



# Philippines' Conditions in Construction Market and Construction Information Use

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**Assistant Secretary**

**Department of Public Works and Highways**

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# OBJECTIVE

Sharing the country's conditions  
and prospects of Construction  
Market and the Construction  
Information Use

# PRESENTATION COVERAGE

- ◎ Introduction About the Philippines
- ◎ Philippine Road Network
  - Current Road Network
  - Current Investments in the Infrastructure Sector
  - Proposed Public Investments on Infrastructure CY 2011-2016
- ◎ DPWH as the Engineering and Construction Arm of the Government
  - Organizational Structure
  - Communication Network
    - Current Status
    - Proposed Connections
  - Reforms through Technology
- ◎ The Country's Procurement System

# BRIEF INTRODUCTION ABOUT THE PHILIPPINES



Japan

Narita

2,992 kilometers

Philippines

Manila

At a glance . . . .

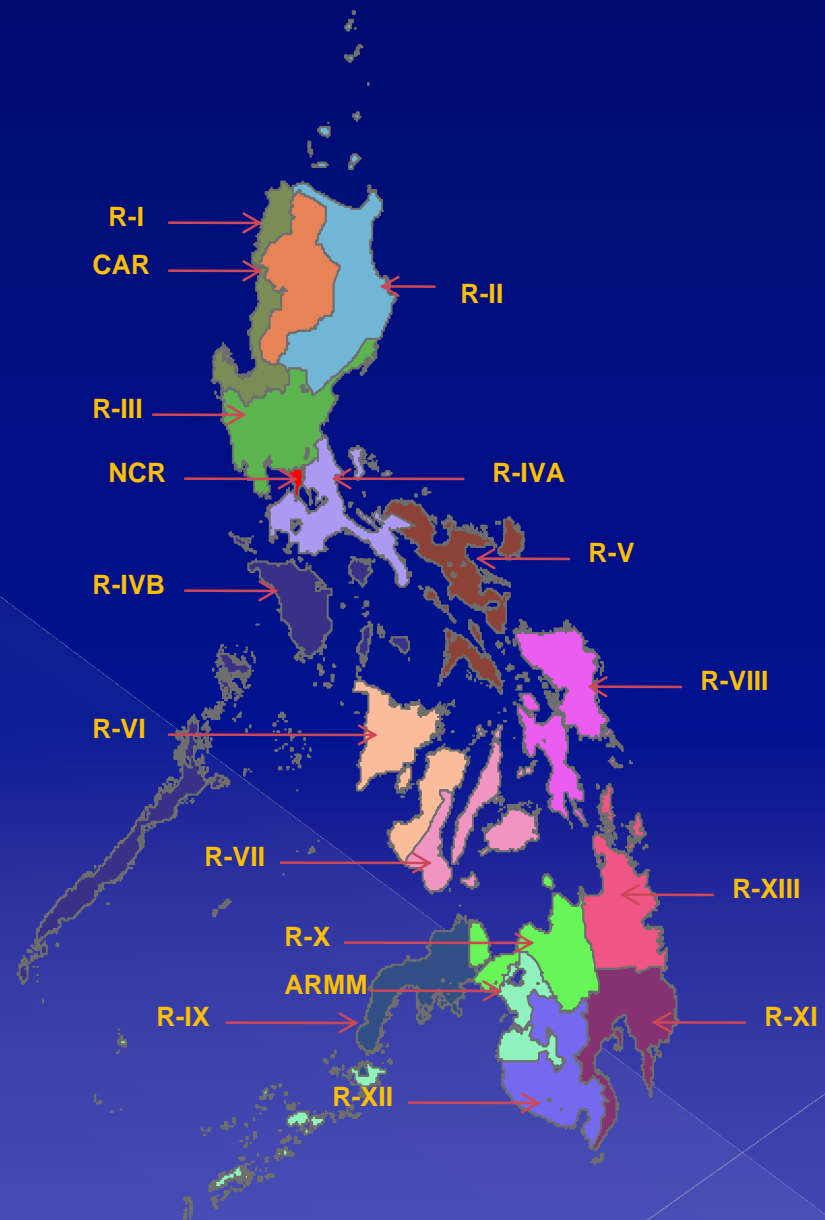
# THE PHILIPPINES

**LAND AREA** : 300,000 sq.km.

**Population** : 92,226,600 (as of 2009)

**No. of Islands** : 7,107

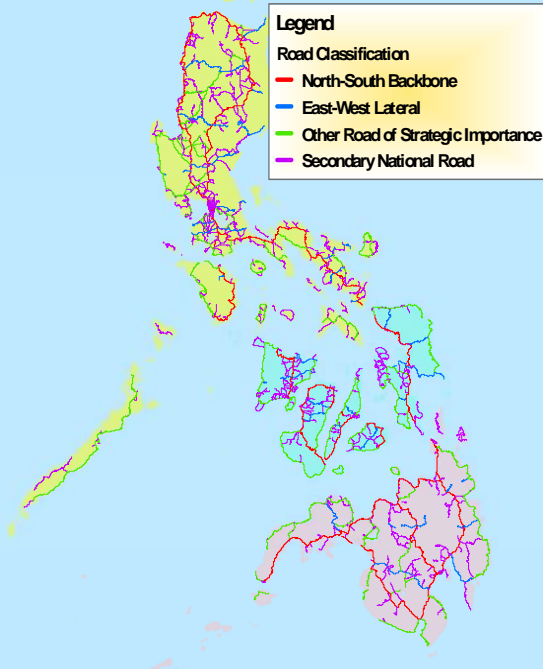
**Form of Government** : Democratic



# PHILIPPINES ROAD NETWORK

# CURRENT ROAD NETWORK SYSTEM

- Overall road network as of December 2008 : 205,778 km
- Road Density : 0.685 km Per square km. of land area
- Overall paved road ratio: low level of 0.25 (due to huge inventory of 'barangay roads' or farm to village roads)

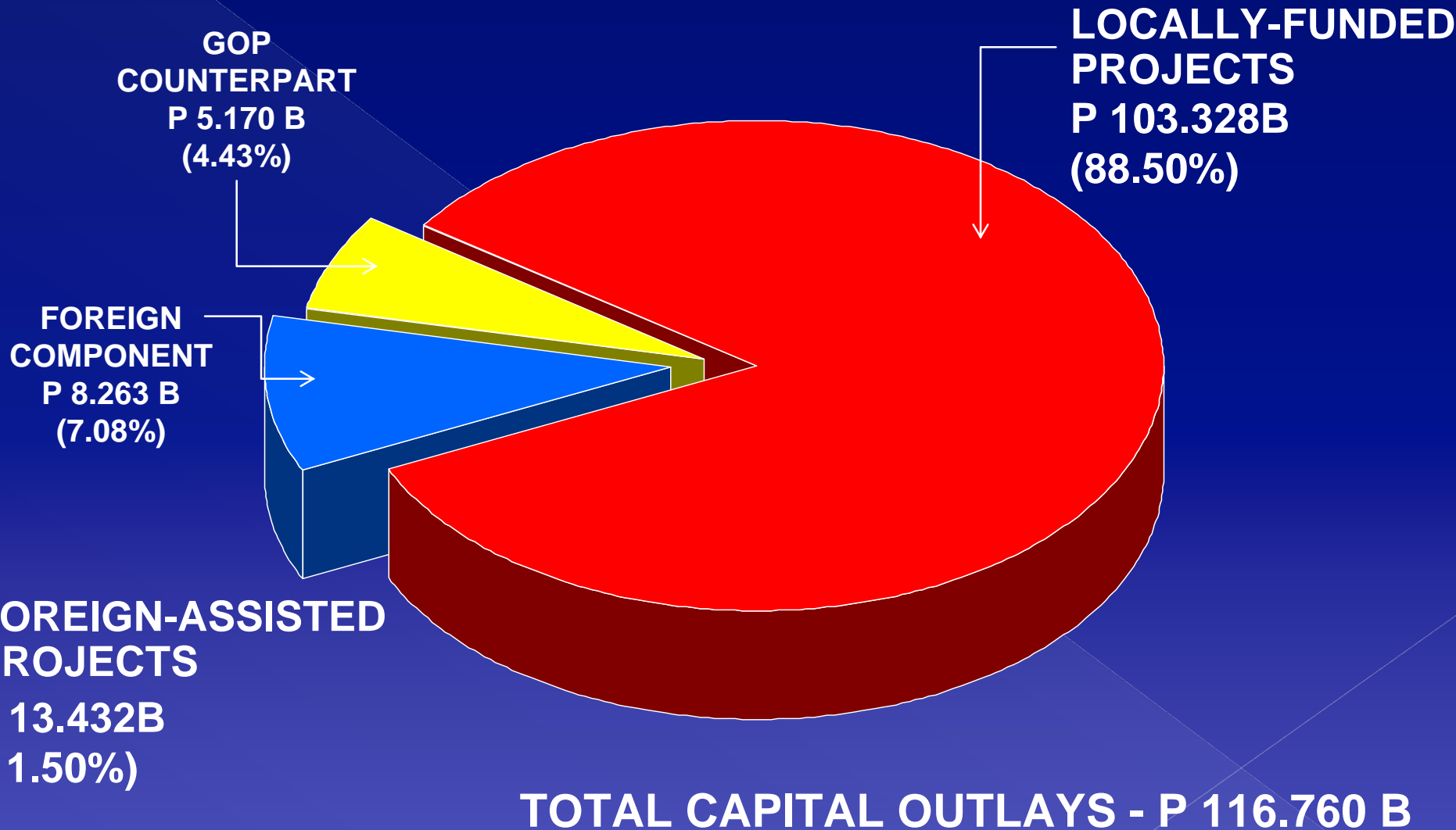


## Total Road Lengths and Paved Road Ratio, by Classification (as of 2009)

Classification	Length (km)	Paved Road Ratio
National Roads	29,898	0.75
National Arterial	15,730	0.86
National Secondary	14,167	0.63
Provincial Roads	30,924	0.30
City Roads	14,810	0.57
Municipal Roads	15,803	0.34
Barangay Roads	121,989	0.07
<b>TOTAL</b>	<b>213,425</b>	<b>0.25</b>



