

# [ LETTER OF INSTRUCTIONS NO. 506, February 03, 1977 ]

## **DIRECTING THE INITIATION AND THE IMPLEMENTATION OF A NATIONAL COST REDUCTION PROGRAM.**

TO: All Heads of Departments, Bureaus, Offices, Agencies including Government-owned and Controlled Corporations

The Acting Commissioner of the Budget

WHEREAS, the energy crisis and the world economic situation require that government take steps to economize in its operations;

WHEREAS, responsibility for effective and efficient operation of agencies of government is lodged with their respective agency heads and managerial staff;

WHEREAS, the principal task of the Management Office of the Budget Commission is the promotion of efficiency and economy in the government service;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, do hereby order and direct the following measures intended to achieve greater economy in government operations:

1. All heads of Departments, Bureaus, Offices and Agencies of government, including government-owned and controlled corporations, shall initiate, develop and implement a Cost Reduction Program which will result in increased economy in the operations of their respective agencies.
2. The Cost Reduction Program of each agency shall be reflected in a specification of objectives, targets, procedures, and generally the projects and mechanism for identifying and effecting cost reduction in agency operations, covering both current operating expenditures and capital outlays.
3. The implementation of the Cost Reduction Program shall be monitored and guided by the Management Services /Staffs of agencies who shall be organized into a National Committee and Departmental Committees for purposes of coordination. Sub-Committees may be created as necessary.
4. The National Cost Reduction Committee shall consist of the Director of the Management Office of the Budget Commission as Chairman and as members, the Chiefs of the Financial and Management Services of all Departments .of the national government.
5. The Departmental Cost Reduction Committee in each Department of the national government shall consist of the Department's Financial and Management Service Chief as Chairman and as members, the heads of the Management Divisions (or equivalent) in all the bureaus, offices, agencies comprising or attached to the Department including government owned and controlled corporations.
6. The National Committee shall develop the specific guidelines, operating arrangements, and other details needed to implement the Cost Reduction Program, shall prepare a Quarterly Report to the President on the results of the Program and shall submit such recommendations as may be called for to generalize and to formalize economy measures identified.