

[EXECUTIVE ORDER NO. 164, May 05, 1987]

PROVIDING ADDITIONAL GUIDELINES IN THE PROCESSING AND APPROVAL OF CONTRACTS OF THE NATIONAL GOVERNMENT.

WHEREAS, as a consequence of the continued expansion of developmental projects and increased delivery of essential public services to the people, the volume and value of governmental contracts have substantially increased over the years;

WHEREAS, in view of such increase in the contracting activities of the government and in line with the government's policy of decentralization and administrative delegation which is intended to expedite the implementation of projects, it is thus necessary that Secretaries and governing boards of government-owned or controlled corporations be provided with greater authority to approve contracts to implement projects falling within their respective jurisdiction;

WHEREAS, to ensure that essential materials and services a needed by the government are procured at the most economical and advantageous terms, there is a need to expand the membership of the Prequalification, Bids and Awards Committees existing in every Department/Agency/Implementing Office so as to include representatives from the private sector as non-voting members;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. Ceiling for Infrastructure Contracts. The following shall be the ceilings for all civil works, construction and other contracts for infrastructure projects, including supply contracts for said projects, awarded through public bidding or through negotiation, which may be approved by the Secretaries of Public Works and Highways, Transportation and Communications, Local Government with respect to Rural Board Improvement Project, and governing boards of government-owned or controlled corporations

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| a. Secretary of Public Works
and Highways | P100 Million | P 10 Million |
| b. Secretary of Transportation
and Communications | 100 Million | 10 Million |
| c. Secretary of Local
Government with respect to
the Rural Road Improvement
Project | 100 Million
P 50 Million | 2 Million
P 5 Million |
| d. Governing Boards
Infrastructure Corporations
(National Power Corporation, | | |

National Irrigation
Administration, Metropolitan
Waterworks and Sewerage
System, National Housing
Authority, Philippine Ports
Authority, National
Electrification Administration,
Export Processing Zone
Authority, Philippine National
Railways, Local Water
Utilities Administration, Light
Rail Transit Authority and
Philippine National Oil
Company)

- e. Governing Board of Non-
Infrastructure Corporations 7.5 Million 1 Million

Save as provided for above, the approval ceilings assigned to the departments/agencies involved in national infrastructure and construction projects shall remain at their present levels.

SECTION 2. Contracts for Approval by the President. Contracts for infrastructure projects, including contracts for the supply of materials and equipment to be used in said projects, which involve amounts above the ceilings provided in the preceding section shall be approved by the President: Provided, That the President may, when conditions so warrant, and upon recommendation of the National Economic and Development Authority, revise the aforesaid ceilings of approving authority.

SECTION 3. Approval of Consultancy Contracts. All purely consultancy contracts relating to infrastructure projects, regardless of amount, shall be approved by the Secretaries concerned, in accordance with the Guidelines on the Hiring of Consultants to be promulgated by the National Economic and Development Authority: Provided, That the National Economic and Development Authority shall be furnished by the departments, agencies or government corporations concerned, copies of all consultancy contracts entered into by then involving an amount in excess of P1 million for monitoring purposes.

SECTION 4. Delegation of Authority to Governing Boards of Government Corporations. The Secretaries are hereby authorized to delegate to the governing boards of government-owned or controlled corporations which are attached to or are under the administrative supervision of their respective departments, the authority to approved contracts for infrastructure projects entered into by said corporations involving amounts which are beyond the ceiling provided for government corporations under Section 1 hereof but which are within the approving authority of the Secretaries concerned under the said Section. In the case of government corporations which are attached to or under the Office of the President, the delegation shall be made by the Executive Secretary.

SECTION 5. Public Bidding of Contracts; Exceptions. As a general rule, contracts for infrastructure projects shall be awarded after open public bidding to bidders who submit the lowest responsive/evaluated bids. Open Public Bidding shall be conducted among prequalified contractors in accordance with existing laws, rules