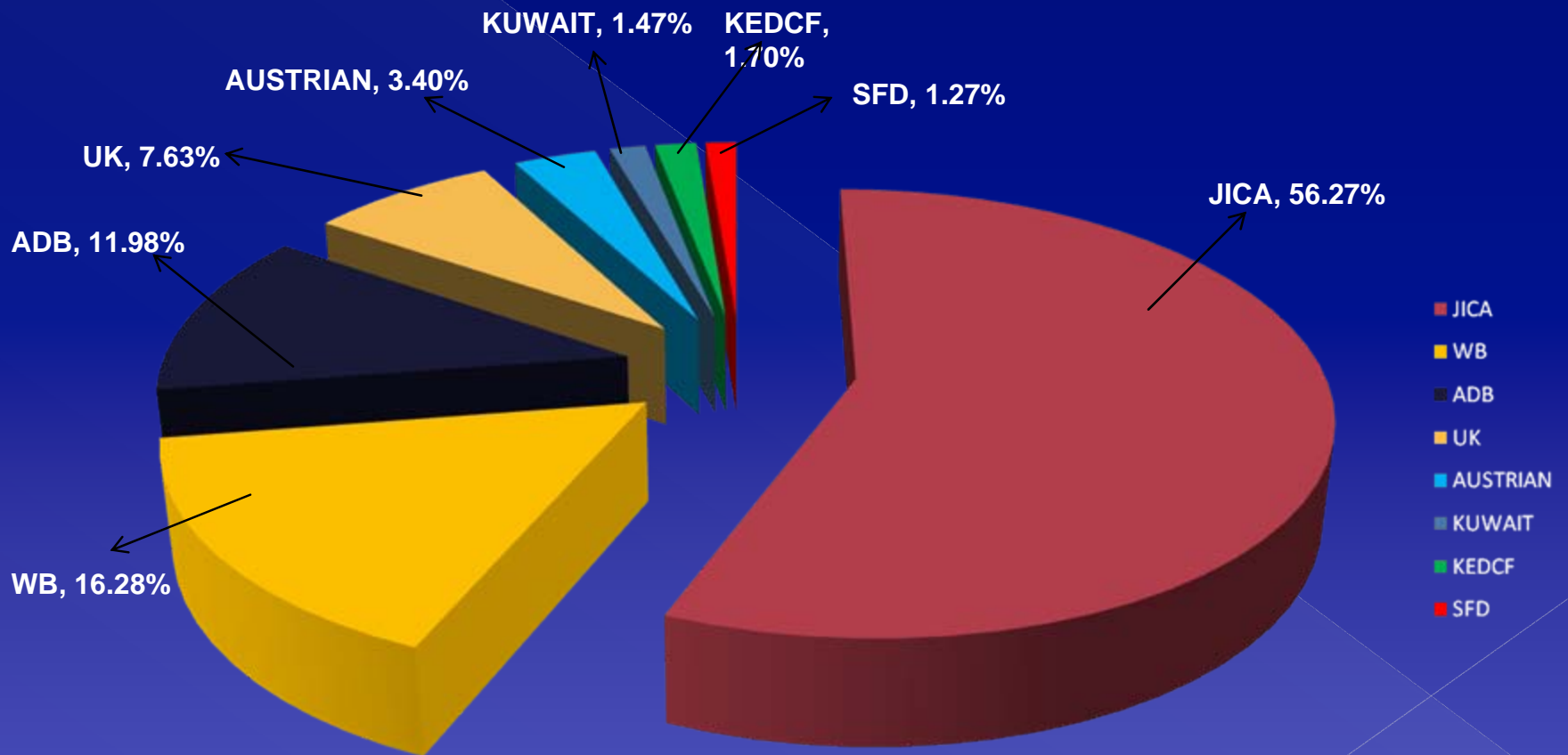
# FY 2010 CAPITAL OUTLAYS BUDGET BY MODE OF FINANCING



# TOTAL INVESTMENTS FOR FAPs

FY 2004 – FY 2010 (By Financing)

TOTAL	JICA	WB	ADB	UK	AUSTRIAN	KUWAIT	KEDCF	SFD
202,854.76	114,146.00	33,022.18	24,310.55	15,482.00	6,900.83	2,972.11	3,435.39	2,585.70
(%)	56.27%	16.28%	11.98%	7.63	3.40	1.47	1.70	1.27

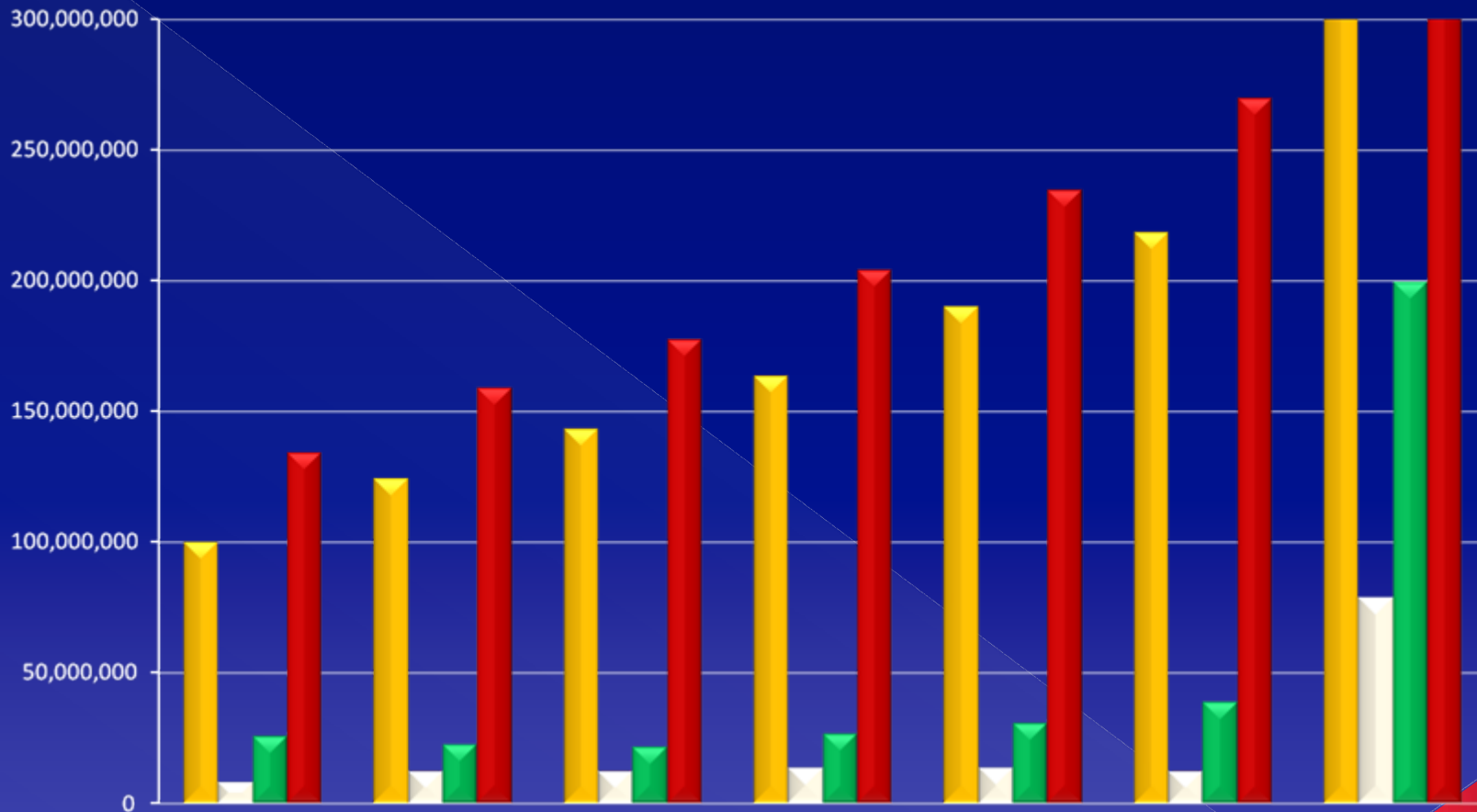




# Department of Public Works and Highways

## MEDIUM-TERM PUBLIC INVESTMENT PROGRAM FY 2011-2016

INVESTMENT REQUIREMENT  
(In Thousand Pesos)



