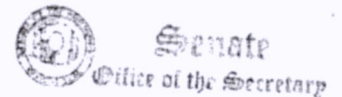


SEVENTEENTH CONGRESS OF THE ]  
REPUBLIC OF THE PHILIPPINES ]  
*Third Regular Session* ]



'18 AUG -7 P2:16

SENATE

S.B. No. 1921

RECEIVED 

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Introduced by SEN. WIN GATCHALIAN

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AN ACT  
AMENDING REPUBLIC ACT NO. 9184, OTHERWISE KNOWN AS THE  
GOVERNMENT PROCUREMENT REFORM ACT, AND FOR OTHER  
PURPOSES

EXPLANATORY NOTE

One of the governing principles embodied in Republic Act No. 9184, also known as the Government Procurement Reform Act (GPRA), is competitiveness. The GPRA describes competitiveness as extending equal opportunities to eligible and qualified private contracting parties in all government procurements, without any mention on the nationality of said parties.

However, the GPRA's adoption of a domestic preference policy as embodied under Commonwealth Act No. 138 – otherwise known as “The Flag Law” – and which is similarly adopted in Republic Act No. 5183 has reduced the principle of competitiveness in government procurements. For the last 78 years, such domestic preference policy has confined competition in government procurements within our territorial boundaries and has discriminated against foreign suppliers. The supposed benefits to have been produced by such domestic preference policy should have been apparent and largely felt by the public through an efficient and effective government

procurement after 78 years. But that is not the case. Instead, such policy has largely promoted limited choices, high prices and aging capacities and has discouraged innovation and reduced competitive pressure to the local industries.

Accordingly, this bill should be considered in the context of promoting competition among domestic and foreign suppliers and attracting new and much needed investments to enable the Government to deliver public services that would support the country's initiatives in providing a business climate conducive to investments in the country. Thus, I urge the immediate passage of this bill.



**WIN GATCHALIAN**

SEVENTEENTH CONGRESS OF THE ]  
REPUBLIC OF THE PHILIPPINES ]  
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RECORDED

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AN ACT  
AMENDING REPUBLIC ACT NO. 9184, OTHERWISE KNOWN AS  
THE GOVERNMENT PROCUREMENT REFORM ACT, AND FOR  
OTHER PURPOSES

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

1           **SECTION 1.** Section 4 of Republic Act No. 9184 is hereby  
2 amended to read as follows:

3  
4           “Sec. 4. Scope and Application. – This act shall apply to the  
5 Procurement of Infrastructure Projects, Goods and  
6 Consulting Services, regardless of source of funds, whether  
7 local or foreign, by all branches and instrumentalities of  
8 government, its departments, offices and agencies, including  
9 government-owned and/or controlled corporation and local  
10 government units [, subject to the provisions of  
11 Commonwealth Act No. 138]. Any treaty or international or  
12 executive agreement affecting the subject matter of this Act  
13 to which the Philippine government is a signatory shall be  
14 observed.”

15  
16           **SECTION 2.** Section 76 of Republic Act No. 9184 is hereby  
17 amended to read as follows:

1 “Sec. 76. Repealing Clause. – This law repeals  
2 COMMONWEALTH ACT NO. 138, ENTITLED “AN ACT TO  
3 GIVE NATIVE PRODUCTS AND DOMESTIC ENTITIES THE  
4 PREFERENCE IN THE PURCHASE OF ARTICLES FOR THE  
5 GOVERNMENT”; REPUBLIC ACT NO. 5183, ENTITLED “AN  
6 ACT REGULATING THE AWARD OF CONTRACTS FOR THE  
7 SUPPLY TO, OR PROCUREMENT BY, ANY GOVERNMENT-  
8 OWNED OR CONTROLLED CORPORATION, COMPANY,  
9 AGENCY OR MUNICIPAL CORPORATION OF MATERIALS,  
10 EQUIPMENT, GOODS AND COMMODITIES, AND  
11 PROVIDING PENALTY FOR THE VIOLATION THEREOF”;  
12 Executive Order No. 40, series of 2001, entitled  
13 “Consolidating Procurement Rules and Procedures for all  
14 National Government Agencies, Government-Owned-or-  
15 Controlled Corporations and/or Government Financial  
16 Institutions, and requiring the Use of the Government  
17 Electronic Procurement System”; Executive Order No. 262,  
18 series of 2000, entitled “Amending Executive Order No. 302,  
19 series of 1996, entitled “Providing Policies, Guidelines, Rules  
20 and Regulations for the Procurement of Goods/Supplies by  
21 the National Government” and Section 3 of Executive Order  
22 No. 201, series of 2000, entitled “Providing Additional  
23 Policies and Guidelines in the Procurement of  
24 Goods/Supplies by the National Government”; Executive  
25 Order No. 302, series of 1996 entitled “Providing Policies,  
26 Guidelines, Rules and Regulations for the Procurement of  
27 Goods/Supplies by the National Government” and  
28 Presidential Decree No. 1594 dated June 11, 1978, entitled  
29 “Prescribing Policies; Guidelines, Rule and Regulations for  
30 Government Infrastructure Contracts.” This law amends  
31 Title Six, Book Two of Republic Act No. 7160, otherwise  
32 known as the “Local Government Code of 1991”; the relevant  
33 provisions of Executive Order No. 164, series of 1987,  
34 entitled “Providing Additional Guidelines in the Processing  
35 and Approval of Contracts of the National Government;” and  
36 the relevant provisions of Republic Act No. 7898 dated  
37 February 23, 1995, entitled “An Act Providing for the  
38 Modernization of the Armed Forces of the Philippines and for  
39 Other Purposes.” Any other law, presidential decree or  
40 issuance, executive order, letter of instruction,  
41 administrative order, proclamation, charter, rule or  
42 regulation and/or parts thereof contrary to or inconsistent  
43 with the provisions of this Act is hereby repealed, modified or  
44 amended accordingly.”

1           **SECTION 3. *Separability Clause.*** – If any portion of this Act is  
2 declared invalid or unconstitutional, the portions or provisions which  
3 are not affected shall remain valid and subsisting.

4  
5           **SECTION 4. *Effectivity.*** – This Act shall take effect fifteen (15)  
6 days after its publication in the Official Gazette or in a newspaper of  
7 general circulation.

8  
9           ***Approved,***