

AUTHORIZING AGENCIES OF GOVERNMENT IMPLEMENTING INFRASTRUCTURE PROJECTS TO ADOPT PRE-PAYMENT BASIS IN THE PROCUREMENT OF CEMENT, REINFORCING STEEL BARS, AND ASPHALT MATERIALS

OP MEMORANDUM ORDER NO. 459, January 13, 1998

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WHEREAS, the depreciation of the Philippine Peso has adversely affected the implementation of national infrastructure projects in terms of increased construction costs and difficulties in the sourcing of credit facilities.

WHEREAS, Section 88 (1) of Presidential Decree No. 1445, otherwise known as the Government Accounting Code of the Philippines, provides that:

"Except with the prior approval of the President (Prime Minister) the government shall not be obligated to make advance payment of services not yet rendered or for supplies and materials not yet delivered under any contract therefor. No payment, partial or final, shall be made on any such contract concerned to the effect that the services or supplies and materials have been rendered or delivered in accordance with the terms of the contract and have been duly inspected and accepted."

WHEREAS, the grant of authority to the agencies of government implementing infrastructure projects to adopt pre-payment basis in the procurement of their requirements for cement, reinforcing steel bars, and asphalt materials, subject to certain limitation, would accelerate the implementation of these projects;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. All government agencies implementing infrastructure projects are hereby authorized to adopt pre-payment basis in the procurement of cement, reinforcing steel bars, and asphalt materials, for government infrastructure projects as an exception to the prohibition under Section 88 (1) of Presidential Decree No. 1445.

The Government agencies concerned shall provide sufficient safeguards to ensure that the materials procured under the pre-payment arrangement mentioned above are not applied to purposes other than implementation of the infrastructure projects mentioned herein.

As used in this Memorandum Order, the phrase "infrastructure project" shall mean construction, improvement, or rehabilitation of roads and bridges, flyovers, railways, airports, seaports, communication facilities, irrigation, flood control and drainage, water supply and sewerage systems, shore protection, power facilities, national buildings, school buildings, hospital buildings, and other related construction projects that form part of the government's capital investment program.

SECTION 2. The authority granted herein shall remain in force and effect for a period of six (6) months from date hereof.

SECTION 3. This Memorandum Order shall take effect immediately.

Adopted: 13 Jan. 1998

BY THE PRESIDENT:

(SGD.) ALEXANDER P. AGUIRRE

Executive Secretary

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