	2011	2012	2013	2014	2015	2016	Total
Highways	100,230,959	124,483,387	143,433,951	163,740,272	190,304,959	218,624,591	1,022,688,511
Flood Control	8,123,016	12,195,874	12,275,045	13,747,015	13,789,821	12,413,408	78,395,612
Other Locally-Funded	25,902,025	22,460,713	21,846,004	26,700,713	30,720,220	39,000,000	199,153,166
<b>Grand Total</b>	<b>134,256,000</b>	<b>159,139,974</b>	<b>177,555,000</b>	<b>204,188,000</b>	<b>234,815,000</b>	<b>270,038,000</b>	<b>1,300,237,289</b>

DPWH AS THE ENGINEERING AND  
CONSTRUCTION ARM OF THE  
GOVERNMENT



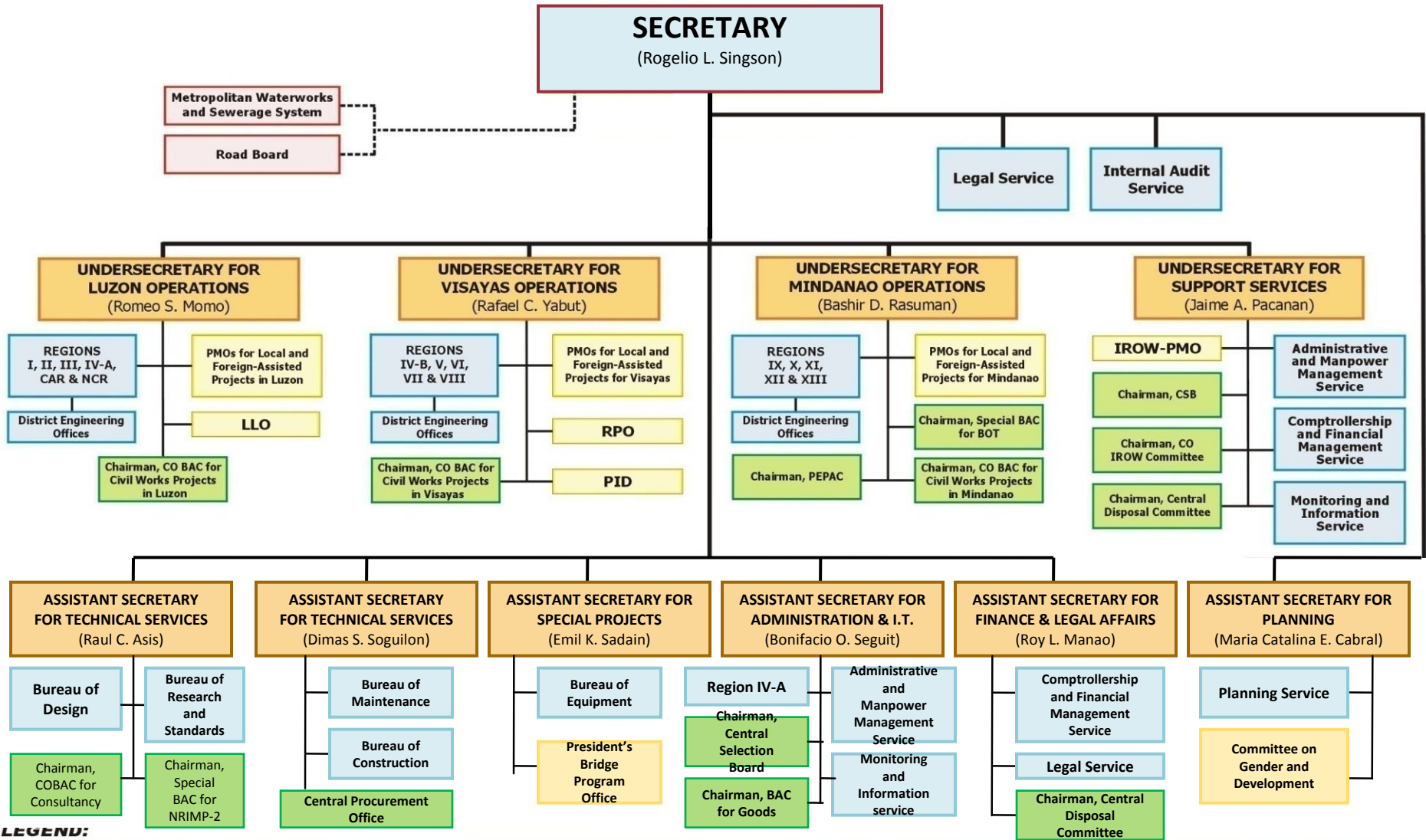
# MANDATE

The engineering and construction arm of the Government in charge of Planning, design, construction, and maintenance of national roads and bridges, and major flood control systems in support of the Medium-Term Philippine Development Plan(MTPDP).



# DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS

Organizational Chart (as of October 23, 2009)



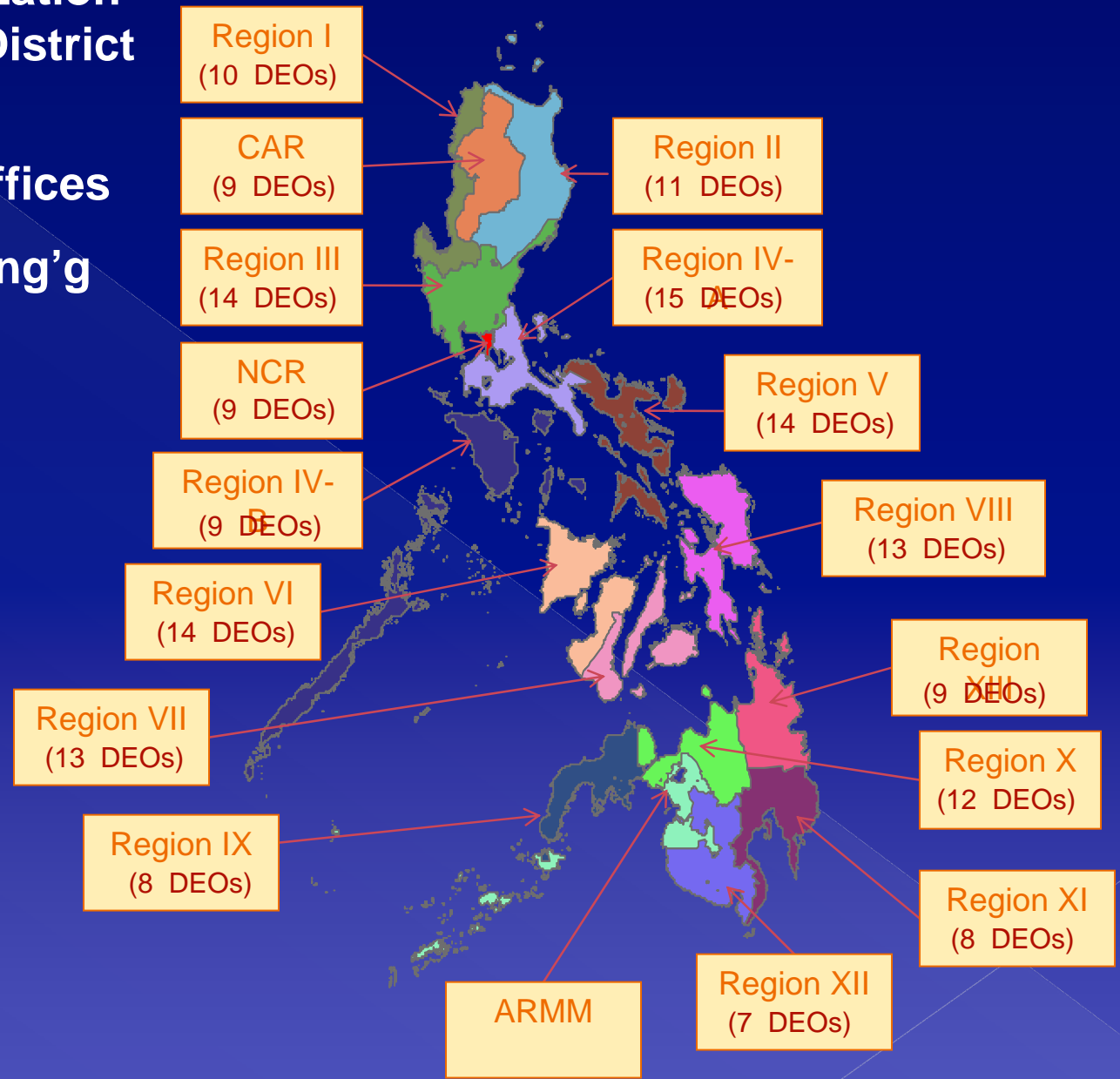
**LEGEND:**

- BAC** - Bids and Awards Committee
- BOT** - Build-Operate-Transfer
- CAR** - Cordillera Administrative Region
- CO** - Central Office
- CSB** - Central Selection Board
- ESSO** - Environmental & Social Services Office
- FCSEC** - Flood Control and SABO Engineering Center
- FS** - Feasibility Studies
- IROW** - Infrastructure Right-of-Way
- LLO** - Legislative Liaison Office
- NCR** - National Capital Region
- NRIMP** - National Road Improvement Management Program
- PEPAC** - Price Escalation and Price Adjustment Committee
- PID** - Public Information Division
- PMOs** - Project Management Offices
- RPO** - Road Program Office

