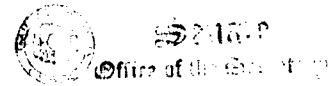


NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )



24 JAN 25 A11 :52

SENATE  
S. No. 2527

RECEIVED BY

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**Introduced by Senator Aquilino "Koko" Pimentel III**

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**AN ACT  
PROVIDING FOR A VALUE FOR MONEY PROCUREMENT,  
AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 9184,  
OTHERWISE KNOWN AS "THE GOVERNMENT  
PROCUREMENT REFORM ACT," AND FOR OTHER  
PURPOSES**

**EXPLANATORY NOTE**

1 Philippine Government procurement is replete with reports of  
2 poor quality of goods acquired, as well as infrastructure projects that  
3 are not completed within the specified period, are defective, or below  
4 internationally recognized standards.

5  
6 Notably, former President Rodrigo R. Duterte, on various  
7 occasions, made the pronouncement that the "lowest bidder policy" in  
8 government procurement is a cause of these substandard goods and  
9 infrastructures, as well as a source of corruption in government.

10  
11 The current system ties the hands of our procurement personnel  
12 to award the contract to bidders who may have offered the lowest bid  
13 and made it appear that they will comply with the minimum  
14 specifications, when in reality, they will not.

15 This system cripples the government from achieving the best  
16 value for taxpayers' money. This should therefore be revisited and  
17 improved accordingly.

18 Hence, this bill introduces a way to shift from cost-based  
19 procurements towards value-based procurement through the principle  
20 of Value for Money (VfM) procurement, where procurement for  
21 Goods and Infrastructure Projects should yield the best return for  
22 every peso spent in terms of price, but more importantly in terms of  
23 quality, quantity, timeliness, and source.

24 To realize this, VfM procurement allows for performance-based  
25 specifications or the fitness-for-purpose proposal, which simply  
26 means the contractor agrees to meet the procuring entity's (PE)  
27 identified needs, and that the project would actually work as intended.

28 Implementation of some projects by phases has been shown to  
29 be prone to abuse and result in splitting of contracts. This enables PEs  
30 to do away with competitive bidding for the succeeding phases,  
31 resulting in overpricing and awarding of contracts to favoured  
32 contractors. To prevent this, the bill mandates that for projects to be  
33 implemented by phases, the PEs shall ensure that the total project cost  
34 is already reflected in the annual procurement plan, and that for each  
35 phase, there is a clear and structurally sound delineation of work.

36 As the country adopts VfM procurement and other international  
37 trends in procurement, procurement officials and employees need to  
38 be equipped with adequate training and tools to improve their  
39 capacity in planning, procurement, contract implementation, and asset  
40 management. They also need to be protected from frivolous and  
41 baseless suits, and other threats that tend to impede full performance  
42 of their functions.

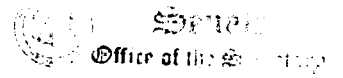
43 Thus, in addition to strengthening the capacity building program  
44 for them, this bill requires key procurement personnel to complete a  
45 procurement certification program and pass its examinations. As  
46 regard to legal protection, this bill now clearly includes the members

47 of the BAC secretariat, technical working group, and the head of the  
48 procuring entity as those entitled to engage the services of private  
49 lawyers and indemnification for injuries incurred in the performance  
50 of their functions.

51 In view of the foregoing, the immediate passage of this bill is  
52 earnestly sought.

  
AQUILINO "KOKO" PIMENTEL III

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*Second Regular Session* )



24 JAN 25 A11 52

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**AN ACT  
PROVIDING FOR A VALUE FOR MONEY PROCUREMENT,  
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9184,  
OTHERWISE KNOWN AS “THE GOVERNMENT  
PROCUREMENT REFORM ACT,” AND FOR OTHER  
PURPOSES**

*Be it enacted by the Senate and the House of Representatives of the Philippines  
in Congress assembled:*

1 **SECTION 1. *SHORT TITLE.* – THIS ACT SHALL BE**  
2 **KNOWN AS THE “VALUE FOR MONEY PROCUREMENT**  
3 **ACT.”**

4 **SEC. 2. *DECLARATION OF POLICY.* – IT IS HEREBY**  
5 **DECLARED THE POLICY OF THE STATE TO SHIFT FROM**  
6 **A COST-BASED PROCUREMENT TO A VALUE-BASED**  
7 **PROCUREMENT, THAT WILL ENSURE THE BEST VALUE**  
8 **FOR THE PUBLIC’S MONEY, HAVING DUE REGARD TO**  
9 **PROPRIETY AND REGULARITY.**

1 **SEC. 3.** Section 3 of R.A. 9184 is hereby amended to read as  
2 follows:

3 **SEC. 3. Governing Principles on Government**  
4 **Procurement.**

5 xxx xxx  
6 xxx

7 (b) Competitiveness by extending equal opportunity to  
8 enable private contracting parties who are eligible and  
9 qualified to participate in public bidding, **WITHOUT**  
10 **COMPROMISING ON QUALITY, DELIVERY, AND**  
11 **OTHER PRICE AND NON-PRICE FACTORS.**

12 (c) Streamlined procurement process that will uniformly  
13 apply to all government procurement. The procurement  
14 process shall be simple **YET THOROUGHLY**  
15 **EVALUATED AND RATIONALIZED**, and made  
16 adaptable to advances in [modern] technology in order to  
17 ensure an effective and efficient method.

18 xxx xxx  
19 xxx

20 **(F) VALUE FOR MONEY BY TAKING INTO**  
21 **ACCOUNT THE LIFE CYCLE COSTS AND**  
22 **QUALITY OF THE GOODS AND SERVICES TO**  
23 **MEET THE END-USER'S REQUIREMENTS AND**  
24 **OBJECTIVES.**

25 **SEC. 4.** Section 5 is hereby amended to read as follows:

26 **SEC. 5. Definition of Terms.**

27 xxx xxx  
28 xxx

1 **(E) BLACKLISTING – REFERS TO AN**  
2 **ADMINISTRATIVE PENALTY DISQUALIFYING A**  
3 **PERSON OR AN ENTITY FROM PARTICIPATING**  
4 **IN ANY GOVERNMENT PROCUREMENT FOR A**  
5 **GIVEN PERIOD.**

6 **(F) [(e)] Competitive Bidding - xxx**

7 **(G) [(f)] Consulting Services - xxx**

8 **[(g) G-EPS – refers to the Government Electronic**  
9 **Procurement System as provided in Section 8 of this Act.]**

10 **(h) Goods - xxx**

11 **(i) GPPB - xxx**

12 **(j) Head of the Procuring Entity (HOPE) - xxx**

13 **(k) Infrastructure Projects - xxx**

14 **(l) IRR - xxx**

15 **(M) LIFE CYCLE COST – ALSO KNOWN AS**  
16 **WHOLE-LIFE COST, IS THE TOTAL COST OF**  
17 **OWNERSHIP OF A GOOD, INCLUDING ITS COST**  
18 **OF ACQUISITION, OPERATION, MAINTENANCE,**  
19 **AND DISPOSAL.**

20 **(N) PERFORMANCE-BASED SPECIFICATIONS –**  
21 **REFERS TO A SPECIFICATION DESCRIBING THE**  
22 **DESIRED OUTCOMES OR RESULTS IN TERMS OF**  
23 **FUNCTIONAL OR PERFORMANCE**  
24 **REQUIREMENTS RATHER THAN IN TERMS OF**  
25 **TECHNICAL DETAILS. THIS SPECIFICATION IS**  
26 **USED IN CASES WHEN THE PROCURING ENTITY**

1 IS UNCERTAIN OF THE BEST PROCESS OR  
2 METHOD TO DELIVER THE REQUIREMENTS,  
3 WHEN HIGH-LEVEL TECHNOLOGY IS  
4 REQUIRED, WHEN SUPPLIERS ARE KNOWN TO  
5 HAVE THE CAPABILITY TO DESIGN FIT FOR  
6 PURPOSE SOLUTIONS, OR WHEN PAST  
7 PERFORMANCE OR OTHER NON-FINANCIAL  
8 CONSIDERATIONS MAY BE BENEFICIAL IN THE  
9 PROCUREMENT.

10 (O) PHILGEPS – REFERS TO THE PHILIPPINE  
11 GOVERNMENT ELECTRONIC PROCUREMENT  
12 SYSTEM AS PROVIDED IN SECTION 8 OF THIS  
13 ACT.

