

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
MANILA

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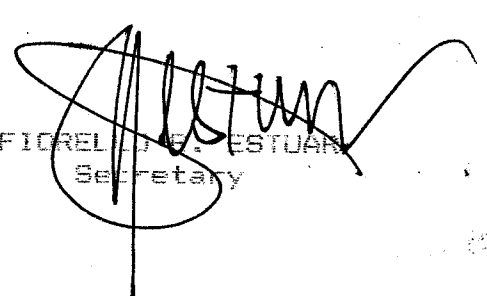
DEPARTMENT ORDER
NO. **33** *7/4/4*
Series of 1989

SUBJECT: Award of Contract for Projects
under International Competitive
Bidding Funded by Foreign Loans

Opinion No. 46, dated 21 April 1987, of the Secretary of Justice is to the effect that the bidding for projects funded by foreign loans are exempted from the application of the provision of the Implementing Rules and Regulations of Presidential Decree No. 1594 particularly clause IB 2.4.1 thereof fixing as ceiling the Approved Agency Estimate (AAE) in the award of contract. Said opinion emphasizes the fact that the terms and conditions of the loan between the lending institution and the Philippine Government partakes the nature of an international commitment or agreement and, therefore, shall govern the award of contracts for projects funded by such loan.

In consonance with the aforecited opinion, it is hereby directed that henceforth, contracts for projects under International Competitive Bidding funded by foreign loans shall be awarded at the lowest complying bid provided that same is just and reasonable, in accordance with the Guidelines on Procurement issued by the lending institutions.

This Order shall take effect immediately, and any or all circulars, memoranda and orders inconsistent herewith are hereby revoked.


FIDEL V. ESTUAN
Secretary