# DPWH Organization (Regional and District Level)

16 Regional Offices

175 District Eng'g  
Offices



# Currently Connected Regional and District Offices thru Wide Area Network (WAN)

**16 Regional Offices**

**53 District Engineering Offices (DEOs) Connected**

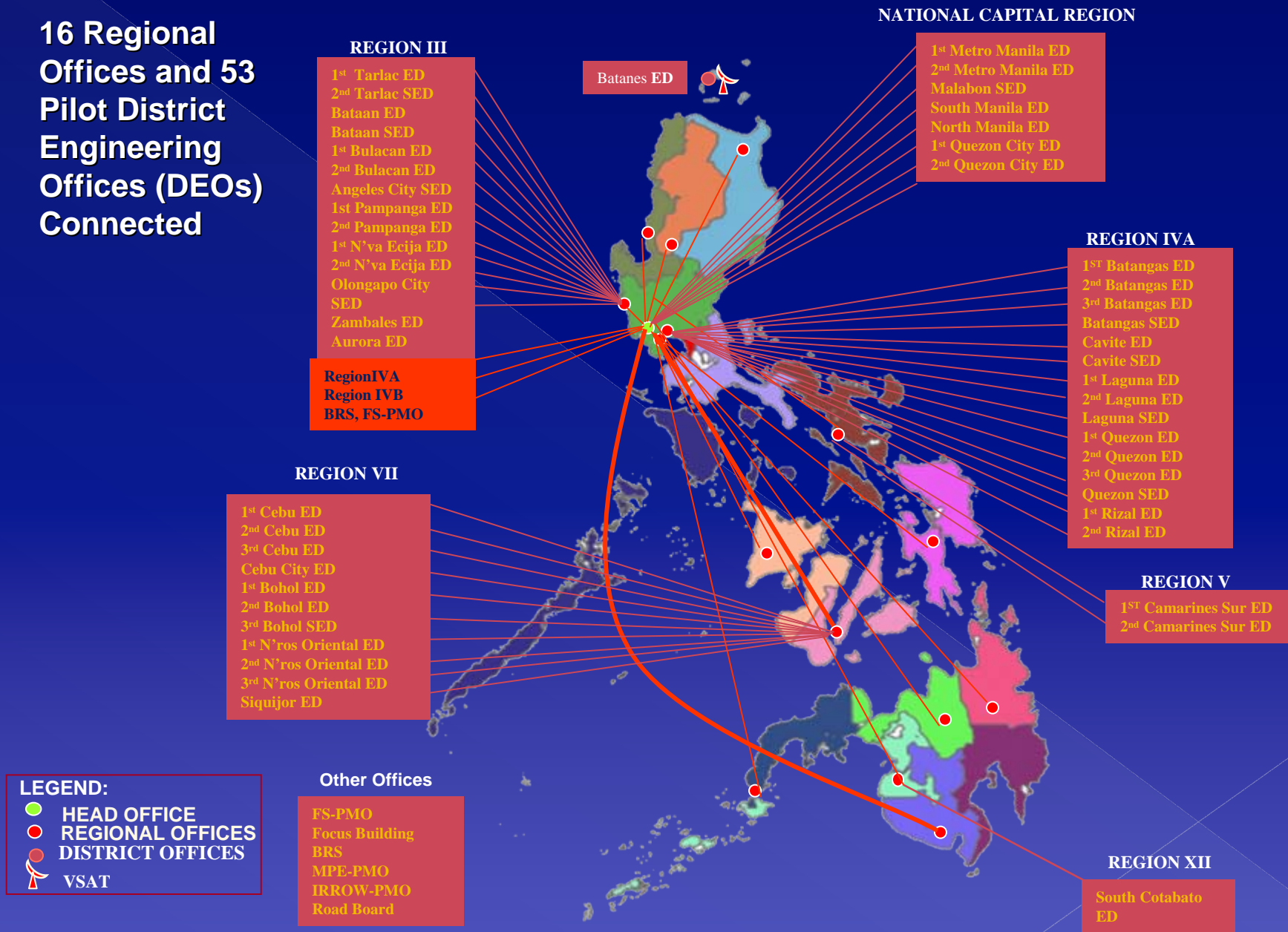
**122 DEOs to be connected**

- 45 DEOs to be connected under WB NRIMP2
- 47 DEOs to be connected under ADB RSIP
- 30 DEOs to be connected under JICA REAPMP

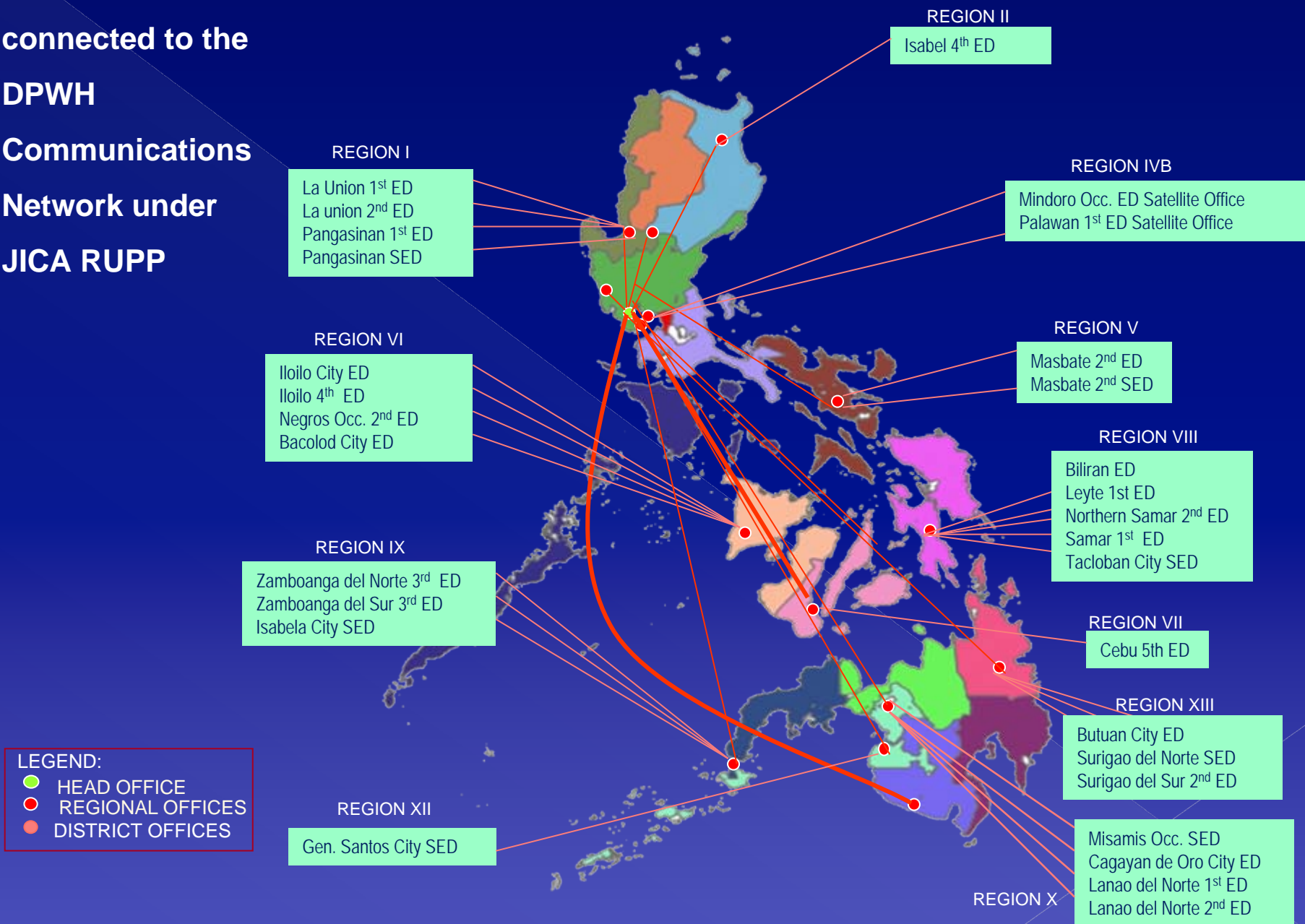


# DPWH Communications Network

16 Regional Offices and 53 Pilot District Engineering Offices (DEOs) Connected



**30 DEOs to be  
connected to the  
DPWH  
Communications  
Network under  
JICA RUPP**



# Reforms through Information Technology

In 1997, the DPWH began a major reform effort to improve the quality and delivery of its services through business processes improvements. Under the Highway Management Program (HMP), the Government of the Philippines (GOP) obtained financing from the World Bank (WB) for institutional development and road works. Included in the institutional development was the development and installation of a comprehensive Road Information and Management Support System (RIMSS) in the DPWH.



# Reforms through Information Technology

One of the major achievements of the RIMSS project was in the area of data integration and centralized data storage and the establishment of the DPWH Communications Network that connected all the 16 Regional Offices and 53 pilot District Engineering Offices of the Department. The establishment of the IT infrastructure paved the way for the development of various application systems and of the intranet and internet websites.