14 (P) [(m)] Portal - xxx

15 (Q) [(n)] Procurement - xxx

16 (S) [(o)] Procuring Entity - xxx

17 (T) VALUE FOR MONEY (VFM) – REFERS TO  
18 THE PRINCIPLE OF EFFECTIVE, EFFICIENT,  
19 ECONOMIC, AND ETHICAL USE OF RESOURCES,  
20 WHICH REQUIRES THE EVALUATION OF  
21 RELEVANT COSTS AND BENEFITS, ALONG WITH  
22 AN ASSESSMENT OF RISKS, NON-PRICE  
23 ATTRIBUTES, AND/OR LIFE CYCLE COSTS, AS  
24 APPROPRIATE. IN THE APPLICATION OF THIS  
25 PRINCIPLE, PRICE ALONE MAY NOT  
26 NECESSARILY REPRESENT VFM.

27 **SEC. 5.** Section 7 is hereby amended to read as follows:

28 SEC. 7. Procurement Planning and Budgeting  
29 Linkage. –

1 (A) All procurement should be within the approved  
2 budget of the Procuring Entity and should be meticulously  
3 and judiciously planned by the Procuring Entity concerned.  
4 Consistent with government fiscal discipline measures, only  
5 those considered crucial to the efficient discharge of  
6 governmental functions shall be included in the Annual  
7 Procurement Plan (APP) to be specified in the IRR.

8 (B) No government Procurement shall be undertaken  
9 unless it is in accordance with the approved APP of the  
10 Procuring Entity. The APP shall be approved by the [Head  
11 of the Procuring Entity] HOPE and must be consistent with  
12 its duly approved yearly budget. The APP shall be  
13 formulated and revised only in accordance with the  
14 guidelines set forth in the IRR. In the case of Infrastructure  
15 Projects, the APP shall include engineering design and  
16 acquisition of right-of-way.

17 (C) IN CASES OF INFRASTRUCTURE PROJECTS  
18 WITH A TOTAL PROJECT COST OF AT LEAST  
19 ONE HUNDRED MILLION PESOS (P100,000,000),  
20 VALUE ENGINEERING SHALL BE CONDUCTED  
21 ACCORDING TO ACCEPTED STANDARDS AND  
22 PRACTICES AND GUIDELINES TO BE ISSUED BY  
23 THE GPPB.

24 VALUE ENGINEERING IS DEFINED AS THE  
25 SYSTEMATIC AND ORGANIZED PROCESS OF  
26 REVIEWING AND ASSESSING A PROJECT,  
27 DURING THE PLANNING, DEVELOPMENT, AND  
28 DESIGN PHASES, IN ORDER TO ACHIEVE ANY OF  
29 THE FOLLOWING OBJECTIVES:

- 30 1. PROVIDE THE NEEDED PROJECT  
31 FUNCTIONS SAFELY, RELIABLY,  
32 EFFICIENTLY, AND AT THE LOWEST



1           **OVERALL LIFE CYCLE COST OF THE**  
2           **PROJECT;**

3           **2. IMPROVE THE QUALITY AND ENSURE THE**  
4           **BEST VALUE FOR THE PROJECT; AND**

5           **3. REDUCE THE TIME TO COMPLETE THE**  
6           **PROJECT.**

7           **THE THRESHOLD VALUE OF ONE HUNDRED**  
8           **MILLION PESOS (P100,000,000) SHALL BE**  
9           **ADJUSTED BY THE NATIONAL ECONOMIC**  
10           **DEVELOPMENT AUTHORITY (NEDA),**  
11           **WHENEVER NECESSARY, TO ITS PRESENT**  
12           **VALUE USING THE CONSUMER PRICE INDEX**  
13           **(CPI) AS PUBLISHED BY THE PHILIPPINE**  
14           **STATISTICS AUTHORITY (PSA).**

15           **THE ABOVE AMOUNT SHALL BE SUBJECT TO A**  
16           **PERIODIC REVIEW BY THE GPPB, WITH THE**  
17           **ASSISTANCE OF THE NEDA, TO DETERMINE IF**  
18           **THERE IS A NEED TO INCREASE OR DECREASE**  
19           **THE SAID AMOUNT IN ORDER TO REFLECT**  
20           **CHANGES IN ECONOMIC CONDITIONS AND FOR**  
21           **OTHER JUSTIFIABLE REASONS.**

22           **(D) IN CASE THE INFRASTRUCTURE PROJECT**  
23           **SHALL BE DONE BY PHASES, THE PROCURING**  
24           **ENTITY SHALL INDICATE IN THE APP OR AN**  
25           **ATTACHED DOCUMENT TO BE PROVIDED IN**  
26           **THE IRR:**

27           **1. THE TOTAL PROJECT COST;**

28           **2. THE DESCRIPTION OF THE WHOLE**  
29           **PROJECT;**

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**3. THE PROGRAM OF WORKS FOR EACH OF THE PHASES; AND**

**4. THE APPROVED BUDGET FOR THE CONTRACT THEREOF.**

**THE PROCURING ENTITY SHALL ENSURE THAT EACH PHASE IS USABLE AND FUNCTIONAL UPON COMPLETION OF SUCH PHASE.**

**(E) IN CASES OF PROJECTS REQUIRING PERFORMANCE-BASED SPECIFICATIONS OR WHEN IT IS IN THE BEST INTEREST OF THE PROCURING ENTITY, AS DETERMINED BY THE END-USER UNIT AND SUBJECT TO THE APPROVAL OF THE HOPE, THE PROCURING ENTITY SHALL HAVE THE OPTION TO UTILIZE VFM CONTRACTING IN THE PROCUREMENT OF GOODS OR INFRASTRUCTURE PROJECTS. THE PROCURING ENTITY SHALL STATE THE SAME IN THE APP.**

**WHEN CONDUCTING A VFM PROCUREMENT, THE PROCURING ENTITY SHALL CONSIDER THE RELEVANT FINANCIAL AND NON-FINANCIAL FACTORS OF EACH SUBMISSION INCLUDING, BUT NOT LIMITED TO:**

- 1. THE QUALITY OF THE GOODS AND SERVICES;**
- 2. FITNESS FOR PURPOSE OF THE PROPOSAL;**
- 3. THE POTENTIAL BIDDER'S RELEVANT EXPERIENCE AND PERFORMANCE HISTORY;**
- 4. FLEXIBILITY OF THE PROPOSAL, INCLUDING INNOVATION AND**

1                   **ADAPTABILITY OVER THE LIFE CYCLE OF**  
2                   **THE PROCUREMENT;**

3                   **5. ENVIRONMENTAL SUSTAINABILITY OF**  
4                   **THE PROPOSED GOODS AND**  
5                   **INFRASTRUCTURES, SUCH AS ENERGY**  
6                   **EFFICIENCY AND ENVIRONMENTAL**  
7                   **IMPACT;**

8                   **6. LIFE CYCLE COSTS, INCLUDING**  
9                   **MAINTENANCE COSTS, UTILITY COSTS,**  
10                   **DISPOSAL COSTS, LICENSING COSTS**  
11                   **(WHEN APPLICABLE), THE COST OF**  
12                   **ADDITIONAL FEATURES PROCURED AFTER**  
13                   **THE INITIAL PROCUREMENT, AND**  
14                   **CONSUMABLE COSTS;**

15                   **7. TIMELINESS;**

16                   **8. COST OF NECESSARY TRAINING;**

17                   **9. QUALIFICATIONS OF TECHNICAL**  
18                   **PERSONNEL INVOLVED IN THE**  
19                   **PROCUREMENT OF GOODS AND**  
20                   **INFRASTRUCTURE SERVICES;**

21                   **10. REALISTIC RISK ASSESSMENT OF THE**  
22                   **PROPOSED SOLUTION; AND**

23                   **11. AVAILABILITY AND COST OF TECHNICAL**  
24                   **SUPPORT.**

25                   **THE PROCUREMENT PLANNING**  
26                   **DOCUMENTATION SHALL PROVIDE ACCURATE**  
27                   **AND CONCISE INFORMATION ON:**

28                   **1. THE REQUIREMENT FOR THE**  
29                   **PROCUREMENT; AND**

1                   **2. A STATEMENT OR EXPLANATION ON HOW**  
2                   **VFM CONTRACTING WAS CONSIDERED**  
3                   **AND ACHIEVED.**

