



SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

'17 MAY -2 P1:39

SENATE

S. No. 1423

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

AN ACT
STRENGTHENING LOCAL INFRASTRUCTURE INDUSTRY PLAYERS,
AMENDING FOR THE PURPOSE SECTION 23 OF REPUBLIC ACT NO. 9184,
OTHERWISE KNOWN AS THE GOVERNMENT PROCUREMENT REFORM
ACT, AND FOR OTHER PURPOSES

Explanatory Note

Infrastructure plays a significant role in a country's economic growth and ultimately, the people's quality of life. However, investments on public sector infrastructure have been consistently below 3% of the gross domestic product (GDP) and it was only in 2015, that government spending on infrastructure increased at slightly over 4% of GDP. Since then, public sector infrastructure budget steadily increased to P756.4 billion or 5.2% of GDP in 2016 and P860.7 billion or 5.4% of GDP in 2017.¹

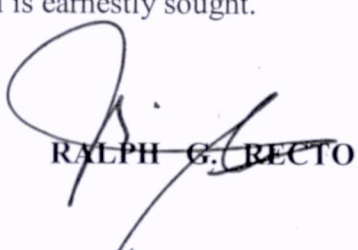
Despite the increase in infrastructure spending, our country still has a huge infrastructure deficit. To close the large infrastructure gap, the government is planning to jack up spending to 7.1% of gross domestic product by 2022. Experts claim that the Philippine infrastructure industry is expected to experience robust growth in the next five years with the local construction industry seen growing more than half by 2020.²

However, to ensure inclusive growth, the construction industry should not be monopolized by the infrastructure giants. The government should also enable small players to contribute to its envisioned 'golden age of infrastructure'³ by allotting them better chances in winning government infrastructure contracts.

The proposed measure seeks to support the local infrastructure industry, promote growth in small infrastructure firms and encourage infrastructure firms to set up their office in the provinces. To achieve these, the bill proposes additional eligibility requirements for the procurement of hard infrastructure projects to give priority to infrastructure firms whose main office is situated in the province or region where the project shall be implemented by determining the participation of prospective bidders for the procurement of infrastructure projects based on the approved budget for the contract.

In view of the foregoing, immediate approval of this bill is earnestly sought.

mjma


RALPH G. RECTO

¹ Source: DBM. Budget of Expenditures. (Accessed April 18, 2017)

² Richmond Mercurio. Philippine Star. "Philippine construction works seen growing over 50% by 2020." May 26, 2016. <http://www.philstar.com/business/2016/05/26/1586914/philippine-construction-works-seen-growing-over-50-2020> (Accessed April 19, 2017).

³ <http://business.inquirer.net/225770/philippines-aims-golden-age-infrastructure> (Accessed April 19, 2017).



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

1 **SEC. 1.** Section 23 of Republic Act No. 9184 otherwise known as the
2 "Government Procurement Reform Act" is hereby amended to read as follows;

3 "Sec. 23. Eligibility Requirements for the Procurement of Goods and
4 Infrastructure Projects. – The BAC or, under special circumstances specified in
5 the IRR, its duly designated organic office shall determine the eligibility of
6 prospective bidders for the procurement of Goods and Infrastructure Projects,
7 based on the bidders' compliance with the eligibility requirements within the
8 period set forth in the Invitation to Bid. The eligibility requirements shall provide
9 for fair and equal access to all prospective bidders. The documents submitted in
10 satisfaction of the eligibility requirements shall be made under oath by the
11 prospective bidder or by his duly authorized representative certifying to the
12 correctness of the statements made and the completeness and authenticity of the
13 documents submitted.

14 A prospective bidder may be allowed to submit his eligibility requirements
15 electronically. However, said bidder shall later on certify under oath as to
16 correctness of the statements made and the completeness and authenticity of the
17 documents submitted.

18 **PROVIDED, THAT, FOR THE PROCUREMENT OF**
19 **INFRASTRUCTURE PROJECTS, THE PARTICIPATION OF PROSPECTIVE**
20 **BIDDERS SHALL BE DETERMINED BASED ON THE APPROVED**
21 **BUDGET FOR THE CONTRACT (ABC) AS FOLLOWS:**

- 22 1. ABC OF ONE HUNDRED MILLION PESOS (P100,000,000.00) AND
23 BELOW - LOCATION OF THE MAIN OFFICE OF THE BIDDER

1 MUST BE WITHIN THE PROVINCE WHERE THE PROJECT SHALL
2 BE IMPLEMENTED;

3 2. ABC OF ABOVE ONE HUNDRED MILLION PESOS
4 (P100,000,000.00) AND BELOW TWO HUNDRED MILLION PESOS
5 (P200,000,000.00) - LOCATION OF THE MAIN OFFICE OF THE
6 BIDDER MUST BE WITHIN THE REGION WHERE THE PROJECT
7 SHALL BE IMPLEMENTED; AND

8 3. ABC OF ABOVE TWO HUNDRED MILLION PESOS
9 (P200,000,000.00) – LOCATION OF THE MAIN OFFICE OF THE
10 BIDDER CAN BE ANYWHERE IN THE PHILIPPINES.

11 **SEC. 2. *Implementing Rules and Regulations.*** – The Secretary of the Department
12 of Public Works and Highways and the Government Procurement Policy Board shall
13 within sixty (60) days from the effectivity of this Act, jointly issue the necessary rules
14 and regulations for the effective implementation of this Act.

15 **SEC. 3. *Separability Clause.*** - If any provision of this Act is declared
16 unconstitutional or invalid, other parts or provisions hereof not affected thereby shall
17 continue to be in full force and effect.

18 **SEC. 4. *Repealing Clause.*** - All other laws, orders, issuances, circulars, rules and
19 regulations or parts thereof, which are inconsistent with the provisions of this Act are
20 hereby repealed or modified accordingly.

21 **SEC. 5. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days following
22 its publication in at least two (2) newspapers of general circulation or the *Official*
23 *Gazette.*

Approved,