

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



23 AUG 10 P6:43

SENATE
S. No. 2402

RECEIVED BY: _____

Introduced by Senator Loren B. Legarda

**AN ACT
INSTITUTIONALIZING THE PREFERENTIAL TREATMENT IN THE
PROCUREMENT OF MATERIALS AND SUPPLIES PRODUCED, MADE, AND
MANUFACTURED IN THE PHILIPPINES AMENDING SECTIONS 4 AND 43
OF REPUBLIC ACT NO. 9184 ENTITLED "AN ACT PROVIDING FOR THE
MODERNIZATION, STANDARDIZATION AND REGULATION OF THE
PROCUREMENT ACTIVITIES OF THE GOVERNMENT AND FOR OTHER
PURPOSES"**

EXPLANATORY NOTE

Pursuant to the mandate of the State to ensure that Filipinos are given preference in all areas of development, Article II, Section 19 of the 1987 Constitution provides that: "The State shall develop a self-reliant and independent national economy effectively controlled by Filipinos."

Further, in order to promote the growth and development of Filipino entrepreneurs, Article XII, Section 2 of the 1987 Constitution states that: "The State shall promote the preferential use of Filipino labor, domestic materials and locally produced goods, and adopt measures that help make them competitive."

The preferential treatment given to Filipino-made and produced products in the Philippines serves several significant purposes, such as economic growth and employment, industrial development, self-sufficiency, and environmental considerations.

Prioritizing locally made products helps stimulate economic growth by supporting local industries and businesses, and by creating jobs and reducing unemployment rates. According to the IBON Foundation, labor productivity has been a significant factor in driving economic growth over the past ten years. The Philippine Statistics Authority recently released data indicating that labor productivity, measured at constant 2018 prices, has increased by 28.9% from Php330,035 per worker in 2012 to Php425,511 in 2022. Further, providing preferential treatment to Filipino products promotes the development of local industries. It encourages domestic producers to invest in research and development, technological advancements, and innovation.

Promoting local products reduces dependence on foreign goods. It strengthens the country's self-sufficiency by fostering the production and availability of essential goods within the domestic market. It is also necessary to align sustainable practices and environmental protection efforts with locally made goods, which tend to have a lower carbon footprint due to reduced transportation distances, contributing to the reduction of greenhouse gas emissions.

In view of the foregoing, the early passage of this bill is earnestly sought.



LOREN LEGARDA

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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 known as the "Buy Local Act."
2 Sec. 2. Declaration of Policy - It is the policy of the State to promote the
3 preferential use of Filipino domestic materials and locally produced goods and adopt
4 measures that help make them competitive. For this purpose, there shall be
5 preferential treatment to domestically produced and manufactured goods or supplies
6 that meet the required quality and standard.
7 Sec. 3. Coverage. - All heads of departments, bureaus, offices, and agencies of
8 the National Government, including local government units, government-owned or -
9 controlled corporations, government financial institutions, and state universities and
10 colleges authorized to requisition, purchase, contract, or make disbursements for
11 articles, materials, and supplies for public use, public biddings or public works, shall
12 give preference in the procurement of materials, supplies, produced, made and
13 manufactured in the Philippines that meet the specified or desired quality in

1 accordance with the provisions of existing laws and treaties or international
2 agreements.

3 Sec. 4. Section 4 of Republic Act No. 9184, otherwise known as the Government
4 Procurement Reform Act, is hereby amended to read as follows:

5 "SEC 4. Scope and Application. - This act shall apply to the Procurement of
6 Infrastructure Projects, Goods, and Consulting Services, regardless of the source of
7 funds, whether local or foreign, by all branches and instrumentalities of government,
8 its departments, offices, and agencies, including government-owned and/or
9 controlled corporations and local government units, subject to the provisions of
10 Commonwealth Act No. 138. THE GOVERNMENT OR ANY OF ITS
11 INSTRUMENTALITIES SHALL GIVE PREFERENCE TO MATERIALS AND
12 SUPPLIES MADE AND MANUFACTURED IN THE PHILIPPINES IN THE
13 PROCUREMENT OF GOODS AND INFRASTRUCTURE PROJECTS. Any treaty or
14 international or executive agreement affecting the subject matter of this Act to which
15 the Philippine government is signatory shall be observed."

16 Sec. 5. Section 43 of Republic Act No. 9184, otherwise known as the
17 Government Procurement Reform Act, is hereby amended to read as follows:

18 "SEC. 43. Procurement of Domestic and Foreign Goods. - Consistent with the
19 country's obligations under international treaties or agreements, goods may be
20 obtained from domestic or foreign sources, and the procurement thereof shall be open
21 to all eligible suppliers, manufacturers, and distributors. However, in the interest of
22 availability, efficiency, and timely delivery of Goods, the Procuring Entity [may]
23 SHALL give preference to the purchase of domestically-produced and manufactured
24 goods, supplies, and materials that meet specified or desired quality."

25 Sec. 6. Implementing Rules and Regulations - Within sixty (60) days after the
26 approval of this Act, the Government Procurement Policy Board (GPPB) created by
27 Republic Act No. 9184 shall formulate the necessary rules and regulations, including
28 the standard forms for government procurement for the proper implementation of
29 this Act.

30 Sec. 7. Separability Clause - If any portion or provision of the Act is declared
31 void or unconstitutional, the remaining portions or provisions hereof shall not be
32 affected by such declaration.

1 Sec. 8. Repealing Clause. - Sections 4 and 43 of Republic Act No. 9184,
2 otherwise known as the "Government Procurement Reform Act," and all other laws,
3 decrees, rules and regulations inconsistent with the provisions of this Act are hereby
4 modified or amended accordingly.

5 Sec. 9. Effectivity Clause - This Act shall take effect after fifteen (15) days
6 following its publication in the Official Gazette or in any newspaper of general
7 circulation.

Approved,