

[EXECUTIVE ORDER NO. 520, January 24, 1979]

ESTABLISHING THE CENTRAL TENDER BOARD, DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Section 1. Declaration of Policy. All government projects involving civil, electrical and mechanical engineering works, and supply and installation of equipment and materials, except those which are authorized by law to be undertaken by administration, shall be undertaken, except as herein provided, through competitive public bidding to ensure economy and efficiency.

Section 2. Exceptions. Any agency or instrumentality of the government may award or enter into such contract without public bidding only in the following instances:

- a) In time of emergencies arising from natural calamities where immediate action to provide the required facilities is necessary to prevent imminent loss of life and/or property;
- b) When there is failure to award the contract after competitive public bidding for valid cause or causes;
- c) Where the project is innovative in character and for experimental purposes, under such guidelines as may be promulgated by the Board herein created;
- d) When an existing contract is terminated or a portion thereof deleted, and awarding of contract to a different contractor through public bidding would entail unnecessary delay to the detriment of the government and of the general public; and
- e) In cases of urgent necessity as certified by the agency concerned and approved by the President.

Section 3. Other Conditions for Negotiations. The authority to negotiate contracts mentioned in the preceding section shall not be issued unless the necessary program of work and the government cost estimates for the project have been prepared and duly approved, and the contractors applying to negotiate for the project have been duly pre-qualified in accordance with the rules and procedures prescribed by the Central Tender Board herein created.

Section 4. Central Tender Board. To carry out the objectives of this Order, there is hereby created a Central Tender Board, which shall be composed of five (5) members as follows:

- a) The Executive Director, Presidential Management Staff;

- b) Representative of the National Economic and Development Authority;
- c) Representative of the Ministry of the Budget;
- d) Representative of the agency concerned; and
- e) Another member to be appointed by the President of the Philippines, preferably a representative of the Philippine Contractors Association.

The above members shall elect the Chairman who shall serve for a period of two years.

Section 5. Primary Function of the Board. Unless otherwise instructed by the President of the Philippines, it shall have the sole authority to conduct competitive public biddings for such projects mentioned in Section 1 hereof and make the necessary awards.

The President may create a special bid committee, whenever he deems such move expedient to consider bids for major national government projects.

Section 6. Powers and Functions. The Central Tender Board shall have the following powers and functions.

- a) Receive, process and approve, under such terms and conditions as it may deem necessary to promote the objectives of this Order, applications for registration and pre-qualification to determine the contractors who may be allowed to participate in the bidding of projects covered by this Order. It shall effect the classification of contractors according to their respective qualifications and capabilities consistent with the licensing law on the matter and taking into consideration the requirements of particular type of projects;
- b) Accordingly, and on the basis of sizes, costs and technical requirements of projects, categorize all such projects, and define the required contractor's eligibilities to participate in the bidding thereon;
- c) Check, verify and evaluate periodically, with the assistance of other government agencies, contractors' compliance with the provisions of this Order and with rules and regulations prescribed by the Board, as well as with the terms and conditions of their contracts with the government.
- d) Organize its own staff as hereunder prescribed and may, from time to time, call upon appropriate government officials or the private sector for assistance in the exercise of its powers and functions;
- e) Generally exercise all the power necessary or incidental to attain the purposes of this Order, including the promulgation of its internal rules and procedures governing meetings, organization and staffing.

Section 7. Meeting and Quorum. The Board shall meet as often as necessary but not less than once a month on such day as it may fix. Special meetings may be convoked upon the call of the Chairman or upon the written request of at least two (2) of its members. The presence of three (3) members shall constitute a quorum,