

AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED ONE THOUSAND SEVEN HUNDRED EIGHTY-NINE ENTITLED “AN ACT PRESCRIBING THE NATIONAL POLICY IN THE PROCUREMENT AND UTILIZAT...

REPUBLIC ACT NO. 2611, July 20, 1959

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

SECTION 1. Paragraph (a) and (e) of Section Two of Republic Act Numbered One thousand seven hundred eighty-nine are hereby amended to read as follows:

- Capital goods and services.—Pursuant to the policy declared in Section One hereof, the capital goods and services received as reparations shall be made available to approved government projects for each year included in the National Economic Rehabilitation and Development Program upon application from the agency concerned and duly endorsed by the proper department head concerned and the National Economic Council, as well as to Filipino citizens and entities wholly owned by Filipino citizens, who will themselves utilize such goods and/or services as bona fide producers or manufacturers: Provided, That the government shall not procure or utilize reparations goods for the purpose of entering into business in competitions with private industries, where such industries have shown their capacity and readiness to serve the public fairly and adequately: Provided, further, That reparations intended for electrification, educational material, equipment and machineries, fire-fighting equipment, telecommunications, railroad, base metal mining, steel and cement manufacturing, logging and shipping shall be given top priority. The list of projects shall, upon approval of the President, be given the widest dissemination and publicity possible.

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- Private sector preferred.—In general, preference in the procurement of reparations goods and services shall be given to private productive projects: Provided, That during the first year of the effectivity of the Agreement all reparations goods and services which may be procured shall be earmarked exclusively for government projects, and, thereafter, government projects shall be given preference only if they concern electrification, educational material, equipment and machineries, firefighting equipment, telecommunication or railroad or would foster the growth of private productive capacity, or are needed in the performance of essential public services, or involve productive projects which private enterprise is not yet capable or desirous of developing but which are urgently necessary in the interest of overall national economic growth: Provided, further, That where goods are procurable under the Agreement in sufficient quantities, no dollar allocation shall be made, nor any bond, debenture, or bond issues be floated for the importation of such goods for use in any government projects: Provided, further, That not more than sixty percent of the total value of the reparations to be paid by Japan during the twenty-year period shall be allocated to the private sector: Provided, further, That if the private sector does not or cannot make full

use of its allocation, then the portion not so used shall be made available to the government.

SEC. 2. Paragraphs (a), (d) and (e) of Section five of Republic Act Numbered One thousand seven hundred eighty-nine are hereby amended to read as follows:

- For the purpose of implementing the provisions of this Act, the Reparations Agreement, and the exchange of notes on reparations loans, there is hereby created the Reparations Commission, hereinafter referred to as the Commission, which shall be composed of a Chairman and two other members appointed by the President of the Philippines, with the consent of the Commission on Appointments, who shall serve until removed for cause or by reason of death or disability. The Chairman shall receive a salary of eighteen thousand pesos per annum and the other members, fifteen thousand pesos per annum each. All decisions of the commission shall be by majority vote.

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- All officials and employees of both the Commission and the Mission shall be properly bonded in the amount to be determined by the Commission subject to the approval by the auditor general according to the rank and responsibilities of the position of each official and employee. They shall, before assuming their office and every six months thereafter, file with the office of the President a schedule under oath of their assets and liabilities."

- The officials and employees of the mission shall be granted allowances and benefits similar to those granted members of the foreign service of equal or similar rank pursuant to the provisions of the Foreign Service Act, except the Chief of Mission who shall enjoy allowances equal to that of a minister.

SEC. 3. Section five of the same Act is hereby further amended by inserting between paragraphs (e) and (f) thereof the following:

(e-1)

No allowances of any kind whatsoever shall be granted to the chairman or to any member of the reparations commission, or to any official or employee thereof, except when they are abroad on official mission in which case they shall be entitled to a per diem of not exceeding twenty U.S. dollars a day for the chairman, members of the commission, executive directors and the auditor, and a per diem not to exceed fifteen U. S. dollars a day for other subordinate officials and employees.

SEC. 4. Section six of the same Act is hereby amended by inserting between paragraphs (a) and (b) thereof the following:

(a-1)

to issue procurement orders for the acquisition of reparations goods and/or services on the basis of the agreed schedule. No procurement order for the acquisition of goods and/or services intended for government agencies shall be issued by the commission until after it shall have duly ascertained and verified that the agencies concerned (1) have the capacity and have duly provided for the repayment of the goods and/or services, in the event that such agencies are required to pay for the same, and (2) have the technical capacity to take delivery and utilize efficiently the goods applied for. No procurement order for the acquisition of reparations goods and/or services intended for private parties shall be issued by the commission until after it shall have duly ascertained and verified that the applicant concerned (1) has enough financial resources and capacity to pay, and (2) has the technical capacity to take delivery and utilize efficiently the goods applied for. The private applicant shall be required to submit proof to substantiate that both his financial resources and capacity to pay are commensurate with the value of the goods and/or services applied for, and that he has had experience or has contracted an appropriate number of experts in the particular field: Provided, That when only one unit of

reparations goods is available, and there are various private applicants who satisfy the qualifications herein provided, preference shall be given to the applicant whose offer is most advantageous to the government, determined by the submission of sealed proposals by the qualified applicants, and if there are several units available, the commission shall, as equitably as possible, distribute them among the best qualified applicants.

SEC. 5. Paragraph (b) of Section six of the same Act is hereby amended to read as follows:

- To verify, alter and approve all proposed contracts and bids between the Mission in Japan and Japanese firms before the Mission accepts any bid, concludes any contract or sends it to the representative of the Japanese Government, so as to ascertain their compliance with terms of the Reparations Agreement with Japan, and with all the provisions of this Act, and to give opportunity to the Philippine entity or persons for whom the goods or services are being procured as reparations to examine all bids make observations thereon, with the cooperation of the Commission's technical staff, and verify the final contract specifications and terms thereof.

SEC. 6. Section six of the same Act is hereby amended by inserting between paragraph (h) and (i) thereof the following:

(h-1)

to utilize such portion of the annual reparations payments from Japan corresponding to the Government sector as may be necessary to guarantee repayment of the loans extended by any Japanese financial institution or institutions for the financing of the Marikina river multipurpose, the telecommunications and railroad expansion and improvement projects as may be agreed upon between the Government of the Republic of the Philippines and the Government of Japan: Provided, That the authority provided in this paragraph shall be exercised only to guarantee loans authorized by law: Provided, further, That procurement of goods under said loans shall be in the manner provided for in the procurement of any reparations goods by any government agency as provided for in this Act.

SEC. 7. Section ten of the same Act is hereby amended by adding a second paragraph thereof as follows:

Subject to the provisions of Commonwealth Act Numbered Two hundred forty-six, as amended, the Commission is authorized to approve supplemental special budgets for its operation for the fiscal year nineteen hundred and sixty in amounts not exceeding the difference between two million pesos and the total amount appropriated for the expenses of the Commission in the nineteen hundred and sixty General Appropriation Act.

SEC. 8. This Act shall take effect upon its approval.

Approved, July 20, 1959.

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