4                   **(G) NATIONAL GOVERNMENT AGENCIES,**  
5                   **LOCAL GOVERNMENT UNITS,**  
6                   **CONSTITUTIONAL OFFICES, AND STATE**  
7                   **UNIVERSITIES AND COLLEGES SHALL**  
8                   **REQUEST THE DEPARTMENT OF BUDGET AND**  
9                   **MANAGEMENT (DBM) FOR THE ISSUANCE OF A**  
10                  **MULTI-YEAR CONTRACTUAL AUTHORITY**  
11                  **(MYCA) PRIOR TO ENTERING INTO CONTRACTS**  
12                  **TO COVER THE TOTAL PROJECT COSTS OF**  
13                  **MULTI-YEAR PROJECTS, WHETHER LOCALLY-**  
14                  **FUNDED OR FOREIGN-ASSISTED. IN THE CASE**  
15                  **OF GOVERNMENT-OWNED AND/OR**  
16                  **CONTROLLED CORPORATIONS (GOCCS), THEY**  
17                  **SHALL SECURE PRIOR AUTHORITY FROM**  
18                  **THEIR RESPECTIVE GOVERNING BOARDS**  
19                  **BEFORE ENTERING INTO MULTI-YEAR**  
20                  **PROJECTS AND PROCEEDING WITH THEIR**  
21                  **PROCUREMENT.**

22                  **MULTI-YEAR PROJECT REFERS TO THE**  
23                  **PROGRAM OR PROJECT WHICH WILL TAKE**  
24                  **MORE THAN ONE (1) YEAR TO COMPLETE THAT**  
25                  **REQUIRES MULTI-YEAR APPROPRIATIONS.**

26                  **THE DBM OR GOVERNING BOARD, AS THE CASE**  
27                  **MAY BE, SHALL IDENTIFY THE REQUIREMENTS**  
28                  **AND/OR PRESCRIBE GUIDELINES BEFORE**  
29                  **PROCURING ENTITIES MAY ENTER INTO**  
30                  **MULTI-YEAR CONTRACTS AND THE ISSUANCE**  
31                  **OF A MYCA.**

1 ALL EXISTING MULTI-YEAR OBLIGATIONAL  
2 AUTHORITY (MYOA) SHALL BE UNDERSTOOD  
3 TO REFER TO THE MYCA.

4 (H) TO ENSURE FULL BUDGET UTILIZATION,  
5 TIMELY CONTRACT IMPLEMENTATION, AND  
6 EFFICIENT DELIVERY OF SERVICES, THE  
7 PROCURING ENTITIES ARE AUTHORIZED TO  
8 UNDERTAKE PROCUREMENT ACTIVITIES  
9 FROM PRE-PROCUREMENT CONFERENCE  
10 UNTIL POST-QUALIFICATION OF BIDS BASED  
11 ON THEIR PROPOSED BUDGET IN THE  
12 NATIONAL EXPENDITURE PROGRAM (NEP),  
13 CORPORATE OPERATING BUDGETS, OR  
14 APPROPRIATIONS ORDINANCE.

15 THE PROCURING ENTITIES SHALL PROCEED  
16 WITH THE AWARDING OF CONTRACT ONLY  
17 UPON APPROVAL OR ENACTMENT OF THEIR  
18 RESPECTIVE APPROPRIATIONS OR BUDGET  
19 AUTHORIZATION DOCUMENT, AS THE CASE  
20 MAY BE, AND ON THE BASIS OF THE AMOUNT  
21 AUTHORIZED THEREIN.

22 **SEC. 6.** Section 8 is hereby amended to read as follows:

23 **SEC 8.** Procurement by Electronic Means.

24 To promote transparency and efficiency, information and  
25 communications technology shall be utilized in the conduct  
26 of procurement procedures. Accordingly, there shall be  
27 single portal that shall serve as the primary source of  
28 information on all government procurement. The [G-EPS]  
29 **PHILGEPS** shall serve as the primary and definitive source  
30 of information on government procurement. Further, the  
31 GPPB is authorized to approve changes in the procurement  
32 process to adapt to improvements in modern technology,

1 provided that such modifications are consistent with  
2 provisions of Section 3 of this Act.

3 [To take advantage of the significant built-in-efficiencies of  
4 the G-EPS and the volume discounts inherent in bulk  
5 purchasing, all Procuring Entities shall utilize the G-EPS for  
6 the procurement of common supplies in accordance with the  
7 rules and procedures to be established by the GPPB. With  
8 regard to the procurement of non-common use items,  
9 infrastructure projects and consulting services, agencies  
10 may hire service providers to undertake their electronic  
11 procurement provided these service providers meet the  
12 minimum requirements set by the GPPB.]

13 **ALL PROCURING ENTITIES SHALL UTILIZE THE**  
14 **PHILGEPS FOR THE PROCUREMENT OF GOODS**  
15 **AND SERVICES IN ACCORDANCE WITH THE**  
16 **RULES AND PROCEDURES TO BE ESTABLISHED**  
17 **BY THE GPPB.**

18 **SEC. 7.** Section 9 is hereby amended to read as follows:

19 **SEC. 9.** [Security, Integrity and Confidentiality.]  
20 **PROCUREMENT OF REPEATEDLY PROCURED**  
21 **SUPPLIES AND EQUIPMENT IN THE**  
22 **BUREAUCRACY.**

23 [The G-EPS shall ensure the security, integrity and  
24 confidentiality of documents submitted through the system.  
25 It shall include feature that provides for an audit trail for on-  
26 line transactions and allow the Commission on Audit to  
27 verify the security and integrity of the systems at any time.]

28 **TO TAKE ADVANTAGE OF THE VOLUME**  
29 **DISCOUNTS INHERENT IN BULK PURCHASING,**  
30 **ALL PROCURING ENTITIES SHALL UTILIZE**  
31 **FRAMEWORK AGREEMENTS FOR THE**

1           **PROCUREMENT OF REPEATEDLY PROCURED**  
2           **SUPPLIES AND EQUIPMENT IN ACCORDANCE**  
3           **WITH THE RULES AND PROCEDURES TO BE**  
4           **ESTABLISHED BY THE GPPB.**

5   **SEC. 8.**    Section 12 is hereby amended to read as follows:

6           SEC 12.   Functions of the BAC – The BAC shall have the  
7           following functions:

8           xxx

                          xxx

  xxx

9           xxx and perform such other related functions as may be  
10          necessary, including the creation of a Technical Working  
11          Group (TWG) from a pool of technical, financial and/or  
12          legal experts to assist in the procurement process,  
13          **SUBJECT TO THE APPROVAL OF THE HOPE.**

14   **SEC. 9.**    Section 16 is hereby amended to read as follows:

15          SEC 16.   Professionalization of BAC, BAC Secretariat  
16          and Technical Working Group Members. - The GPPB shall  
17          establish a sustained training program for developing the  
18          capacity of the BACs, BAC Secretariats, Technical  
19          Working Groups, **AND THE PROCUREMENT UNITS**  
20          **OF PROCURING ENTITIES**, and professionalize the  
21          same.

22          **FOR THIS PURPOSE, THE GPPB SHALL DEVELOP**  
23          **A PROCUREMENT CERTIFICATION PROGRAM**  
24          **FOR THE MAJORITY OF THE BAC AND THE**  
25          **PERSONNEL IN THE PROCUREMENT UNITS OF**  
26          **PROCURING ENTITIES—OR FOR ANYONE**  
27          **INTERESTED TO WORK AS SUCH IN THE**  
28          **GOVERNMENT, TO GAIN NATIONALLY**  
29          **RECOGNIZED QUALIFICATIONS AND**  
30          **CERTIFICATIONS AND TO MEET THE**

1           **REQUIREMENTS           OF           QUALIFICATION**  
2           **STANDARDS FOR PROCUREMENT POSITIONS IN**  
3           **THE GOVERNMENT TO BE PRESCRIBED BY THE**  
4           **CIVIL SERVICE COMMISSION.**

5           **THE PERSONNEL OF THE PROCUREMENT UNITS**  
6           **OF           PROCURING           ENTITIES           SHOULD**  
7           **SATISFACTORILY COMPLETE SUCH PROGRAM**  
8           **AND PASS THE EXAMINATIONS THEREOF,**  
9           **CONDUCTED, AUTHORIZED, OR ACCREDITED**  
10           **BY THE GPPB.**

