

**AMENDING GPPB RESOLUTION NO. 06-2003 WHICH ENUMERATES THE
RELEVANT PROVISIONS OF REPUBLIC ACT NO. 7898 THAT WERE AMENDED
BY REPUBLIC ACT NO. 9184**

WHEREAS, Republic Act No. 7898 (R.A. 7898), entitled “An Act Providing for the Modernization of the Armed Forces of the Philippines and for other Purposes,” contains provisions on procurement procedures and practices that are peculiar to the Modernization Program of the Armed Forces of the Philippines;

WHEREAS, Republic Act No. 9184 (R.A. 9184), entitled “An Act Providing for the Modernization, Standardization and Regulation of the Procurement Activities of the Government for other Purposes,” and its Implementing Rules and Regulations Part A (IRR-A) took effect on 26 January 2003 and 8 October 2003, respectively;

WHEREAS, Section 76 of R.A. 9184 and Section 75 of its IRR-A provide that the relevant provisions of R.A. 7898 are repealed, and that any other law, presidential decree or issuances, executive order, letter of instruction, administrative order, proclamation, charter, rule or regulation and/or parts thereof contrary to or inconsistent with provisions of R.A. 9184 are repealed, modified or amended accordingly;

WHEREAS, the Government Procurement Policy Board (GPPB), issued GPPB Resolution No. 06-2003 dated 1 December 2003, confirming that R.A. 9184 amended Sections 4(b), 10(b) and 14 of R.A. 7898 pursuant to Section 76 of R.A. 9184 and Section 75 of its IRR-A;

WHEREAS, under GPPB Resolution No. 06-2003, it was recognized that Section 4 (b) of R.A. 7898 was amended by restricting the application of the third and fourth restrictions on purchase of major equipment, including that of limiting suppliers to those who are themselves manufacturers, to cases where procurement are from foreign sources;

WHEREAS, GPPB Resolution No. 02-2004, dated 19 March 2004 and GPPB Resolution 18-2005, dated 12 September 2005 providing guidelines in the determination of eligibility of foreign suppliers, contractors, and consultants, expressly specify that foreign bidders may either be “manufacturers, suppliers and/or distributors,” thereby impliedly repealing the limitation that only foreign suppliers who are themselves manufacturers are eligible to bid;

WHEREAS, there is a need to provide a categorical declaration that GPPB Resolution Nos. 02-2004 and 18-2005 amended GPPB Resolution No. 06-2003 in order to reflect the uniform policy on competition provided under R.A. 9184 and its IRR-A;



RESOLUTION NO. 020-2006

NOW, THEREFORE, for and in consideration of the foregoing, **WE**, the Members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, by virtue of the powers vested on **US** by law, hereby **CONFIRMS** that, to conform with the provisions of R.A. 9184, the fourth proviso in Section 4(b) of R.A. 7898, which states “*Provided, furthermore*, That only offers from suppliers who are themselves the manufacturers shall be entertained” was impliedly repealed by R.A. 9184 and its IRR-A. Thus, Section 4(b) of R.A. 7898 now reads:

Section 4 (b) Capability, material, and technology development. — The AFP modernization program entails the development and employment of certain capabilities that can address the assessed threats: *Provided that*, the acquisition of air force, navy and army equipment and material of such types and quantities shall be made in accordance with the need to develop APF capabilities pursuant to its modernization objectives: *Provided, further*, That the acquisition of new equipment and weapons system shall be synchronized with the phase-out of uneconomical and obsolete major equipment and weapons system in the AFP inventory: *Provided, even further*, That in the case of procurement from foreign sources, no major equipment and weapons system shall be purchased if the same are not being used by the armed forces in the country of origin or used by the armed forces of at least two countries: *Provided, finally*, That no supply contract shall be entered into unless such contract provides for, in clear and unambiguous terms, and after-sales services and the availability of spare parts.

This resolution shall take effect immediately.

APPROVED this 6th day of December, 2006 at Pasig City, Philippines.

(Sgd.)

ROLANDO G. ANDAYA, JR.
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**

(Sgd.)

DEPARTMENT OF EDUCATION

(Sgd.)

DEPARTMENT OF HEALTH



RESOLUTION NO. 020-2006

**DEPARTMENT OF INTERIOR AND
LOCAL GOVERNMENT**

(Sgd.)

**DEPARTMENT OF PUBLIC WORKS
AND HIGHWAYS**

(Sgd.)

DEPARTMENT OF ENERGY

(Sgd.)

DEPARTMENT OF FINANCE

**DEPARTMENT OF TRADE AND
INDUSTRY**

(Sgd.)

**DEPARTMENT OF TRANSPORTATION
AND COMMUNICATIONS**

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

PRIVATE SECTOR REPRESENTATIVE

Attested by:

(Sgd.)

RUBY U. ALVAREZ
Board Secretary, GPPB
Executive Director, GPPB-TSO