



RESOLUTION NO. 04 -2010

ENDORISING SECTION 4.5 OF ANNEX “D” OF THE IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 9184 FOR APPROVAL OF THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES

Last 22 July 2009, the Government Procurement Policy Board (GPPB) approved the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) 9184 in accordance with its authority under Section 63 (b) of RA 9184.

One of the objectives in revising the implementing rules is to align Philippine procurement policies with those of its development partners. In line with this objective, the GPPB approved an amendment to Annex “D” of the IRR allowing procuring entities to make advance payment for goods sourced from abroad upon compliance with certain conditions.

The GPPB requested for specific approval on the adoption of the aforementioned rule from the Office of the President pursuant to Section 88 of Presidential Decree No. (PD) 1445. This section requires prior approval of the President before an advance payment may be made for services not yet rendered or for supplies and materials not yet delivered under any government contract.

The Office of the President, however, referred the request of the GPPB to the National Economic and Development Authority (NEDA) for comments. In letter dated 30 March 2010, NEDA requested the GPPB to review the reason why authority for advance payment is limited to goods sourced from abroad considering that this limitation appears to run counter to the policy of giving equal opportunities to local suppliers.

In its meeting last 25 July 2010, the GPPB favorably considered NEDA’s comment and agreed to apply the rule allowing advance payment to all goods regardless of its source, subject to approval of the President of the Philippines.

NOW, THEREFORE, the undersigned, constituting members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, hereby resolve to endorse for approval of the President of the Philippines the amended Section 4.5 of the Annex “D” of the revised IRR of RA 9184, as follows:

Upon submission of an irrevocable letter of credit or bank guarantee issued by a Universal or Commercial Bank, advance payment not to exceed fifteen percent (15%) of the contract amount shall be allowed and paid within sixty (60) calendar days from signing of the contract. The irrevocable letter of credit or bank guarantee must be for an equivalent amount, shall remain valid until the goods are delivered, and accompanied by a claim for advance payment.

This resolution shall take effect immediately.



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APPROVED this 25th day of June 2010 at Pasig City, Philippines.

(Sgd.)

DEPARTMENT OF BUDGET AND
MANAGEMENT

By:

NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY

By:

(Sgd.)

DEPARTMENT OF NATIONAL DEFENSE

By:

(Sgd.)

DEPARTMENT OF PUBLIC WORKS AND
HIGHWAYS

By:

(Sgd.)

DEPARTMENT OF EDUCATION

By:

(Sgd.)

DEPARTMENT OF HEALTH

By:

(Sgd.)

DEPARTMENT OF THE INTERIOR AND
LOCAL GOVERNMENT

By:

DEPARTMENT OF ENERGY

By:

DEPARTMENT OF TRADE AND
INDUSTRY

By:

DEPARTMENT OF FINANCE

By:

DEPARTMENT OF TRANSPORTATION
AND COMMUNICATIONS

By:

DEPARTMENT OF SCIENCE AND
TECHNOLOGY

By:

(Sgd.)

PRIVATE SECTOR REPRESENTATIVE

By:

Attested by:

(Sgd.)

RUBY U. ALVAREZ

Board Secretary, GPPB
Executive Director, GPPB-TSO