11           **THE GPPB SHALL PROVIDE GUIDANCE AND**  
12           **POLICY DIRECTIONS IN RELATION TO THE**  
13           **CONDUCT OF TRAINING, THE PREPARATION OF**  
14           **CERTIFICATION EXAMINATIONS, AND THE**  
15           **CREATION OF TRAINING INSTITUTE(S) AND/OR**  
16           **ACCREDITATION OF TRAINING INSTITUTIONS,**  
17           **INCLUDING TRAINING OF TRAINERS.**

18   **SEC. 10.** Section 17 is hereby amended to read as follows:

19           SEC. 17. Form and Contents of Bidding Documents. -

20           (j) Form of Contract, xxx                           xxx                           xxx

21           **FOR VFM CONTRACTING, PROCURING**  
22           **ENTITIES SHALL INCLUDE THE RELEVANT**  
23           **FINANCIAL AND NON-FINANCIAL EVALUATION**  
24           **CRITERIA IN THE BIDDING DOCUMENTS AND**  
25           **THE INVITATION TO BID TO ENABLE THE**  
26           **PROPER IDENTIFICATION, ASSESSMENT, AND**  
27           **COMPARISON OF SUBMISSIONS ON A FAIR,**  
28           **EQUITABLE, AND REASONABLY TRANSPARENT**  
29           **BASIS.**

30           The Procuring Entity xxx                           xxx                           xxx



1 **SEC. 11.** Section 18 is hereby amended to read as follows:

2 SEC. 18. Reference to Brand Names. — Specifications  
3 for the Procurement of Goods, **AND GOODS**  
4 **COMPONENT OF INFRASTRUCTURE PROJECTS**  
5 **AND CONSULTING SERVICES**, shall be based on  
6 relevant characteristics and/or performance requirements.  
7 Reference to brand names shall [not be allowed] **BE**  
8 **AVOIDED. IN CASES WHERE IT IS NECESSARY**  
9 **TO QUOTE A BRAND NAME OF A PARTICULAR**  
10 **MANUFACTURER, THE PHRASE “OR**  
11 **EQUIVALENT” SHALL BE ADDED AFTER SUCH**  
12 **REFERENCE. THE SPECIFICATIONS SHALL**  
13 **PERMIT THE ACCEPTANCE OF OFFERS WHICH**  
14 **HAVE SIMILAR CHARACTERISTICS AND WHICH**  
15 **PROVIDE PERFORMANCE AND QUALITY**  
16 **EQUIVALENT TO THAT SPECIFIED.**

17 **REFERENCE TO BRAND NAMES SHALL BE**  
18 **ALLOWED FOR GOODS THAT ARE COMPATIBLE**  
19 **WITH THE PROCURING ENTITY’S EXISTING**  
20 **FLEET OR EQUIPMENT OF THE SAME MAKE**  
21 **AND BRAND, AND TO MAINTAIN THE**  
22 **PERFORMANCE, FUNCTIONALITY, AND USEFUL**  
23 **LIFE OF THE EQUIPMENT.**

24 **SEC. 12.** Section 31 is hereby amended to read as follows:

25 SEC. 31. Ceiling **AND FLOOR** For Bid Prices. - The ABC shall  
26 be the upper limit or ceiling for the Bid prices. Bid prices that  
27 exceed this ceiling **OR ARE LOWER THAN FIFTY (50%)**  
28 **OF THE ABC** shall be disqualified outright from further  
29 participating in the bidding.

30 **SEC. 13.** Section 32 is hereby amended to read as follows:

1 SEC. 32. Bid for the Procurement of Goods and  
2 Infrastructure Projects.

3 XXX  
4 XXX

XXX

5 **FOR VFM CONTRACTING, THE TECHNICAL**  
6 **PROPOSAL SHALL BE CONSIDERED IN THE**  
7 **EVALUATION OF PROJECTS. THE TECHNICAL**  
8 **PROPOSALS SHALL BE EVALUATED USING THE**  
9 **CRITERIA SET OUT IN THE BIDDING**  
10 **DOCUMENTS.**

11 **THE BAC SHALL RANK THE BIDDERS IN**  
12 **DESCENDING ORDER BASED ON THEIR**  
13 **TECHNICAL PROPOSALS AND IDENTIFY THE**  
14 **HIGHEST RANKING BIDDER, WHICH SHALL BE**  
15 **CONSIDERED AS THE “MOST ADVANTAGEOUS**  
16 **PROPOSAL”. AFTER APPROVAL BY THE HOPE**  
17 **OF THE MOST ADVANTAGEOUS PROPOSAL, THE**  
18 **FINANCIAL PROPOSAL SHALL THEN BE**  
19 **OPENED.**

20 **THE BAC SHALL INVITE THE BIDDER**  
21 **CONCERNED FOR NEGOTIATION AND/OR**  
22 **CLARIFICATION ON THE FOLLOWING ITEMS:**  
23 **(1) FINANCIAL PROPOSAL SUBMITTED BY THE**  
24 **BIDDER, (2) TERMS OF REFERENCE, (3) SCOPE**  
25 **OF SERVICES, (4) METHODOLOGY AND WORK**  
26 **PROGRAM, (5) PERSONNEL TO BE ASSIGNED TO**  
27 **THE JOB, (6) SERVICES/FACILITIES/DATA TO BE**  
28 **PROVIDED BY THE PROCURING ENTITY**  
29 **CONCERNED, AND (7) PROVISIONS OF THE**  
30 **CONTRACT. WHEN NEGOTIATIONS WITH THE**  
31 **FIRST-IN-RANK BIDDER FAILS, THE FINANCIAL**  
32 **PROPOSAL OF THE SECOND RANK BIDDER**  
33 **SHALL BE OPENED FOR NEGOTIATIONS;**

1           **PROVIDED, THAT THE AMOUNT INDICATED IN**  
2           **THE FINANCIAL ENVELOPE SHALL BE MADE AS**  
3           **THE BASIS FOR NEGOTIATIONS AND THE**  
4           **TOTAL CONTRACT AMOUNT SHALL NOT**  
5           **EXCEED THE AMOUNT INDICATED IN THE**  
6           **ENVELOPE AND THE ABC. WHENEVER**  
7           **NECESSARY, THE SAME PROCESS SHALL BE**  
8           **REPEATED UNTIL THE BID IS AWARDED TO THE**  
9           **WINNING BIDDER.**

10           **FOR VFM CONTRACTING, THE BAC'S DECISION**  
11           **SHALL BE BASED ON A COMPARATIVE**  
12           **ASSESSMENT OF PROPOSALS AGAINST ALL**  
13           **CRITERIA STATED IN THE INVITATION TO BID**  
14           **AND THE BIDDING DOCUMENTS. THE DECISION**  
15           **SHALL BE DOCUMENTED, AND THE**  
16           **DOCUMENTATION OF THE BAC DECISION**  
17           **SHALL INCLUDE THE RATIONALE FOR ANY**  
18           **BUSINESS JUDGMENTS AND TRADEOFFS MADE**  
19           **OR RELIED UPON BY THE BAC. THE DECISION**  
20           **SHALL REPRESENT EACH OF THE BAC**  
21           **MEMBER'S INDEPENDENT JUDGMENT.**

22           **UPON APPROVAL BY THE HOPE IN**  
23           **ACCORDANCE WITH SECTION 37 OF THIS ACT,**  
24           **THE BAC'S DECISION SHALL BE POSTED IN THE**  
25           **PROCURING ENTITY'S PREMISES AND**  
26           **WEBSITE, IF ANY.**

27           **SEC. 14.** Section 34 is hereby amended to read as follows:

28           **SEC. 34. Objective and Process of Post-qualification. –**  
29           **Post-qualification is the stage where the bidder with the**  
30           **Lowest Calculated Bid, OR MOST ADVANTAGEOUS**  
31           **PROPOSAL, in the case of Goods and Infrastructure**  
32           **Projects, or the Highest Rated Bid, in the case of Consulting**  
33           **Services, undergoes verification and validation AND/OR**

1           **INSPECTION AND TESTING** whether [he] **THE**  
2           **BIDDER** has passed all the requirements and conditions as  
3           specified in the Bidding Documents.