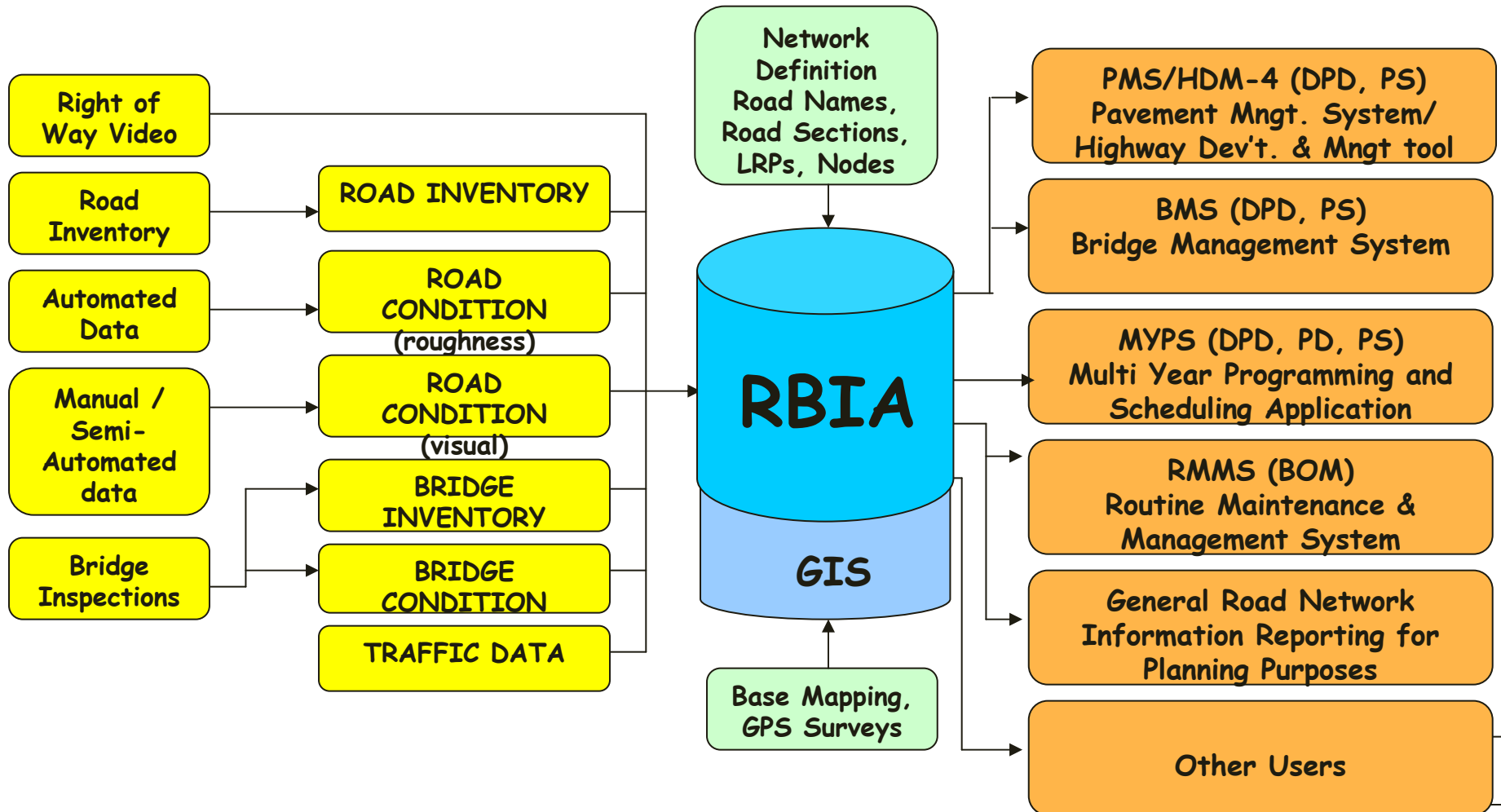
# Data Integration

## Road and Bridge Information Application (RBIA) and its Uses

**INPUTS**

**DATABASES**

**USERS**





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- >> Project Management Offices
- >> Accreditations
- >> Rules and Regulations on Signs and Signboard Structures
- >> Fees and Charges
- >> Compilation of Laws on Anti-Graft and Corruption

### NEWS

#### DPWH REGION 6 SETS-UP "COMPLAINTS & ACTION DESK", FORMED "TASK TEAM" TO MONITOR PROJECTS

Department of Public Works and Highways - Regional Office 6 has open its door to the general public with the setting up of Complaints and Action Desk.

[Read more about this article](#)

### ANNOUNCEMENTS

- >> Traffic Management Plan for Marcos Highway (Evangelista St. - Masinag)
- >> 2009 DPWH ATLAS
- >> 2009 Annual Report
- >> Road Status for Cordillera Administrative Region
- >> Performance Governance Scorecard
- >> Road Sector Status Report Card (March 2010)
- >> 2009 Accomplishments
- >> Enforcement of the Accessibility of the Law (BP 344) along National Roads
- >> Facts about the World Bank Issue
- >> List of Materials Engineer as of September 2009
- >> Procurement Plan for the National Roads Improvement and Management Program Phase II (NRIMP 2)
- >> APP for Civil Works Projects (Supplemental)
- >> APP and AEPF for Supplies and Equipment (Central Office)
- >> Updated List of Materials Engineers as of September 2009
- >> Consolidated Constructors Performance Summary Report
- >> Government Procurement Policy Board (GPPB) Resolution NO. 08-2006 dated January 20, 2006
- >> New Schedule of Fees and Other Charges of the revised IRR of the National Building Code of the Philippines (PD 1096) (PDF Format, size 810 KB)

Secretary's  
Corner



Text  
2920



Online  
Complaints/  
Feedback



Accounts  
Payable



### EVENTS AND ACTIVITIES

- >> Infrastructure Forum
- >> 112th Year Anniversary
- >> 111th Independence Day
- >> International Earth Day Celebration
- >> Relief Operations
- >> Jobs Fair 2009

### DPWH Rehabilitation Projects for Typhoon Ondoy and Pepeng damaged Roads, Bridges and Flood Control DIDDING:

11.4 Billion worth of rehabilitation projects for Typhoon Ondoy and Pepeng damaged roads and bridges in CAR, NCR.





**NEWS**

**DPWH REGION 6 SETS-UP "COMPLAINTS & ACTION DESK", FORMED "TASK TEAM" TO MONITOR PROJECTS**

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Republic of the Philippines  
**DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS**

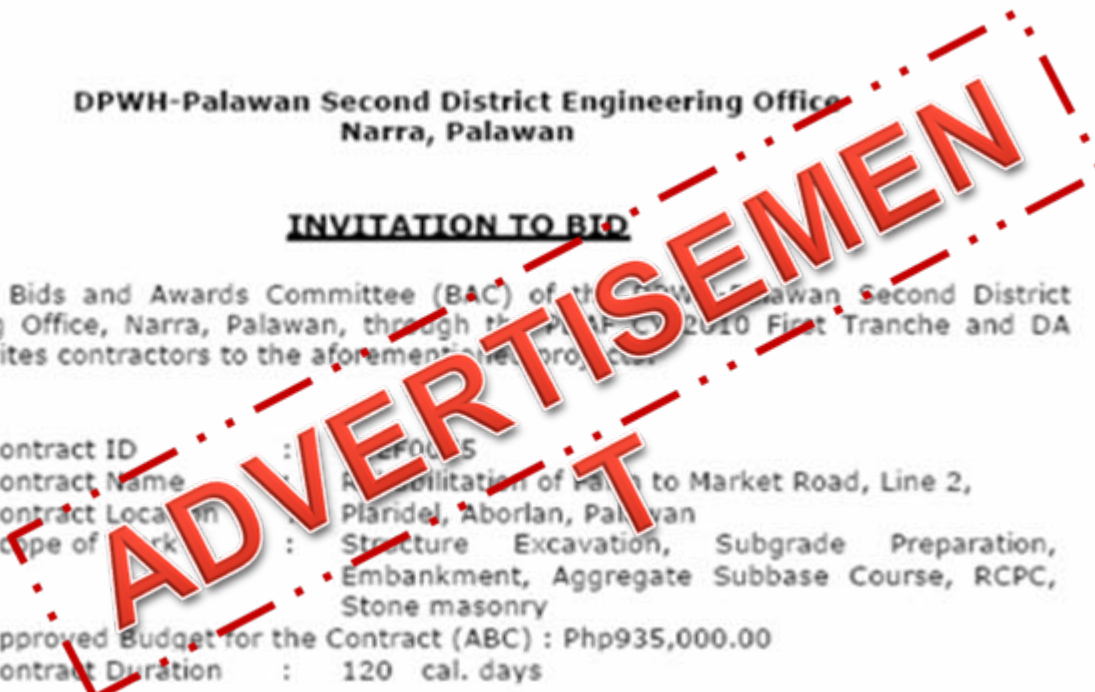
ANNEX "A"

**DPWH-Palawan Second District Engineering Office  
Narra, Palawan**

**INVITATION TO BID**

The Bids and Awards Committee (BAC) of the DPWH-Palawan Second District Engineering Office, Narra, Palawan, through the DPWH-C 2010 First Tranche and DA Project, invites contractors to the aforementioned project.

