

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 524

**EXPANDING THE PROCUREMENT SERVICE COVERAGE TO INCLUDE
GOVERNMENT EMPLOYEES' COOPERATIVES AND ASSOCIATIONS**

WHEREAS, the goals of the national economy, as enshrined in Article XII, Section 1 of the 1987 Constitution, include: a more equitable distribution of opportunities, income, and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the underprivileged;

WHEREAS, the continued increase in the prices of basic commodities has reduced the purchasing power of fixed income earners, particularly government employees;

WHEREAS, the government recognizes the need to augment the resources of government employees given the limited allowances provided to them by law through non-cash benefits such as low-priced basic commodities available for their own consumption;

WHEREAS, the National Government undertook, in two Memoranda of Undertaking for Quality Public Service and Performance, dated March 22, 2004, to set up and operate a commissary facility for government employees, thereby recognizing the need for the establishment of the aforesaid commissary;

WHEREAS, Letter of Instruction (LOI) No. 75, and Executive Order Nos. 285 and 359, dated July 25, 1987 and June 2, 1989, respectively, mandated the Procurement Service of the Department of Budget and Management to implement and operate a central procurement system for the whole of government;

WHEREAS, the Procurement Service has efficiently carried out its function of procuring government supplies, materials, and equipment from reliable sources in economic lot sizes through the centralized procurement system, thereby making them available to government agencies at low prices.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the power vested in me by law, do hereby order:



SECTION 1. In the interest of public economy, efficiency, and good governance, the Procurement Service is hereby authorized to transact with and enlist the participation of government employees' cooperatives and/or associations to act as retailers/commissaries of the Procurement Service in the selling of common use and basic commodity items exclusively to government employees.

SEC. 2. The Procurement Service is likewise authorized to sell basic commodity items to government employees, in addition to the common use office supplies and equipment made available and regularly sold therein. The Procurement Service shall procure such supplies in the most economical and efficient manner, by public bidding in economic lot sizes, by observing optimum specifications and by making prompt payments.

SEC. 3. Government employees who will purchase items sold at the Procurement Service shall place their orders directly with existing employees' cooperatives or employees associations duly authorized by the Procurement Service to operate as retailers/commissary.

SEC. 4. The Secretary of the DBM shall issue such rules, regulations, and other issuances as may be necessary to ensure the effective implementation of this Executive Order.

SEC. 5. Any portion or provision of this Executive Order that may be declared unconstitutional shall not have the effect of nullifying other provisions hereof, as long as such remaining provisions can still subsist and be given effect in their entirety.

SEC. 6. All rules and regulations, other issuances or parts thereof, which are inconsistent with this Executive Order, are hereby repealed or modified accordingly.

SEC. 7. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 10th of April in the year of Our Lord, Two Thousand and Six.

By the President:

Gloria Arroyo



Eduardo R. Ermita

EDUARDO R. ERMITA

Executive Secretary

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