4           If the bidder with the Lowest Calculated Bid, **OR MOST**  
5           **ADVANTAGEOUS PROPOSAL**, or Highest Rated Bid  
6           passes all the criteria for post-qualification, **SUCH** Bid shall  
7           be considered the “Lowest Calculated Responsive Bid, **OR**  
8           **MOST           ADVANTAGEOUS           RESPONSIVE**  
9           **PROPOSAL** in the case of Goods and Infrastructure or the  
10          Highest Rated Responsive Bid, in the case of Consulting  
11          Services. However, if a bidder fails to meet any of the  
12          requirements or conditions, [he] **THE BIDDER** shall be  
13          “post-disqualified” and the BAC shall conduct the post-  
14          qualification on the bidder with the second Lowest  
15          Calculated Bid, **OR MOST ADVANTAGEOUS**  
16          **PROPOSAL**, or Highest Rated Bid. If the bidder with the  
17          second Lowest Calculated Bid, **OR MOST**  
18          **ADVANTAGEOUS PROPOSAL**, or Highest Rated Bid  
19          is post-disqualified, the same procedure shall be repeated  
20          until the Lowest Calculated Responsive Bid, **OR MOST**  
21          **ADVANTAGEOUS RESPONSIVE PROPOSAL**, or  
22          Highest Rated Responsive Bid is finally determined.

23  
24          In all cases, the contract shall be awarded only to the bidder  
25          with the Lowest Calculated Responsive Bid, **OR MOST**  
26          **ADVANTAGEOUS RESPONSIVE PROPOSAL**, or  
27          Highest Rated Responsive Bid.

28   **SEC. 15.** Section 35 is hereby amended to read as follows:

29           **SEC. 35.** Failure of Bidding. – There shall be a failure of  
30           bidding if:

31           a. If after advertisement, only one prospective bidder  
32           [submits a Letter of Intent and/or] applies for eligibility  
33           check, and meets the eligibility requirements or criteria,

1 after which it submits a bid, which is found to be  
2 responsive to the bidding requirements;

3 b. No bid qualifies as the Lowest Calculated Responsive  
4 Bid, **OR MOST ADVANTAGEOUS RESPONSIVE**  
5 **PROPOSAL**, or Highest Rated Responsive Bid;  
6

7 c. Whenever the bidder with the highest rated/lowest  
8 calculated/**MOST ADVANTAGEOUS** responsive bid  
9 refuses, without justifiable cause to accept the award of  
10 contract, as the case may be;  
11

12 **D. NON-COMPLIANCE WITH THE**  
13 **REQUIREMENTS FOR THE AWARD OF**  
14 **CONTRACT; OR**

15 **E. FAILURE TO ENTER INTO CONTRACT AND**  
16 **POST-PERFORMANCE SECURITY**

17 xxx xxx  
18 xxx

19 **SEC. 16.** Section 36 is hereby amended to read as follows:

20 xxx xxx  
21 xxx

22 a. xxx xxx xxx; **AND**

23 [b. If after the advertisement, more than one prospective  
24 bidder applies for eligibility check, but only one bidder  
25 meets the eligibility requirements or criteria, after which it  
26 submits a bid which is found to be responsive to the bidding  
27 requirements; or]

1           XXX  
2           XXX

XXX

3 **SEC. 17.** Section 37 is hereby amended to read as follows:

4       SEC. 37. Notice and Execution of Award. - Within a  
5       period not exceeding fifteen (15) [calendar] **WORKING**  
6       days from the determination and declaration by the BAC of  
7       the Lowest Calculated Responsive Bid, **OR MOST**  
8       **ADVANTAGEOUS RESPONSIVE PROPOSAL**, or  
9       Highest Rated Responsive Bid, and the recommendation of  
10      the award, the [Head of the Procuring Entity] **HOPE** or  
11      [his] A duly authorized representative **OF SUCH HEAD**  
12      shall approve or disapprove the said recommendation. In  
13      case of approval, the [Head of the Procuring Entity] **HOPE**  
14      or [his] A duly authorized representative **OF SUCH HEAD**  
15      shall immediately issue the Notice of Award to the bidder  
16      with the **SINGLE/Lowest Calculated Responsive Bid, OR**  
17      **MOST           ADVANTAGEOUS           RESPONSIVE**  
18      **PROPOSAL, or SINGLE/Highest Rated Responsive Bid.**

19      **DEBRIEFINGS, WHICH PROVIDES FOR A**  
20      **HELPFUL AND PROFESSIONAL FEEDBACK,**  
21      **SHALL BE MADE AVAILABLE UPON REQUEST**  
22      **TO UNSUCCESSFUL BIDDERS, OUTLINING THE**  
23      **REASONS       FOR       THE       UNSUCCESSFUL**  
24      **SUBMISSION, AS PROVIDED FOR IN THE RULES.**

25      Within ten (10) [calendar] **WORKING** days from receipt  
26      of the Notice of Award, the Winning bidder shall formally  
27      enter into contract with the Procuring Entity. When further  
28      approval of higher authority is required, the approving  
29      authority for the contracts shall be given a maximum of  
30      twenty (20) [calendar] **WORKING** days to approve or  
31      disapprove it.

32      In the case of government-owned and/or –controlled  
33      corporations, the concerned board shall take action on the

1 said recommendation within thirty (30) [calendar]  
2 **WORKING** days from receipt thereof.

3 The Procuring Entity shall issue the Notice to Proceed to the  
4 winning bidder not later than seven (7) [calendar]  
5 **WORKING** days from the date of approval of the contract  
6 by the appropriate authority. All notices called for by the  
7 terms of the contract shall be effective only at the time of  
8 receipt thereof by the contractor.

9  
10 XXX XXX  
11 XXX

12  
13 **SEC. 18.** Section 40 is hereby amended to read as follows:

14 SEC. 40. Failure to Enter into Contract and Post  
15 Performance Security. - If, for justifiable causes, the bidder  
16 with the Lowest Calculated Responsive Bid, **OR MOST**  
17 **ADVANTAGEOUS RESPONSIVE PROPOSAL**, or  
18 Highest Rated Responsive Bid fails, refuses or is otherwise  
19 unable to enter into contract with the Procuring Entity, or if  
20 the bidder fails to post the required performance security  
21 within the period stipulated in the Bidding Documents, the  
22 BAC shall disqualify the said bidder and shall undertake  
23 post-qualification for the next-ranked Lowest Calculated  
24 Bid, **OR MOST ADVANTAGEOUS PROPOSAL**, or  
25 Highest Rated Bid. This procedure shall be repeated until  
26 an award is made. However, if no award is possible, the  
27 contract shall be subjected to a new bidding.

28 **SEC. 19.** Section 42 is hereby amended to read as follows:

29 SEC. 42. Contract Implementation and Termination. –  
30 **(A) THE PROCURING ENTITY OR ITS**  
31 **REPRESENTATIVE SHALL HAVE THE RIGHT TO**  
32 **INSPECT AND/OR TEST THE GOODS IN ORDER**  
33 **TO CONFIRM THEIR COMPLIANCE WITH THE**

1 TECHNICAL SPECIFICATIONS. THE CONTRACT  
2 SHALL SPECIFY KEY PERFORMANCE  
3 INDICATORS (KPI), THE REQUIRED  
4 INSPECTIONS AND/OR TESTS, AND WHERE  
5 THEY ARE TO BE CONDUCTED. THE  
6 PROCURING ENTITY SHALL BEAR ALL THE  
7 COSTS AND EXPENSES THAT IT WILL INCUR TO  
8 ATTEND THE TESTS AND/OR INSPECTIONS  
9 INCLUDING, BUT NOT LIMITED TO, TRAVELING  
10 AND BOARD AND LODGING EXPENSES.

11 THE PROCURING ENTITY MAY REJECT ANY  
12 GOODS OR ANY PART THEREOF THAT FAIL TO  
13 PASS ANY TEST AND/OR INSPECTION OR DO  
14 NOT CONFORM TO THE SPECIFICATIONS. THE  
15 SUPPLIER SHALL EITHER RECTIFY OR  
16 REPLACE SUCH REJECTED GOODS OR PARTS  
17 THEREOF OR MAKE ALTERATIONS NECESSARY  
18 TO MEET THE SPECIFICATIONS, AT NO COST  
19 TO, AND AS MAY BE REASONABLY  
20 DETERMINED BY, THE PROCURING ENTITY.  
21 THE SUPPLIER SHALL REPEAT THE TEST  
22 AND/OR INSPECTION, AT NO COST TO THE  
23 PROCURING ENTITY.

