on **US** by law and other executive issuances, hereby **RESOLVE** to confirm, adopt, and approve, as **WE** hereby confirm, adopt, and approve the amendment of Section 62.1 of the 2016 Revised IRR of RA 9184 to read as:

“For the procurement of Goods, in order to assure that manufacturing defects shall be corrected by the supplier, a warranty security shall be required from the contract awardee for a minimum period of three (3) months, in the case of Expendable Supplies, or a minimum period of one (1) year, in the case of Non-expendable Supplies, after acceptance by the Procuring Entity of the delivered supplies.

The obligation for the warranty shall be covered by either retention money in an amount equivalent to at least one percent (1%) ***but not to exceed five percent (5%)*** of every progress payment, or a special bank guarantee equivalent to at least one percent (1%) ***but not to exceed five percent (5%)*** of the total contract price. The said amounts shall only be released after the lapse of the warranty period or, in the case of Expendable Supplies, after consumption thereof: *Provided, however*, That the supplies delivered are free from patent and latent defects and all the conditions imposed under the contract have been fully met

This amendment to Section 62.1 of the 2016 Revised IRR of RA 9184 shall take effect after fifteen (15) days following the completion of its publication in the Official Gazette or a newspaper of general nationwide circulation and upon filing of three (3) certified copies with the University of the Philippines Law Center.

APPROVED this 31st day of July 2017 at Pasig City, Philippines.

(SGD)

**DEPARTMENT OF BUDGET AND
MANAGEMENT**

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

(SGD)

(SGD)

DEPARTMENT OF EDUCATION

DEPARTMENT OF ENERGY

DEPARTMENT OF FINANCE

DEPARTMENT OF HEALTH

**DEPARTMENT OF INFORMATION AND
COMMUNICATION TECHNOLOGY**

**DEPARTMENT OF INTERIOR AND
LOCAL GOVERNMENT**

(SGD)

**DEPARTMENT OF NATIONAL
DEFENSE**

(SGD)

**DEPARTMENT OF PUBLIC WORKS
AND HIGHWAYS**

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**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

(SGD)

**DEPARTMENT OF TRADE AND
INDUSTRY**

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DEPARTMENT OF TRANSPORTATION

PRIVATE SECTOR REPRESENTATIVE