

**[ EXECUTIVE ORDER NO. 40, June 01, 1963 ]**

**AMENDING THE THIRD PARAGRAPH OF EXECUTIVE ORDER NO. 298, DATED AUGUST 12, 1940, ENTITLED "PROHIBITING THE AUTOMATIC RENEWAL OF CONTRACTS, REQUIRING PUBLIC BIDDING BEFORE ENTERING INTO NEW CONTRACTS, AND PROVIDING EXCEPTIONS THEREOF," AS AMENDED BY EXECUTIVE ORDER NO. 146, DATED DECEMBER 27, 1955; EXECUTIVE ORDER NO. 212, DATED NOVEMBER 6, 1956; EXECUTIVE ORDER NO. 318, DATED SEPTEMBER 17, 1958; AND EXECUTIVE ORDER NO. 358, DATED SEPTEMBER 23, 1959**

The third paragraph of Executive Order No. 298, dated August 12, 1940, as amended by Executive Order No. 146; dated December 27, 1955, Executive Order No. 212, dated November 6, 1956; Executive Order No. 318, dated September 17, 1958; and Executive Order No. 358, dated September 23, 1959, is hereby further amended to read as follows:

"Now, therefore, I, Diosdado Macapagal, President of the Philippines, by virtue of the powers in me vested by law, do hereby direct that no contract for public service or for furnishing supplies, materials and equipment to the government or any of its branches, agencies or instrumentalities shall be renewed or entered into without public bidding except for very extraordinary reasons to be determined by a Committee composed of the Executive Secretary, as Chairman, and the Auditor General and the Secretary of Justice, as Members: *Provided*, That when there is a tie in the voting of the Committee, the case shall be submitted to the President for decision: *Provided, further*, That when the Head of the Department concerned certifies on the requisition that the supplies, materials or equipment are urgently needed to meet an emergency which may involve the loss of, or damage to, life and/or property or are to be used in connection with a project or activity which cannot be delayed without causing detriment to the public service, the Director of Supply may purchase the supplies, materials or equipment so requisitioned without public bidding, but only after thorough canvass of the market. The Director of Supply may likewise purchase without public bidding supplies, materials or equipment which are sold by an exclusive dealer or manufacturer which does not have sub-dealers selling at lower prices and for which no suitable substitutes can be obtained elsewhere at more advantageous terms to the Government."

Done in the City of Manila, this 1st day of June, in the year of Our Lord, nineteen hundred and sixty-three.

(Sgd.) **DIOSDADO MACAPAGAL**  
*President of the Philippines*