24 NEITHER THE EXECUTION OF A TEST AND/OR  
25 INSPECTION OF THE GOODS OR ANY PART  
26 THEREOF, NOR THE ATTENDANCE BY THE  
27 PROCURING ENTITY OR ITS REPRESENTATIVE  
28 THEREIN, SHALL RELEASE THE SUPPLIER  
29 FROM ANY WARRANTIES OR OTHER  
30 OBLIGATIONS UNDER THE CONTRACT.

31 (B) FAILURE OF THE SUPPLIER, CONTRACTOR,  
32 OR CONSULTANT TO DELIVER THE QUALITY  
33 REQUIRED UNDER THE CONTRACT SHALL  
34 CONSTITUTE THE CRIME OF ESTAFA,



1 PUNISHABLE UNDER THE PROVISIONS OF  
2 ARTICLE 315, PARAGRAPH 1 (a) OF ACT NO. 3815,  
3 OTHERWISE KNOWN AS THE REVISED PENAL  
4 CODE. IF THE VIOLATION OR OFFENSE IS  
5 COMMITTED BY A CORPORATION,  
6 PARTNERSHIP, ASSOCIATION, OR OTHER  
7 JURIDICAL ENTITIES, THE PENALTY SHALL BE  
8 IMPOSED UPON THE DIRECTORS, OFFICERS,  
9 EMPLOYEES, OR OTHER OFFICIALS OR  
10 PERSONS THEREIN RESPONSIBLE FOR THE  
11 CRIME, WITHOUT PREJUDICE TO THE CIVIL  
12 LIABILITIES ARISING FROM THE CRIMINAL  
13 OFFENSE AND OTHER ADMINISTRATIVE  
14 LIABILITIES.

15 (C) TO PROMOTE TRANSPARENCY AND  
16 EFFICIENCY, INFORMATION AND  
17 COMMUNICATIONS TECHNOLOGY, SUCH AS  
18 BUT NOT LIMITED TO, GEO-TAGGING AND  
19 AUTOMATED PROJECT MONITORING SYSTEM,  
20 SHALL BE UTILIZED BY THE PROCURING  
21 ENTITY IN THE IMPLEMENTATION OF  
22 CONTRACTS, REGARDLESS OF THE AMOUNT,  
23 AND SHALL BE POSTED IN THE WEBSITE OF THE  
24 PROCURING ENTITY.

25 (D) TO ENSURE THE ACTUAL PERFORMANCE OF  
26 PROJECTS AND THE DELIVERY OF GOODS AND  
27 INFRASTRUCTURE PROJECTS, THE PROCURING  
28 ENTITY SHALL INVITE MONITORS FROM A  
29 DULY RECOGNIZED PRIVATE GROUP OR A NON-  
30 GOVERNMENT ORGANIZATION IN A SECTOR  
31 OR DISCIPLINE RELEVANT TO THE PROJECT AT  
32 HAND DURING THE IMPLEMENTATION OF  
33 CONTRACTS EXCEPT THOSE PROCURED  
34 THROUGH NEGOTIATED PROCUREMENT IN  
35 EMERGENCY CASES, SHOPPING, OR SMALL-

1 VALUE PROCUREMENT AS DEFINED IN THE  
2 RULES: PROVIDED, HOWEVER, THAT BOTH THE  
3 INVITED ENTITY AND/OR THE INDIVIDUALS DO  
4 NOT HAVE ANY DIRECT OR INDIRECT  
5 INTEREST IN THE CONTRACT BEING  
6 IMPLEMENTED. THE MONITORS SHOULD BE  
7 DULY REGISTERED WITH THE SECURITIES AND  
8 EXCHANGE COMMISSION (SEC) AND SHOULD  
9 MEET THE CRITERIA FOR CONTRACT  
10 IMPLEMENTATION MONITORS AS SET FORTH  
11 IN THE RULES.

12 (E) ALL PROCURING ENTITIES IMPLEMENTING  
13 GOVERNMENT INFRASTRUCTURE PROJECTS  
14 ARE MANDATED TO EVALUATE THE  
15 PERFORMANCE OF THEIR CONTRACTORS  
16 USING THE NEDA-APPROVED CONSTRUCTORS  
17 PERFORMANCE EVALUATION SYSTEM (CPES)  
18 GUIDELINES FOR THE TYPE OF PROJECT BEING  
19 IMPLEMENTED. CPES EVALUATION SHALL BE  
20 UNDERTAKEN DURING CONSTRUCTION AND  
21 UPON COMPLETION OF EACH GOVERNMENT  
22 PROJECT. TO ENSURE CONTINUOUS  
23 IMPLEMENTATION OF CPES, ALL PROCURING  
24 ENTITIES CONCERNED ARE REQUIRED TO  
25 INCLUDE IN THEIR PROJECTS' ENGINEERING  
26 AND ADMINISTRATIVE OVERHEAD COST THE  
27 BUDGET FOR THE IMPLEMENTATION OF CPES  
28 PURSUANT TO THE NEDA GUIDELINES.

29 FOR GOODS AND CONSULTING SERVICES, THE  
30 PROCURING ENTITIES ARE MANDATED TO  
31 EVALUATE THE PERFORMANCE OF THEIR  
32 SUPPLIERS AND CONSULTANTS USING THE  
33 CONTRACT PERFORMANCE ASSESSMENT  
34 REPORT SYSTEM (CPARS) PURSUANT TO THE  
35 GUIDELINES TO BE ISSUED BY THE GPPB.

1 PURSUANT TO SECTION 8 OF R.A. 9184, THE  
2 PHILGEPS SHALL HAVE A CENTRALIZED  
3 ELECTRONIC DATABASE OF ALL  
4 MANUFACTURERS, SUPPLIERS, DISTRIBUTORS,  
5 CONTRACTORS, AND CONSULTANTS, WITH  
6 THEIR CORRESPONDING REGISTRATION  
7 NUMBERS WITH CONTRACTS WITH THE  
8 GOVERNMENT FOR FEEDBACK MECHANISM  
9 AND PERFORMANCE TRACKING. THE  
10 REGISTRATION NUMBER SHALL BE A PRE-  
11 REQUISITE FOR PARTICIPATION IN ANY  
12 GOVERNMENT PROCUREMENT.

13 THE GPPB SHALL PROVIDE THE DETAILS AND  
14 MECHANICS FOR THE IMPLEMENTATION OF  
15 THE FEEDBACK MECHANISM WHICH SHALL BE  
16 FAIR AND EQUITABLE. AFTER PROPER  
17 VERIFICATION, THE RESULTS THEREOF SHALL  
18 BE MADE AVAILABLE TO OTHER GOVERNMENT  
19 AGENCIES TO ENSURE THAT THE  
20 GOVERNMENT ONLY DOES BUSINESS WITH  
21 MANUFACTURERS, SUPPLIERS, DISTRIBUTORS,  
22 CONTRACTORS, AND CONSULTANTS THAT  
23 PROVIDE QUALITY PRODUCTS AND SERVICES  
24 IN A TIMELY MANNER.

25 (F) The OTHER rules and guidelines for the  
26 implementation and termination of contracts awarded  
27 pursuant to the provisions of this Act shall be prescribed in  
28 the IRR. The rules and guidelines shall include standard  
29 general and special conditions for contracts.

30 **SEC. 20.** Sections 44 and 45 of R.A. 9184 on Bidding of Provincial  
31 Projects are hereby repealed.

