



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
CENTRAL OFFICE
Manila



05 NOV 2024

DEPARTMENT MEMORANDUM)

CIRCULAR NO.)
Series of 2024)

87

dt 11/5/2024

FOR / TO : **SENIOR UNDERSECRETARY**
UNDERSECRETARIES
ASSISTANT SECRETARIES
REGIONAL DIRECTORS
BUREAU DIRECTORS
SERVICE DIRECTORS
HEADS OF UPMOs
DISTRICT ENGINEERS
HEADS OF ATTACHED AGENCIES
OTHERS CONCERNED
This Department

For information and guidance, attached is a copy of **GPPB Resolution No. 04-2024** dated June 7, 2024, with the subject: **"APPROVING THE CREATION OF COMMITTEES TO FORMULATE THE RULES AND REGULATIONS FOR THE EFFECTIVE IMPLEMENTATION OF THE PROVISIONS OF THE NEW GOVERNMENT PROCUREMENT ACT UPON ITS ENACTMENT"**.

A copy of the said Resolution may also be downloaded from the DPWH website: <http://dpwhweb>. If an office cannot access the DPWH website, a hard copy may be obtained from the Records Management Division, HRAS, upon request.

For dissemination to all concerned.


Atty. MICHAEL S. VILAFRANCA, CESO III
Officer-in-Charge
Office of the Assistant Secretary for Support Services

Encl: As stated

cc: Office of the Secretary

10.1.4 FJED/CDP/GME

Website: <https://www.dpwh.gov.ph>
Tel. No(s): 5304-3000 / (02) 165-02



**APPROVING THE CREATION OF COMMITTEES TO FORMULATE THE RULES AND
REGULATIONS FOR THE EFFECTIVE IMPLEMENTATION
OF THE PROVISIONS OF THE NEW GOVERNMENT PROCUREMENT ACT
UPON ITS ENACTMENT**

WHEREAS, Republic Act (RA) No. 9184, otherwise known as the “Government Procurement Reform Act,” took effect on 26 January 2003, while its 2016 revised Implementing Rules and Regulations (IRR) took effect on 28 October 2016;

WHEREAS, in accordance with Section 63 of RA No. 9184, the Government Procurement Policy Board (GPPB) has been established as the collegial body composed of top-level public officials and private sector representative tasked to oversee public procurement in the Philippines. Its mandate includes: (i) policy-making or quasi-legislative functions which involve amending the IRR of the Act and developing generic procurement manuals and standard bidding forms; (ii) professionalization of Procuring Entities (PEs) nationwide by the establishment of a sustainable training program to develop the capacity of government procurement officers and employees, as provided under Section 16 of the Act; and (iii) performance monitoring to ensure the proper implementation by PEs of the Act, its IRR, and all other relevant rules and regulations on public procurement, as well as reviewing the effectiveness of the Act;

WHEREAS, in carrying out its tasks and functions in leading public procurement reforms in the country, the GPPB shall be assisted by its own Technical Support Office (TSO), as provided in the same Section 63 of the Act;

WHEREAS, in 2019, the GPPB, through its TSO, received several requests for clarifications on the rules from PEs as they identified gaps, challenges and issues in RA No. 9184 and its IRR. These included (i) multiple failures in bidding due to a lack of qualified bidders which limited competition, and (ii) disqualifications arising from unresponsive bids that did not meet the project requirements, both of which led to delays in contract implementation;

WHEREAS, recognizing the critical need to address these issues and ensure more robust and effective procurement rules, the GPPB initiated a comprehensive assessment of the current procurement system. To facilitate this, the GPPB-TSO, with the technical assistance of the World Bank (WB) and Asian Development Bank (ADB), conducted an assessment from 2019 to 2021 using the Methodology for Assessing Procurement Systems (MAPS) tool. The purpose was to evaluate the effectiveness of the country’s procurement system by assessing the impact of existing reforms and strategies in government procurement and providing guidance for prioritizing procurement reforms;

WHEREAS, in January 2022, the GPPB-TSO received the WB’s initial findings identifying key areas for improvement, emphasizing the need for continuous enhancements in areas such as rules on participation, methods of procurement, support to value for money, sustainable public procurement, professionalization, e-procurement system, and complaints review mechanism. These recommendations were presented to the GPPB in June 2022 for policy direction, highlighting the necessity for institutional changes or amendments to existing laws;

WHEREAS, in September 2022 during the Inaugural Meeting of the GPPB and its Inter-Agency Technical Working Group (IATWG), the Board, led by the Secretary of the Department of Budget and Management (DBM), recognized the need to update the IRR of RA No. 9184

to include digitalization initiatives and promote a sustainable procurement system while harmonizing all revisions and updates made since November 2016;

