

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

OFFICE OF THE SECRETARY )  
10 01 -6 P 35

SENATE  
S. NO. 426

RECEIVED 

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

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**Explanatory Note**

The Government Procurement Reform Act (Republic Act No. 9184) enacted on, January 10, 2003 was envisioned to employ the much needed reforms in the country's procurement system. Six years after its enactment, corruption in the public and private sector in the country is still pervasive and deep-rooted, according to both government and international sources.

The Philippines has fallen further in a global survey ranking countries in terms of perceived corruption, dropping to 141st, down 10 places from last year, among 180 countries surveyed by Transparency International. The country scored a 2.3 in the Corruption Perceptions Index (CPI), lower than last year's 2.5, on a scale where 10 is the highest possible grade. Compared to its neighbors, the Philippines scored lower than Singapore (9.2), Malaysia (5.7), Thailand (3.3), Vietnam (2.7); and Indonesia (2.6).

In the case of the fertilizer fund scam, a number of foundations, peoples' organizations, non-government organizations and associations have become agents for money laundering transactions, together with the National Agricultural and Fisheries Council, a regular attached agency of the Department of Agriculture. Findings of the Anti-Money Laundering Council (AMLC) revealed that a firm – Livelihood Corporation -where former Undersecretary Bolante of the Department of Agriculture transferred P172.6 trillion to Molugan Foundation, Inc. and P40 million to Assembly of Gracious Samaritan Foundation, Inc. (AGS). AMLC also found out that Molugan Foundation transferred P38 million to the AGS.

In this light, this Act seeks to amend the Government Procurement Reform Act of 2002 by including private institutions, non-government organizations, people's organizations and other private entities that receive government monies in the coverage of the Procurement Act. It is hoped that the enactment of this measure would make far implementation stricter and would tighten the registration and regulation of private entities, NGOs, and POs.

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

  
**ANTONIO "SONNY" F. TRILLANES IV**  
Senator

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AN ACT  
AMENDING SECTION 4 OF REPUBLIC ACT NO. 9194, OTHERWISE KNOWN AS  
THE GOVERNMENT PROCUREMENT REFORM ACT ON ITS SCOPE AND  
APPLICATION

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 amended to read as follows:

2

ARTICLE I

GENERAL PROVISIONS

5 x x x

6 SEC. 4. *Scope and Application.* - This Act shall apply to  
7 the Procurement and Infrastructure Projects, Goods, and  
8 Consulting Services, regardless of source of funds, whether local  
9 or foreign, by all branches and instrumentalities of government,  
10 its department, offices and agencies, including government-owned  
11 and/or controlled corporations and local government units; subject  
12 to the provisions of Commonwealth Act No. 138; **PROVIDED**  
13 **THAT, PRIVATE INSTITUTIONS, NONGOVERNMENT**  
14 **ORGANIZATIONS, PEOPLES' ORGANIZATIONS AND**  
15 **OTHER PRIVATE ENTITIES WHO OR WHICH ARE**  
16 **RECIPIENTS OF GOVERNMENT FUNDS ARE LIKEWISE**  
17 **COVERED BY THIS SECTION INsofar AS THE**  
18 **AMOUNT THEY HAVE RECEIVED FROM**  
19 **GOVERNMENT.** Any treaty or international or executive

1 agreement affecting the subject matter of this Act to which the  
2 Philippine government is a signatory shall be observed.

3 x x x

4 **SEC. 2. *Repealing Clause.*** - Any other law, presidential  
5 decree or issuance, executive order, letter of instruction,  
6 administrative order, proclamation, charter, rule or regulation  
7 and/or parts thereof contrary to or inconsistent with the provisions  
8 of this Act is hereby repealed, modified or amended accordingly.

9  
10 **SEC. 3. *Effectivity Clause.*** - This Act shall take effect  
11 fifteen (15) days following its publication in the *Official Gazette* or  
12 in two (2) newspapers of general circulation.

Approved,