

[PRESIDENTIAL DECREE NO. 1764, January 11, 1981]

REQUIRING COMPLIANCE WITH COMPETITIVE BIDDING REGULATIONS AND ADOPTION OF UNIFORM GENERAL TERMS AND CONDITIONS IN CASE OF CERTAIN GOVERNMENT AND PRIVATE CONTRACTS.

WHEREAS, for the implementation of the Government's priority, industrial programs, competitive bidding is essential to ensure that only the most suitable and cost efficient industrial plant and technology are acquired and that the foreign exchange reserves of the Philippines are prudently utilized in the acquisition of such plants and technology and not diverted to authorized or illegal uses;

WHEREAS, uniform general terms and conditions of contracts, carefully designed for the optimum protection of the interests of the owner of the project, should be a very useful means for the coordinated and efficient implementation of the Government's priority industrial programs;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree as part of the law of the land the following:

SECTION 1. All contracts, with a total value exceeding \$5 million, proposed to be entered into by the Government for the design, procurement or manufacture, installation, testing and commissioning of industrial plants, or any part thereof, shall be awarded only after compliance with competitive bidding regulations to be issued and promulgated by the Ministry of Industry, after approval of the President of the Philippines.

SEC. 2. All contracts referred to in Section 1 hereof shall, in addition, incorporate as integral parts thereof uniform general terms and conditions designed to secure optimum protection of the interests of the Government as owner of the industrial project concerned, and the realization of such project in the most efficient and economical way possible. Such general terms and conditions may, however, be modified on a contract-to-contract basis by the addition of such particular terms and conditions as may be reasonably necessary in the light of the specific features of an individual industrial project and the financial and commercial circumstances surrounding such project. The Ministry of Industry shall issue and promulgate, with the approval of the President of the Philippines, one or more sets of uniform general terms and conditions to be incorporated in differing prevailing types of contracts including, without limitation, lump sum turnkey contracts with or without an escalable local currency component, and cost-plus contracts.

SEC. 3. For purposes of this Decree, "Government" shall mean the Government of the Republic of the Philippines, but shall include ministries, bureaus, offices, commissions, agencies or instrumentalities thereof, and government-owned or controlled corporations as well as subsidiaries or affiliates thereof, whether exercising proprietary or governmental functions or otherwise, and whether acting on their own or in joint venture with the private sector.