WHEREAS, as part of the study of the possible amendments to RA No. 9184, the GPPB-TSO undertook an intensive scoping and consultation with various stakeholders beginning in 2022.¹ In the first semester of CY 2023, the GPPB-TSO consolidated the results of the consultations and reviewed the same against the provision of the law and its IRR, and Supreme Court decisions relating to procurement;²

WHEREAS, starting in February 2023, the GPPB-TSO launched the Sustainable Consumption and Production (SCP) project in partnership with the Deutsche Gesellschaft für Internationale Zusammenarbeit. This initiative identified priority green items for procurement, such as lease of venue, information and communications technology products, food and catering services, construction materials, and motor vehicles. Pilot agencies were also designated to implement the SCP project, marking initial steps towards expanding mandatory procurement of these prioritized green items by the year 2024;

WHEREAS, likewise in February 2023, the GPPB-TSO started to conduct studies on the various bills³ on the proposed amendment to RA No. 9184. In the same period, the GPPB-TSO representatives were invited to participate as resource persons in Congressional hearings in the House Committee on Revision of Laws to discuss the Substitute Bill⁴ that proposed changes to RA No. 9184, and in the process obtained additional information on the areas of interest of legislators with regard to amendment of the government procurement law;

WHEREAS, in March 2023, the GPPB-TSO also engaged the Open Government Partnership (OGP) through the participation in their Asia Pacific Open Contracting Community of Practice pioneer cohort of the OGP flagship program as the Office intensifies its procurement reform initiatives;

WHEREAS, in June 2023, the GPPB-TSO received the MAPS Final Report, which was presented to the GPPB acting as the MAPS Steering Committee. The GPPB continued to explore strategies to enhance the government procurement system, aside from the aforesaid consolidated review of the revised 2016 IRR of RA No. 9184. In the same period, the GPPB-TSO then presented to the GPPB its position on the contentious issues related to the bills;

¹ Annex "A" – Scoping and Consultation with Various Stakeholders.

² Annex "B" – Consolidation of the Results of Consultations and Review of the Provisions of RA No. 9184, its revised IRR, and Supreme Court Decisions on Procurement related cases.

³ Annex "C" – Studies on Various Bills regarding the Proposed Amendment to RA No. 9184.

⁴ **House Bill No. 18** - "An Act Amending Republic Act No. 9184, Otherwise Known as the 'Government Procurement Reform Act' And for Other Purposes"; **House Bill No. 648** - "An Act Expediting the Procurement of Science, Engineering, Technology and Research Equipment and Specialized Supplies and Materials, Amending for the Purpose Section 4 Of Republic Act No. 9184, Otherwise Known as the Government Procurement Reform Act"; **House Bill No. 1503** - "An Act Prescribing Additional Eligibility Requirements for Bidders and Contractors to Participate in The Procurement Process"; **House Bill No. 2682** - "An Act Establishing Guidelines for Design Procurement, Amending for the Purpose Certain Provisions of Republic Act No 9184 Otherwise Known as the "Government Procurement Reform Act"; **House Bill No. 3704** - "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"; **House Bill No. 4617** - "An Act Amending Republic Act No. 9184, Otherwise Known as The "Government Procurement Reform Act", Providing for the Modernization, Standardization and Regulation of the Government Procurement Process and for Other Purposes"; **House Bill No. 6280** - "An Act Providing for Best Value Procurement, Amending for This Purpose Republic Act No. 9184, Otherwise Known As "Government Procurement Reform Act", and for Other Purposes"; **House Bill No. 7944** - "An Act Prescribing Policies, Guidelines, Rules and Regulations for Government Contracts to be known as "Ang Bagong Pilipinas Government Procurement Reform Act"; **Senate Bill No. 176** - "An Act Institutionalizing the Filipino First Policy in the Government Procurement System, amending for the Purpose Republic Act (RA) No. 9184, otherwise known as the 'Government Procurement Reform Act,' and for Other Purposes"; **Senate Bill No. 618** - "An Act Providing for a Uniform Warehousing and Inventory System for all Government Procuring Entities, amending for the Purpose RA No. 9184, otherwise known as the Government Procurement Reform Act"; **Senate Bill No. 619** - "An Act Amending Section 53 of RA No. 9184, otherwise known as the Government Procurement Reform Act"; **Senate Bill No. 1023** - "An Act Amending RA No. 9184, otherwise known as the Government Procurement Reform Act, Withdrawing from Its Application All References to the Local Government Units,"; and **Senate Bill No. 1803** - "An Act Amending Section 23 of RA No. 9184, otherwise known as the Government Procurement Reform Act, Providing for Eligibility of Bidders in the Procurement of Goods and Infrastructure Projects and for Other Purposes".

