EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

HOUSE OF REPRESENTATIVES
H. B. No. 4548

Introduced by Rep. Vilma Santos-Recto
6th District of Batangas

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 providing them better chances
in winning government infrastructure contracts.

1 Source: DBM. Budget of Expenditures. [Accessed April 18, 2017]
The proposed measure seeks to support the local infrastructure industry, promote
growth in small infrastructure firms and encourage infrastructure firms to set up their offices
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.

VILMA SANTOS-RECTO
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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

Section 1. Section 23 of Republic Act No. 9184 otherwise known as the “Government Procurement Reform Act” is hereby amended to read as follows:

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

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

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

1. ABC OF ONE HUNDRED MILLION PESOS (P100,000,000.00) AND BELOW. — LOCATION OF THE MAIN OFFICE OF THE BIDDER MUST BE WITHIN THE PROVINCE WHERE THE PROJECT SHALL BE IMPLEMENTED;

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

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

Sec. 2. Implementing Rules and Regulations. — Within sixty (60) days after the effectiveness of this Act, the Department of Public Works and Highways and the Government Procurement Policy Board shall formulate the rules and regulations to effectively implement the provisions of this Act.

Sec. 3. Repealing Clause. — Any law, presidential decree or issuance, executive order, letter of instruction, rule or regulation inconsistent with the provisions of this Act is hereby repealed or modified accordingly.

Sec. 4. Effectivity. — This Act shall take effect fifteen (15) days following its complete publication in two (2) newspapers of general circulation or in the Official Gazette.

Approved,