

**NPM No. 70-2007**

3 December 2007

**HON. SAMUEL M. DANGWA**  
*Representative, Benguet*  
**HOUSE OF REPRESENTATIVE**  
Quezon City

**Re : Implementation of Infrastructure Projects by Administration**

Dear Sir:

We respond to your letter dated 02 July 2006 seeking to be exempt from the coverage of Republic Act No. 9184 (R. A. 9184) and its Implementing Rules and Regulations Part A (IRR-A) and to authorize the Department of Public Works and Highways (DPWH) First and Second Engineering District Offices to undertake the infrastructure projects by administration in the amount of not more than P500, 000.00 funded through the Priority Development Assistance Fund.

Please be advised that R. A. 9184 and its IRR-A do not prohibit procuring entities to undertake infrastructure projects by administration. The term "by administration" under Section 54 (d) of the IRR-A refers to the procedure by which the implementation of an infrastructure project is carried out under the administration and supervision of the concerned agency through its own personnel. Under the Revised Guidelines for the Implementation of Infrastructure Projects by Administration (Resolution No. 18-2006 dated 06 October 2006 issued by the Government Procurement Policy Board [GPPB]), the implementing agency must comply with the following conditions:

- a. have a track record of having completed, or supervised a project, by administration or by contract, similar to and with a cost of at least fifty percent (50%) of the project at hand; and
- b. own the tools and construction equipment to be used or have access to such tools and equipment owned by other government agencies.

Since the proposed construction of the infrastructure projects shall be the responsibility of the DPWH, the same does not fall within the contemplation of the concept of "by administration." Instead, the arrangement between the Province of Benguet and the DPWH is an agency-to-agency agreement under Section 53 (e) of the IRR-A.

The GPPB, through Resolution No. 03-2007, amended Section 53 (e) of the IRR-A of R.A. 9184, to include the procurement of infrastructure projects and consulting services under the agency-to-agency agreements through Negotiated Procurement, as follows:

“Section 53. Negotiated Procurement


x x x.

- e) **Procurement of infrastructure, consulting services and goods from another agency of the Government**, such as the PS-DBM, which is tasked with a centralized procurement of commonly used Goods for the government in accordance with Letters of Instruction No. 755 and Executive Order No. 359, series of 1989. For purposes of this paragraph, the term agency shall exclude GOCCs incorporated under Batas Pambansa Blg. 168, otherwise known as the Corporation Code of the Philippines.”

In addition, the GPPB through its Resolution No. 18-2007 dated 31 May 2007 has approved the Implementing Guidelines on Agency-to-Agency Agreements. You may secure a copy of this guidelines from our website: [www.gppb.gov.ph](http://www.gppb.gov.ph).

We hope that we have sufficiently addressed your queries. Should you have additional questions, please do not hesitate to contact us.

Very truly yours,

  
**RUBY U. ALVAREZ**  
*Executive Director III*