1. a. Contract ID : 2010-005
- b. Contract Name : Rehabilitation of Narra to Market Road, Line 2,
- c. Contract Location : Plaridel, Aborlan, Palawan
- d. Scope of Work : Structure Excavation, Subgrade Preparation, Embankment, Aggregate Subbase Course, RCPC, Stone masonry
- e. Approved Budget for the Contract (ABC) : Php935,000.00
- f. Contract Duration : 120 cal. days





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### NEWS

**DPWH REGION 6 SETS-UP "COMPLAINTS & ACTION DESK", FORMED "TASK TEAM" TO MONITOR PROJECTS**



Republic of the Philippines  
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS  
Ilocos Sur 2<sup>nd</sup> District Engineering Office  
Candon City, Ilocos Sur

July 20, 2010

### NOTICE TO BIDDERS

The Ilocos Sur 2<sup>nd</sup> District Engineering Office, through its Bids and Awards Committee (BAC), hereby notifies the following contractors classified by and registered with the Professional Contractors Accreditation Board (PCAB) to bid for the hereunder project to be implemented thru negotiated procurement pursuant to Section 53, and Section 54 of the Revised IRR of RA 9184, viz:

**Contract ID : 10ADO100**  
**Contract Name : Repair/Rehabilitation of DPWH Ilocos Sur 2<sup>nd</sup> DEO Bldg. (MQC Section)**  
**Contract Location : Candon City, Ilocos Sur**  
**Brief Description : Doors and windows, ceiling works, masonry works, toilet & painting works**  
**Source of Fund : Trust Fund**  
**Approved Budget for: P 260,000.00**  
**The Contract**  
**Contract Duration : 45 cal. days**

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DPWH REGION 6 SETS-UP "COMPLAINTS & ACTION DESK", FORMED "TASK TEAM" TO MONITOR PROJECTS

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ACTIVITIES

ay  
Celebration

Projects for  
road damaged  
ood Control

## URGENT BRIDGES CONSTRUCTION PROJECT FOR RURAL DEVELOPMENT CONTRACT PACKAGES II-B and II-C

**BID BULLETIN NO. 2**  
(MINUTES OF THE PRE-BID CONFERENCE  
and  
AMENDMENTS TO BIDDING DOCUMENTS)

07 July 2010

DATE : 07 July 2010  
TIME : 10:00 A.M.  
VENUE : POC Office Room  
DPWH Region 6, A. Bonifacio Drive  
Port Area, Manila

**BID BULLETIN**





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### NEWS

#### DPWH REGION 6 SETS-UP "COMPLAINTS & ACTION DESK", FORMED "TASK TEAM" TO MONITOR PROJECTS

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A) NAME OF PROJECT	B) FUND	C) IMPLEMENTING OFFICE	D) PROJECT COST (Million Php)	PROJECT DESCRIPTION	1) TENTATIVE SCHEDULE OF BIDDING	2) REMARKS
A) CONTRACT PACKAGE I, URGENT BRIDGES CONSTRUCTION PROJECT FOR RURAL DEVELOPMENT	B) JBIC	C) UBCP	D) 2,500	CONSTRUCTION OF FOUR BRIDGES, CONST. OF THIRTEEN SMALL SPAN BRIDGES	1) 6/2/2006	
A) CONTRACT PACKAGE B.2- MARCOS HIGHWAY (EVANGELISTA TO MASINAG) PASIG CITY, MARIKINA CITY, ANTIPOLO CITY, CAINTA RIZAL	B) WB	C) URPO	D) 810	MMURTRIP, PHASE I STRUCTURE EXCAVATION, CONSTRUCTION OF ASPHALT AND CONCRETE PAVEMENT AND LAYING/PRECASTING OF R.C.C.	1) 5/5/2006	
A) CONTRACT PACKAGE C.6- 10TH AVENUE, CITY OF CALOOCAN	B) WB	C) URPO	D) 91	MMURTRIP, PHASE II CONCRETE PAVING/RE-BLOCKING, LAYING OF CEMENT TREATED AGGREGATE BASE COURSE AND CONSTRUCTION OF DRAINAGE STRUCTURES.	1) 5/4/2006	
A) CONTRACT PACKAGE C.3- SECONDARY ROADS (PEDRO GIL/ PANADEROS/ TAYUMAN/ M. DELA FUENTE/ J. FAJARDO, CITY OF MANILA	B) WB	C) URPO	D) 304	MMURTRIP, PHASE II CONCRETE PAVING/RE-BLOCKING, LAYING OF CEMENT TREATED AGGREGATE BASE COURSE AND CONSTRUCTION OF DRAINAGE STRUCTURES.	1) 4/27/2006	
A) CONSTRUCTION OF SULTAN BRIDGE (ALONG CALANAN-ABBUT RD. STA. 522+525.00, BRGY. PINUKPUK, PINUKPUK, KALINGA)	B) GOP	C) SBP	D) 77	ALONG CALANAN-ABBUT RD. STA. 522+525.00, BRGY. PINUKPUK, KALINGA, CONST. OF SUBSTRUCTURE OF TWO ABUTMENTS AND TWO PIERS, SUPERSTRUCTURE INSTALLATION, DRAINAGE AND SLOPE PROTECTION WORKS	1) 4/25/2006	
A) CONTRACT PACKAGE IV (ORO-ODIONGAN-SAN ANDRES ROAD, PROVINCE OF MARICOR)	B) JBIC	C) RRND	D) 412	IMPRV./REHAB. OF 37.26 KMS PCCP, AC PAVEMENT, GRAVEL AND EARTH SURFACE. CONST. OF DRAINAGE AND SLOPE PROTECTION STRUCTURES.	1) 4/24/2006	
A) CONSTRUCTION OF OPAO BRIDGE AND APPROACHES, BRGY. OPAO, DAPITAN CITY, ZAMBOANGA DEL NORTE	B) GOP	C) SBP	D) 83	ALONG OROQUIETA-DAPITAN-DIPOLOG NATIONAL RD. STA. 1806+387.013 CONST. OF SUBSTRUCTURE OF TWO ABUTMENTS AND ONE PIER, SUPERSTRUCTURE HAULING AND INSTALLATION, DRAINAGE AND SLOPE PROTECTION WORKS	1) 4/18/2006	

BIDDING SCHEDULE!



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### NEWS

#### DPWH REGION 6 SETS-UP "COMPLAINTS & ACTION DESK", FORMED "TASK TEAM" TO

### Secretary's Corner

A) Date Entered in Civil Works Registry :	B) Contract ID :	C) Contract Name :	D) Implementing Office :	1) SO CONSTRUCTION	2) AWARDED AMOUNT	3) EXTENT OF PARTICIPATION	4) NOTICE TO PROCEED DATE
A) 2/4/2010	B) 10CN0005	C) REHAB OF MPB SUKLAYIN, BALER, AURORA	D) Aurora District Engineering Office	1) SO CONSTRUCTION	18,092,182	49%	2/16/2010
A) 2/4/2010	B) 10CN0005	C) REHAB OF MPB SUKLAYIN, BALER, AURORA	D) Aurora District Engineering Office	1) WILPER CONSTRUCTION, INC.	18,092,182	100%	2/16/2010
A) 11/23/2009	B) 09IG0140	C) CLUSTER:A)CONST./CONCRETING OF ROADS BRGY LARAY JAVIER LEYTE, CONST./CONCRETING OF ROADS BRGY CARAY Leyte 5th District Engineering Office	D) Leyte 5th District Engineering Office	1) B Y A BUILDERS & CONSTRUCTION SUPPLY	941,000	100%	12/29/2009
A) 4/29/2009	B) 09ND0025	C) IMPVT./RECHANNELING OF TAGUIBO RIVER (UPSTREAM) BUTUAN CITY	D) Butuan City District Engineering Office	1) UI-CONSTRUCTION COMPANY	48,151,290	100%	12/23/2009
A) 11/13/2009	B) 09DJ0195	C) REHAB./IMPRVT. OF SAN JUAN CANDELARIA-ROSALEA ROAD, CAGAYAN	D) Quezon 2nd District Engineering Office	1) RAM-BUILDERS	38,481,850	100%	12/11/2009
A) 10/14/2008	B) 08DB0120	C) IMPVT/REHAB/REGRAVELLING ALONG TAGAYTA NASULU ROAD, BATANGAS	D) Batangas 1st District Engineering Office	1) TOREJA S CONSTRUCTION SUPPLY CORP.	19,292,810	100%	11/11/2009
A) 1/12/2010	B) 09BC0137	C) REHAB OF LUKBAN BRIDGE ALONG MANILA NORTH ROAD, CAGAYAN	D) Cagayan 2nd District Engineering Office	1) ABULUG DEVELOPERS AND BUILDERS COMPANY INC.(FORMER	46,318,480	100%	7/21/2010
A) 3/17/2010	B) 10BG0054	C) CONST. OF 1-CL SCHOOL BUILDING @ BUENAVISTA P/S (PHASE I), ANGADANAN EAST, ANGADANAN, ISABELA	D) Isabela 3rd District Engineering Office	1) MAR-DEB CONSTRUCTION & DEVELOPMENT	477,347	100%	5/25/2010
A) 1/20/2010	B) 09NH0033	C) ROAD UPGRADING (GRAVEL TO CONCRETE) JCT. GAMUT-SAN MIGUEL BAYUGAN ROAD	D) SAN MIGUEL DISTRICT ENGINEERING OFFICE	1) J & A PIMENTEL CONSTRUCTION	19,254,994	100%	7/21/2010

