



**REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GOVERNMENT PROCUREMENT POLICY BOARD
Technical Support Office**

Unit 1103 Taipan Place, Emerald
Ave., Ortigas Center, Pasig City,
1605 Philippines
Tel.: (02) 687-4853 to 55
Fax: (02) 638-3495

TSO NPM No. 021-2003

September 1, 2003

ATTY. NORMITA L. VILLANUEVA, CESO II
Executive Director
Career Executive Service Board (CESB)
No. 3 Marcelino Street, Holy Spirit Drive,
Diliman, Quezon city 1127

Re : **Applicability of R.A. 9184 -**

Dear Atty. Villanueva:

This refers to your letter dated September 1, 2003, which we received through facsimile on even date, requesting for an advise/opinion if the Career Executive Service Board ("CESB") may still utilize the procurement rules and procedures embodied in Executive Order No. 40, series of 2001, ("E.O. 40") and its Implementing Rules and Regulations ("IRR") pending the approval of the IRR of Republic Act No. 9184 ("R.A. 9184"), otherwise known as the "Government Procurement Reform Act."

**Applicability of R.A. 9184 and
Prior Procurement Laws**

Although R.A. 9184 has already been signed by her Excellency President Gloria Macapagal Arroyo on January 10, 2003 and became effective on January 26, 2003, the said legislative enactment cannot be applied in its totality without its IRR. In consonance with this, we wish to inform your office that even though the proposed IRR of R.A. 9184 has already been finalized by the Government Procurement Policy Board ("GPPB") and the Joint Congressional Oversight Committee ("JCOC") on July 11, 2003, the same has not yet been approved by the President. Hence, even if there are self-executing provisions in R.A. 9184, the same cannot be fully implemented unless and until the IRR therefor has been finally approved by the President and published for dissemination. In other words, legally speaking, as of this writing there is no IRR yet for R.A. 9184 to be observed by procuring entities.

It is for the above reason that we apprise your office that during the 3rd Meeting of the GPPB on May 26, 2003, the members unanimously agreed on the following:

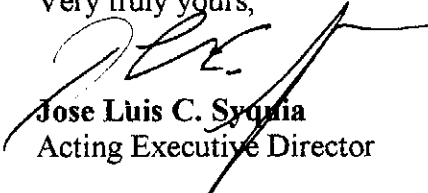
1. Government agencies are justified in applying Executive Order No. 40, series of 2001, and its IRR, pending the approval of the IRR of R.A. 9184; and
2. A provision should be included in the Transitory Clause of the draft IRR of R.A. 9184 that in cases where the invitations for bids were issued after the effectivity of R.A. 9184 but before the effectivity of its IRR, procuring entities may continue adopting the procurement procedures embodied in E.O. 40 and its IRR, or other applicable procurement laws, rules and regulations.

The need for the foregoing provisions was due to the fact that R.A. 9184 did not provide for a transitory provision that would govern government procurement during the *interim* or until its IRR is approved by the President. Moreover, although Section 76 of R.A. 9184 repeals E.O. 40 and its IRR, the same cannot be effected until the IRR of R.A. 9184 is issued, otherwise, no procedure would exist to govern public procurement, a situation that was not intended by R.A. 9184.

In sum, pending approval by the President of the IRR of R.A. 9184, we believe that procuring entities, such as the CESO, may still utilize the provisions of E.O. 40 and its IRR or other applicable procurement laws, rules and regulations in the conduct of its public procurement.

We trust that this clarifies matters.

Very truly yours,



Jose Luis C. Syquia
Acting Executive Director