



RESOLUTION NO. 24-2005

TO ENDORSE FOR THE APPROVAL OF THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES, HER EXCELLENCY PRESIDENT GLORIA MACAPAGAL-ARROYO AMENDMENTS TO SECTIONS 42.5 AND 54.2 (b) and (d) OF THE IRR-A OF R.A. 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, the Government Procurement Policy Board (GPPB), having been endowed with the duty to conduct an annual review of the effectiveness of the Act, shall formulate and amend public procurement policies, rules and regulations, and recommend amendments to the IRR-A, whenever necessary, pursuant to Section 63 of the Act;

WHEREAS, Section 42.5 of the IRR-A of R.A. 9184 provides that no procuring entity shall be allowed to issue a letter of credit in favor of a Philippine entity or any of the latter’s foreign manufacturers or suppliers, with respect to any procurement;

WHEREAS, Section 54.2 (b) of the IRR-A of R.A. 9184 provides that when negotiated procurement is resorted to where there has been two failed biddings or, in case of imminent danger to life and property during a state of calamity, or when time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities, the procuring entity shall draw up a list of at least three (3) suppliers or contractors which will be invited to submit bids and the procedures of public bidding shall be observed;

WHEREAS, Section 54.2 (d) of the IRR-A of R.A. 9184 provides that when negotiated procurement is resorted to in case of imminent danger to life and property during a state of calamity, or when time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities, the negotiation shall be made with a previous supplier, contractor or consultant of good standing or a supplier, contractor or consultant of good standing situated within the vicinity where the calamity or emergency occurred;

WHEREAS, to adopt best procurement practices and to improve procurement procedures for a more effective procurement system, amendments to the aforementioned provisions of the IRR-A are necessary;

WHEREAS, during the 10th GPPB meeting held on 25 November 2005, the members of the Board discussed and duly considered to amend Sections 42.5, and

54.2 (b) and (d) of the IRR-A of R.A. 9184, and endorse for approval to the President of the Republic of the Philippines, Her Excellency President Gloria Macapagal-Arroyo, the amendments 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, amendments to the IRR-A of R.A. 9184.

The following Sections of the IRR-A of R.A 9184 shall be amended, as follows:

42.5 Procuring entities may issue a letter of credit in favor of a local or foreign supplier; *Provided, that*, no payment on the letter of credit shall be made until delivery and acceptance of the goods as certified to by the procuring entity in accordance with the delivery schedule provided for in the contract; *Provided further, that*, the cost for the opening letter of credit shall be for the account of the local or foreign supplier and shall be so stated in the bidding documents.

54.2 (b) For items (a) of Section 53, the procuring entity shall draw up a list of at least three (3) suppliers, contractors, or consultants in good standing which will be invited to submit bids and negotiate with the bidder who submitted the lowest calculated bid or highest rated bid, whichever is applicable. If the offer of the bidder who submitted the lowest calculated bid or highest rated bid, whichever is applicable, is not responsive to the original specifications and ABC, negotiation shall be made in ascending order starting from the lowest offer. The bidder whose bid is found to be responsive to the original specifications and ABC shall be considered for award. In all cases, the award of contract shall be posted at the G-EPS website, website of the procuring entity, if any, and in conspicuous place within the premises of the procuring entity.



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54.2 (d) For item (b) of Section 53 of the Act and this IRR-A, the negotiation may be made with a previous supplier, contractor or consultant of good standing of the procuring entity concerned, or a supplier, contractor or consultant of good standing situated within the vicinity where the calamity or emergency occurred. The award of contract shall be posted at the G-EPS website, website of the procuring entity, if any, and in conspicuous place within the premises of the procuring entity.

This resolution shall take effect immediately.

APPROVED this 25th of November, 2005 at Pasig City, Philippines.

ROMULO L. NERI

Secretary

Department of Budget and Management

AUGUSTO B. SANTOS

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



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**DEPARTMENT OF PUBLIC WORKS
AND HIGHWAYS**

DEPARTMENT OF FINANCE

**DEPARTMENT OF TRADE AND
INDUSTRY**

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

**DEPARTMENT OF TRANSPORTATION
AND COMMUNICATIONS**

PRIVATE SECTOR REPRESENTATIVE

Attested by:

ELMER H. DORADO
OIC Board Secretary, GPPB
Officer-in-Charge, GPPB-TSO