AWARDED CONTRACTS



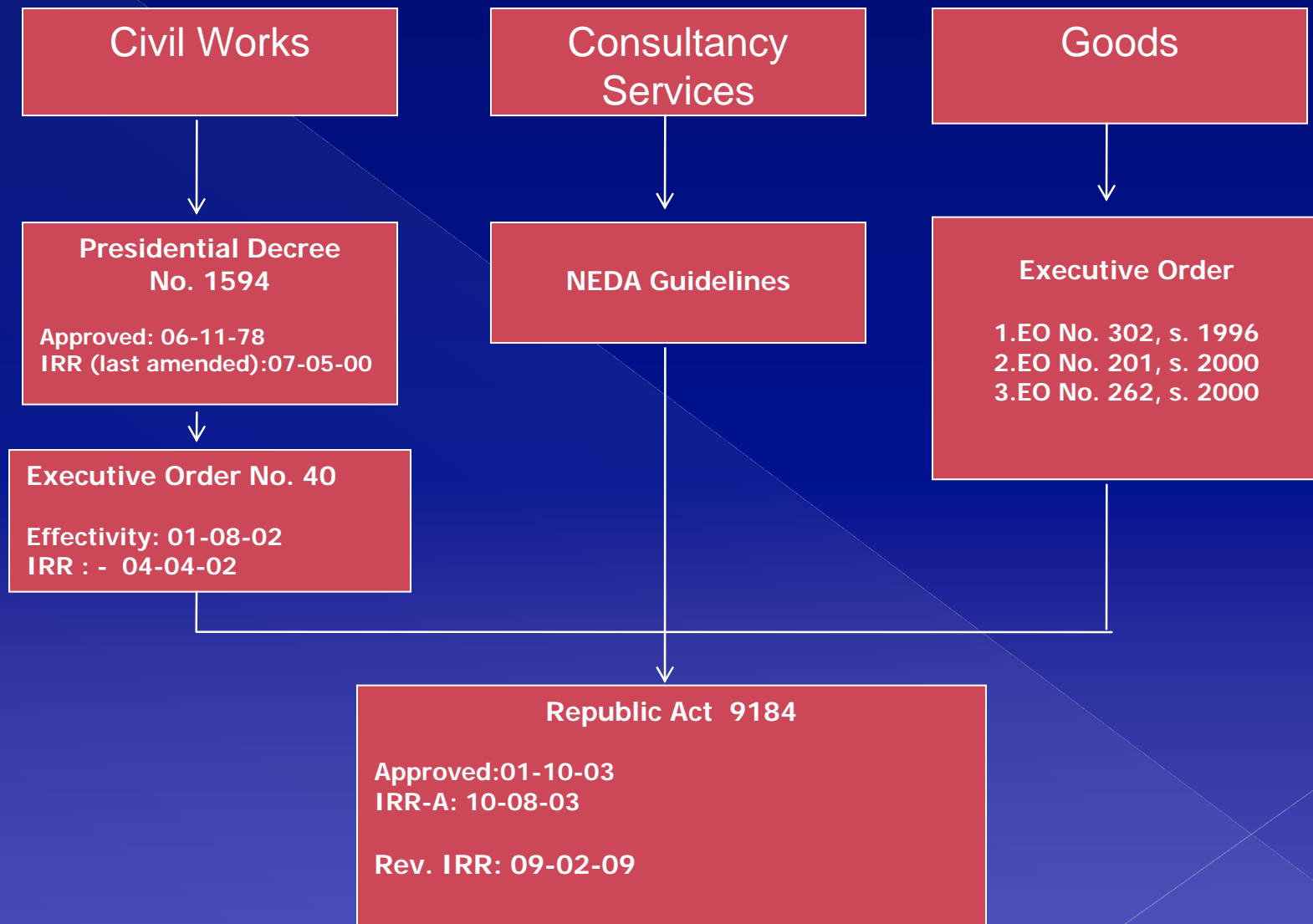
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# PHILIPPINE PROCUREMENT SYSTEM

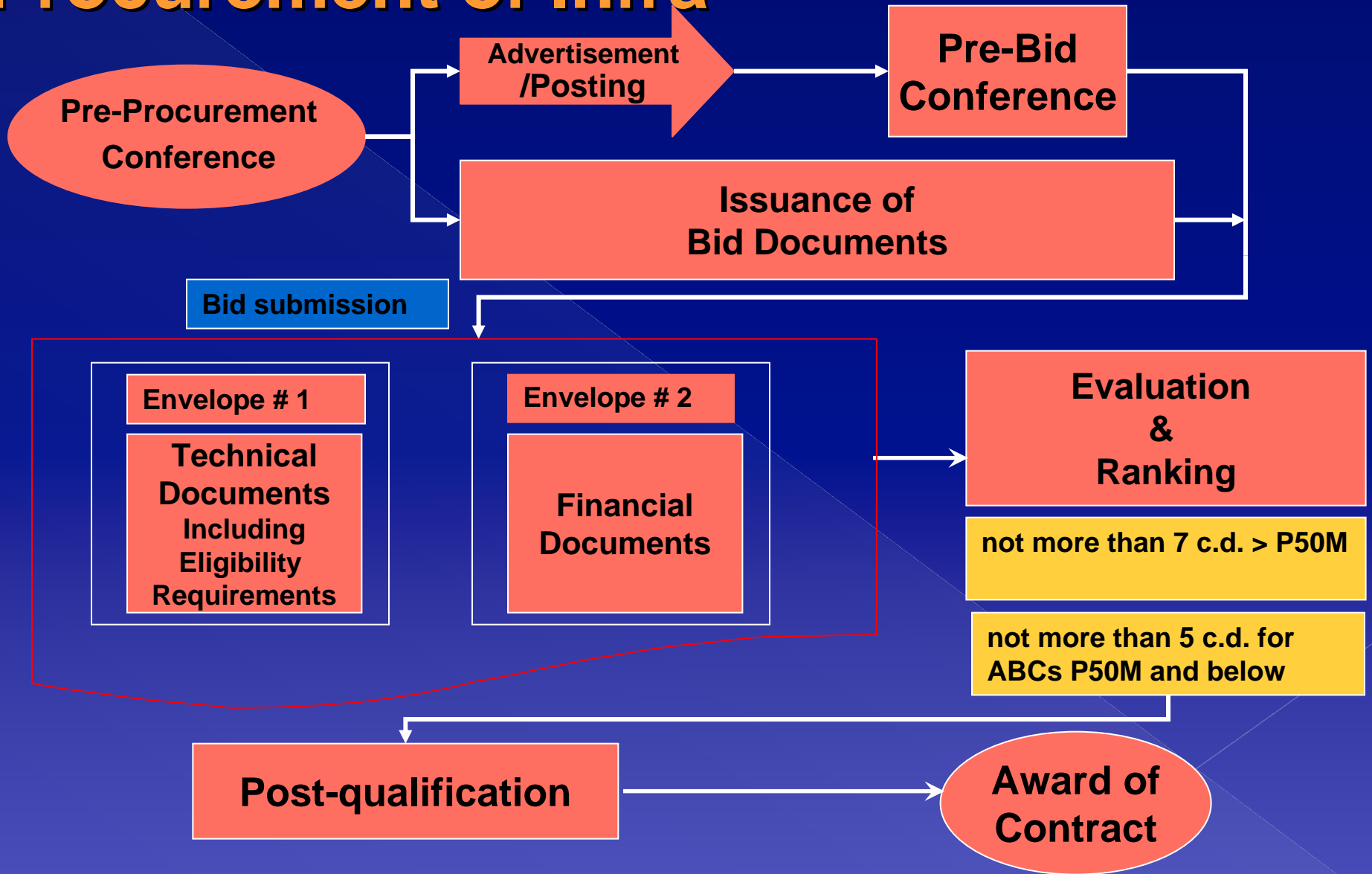
# PHILIPPINE PROCUREMENT LAW

- ◎ REPUBLIC ACT No. 9184 and its REVISED IMPLEMENTING RULES AND REGULATIONS
  - > used by All Government Agencies, Government Owned and Controlled Corporations, Local Government Units
  - > For Foreign Assisted Projects (FAPs under National Competitive Bidding (NCB))

# Procurement Laws/Guidelines (For Locally Funded Projects)



# Procedural Steps for Procurement of Infra



# CIVIL WORKS REGISTRY (CWR)

## Procedure

- One time submission of documents to register and update information at any time.
- Submission of letter of intent for a project until the deadline of submission of bids
- Contractor information is verified against the Contract Profile.

## Policy

- Eligibility is done using the Registry.
- Appropriate internal controls are in place.
- Allows new applications for registration anytime
- Strike rules incorporated into the system.



