

[EXECUTIVE ORDER NO. 298, August 12, 1940]

**PROHIBITING THE AUTOMATIC RENEWAL OF CONTRACTS,
REQUIRING PUBLIC BIDDING BEFORE ENTERING INTO NEW
CONTRACTS, AND PROVIDING EXCEPTIONS THEREFOR**

WHEREAS, as a matter of general policy, it is in the interest of the public service that Government contracts for public services or for furnishing supplies, materials, and equipment to the Government be submitted to public bidding;

WHEREAS, when a Government contract has expired, to continue it automatically without again calling for bids is contrary to such policy;

NOW, therefore, I, Manuel L. Quezon, President of the Philippines, by virtue of the powers in me vested by law, hereby; direct that no contract for public service or for furnishing supplies, materials, and equipment to the Government already in force or to be entered into for the first time by the Philippine Government or any of its branches, subdivisions, agencies, or instrumentalities shall be renewed or entered into without public bidding except for very extraordinary reasons and then only after the Auditor General, the Secretary of Justice, and the Secretary of the Department concerned have been consulted and the approval of the President has been secured beforehand: Provided, That when the Secretary 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 danger 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 Purchasing Agent may purchase the supplies, materials or equipment so requisitioned without public bidding, but only after a thorough canvass of the market. The Purchasing Agent 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. ,

This Order shall not in any way affect the regulations contained in Department Orders Nos. 73 and 74 of the former Department of Commerce and Communications, which will continue in full force and effect; and it contemplates that the provisions of Department Order No. 2, dated January 14, 1936, of the Department of Finance, are hereby followed by all concerned.

Executive Order No. 16, dated February 3, 1936, as amended by Executive Order No. 98, dated April 24, 1937, is hereby revoked.

Done at the City of Manila, this 12th day of August, in the year of Our Lord, nineteen hundred and forty, and of the Commonwealth of the Philippines, the fifth.