32 **SEC. 21.** Section 48 is hereby amended to read as follows:

1 SEC. 48. Alternative Methods. –

2 xxx xxx

3 xxx

4 e. Negotiated Procurement – xxx

5 **THE APPROVAL OF THE HOPE OR THE DULY**  
6 **AUTHORIZED REPRESENTATIVE IN THE APP**  
7 **SHALL CONSTITUTE AS CERTIFICATION BY**  
8 **THE HOPE THAT THE CONTRACT FALLS**  
9 **WITHIN THE EXCEPTIONS FROM PUBLIC**  
10 **BIDDING, IS BEING ENTERED INTO IN FAITHFUL**  
11 **COMPLIANCE WITH ALL APPLICABLE LAWS**  
12 **AND REGULATIONS, AND IS ADVANTAGEOUS**  
13 **TO THE GOVERNMENT.**

14 xxx

xxx

xxx

15 **SEC. 22.** Section 52 is hereby amended to read as follows:

16 SEC. 52. Shopping. – Shopping may be resorted to under  
17 any of the following instances:

18 (a) When there is an unforeseen contingency requiring  
19 immediate purchase: Provided, however, That the amount  
20 shall not exceed [Fifty Thousand Pesos (P50,000)] **TWO**  
21 **HUNDRED THOUSAND PESOS (P200,000)**; or

22 (b) Procurement of ordinary or regular office supplies and  
23 equipment not available in the Procurement Service  
24 involving an amount not exceeding [Two Hundred Fifty  
25 Thousand Pesos (P250,000)] **ONE MILLION PESOS**  
26 **(P1,000,000)**: Provided, however, That the Procurement  
27 does not result in Splitting of Contracts: Provided, further,  
28 That at least three (3) price quotations from bona fide  
29 suppliers shall be obtained. **IN CASE THE REQUIRED**

1 NUMBER OF QUOTATIONS FROM BONA FIDE  
2 SUPPLIERS ARE NOT RECEIVED, THE  
3 PROCURING ENTITY, AFTER EXTENDING THE  
4 DEADLINE FOR SUBMISSION OF QUOTATIONS  
5 AT LEAST ONCE, MAY CANVASS ON ITS OWN  
6 FOR THE ITEM TO BE PROCURED FROM AT  
7 LEAST THREE (3) SUPPLIERS, INCLUDING  
8 THOSE WHO MAY HAVE ALREADY SUBMITTED  
9 THEIR QUOTATIONS, WHO ARE KNOWN TO BE  
10 CONSISTENTLY SUPPLYING QUALITY GOODS  
11 AT ACCEPTABLE AND REASONABLE PRICE. THE  
12 PROCURING ENTITY IS ALSO TASKED TO KNOW  
13 THE REASONS WHY NOT ENOUGH SUPPLIERS  
14 SUBMITTED QUOTATIONS IN ORDER FOR THE  
15 PROCURING ENTITY, IN COORDINATION WITH  
16 THE GPPB, TO ADDRESS THE PROBLEM(S), IF  
17 ANY, FOR ITS FUTURE PROCUREMENTS.

18 PROCUREMENT OF GOODS INVOLVING AN  
19 AMOUNT NOT EXCEEDING FIVE THOUSAND  
20 PESOS (P5,000) UNDER THE PETTY CASH FUND IN  
21 ACCORDANCE WITH THE RULES AND  
22 REGULATIONS OF THE COMMISSION ON AUDIT  
23 SHALL NOT REQUIRE ANY QUOTATION OR  
24 CANVASS: PROVIDED, HOWEVER, THAT THE  
25 OFFICIAL RECEIPT SHALL BE SUBMITTED AS  
26 PROOF OF PAYMENT AND SUCH OTHER  
27 REQUIREMENTS AS MAY BE REQUIRED IN THE  
28 IRR UNDER THIS ACT; PROVIDED,  
29 FURTHER, THAT THE PROCUREMENT DOES NOT  
30 RESULT IN SPLITTING OF CONTRACTS.

31 xxx

xxx

xxx

32 **SEC. 23.** Section 53 is hereby amended to read as follows:

33 SEC. 53. Negotiated Procurement. - Negotiated  
34 Procurement shall be allowed only in the following  
35 instances:

1

XXX

XXX

XXX

2

(b) In case of imminent danger to life or property **BEFORE**, during, **OR AFTER**, 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;

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(d) Where the subject contract is adjacent or contiguous to an on-going infrastructure project [, as defined in the IRR]: *Provided, however,* That the original contract is the result of a Competitive Bidding; the subject contract to be negotiated has similar or related scopes of work; it is within the contracting capacity of the contractor, **TAKING INTO ACCOUNT THE SUM OF THE VALUE OF THE REMAINING WORKS FOR THE EXISTING CONTRACT AND THE APPROVED BUDGET FOR THE CONTRACT OF THE CONTIGUOUS OR ADJACENT WORK**; the contractor uses the same prices or lower unit prices as in the original contract less mobilization cost; the amount involved does not exceed the amount of the ongoing project; and, the contractor has no negative slippage: *Provided, further,* That negotiations for the procurement are commenced before the expiry of the original contract. Whenever applicable, this principle shall also govern consultancy contracts, where the consultants have unique experience and expertise to deliver the required service: ***PROVIDED, FINALLY, THAT IN INFRASTRUCTURE PROJECTS, THE PHRASE "ADJACENT OR CONTIGUOUS" REFERS TO PROJECTS THAT ARE IN ACTUAL PHYSICAL CONTACT WITH EACH OTHER OR IN THE***

1 IMMEDIATE VICINITY, SUCH THAT THE  
2 REQUIRED EQUIPMENT AND OTHER  
3 RESOURCES CAN EASILY BE MOBILIZED;  
4 WHILE IN CONSULTING SERVICES, THE PHRASE  
5 "ADJACENT OR CONTIGUOUS" REFERS TO THE  
6 LINKAGE OR RELATIONSHIP OF THE SUBJECT  
7 MATTERS, OUTPUTS, OR DELIVERABLES  
8 REQUIRED. WHENEVER THERE IS A NECESSITY  
9 TO INTRODUCE NEW ITEMS THAT ARE  
10 RELATED TO THE SCOPE OF WORK OF THE  
11 ORIGINAL CONTRACT, THE PROCURING  
12 ENTITY SHALL ENSURE THAT THE UNIT PRICES  
13 OF THE NEW ITEMS ARE EQUAL TO OR LOWER  
14 THAN THE PREVAILING MARKET PRICES;

15 (e) Subject to the guidelines specified in the IRR, purchases  
16 of Goods from another agency of the Government, such as  
17 the Procurement Service of the DBM, which is tasked with  
18 a centralized procurement of commonly used Goods for the  
19 government in accordance with Letters of Instruction No.  
20 755 and Executive Order No. 359, series of 1989. **THE PS-  
21 DBM OR SUCH OTHER GOVERNMENT  
22 AGENCIES SHALL CREATE A CUSTOMER  
23 SATISFACTION METRIC AS A TOOL IN  
24 MONITORING AND MANAGING THE  
25 EXPECTATIONS OF THE END-USERS, ANALYZE  
26 THE RESULTS THEREOF, MAKE  
27 RECOMMENDATIONS FOR IMPROVEMENT TO  
28 PREVENT REPEATED FUTURE PROBLEMS, AND  
29 IMPLEMENT NECESSARY CHANGES.**

30 **SEC. 24.** Section 56 is hereby amended to read as follows:

31 SEC. 56. Resolution of Protests and Non-Interruption of  
32 the Bidding Process.

33 The protest shall be resolved xxx xxx

1 IN NO CASE SHALL ANY REQUEST FOR  
2 RECONSIDERATION AND PROTEST STAY OR  
3 DELAY THE BIDDING PROCESS. REQUEST FOR  
4 RECONSIDERATIONS AND PROTESTS MUST  
5 FIRST BE RESOLVED BEFORE ANY AWARD IS  
6 MADE.

7 **SEC. 25.** Section 57 is hereby amended to read as follows:

8 SEC. 57. [In no case shall any protest taken from any  
9 decision treated in this Article stay or delay the bidding  
10 process. Protests must first be resolved before any award is  
11 made.] **INDEPENDENT PROCUREMENT REVIEW  
12 BODY (IPRB). – DECISIONS OF THE HOPE ON  
13 PROTESTS MAY BE BROUGHT TO AN  
14 INDEPENDENT PROCUREMENT REVIEW BODY  
15 TO BE ESTABLISHED BY THE GPPB.**

16 **SEC. 26.** Section 58 is hereby amended to read as follows:

17 SEC. 58 **RESORT** [Report] to Regular Courts;  
18 Certiorari. - Court action may be resorted to only after the  
19 protests contemplated in this Section shall have been  
20 completed. Cases that are filed in violation of the process  
21 specified in this Article shall be dismissed for lack of  
22 jurisdiction. The regional trial court shall have jurisdiction  
23 over final decisions of the [head of the procuring entity]  
24 **IPRB OR HOPE. THE REGIONAL TRIAL COURTS  
25 DESIGNATED AS COMMERCIAL COURTS BY THE  
26 SUPREME COURT SHALL HAVE JURISDICTION  
27 OVER FINAL DECISIONS OF THE IPRB OR HOPE.**  
28 Court actions shall be governed by Rule 65 of the 1997 Rules  
29 of Civil Procedure.