# Civil Works Registry Advantages

- **From Contractor's Perspective:**
  - ✓ Forms are simplified
  - ✓ Forms are submitted one time annually but can be updated at anytime
  - ✓ No more submission of voluminous documents to express interest on a project
  - ✓ Can obtain report stating reason/s for ineligibility
- **From Department's Perspective:**
  - ✓ Saves time and resources
  - ✓ Provides transparent and objective validation
  - ✓ Only technically and financially capable firms are able to submit bids

# Republic Act No. 9184

## APPENDIX 3

### GUIDELINES IN THE DETERMINATION OF ELIGIBILITY OF FOREIGN SUPPLIERS, CONTRACTORS, AND CONSULTANTS TO PARTICIPATE IN GOVERNMENT PROCUREMENT PROJECTS

#### 1. GENERAL POLICY

In line with the economic policies enunciated in the Constitution, particularly on the promotion of Filipino labor, domestic materials, and locally produced goods, Republic Act No. 9184, in consonance with Republic Act No. 5183, adopts as general principle the preference for Filipino nationals in the award of Government's procurement contracts.

However, in light of the principles of economic exchange and expansion of trade and exports with other countries on the basis of equality and reciprocity, with due regard to the government's initiatives in the prohibition and/or regulation of monopolies and other situations that restrain trade and fair competition, qualified foreign nationals may be eligible to participate in the public procurement of goods, infrastructure projects and consultancy services; provided, however, that provision on domestic preference, Most-Favored Nation (MFN) status and non-discrimination treatments under applicable laws and treaties are complied with.

#### 2. SCOPE, APPLICATION AND PURPOSE

These guidelines shall govern procurement of goods, infrastructure projects, and consulting services by all Departments, Bureaus, Offices and Agencies of the National Government, Government-Owned and/or Controlled Corporations, Government Financing Institutions, State Universities and Colleges, and Local Government Units and are formulated to clarify procurement policy on the eligibility of foreign bidders to participate in domestically-funded public procurement opportunities, within the framework of national and international economic and trade policies.

#### 3. DEFINITION OF TERMS

For purposes of these guidelines, the following terms or words and phrases shall be defined as follows:

- 3.1. **Foreign Consultant** refers to an individual, sole proprietorship, partnership, corporation or joint venture as defined in Section 24.1(2) of the IRR-A of R.A. 9184.
- 3.2. **Foreign Contractor** refers to a citizen of a foreign country or an entity where Filipino ownership or interest is less than seventy five percent (75%) offering infrastructure related services other than consulting services.

- 3.3. **Foreign Supplier** refers to a citizen of a foreign country or an entity where Filipino ownership or interest is less than sixty percent (60%) who is engaged in the manufacture or sale of the merchandise or performance of the general services covered by his bid.
- 3.4. **Local Consultant** refers to an individual, sole proprietorship, partnership, corporation or joint venture satisfying the definition of a consultant under the IRR-A of R.A. 9184 and complying with the relevant requirements therein.
- 3.5. **Local Contractor** refers to a Filipino citizen or sole proprietorship; or partnership duly organized under the laws of the Philippines and of which at least seventy-five percent (75%) of the interest belongs to the citizens of the Philippines; or a corporation duly organized under the laws of the Philippines, and of which at least seventy-five percent (75%) of the outstanding capital stock belongs to citizens of the Philippines, duly licensed under Philippine laws to undertake infrastructure activities in the Philippines.
- 3.6. **Local Supplier** refers to any citizen of the Philippines, or any corporate body or commercial company duly organized and registered under the laws of the Philippines where Filipino ownership or interest is at least sixty percent (60%), habitually established in business and engaged in the manufacture or sale of the merchandise or performance of the general services covered by his bid.

#### 4. FOREIGN SUPPLIERS, CONTRACTORS, AND CONSULTANTS ELIGIBLE TO PARTICIPATE

- 4.1. In the procurement of goods, regardless of the procurement method used, foreign bidders may be eligible to participate under any of the following circumstances:
  - 4.1.1. When the goods sought to be procured are not available from local suppliers, subject to Item 5 herein; or
  - 4.1.2. When there is a need to prevent situations that defeat competition or restrain trade, subject to Item 6 herein; or
  - 4.1.3. When the foreign supplier, manufacturer and/or distributor is a citizen, corporation or association of a country the laws or regulations of which grant reciprocal rights or privileges to citizens, corporations or associations of the Philippines, irrespective of the availability of goods from local suppliers; or
  - 4.1.4. When provided for under any treaty or international or executive agreement.
- 4.2. In the procurement of infrastructure projects, foreign contractors may be eligible to participate in the bidding if they form a joint venture with local contractors; provided that their interest in or ownership of the joint venture shall not exceed twenty-five percent (25%). However, where the structures to be built require the application of techniques and/or technologies which are not adequately possessed by a person/entity which meets the seventy-five percent (75%) under Section 23.11.2 of the IRR-A, they may be eligible to participate in the bidding.
- 4.3. In the procurement of consulting services, foreign consultants may be hired if local consultants do not have the sufficient expertise, capability, and capacity to render the services required under the project, as determined by the head of the procuring entity.

## **5. GOODS ARE NOT AVAILABLE FROM LOCAL SUPPLIERS**

- 5.1. In the procurement of goods not available from Local Suppliers, the procuring entity may invite foreign suppliers, manufacturers and/or distributors to participate in the procurement process.
- 5.2. For purposes of these guidelines, goods are not available from Local Suppliers when, at any time before advertisement for their procurement, it is determined that no Local Supplier is capable to supply the required goods to the Government, in which case, foreign suppliers, manufacturers and/or distributors may be invited to participate in the bidding. Therefore, the head of the procuring entity or his duly authorized representative shall certify that, after diligent market research conducted by the procuring entity, the goods sought to be procured are not available from Local Suppliers. In addition, when applicable, the procuring entity shall secure a certification from the appropriate Government regulatory body, such as, but not limited to, the Bureau of Product Standards of the Department of Trade and Industry (DTI) for electrical products, mechanical/building & construction materials, chemicals, foods and other consumer products, and the Bureau of Food and Drugs of the Department of Health (DOH) for drugs, medicine, and other rated medical devices, that based on its available records, the goods sought to be procured are not available from Local Suppliers.
- 5.3. If despite the availability of the goods sought to be procured, no local supplier is interested to participate in the procurement process, the head of the procuring entity shall certify that it has advertised the same for public bidding and shall make a statement that no local supplier participated in the bidding and that the same is due to reasons not attributable to the procuring entity.
- 5.4. In the case mentioned in Item 5.3, for purposes of inviting foreign suppliers, the bidding requirements and conditions, as advertised, shall not be modified or changed. Otherwise, modifications and/or changes in the requirements and conditions of the bidding shall disallow the procuring entity to resort to invitation of foreign bidders.
- 5.5. The procurement of unavailable goods must be through competitive or public bidding unless conditions prescribed under R.A. 9184 and its IRR-A warrant resort to alternative methods of procurement.

## **6. THERE IS NEED TO PREVENT SITUATIONS THAT DEFEAT COMPETITION OR RESTRAIN TRADE**

- 6.1. In cases where the procuring entity intends to procure goods from an exclusive local manufacturer, supplier, distributor, or dealer through direct contracting under Section 50 (c) of the IRR-A, when said method is recommended by the BAC and approved by the Head of the Procuring Entity, and reflected in the approved Annual Procurement Plan, it shall, before commencing any negotiations with a local supplier, post through the website of the procuring entity, if any, and in the Philippine Government Electronic Procurement System (PhilGEPS), an invitation to foreign manufacturers to submit a manifestation of its intention to participate. Should any foreign manufacturer submit such manifestation of its intention to participate. Should any foreign manufacturer submit such manifestation within the period prescribed in the invitation, the procuring entity shall commence the conduct of public bidding. If no foreign manufacturer submits such manifestation within the said period, the procuring entity may proceed with the intended procurement through direct contracting with the said exclusive local manufacturer, supplier, distributor, or dealer.

## **7. RECIPROCITY RULE IN THE PROCUREMENT OF GOODS**

- 7.1 In the procurement of goods. A supplier, manufacturer and/or distributor who is a citizen, corporation or association of a country whose laws or regulations, grant reciprocal rights or privileges allowing Filipino nationals to participate in public procurement in their country, are allowed to participate in government procurement projects.
- 7.2 The procuring entity shall confirm from the list of countries, maintained by the Department of Foreign Affairs (DFA) and as shown in the GPPB website, with which the Philippines enjoys reciprocal rights on matters of eligibility of its nationals in public procurement abroad. If the country of the prospective foreign is not in the list, the procuring entity shall require from the said bidder the submission of a sworn statement that the country of which he is a citizen or in which the corporation or partnership is organized and registered grants reciprocal rights or privileges to Filipino citizens, corporations or associations, citing its country's relevant laws.
- 7.3 The sworn statements mentioned above shall be validated during post-qualification of bidders.

## **8. EFFECTIVITY**

These Guidelines or any amendments hereto shall take effect fifteen (15) days after publication in the Official Gazette or in a news paper of general nationwide circulation and upon filing with the University of the Philippines Law Center of three (3) certified copies of these guidelines.



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