

[EXECUTIVE ORDER NO. 201, January 18, 2000]

**PROVIDING ADDITIONAL POLICIES AND GUIDELINES IN THE
PROCUREMENT OF GOODS AND SUPPLIES BY THE NATIONAL
GOVERNMENT**

WHEREAS, the increasing prevalence of information technology in commercial transactions requires corresponding changes in existing procurement procedures;

WHEREAS, recent developments in information technology provide alternative means of procurement using the convenience and cost-effectiveness of electronic and telecommunications technology;

WHEREAS, the Armed Forces of the Philippines (AFP) Modernization Act of 1995 mandates the Department of National Defense (DND)-AFP to strengthen its systems and procedures for equipment acquisition, taking into account new requirements under the AFP Modernization Program;

WHEREAS, international defense procurement procedures involving sophisticated defense equipment and weapons systems allow the submission of bids without a bid bond but with other forms of security, such as the sovereign guarantee by the bidder's government;

WHEREAS, there is a need to allow DND-AFP to adopt procurement procedures that will enable it to procure the best equipment and weapons systems that its modernization funds can afford from the market;

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Section 1 of Executive Order No. 302, series of 1996, is hereby amended to read as follows:

"SECTION 1. A set of rules and regulations covering contracts for the procurement of goods and supplies for both project-related and normal/regular operation and maintenance activities of the National Government be adopted for the following purposes:

- a. to purchase goods of acceptable quality at fair and reasonable prices from qualified and capable suppliers/manufacturers/distributors, with on time delivery and satisfactory compliance of all contract terms and conditions;
- b. to assure fair and equitable treatment of suppliers/manufacturers/distributors, including arrangements for prompt payments;