

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

1 Infrastructure plays a significant role in a country's economic growth and ultimately,
2 the people's quality of life. However, investments on public sector infrastructure have been
3 consistently below 3% of the gross domestic product (GDP) and it was only in 2015, that
4 government spending on infrastructure increased at slightly over 4% of GDP. Since then,
5 public sector infrastructure budget steadily increased to P756.4 billion or 5.2% of GDP in
6 2016 and P860.7 billion or 5.4% of GDP in 2017.¹

7

8 Despite the increase in infrastructure spending, our country still has a huge
9 infrastructure deficit. To close the large infrastructure gap, the government is planning to jack
10 up spending to 7.1% of gross domestic product by 2022. Experts claim that the Philippine
11 infrastructure industry is expected to experience robust growth in the next five years with the
12 local construction industry seen growing more than half by 2020.²

13 However, to ensure inclusive growth, the construction industry should not be
14 monopolized by the infrastructure giants. The government should also enable small players to
15 contribute to its envisioned 'golden age of infrastructure'³ by providing them better chances
16 in winning government infrastructure contracts.

17

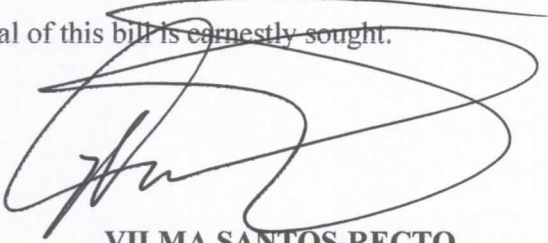
¹ Source: DBM. Budget of Expenditures. (Accessed April 18, 2017)

² Richmond Mercurio. Philippine Star. "Philippine construction works seen growing over 50% by 2020." May 26, 2016.
<http://www.philstar.com/business/2016/05/26/1586914/philippine-construction-works-seen-growing-over-50-2020> (Accessed April 19, 2017).

³ <http://business.inquirer.net/225770/philippines-aims-golden-age-infrastructure> (Accessed April 19, 2017).

1 The proposed measure seeks to support the local infrastructure industry, promote
2 growth in small infrastructure firms and encourage infrastructure firms to set up their offices
3 in the provinces. To achieve these, the bill proposes additional eligibility requirements for the
4 procurement of hard infrastructure projects to give priority to infrastructure firms whose main
5 office is situated in the province or region where the project shall be implemented by
6 determining the participation of prospective bidders for the procurement of infrastructure
7 projects based on the approved budget for the contract.

8
9 In view of the foregoing, immediate approval of this bill is earnestly sought.
10

A large, stylized handwritten signature in black ink, consisting of several loops and flourishes, positioned above the printed name.

VILMA SANTOS-RECTO

HOUSE OF REPRESENTATIVES

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

1 Section 1. Section 23 of Republic Act No. 9184 otherwise known as the "Government
2 Procurement Reform Act" is hereby amended to read as follows;

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

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

17 **"PROVIDED, THAT, FOR THE PROCUREMENT OF**
18 **INFRASTRUCTURE PROJECTS, THE PARTICIPATION OF**

1 **PROSPECTIVE BIDDERS SHALL BE DETERMINED BASED ON THE**
2 **APPROVED BUDGET FOR THE CONTRACT (ABC) AS FOLLOWS:**

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

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

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

15 *Sec. 2. Implementing Rules and Regulations.* – Within sixty (60) days after the
16 effectivity of this Act, the Department of Public Works and Highways and the Government
17 Procurement Policy Board shall formulate the rules and regulations to effectively implement
18 the provisions of this Act.

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

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

 Approved,