30 XXX

XXX

XXX

31



1 **SEC. 27.** Section 62 (b) is hereby amended to read as follows:

2 **SEC. 62. Warranty**

3 XXX

XXX

4 XXX

5 b. For the procurement of infrastructure projects, the  
6 contractor shall assume full responsibility for the contract  
7 work from the time project construction commenced up to  
8 a reasonable period as defined in the IRR and taking into  
9 consideration the scale and coverage of the project, from its  
10 final acceptance by the government, and shall be held  
11 responsible for any damage or construction of works except  
12 those occasioned by force majeure. The contractor shall be  
13 fully responsible for the safety, protection, security, and  
14 convenience of his personnel, third parties, and the public  
15 at large, as well as the works, equipment, installation and  
16 the like to be affected by his construction work and shall be  
17 required to put up a warranty security **FOR ONE YEAR** in  
18 the form of cash, bank guarantee, letter of credit,  
19 Government Service Insurance System bond, or callable  
20 surety bond.

21 **BUT IN NO CASE SHALL THE WARRANTY**  
22 **AGAINST STRUCTURAL DEFECTS AND**  
23 **FAILURES BE LESS THAN TEN (10) YEARS FOR**  
24 **SEMI-PERMANENT STRUCTURES AND FIFTEEN**  
25 **(15) YEARS FOR PERMANENT STRUCTURES.**  
26 **DURING THIS PERIOD, THE CONTRACTOR,**  
27 **CONSULTANT, PROCURING ENTITY**  
28 **REPRESENTATIVES, THIRD PARTIES, AND/OR**  
29 **USERS MAY BE HELD RESPONSIBLE.**

30 XXX

XXX

31 XXX

1 **SEC. 28.** Section 69 is hereby amended to read as follows:

2 **SEC. 69.** Imposition of Administrative Penalties.

3 (a) xxx xxx  
4 xxx

5 Refusal to clarify or validate in writing its Bid during post-  
6 qualification within a period of seven (7) [calendar]  
7 **WORKING** days from receipt of the request for  
8 clarification.

9 (b) xxx xxx

10 xxx

11 (C) [The Head of the Procuring Entity may delegate to the  
12 BAC the authority to impose the aforementioned  
13 administrative penalties.] **ANY SUPPLIER,**  
14 **CONTRACTOR, OR CONSULTANT THAT IS**  
15 **BLACKLISTED BY A PROCURING ENTITY**  
16 **AND/OR INCLUDED IN THE GPPB**  
17 **CONSOLIDATED BLACKLISTING REPORT**  
18 **SHALL NOT BE ALLOWED TO PARTICIPATE IN**  
19 **THE BIDDING OF ALL GOVERNMENT PROJECTS**  
20 **DURING THE PERIOD OF DISQUALIFICATION.**

21 **A JOINT VENTURE OR CONSORTIUM WHICH IS**  
22 **BLACKLISTED OR WHICH HAS BLACKLISTED**  
23 **MEMBER(S) AND/OR PARTNER(S) AS WELL AS A**  
24 **PERSON/ENTITY WHO IS A MEMBER OF A**  
25 **BLACKLISTED JOINT VENTURE OR**  
26 **CONSORTIUM ARE, LIKEWISE, NOT ALLOWED**  
27 **TO PARTICIPATE IN ANY GOVERNMENT**  
28 **PROCUREMENT DURING THE PERIOD OF**  
29 **DISQUALIFICATION.**

30 **IN THE CASE OF CORPORATIONS, A SINGLE**  
31 **STOCKHOLDER, TOGETHER WITH HIS/HER**

1 RELATIVES UP TO THE THIRD (3RD) CIVIL  
2 DEGREE OF CONSANGUINITY OR AFFINITY,  
3 AND THEIR ASSIGNEES, HOLDING AT LEAST  
4 TWENTY PERCENT (20%) OF THE SHARES  
5 THEREIN, ITS CHAIRMAN OR PRESIDENT  
6 REGARDLESS OF THE NUMBER OF SHARES  
7 THEY HOLD IN SUCH CORPORATION OF WHICH  
8 THEY ARE CHAIRMAN OR PRESIDENT, SHALL  
9 BE BLACKLISTED AFTER THEY HAVE BEEN  
10 DETERMINED TO HOLD THE SAME  
11 CONTROLLING INTEREST IN ANOTHER  
12 BLACKLISTED CORPORATION. THE  
13 CORPORATIONS OF WHICH THEY ARE PART  
14 SHALL ALSO BE BLACKLISTED.

15 BIDDERS BLACKLISTED OR BARRED FROM  
16 BIDDING BY OTHER FOREIGN  
17 GOVERNMENT/FOREIGN OR INTERNATIONAL  
18 FINANCING INSTITUTION ARE ALSO NOT  
19 ALLOWED TO PARTICIPATE IN THE BIDDING OF  
20 ALL GOP AGENCIES.

21 THE GPPB SHALL ISSUE THE NECESSARY  
22 GUIDELINES FOR THIS PURPOSE.

23                   xxx                   xxx  
24                   xxx

25 **SEC. 29.** Section 72 is hereby amended to read as follows:

26 SEC. 72. Private Legal Assistance. - All the members of  
27 the BAC, INCLUDING ITS SUPPORT STAFF, SUCH  
28 AS THE BAC SECRETARIAT, TWG,  
29 PROCUREMENT SERVICE/UNIT AND THE HOPE,  
30 are hereby authorized to engage the services of private  
31 lawyers or extend counsel immediately upon receipt of  
32 court notice that a civil or criminal action, suit or proceeding

1       is filed against them. The lawyer's fee shall be part of the  
 2       indemnification package for the BAC members, subject to  
 3       the provisions of Section 73 hereof.”

4   **SEC. 30.** Section 73 is hereby amended to read as follows:

5       SEC. 73. Indemnification of BAC Members.

6       xxx   xxx  
 7       xxx

8       The members of the BAC, [and the BAC Secretariat],  
 9       **INCLUDING ITS SUPPORT STAFF, SUCH AS THE**  
 10       **BAC SECRETARIAT, TWG, PROCUREMENT**  
 11       **SERVICE/UNIT AND THE HOPE**, shall also be entitled  
 12       to medical assistance for injuries incurred in the  
 13       performance of their functions.

14   **SEC. 31.** Section 74 is hereby amended to read as follows:

15       SEC. 74. Oversight Committee. – There is hereby created a  
 16       Joint Congressional Oversight Committee to oversee the  
 17       implementation of this Act for a period not exceeding five  
 18       (5) years from **ITS [the] effectivity AND UNDERTAKE**  
 19       **A MANDATORY REVIEW** of this Act **AT LEAST**  
 20       **ONCE EVERY FIVE (5) YEARS AND AS OFTEN AS**  
 21       **IT MAY DEEM NECESSARY, WITH THE END IN**  
 22       **VIEW OF PROVIDING A PROCUREMENT**  
 23       **PROCESS THAT IS SIMPLE AND REASONED AND**  
 24       **ALLOWS FOR EFFECTIVE, EFFICIENT,**  
 25       **ECONOMIC, AND ETHICAL USE OF**  
 26       **GOVERNMENT RESOURCES.** The Committee shall be  
 27       composed of the Chairman of the Senate Committee on  
 28       **FINANCE** [Constitutional Amendments and Revision of  
 29       Laws] and two **(2)** members thereof appointed by the Senate  
 30       President, and the Chairman of the House Committee on

1 Appropriations, and two (2) members thereof to be  
2 appointed by the Speaker of the House of Representatives.

3 **SEC. 32. *Implementing Rules and Regulations and Standard***  
4 ***Forms.*** – Within sixty (60) days from the promulgation of this  
5 Act, the necessary rules and regulations for the proper  
6 implementation of its provisions shall be formulated by the  
7 GPPB. For a period not later than thirty (30) days upon the  
8 approval of the implementing rules and regulations the standard  
9 forms for Procurement shall be formulated and approved.

10 **SEC. 33. *Separability Clause.*** – If any provision of this Act is declared  
11 invalid or unconstitutional, the other provisions not affected by such  
12 declaration shall remain in full force and effect.

13 **SEC. 34. *Repealing Clause.*** – All laws, executive and administrative  
14 orders, rules and regulations inconsistent with the foregoing provisions  
15 are hereby repealed or modified accordingly.

16 **SEC. 35. *Effectivity.*** – This Act shall take effect fifteen (15) days after  
17 its publication in the Official Gazette or in two (2) newspaper of general  
18 circulation.

*Approved,*