

[MEMORANDUM ORDER NO. 213, May 08, 2006]

**APPROVING AMENDMENTS TO SECTIONS 42.5, 54.2 (B) (D),
AND 61.1 OF THE IMPLEMENTING RULES AND REGULATIONS
PART A (IRR) OF REPUBLIC ACT NO. 9184**

WHEREAS, in its the Resolution Nos. 016-2005 and 24-2005 dated September 12, 2005 and November 25, 2005, respectively, the Government Procurement Policy Board (GPPB) has resolve to endorse for approval the proposed amendments to Section 42.5. 54.2 (b) (d), and 61.1 of the Implementing Rules and Regulations Part A (IRR-A) of Republic Act No. 9184; **WHEREAS**, the proposed amendments will streamline and improve the procurement procedures for a more effective procurement system; **NOW THEREFORE, I, GLORIA MACAPAGAL-ARROYO**, President of the Republic of the Philippines, by virtue the powers vested in me by law, do hereby approve the proposed amendments of the implementing Rules and Regulations Part A (IRR-A) 9148 as follows: **SECTION 1.** Section 42.5, 54.2 (b) (d), and 61.1 of the IRR-A of RA 9184 are hereby amended as follows: **SECTION 42.** Contract Implementation and Termination 5. Procuring entities may issue a letter if credit in favor of a local or foreign supplier; Provided, that. No payment on the letter of credit shall be made until delivery and acceptance of the goods as certified to by the procuring entity in accordance with the delivery schedule provided for in the contract, Provided further, that, the cost for the opening of letter of credit shall be for the account of the local or foreign supplier and shall be stated in the bidding documents. **SECTION 54.** Terms and Conditions for the Use of Alternative Methods 54.2 x x x (b) For item (a) of Section 53, the procuring entity shall draw up a list of at least three (3) suppliers, contractors, or consultants in good standing which will be invited to submit bids and negotiate with the bidder who submitted the lowest calculated bid or highest rated bid, whichever is applicable. If the offer of the bidder who submitted the lowest calculated bid or highest rated bid, whichever is applicable is not responsive to the original specifications and ABC, negotiation shall be made in ascending order from the lowest offer. The bidder whose bid is found to be responsive to the original specifications and ABC shall be considered for award of contract shall be posted at the G-EPS websites, websites of the procuring entity, if any, and in conspicuous place within the premises of the procuring entity. (C) x x x (d) For Item (b) of Section 53 of the Act and this IRR-A, the negotiation may be made with a previous supplier, contractor or consultant of good standing of the procuring entity concerned, or a supplier, contractor or consultant of good standing situated within the vicinity where the calamity or emergency occurred. The award contract shall be posted at the G-EPS website, website of the procuring entity, if any, and in conspicuous place within the premises of the procuring entity. **SECTION 61.** CONTRACT PRICES 61.1 For the given scope of work in the contract as awarded, all bid prices shall be considered as fixed prices, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances and upon prior approval of the GPPB. All contracts shall be denominated and payable in Philippine currency, and this shall be stated in the bidding documents: Provided, however, That subject to the guidelines issued by the