WHEREAS, in September 2023, the MAPS Final Report was launched, led by the Secretary of the DBM and the Chairperson of the GPPB and was attended by the Members of the GPPB and its IATWG, National Government Agencies,⁵ Government-owned and Controlled Corporations,⁶ Government Financial Institutions,⁷ Civil Society Organizations,⁸ Legislative Offices,⁹ Development Partners,¹⁰ the Commission on Audit, and other relevant stakeholders;

WHEREAS, during the State of the Nation Address last year,¹¹ President Ferdinand R. Marcos called on both Houses of Congress to enact a new procurement law. Following this pronouncement, the GPPB-TSO drafted the proposed amendments and presented its position paper to the DBM Secretary.¹² This proposal was subsequently presented to the Cabinet, alongside proposals from the Procurement Service (PS) of the DBM. After thorough review and discussions, the proposals culminated in the drafting of an Administrative Bill. This Bill, which includes earlier recommendations and comments from the GPPB relative to the amendment of RA No. 9184, was prepared by the DBM, GPPB-TSO, and PS-DBM. It was then presented during a sectoral cabinet meeting with President in August 2023 and the 3rd Legislative Executive Development Advisory Council Meeting for the 19th Congress in September 2023, and finally submitted to the House of Representatives and Senate in October 2023;

WHEREAS, on 17 October 2023, the Senate Committee on Finance held its public hearing consultation on the amendment bills on RA No. 9184, including the submitted Administrative Bill, to gather the inputs and concerns from various stakeholders in both the public and private sectors. Meanwhile, the House Committee on Revision of Laws proceeded with the harmonization of the substitute bill and the Administrative Bill to come up with House Bill (HB) No. 9648. This was later approved by the Sub-Committee on Revision of Laws and eventually by its mother Committee on 08 November 2023 and 14 November 2023, respectively. The House of Representatives then approved HB No. 9648 on Third Reading last 12 December 2023, following a series of interpellations and additional amendments;

WHEREAS, in February 2024, the Senate Committee on Finance began its technical working group hearings to discuss proposed amendments to RA No. 9184 submitted by both public and private sectors. In March 2024, Senate Bill (SB) No. 2593, known as the New Government Procurement Act (NGPA), was filed by several Senate committees, which became the focus of Senate plenary hearings. This was eventually followed by the Senate's approval of SB No. 2593 on Third Reading on 21 May 2024 with unanimous support from all Senators;

WHEREAS, the legislative process culminated in the ratification of the Bicameral Conference Committee Report on SB No. 2593 and HB No. 9648 on 22 May 2024, with the enrolled bill to be transmitted for the signature of the President of the Philippines;

WHEREAS, during the 2nd Regular GPPB Meeting on 07 June 2024, the GPPB-TSO presented the updates on the NGPA to apprise the Board of the proposed revisions to address the identified gaps and improve overall efficiency in public procurement. Notable updates on the NGPA include: (i) enhancements on the Governing Principles on Government Procurement, such as, transparency, competitiveness, efficiency, proportionality,

⁵ Representatives from the Commission on Audit, Department of Social Welfare and Development and University of the Philippines – Philippine General Hospital.

⁶ Representatives from the National Housing Authority.

⁷ Representatives from Land Bank of the Philippines

⁸ Representatives from the Government Watch (G-Watch).

⁹ Representatives from the House of Representatives and Senate of the Philippines.

¹⁰ Representatives from the World Bank and Asian Development Bank.

¹¹ State of the Nation Address on 24 July 2023.

¹² Last 07 August 2023.

accountability, participatory procurement, sustainability, and professionalism; (ii) emphasis on Strategic Procurement Planning; (iii) full implementation of Electronic Government Procurement, including the strengthening of the Philippine Government Electronic Procurement System as the primary source of information for all government procurement activities; (iv) the introduction of Procurement Data Analytics; (v) use of the existing and new Modes of Procurement which adopted the application of fit-for-purpose procurement approach based on the specific needs and objectives of PEs; (vi) the introduction of the Most Economically Advantageous Responsive Bid as a new bid evaluation or award criterion; (vii) the introduction of a new requirement of Video Recording of all procurement-related conferences for competitive bidding; (viii) the incorporation of Joint Venture Participation in public procurement; (ix) enhanced Bids and Awards Committee (BAC) and Composition of its members; (x) the granting of honoraria to Members of the BAC, Technical Working Group and ad hoc Secretariat, regardless of position; (xi) the institutionalization of Professionalization; (xii) strengthening the sanction mechanisms such as Administrative Liabilities of public officers and private entities, as well as the imposition of corrective measures as rehabilitative action, suspension and blacklisting for private entities; (xiii) declaration of Beneficial Ownership by the participating bidders; (xiv) emphasis on the development of Inclusive Procurement Programs; and (xv) the institutionalization of the establishment of the IATWG to provide subject matter expertise in the formulation and review of procurement policies;

