

**[ EXECUTIVE ORDER NO. 359, June 02, 1989 ]**

**REITERATING THE POLICY AND PRESCRIBING GUIDELINES AND PROCEDURES IN THE IMPLEMENTATION OF THE PROVISIONS OF EXECUTIVE ORDER NO. 285, "ABOLISHING THE GENERAL SERVICES ADMINISTRATION AND TRANSFERRING ITS FUNCTIONS TO APPROPRIATE GOVERNMENT AGENCIES" ON THE OPERATION OF A PROCUREMENT SYSTEM FOR COMMON-USE OFFICE SUPPLIES, MATERIALS AND EQUIPMENT**

WHEREAS, the cost of government operations can be substantially reduced through greater efficiency in the procurement of supplies, materials and equipment;

WHEREAS, innovations in procurement have been successfully tested by the Department of Budget and Management (DBM), Department of Finance (DOF) and the Commission on Audit (COA) through the Pilot Procurement Project and subsequently the Procurement Service;

WHEREAS, the said policies, procedures and innovations should be institutionalized in line with the provisions of Letter of Instructions No. 755 and Executive Order No. 285 mandating the operation of a government-wide procurement system and price monitoring of common-use supplies, materials and equipment;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. Reiteration of Policy. The National Government hereby reiterates the policy that procurement of government supplies, materials and equipment shall be done in the most economical and efficient manner by purchasing directly from reliable sources in economic lot sizes, by observing optimum specifications and by making prompt payment.

Sec. 2. Organization. a. Pursuant to the principle enunciated under Section 51, General Provisions, Republic Act No. 6688, a Procurement Policy Board is hereby established to consist of the Secretary of Budget and Management (DBM) as Chairman and, as Members, the Secretaries of Finance (DOF), Trade and Industry (DTI), Health (DOH), National Defense (DND), Public Works and Highways (DPWH), Education, Culture and Sports (DECS) and a representative from the Philippine Institute of Certified Public Accountants (PICPA).

The Board shall promulgate rules and regulations to carry out the policy statement and intent of this Executive Order, which shall serve as the basis for the procurement operation of the Procurement Service (PS) of the Department of Budget and Management (DBM) and other government agencies. In the formulation of said rules and regulations, the Procurement Policy Board may, in its discretion, consult the Chairman, Commission on Audit on matters falling under the functional