

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **4306**



Introduced by Representative Florida P. Robes

EXPLANATORY NOTE

In a decided case, the Supreme Court has acknowledged that the problem of corruption in government procurement created a bad public perception and image as it discovered that there is an evident manipulation or collusion in the bidding process even though Republic Act No. 9184, otherwise known as "The Government Procurement Reform Act", clearly prohibits collusion and other attempts to subvert the public bidding process. However, this does not imply that officials of the agency tasked to implement these projects are involved in the alleged corrupt practices.

This representation believes that to effectively eliminate or diminish corruption in procurement, there is a need to look into the criteria of selecting bidders and contractors because corruption goes beyond the actual bidding process. Secret agreements are usually forged before the start of the bidding as there could be a possible connivance between bidders and members of Bids and Awards Committee. Hence, the purpose of requiring that a bidder or a contractor must be operating within the area or region where the project is supposed to be realized is to avert ghost deliveries, under-delivery, or delivery of inferior quality materials. There may be more ways to make the bidder accountable to the public, but if he is operating within the locality, this will ascertain that he will not evade from religiously complying with the conditions of the contract. They will be ashamed if they fail to deliver because they live within the area or region and hence, they might not like to face the rage of the people. This is in addition to existing eligibility requirements imposed upon them to ensure that people get maximum benefits and quality services from the contracts and to prevent the practice known as "sahuran".

With these said, the passage of this proposal into law is earnestly sought.


FLORIDA P. ROBES

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**AN ACT PRESCRIBING ADDITIONAL ELIGIBILITY REQUIREMENTS
FOR BIDDERS AND CONTRACTORS TO PARTICIPATE IN THE
PROCUREMENT PROCESS**

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

SECTION 1. Declaration of Policy – It is hereby a declared policy of the State to uphold transparency and accountability in the procurement process and in the implementation of procurement contracts by making the procurement process simple, effective and efficient and by instituting practicable and reasonable mechanisms to curtail corrupt, fraudulent, collusive and coercive practices in the delivery of services.

SEC. 2. Objective.– It is the aim of this Act to streamline the procurement process by allowing only eligible and qualified parties to participate in the public bidding in order to prevent excessive bureaucracy or what is popularly known as, “Red Tape” and in strict observance of the highest standard of ethics prescribed under existing laws.

SEC. 3. Additional Eligibility Requirements for Bidders and Contractors. - In order for bidders and contractors to participate in the public bidding or to deal with the government in the implementation of infrastructure projects, they must be operating within the area or region where the project is to be implemented and must secure an *Authority to Participate* from the Regional Director and the Undersecretary for Operations of the Department of Public Works and Highways.

SEC 4. Implementing Rules and Regulations. – The Department of Public Works and Highways and the Department of Budget and Management, in coordination with concerned stakeholders, shall formulate the guidelines to fully implement the provisions of this Act.

SEC. 5. Separability Clause. - If, for any reason, any part or provision of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected thereby shall remain in full force and effect.

SEC. 6. Repealing Clause. - All laws, presidential decrees, executive orders, rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 7. Effectivity. - This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,