WHEREAS, the GPPB-TSO pointed out that the NGPA mandates the GPPB to formulate the IRR for the effective implementation of the law within one hundred eighty (180) days from its effectivity. To ensure the timely drafting of the IRR, the GPPB-TSO proposed the creation of committees that shall be responsible for crafting the rules for specific subject areas of government procurement. Each committee shall be headed by two (2) GPPB members as co-leads who possess relevant expertise, have encountered issues on the subject covered or have previously volunteered to manage the IRR formulation for the same or related subject areas. Accordingly, the subject areas and respective GPPB member co-leads for these committees are the following:

Subject Areas	Co-Leads
a. Strategic Procurement Planning	National Economic and Development Authority (NEDA) and Department of Transportation (DOTr)
b. Competitive Bidding Modalities	Department of Public Works and Highways (DPWH) and Private Sector Representative
c. Other Modalities of Procurement	Department of the Interior and Local Government (DILG) and Department of National Defense (DND)
d. Contract Management and Monitoring, and Sanction Mechanisms	Department of Education (DepEd) and DBM
e. PS and PhilGEPS related matters	DBM and PS-DBM

WHEREAS, the GPPB-TSO further recommended that the GPPB members be allowed to participate in other committees to ensure comprehensive input and collaboration across various procurement areas, given that their expertise and insights could significantly contribute to the crafting of effective procurement rules. Additionally, the GPPB through its TSO may invite representatives from other government agencies to join these committees to provide specialized expertise and facilitate efficient coordination;

WHEREAS, in consideration of the foregoing, the GPPB, has agreed to the following recommendations of the GPPB-TSO:

1. Create committees to formulate the necessary rules and regulations for the effective implementation of the provisions of the NGPA. The subject areas with the corresponding GPPB member co-leads for the committees are the following:

Subject Areas	Co-Leads
a. Strategic Procurement Planning	NEDA and DOTr
b. Competitive Bidding Modalities	DPWH and Private Sector Representative
c. Other Modalities of Procurement	DILG and DND
d. Contract Management and Monitoring, and Sanction Mechanisms	DepEd and DBM
e. PS and PhilGEPS related matters	DBM and PS-DBM

2. Allow the GPPB members to participate in other committees to ensure comprehensive input and collaboration across various procurement areas. Additionally, the GPPB, through its TSO, may invite representatives from other government agencies to join these committees to provide specialized expertise and facilitate efficient coordination;

NOW, THEREFORE, for and in consideration of the foregoing, **WE**, the Members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, by virtue of the powers vested on **Us** by law and other executive issuances, hereby **RESOLVE** to confirm, adopt, and approve, as **WE** hereby confirm, adopt, and approve the following:

1. **CREATE** committees to formulate the necessary rules and regulations for the effective implementation of the provisions of the NGPA. The subject areas with the corresponding GPPB Member co-leads for the committees are the following:

Subject Areas	Co-Leads
a. Strategic Procurement Planning	NEDA and DOTr
b. Competitive Bidding Modalities	DPWH and Private Sector Representative
c. Other Modalities of Procurement	DILG and DND
d. Contract Management and Monitoring, and Sanction Mechanisms	DepEd and DBM
e. PS and PhilGEPS related matters	DBM and PS-DBM

2. **ALLOW** the GPPB members to participate in other committees to ensure comprehensive input and collaboration across various procurement areas. Additionally, the GPPB, through its TSO, may invite representatives from other government agencies to join these committees to provide specialized expertise and facilitate efficient coordination.

This Resolution shall take effect immediately.

APPROVED this 7th day of June 2024 at Quezon City, Philippines.

SGD

GPPB, Chairperson

DEPARTMENT OF BUDGET AND MANAGEMENT

SGD

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

DEPARTMENT OF EDUCATION

SGD

DEPARTMENT OF ENERGY

DEPARTMENT OF FINANCE

SGD

DEPARTMENT OF HEALTH

**DEPARTMENT OF THE INTERIOR AND
LOCAL GOVERNMENT**

SGD

**DEPARTMENT OF NATIONAL
DEFENSE**

SGD

**DEPARTMENT OF PUBLIC WORKS AND
HIGHWAYS**

SGD

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

**DEPARTMENT OF TRADE AND
INDUSTRY**

DEPARTMENT OF TRANSPORTATION

**DEPARTMENT OF INFORMATION AND
COMMUNICATIONS TECHNOLOGY**

SGD

PHILIPPINE SPACE AGENCY

PRIVATE SECTOR REPRESENTATIVE