

**MALACAÑANG
MANILA**

ADMINISTRATIVE ORDER NO. 7

**PRESCRIBING RULES ON THE SUBMISSION, REVIEW AND APPROVAL OF
GOVERNMENT CONTRACTS**

WHEREAS, the Arroyo Administration is committed to a program of good governance;

WHEREAS, good governance requires transparency, impartiality, and accountability in government transactions;

WHEREAS, this Administration is determined to pursue the expeditious implementation of development projects;

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

SECTION 1. Every head of a department or agency shall be responsible and accountable for ensuring that all contracts entered into by the department/agency concerned are in accordance with all existing laws, rules and regulations and are consistent with the spending priorities of government.

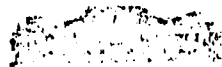
SECTION 2. All contracts entered into by departments, bureaus, offices, and agencies of government including government-owned or controlled corporations and their subsidiaries requiring approval by the President pursuant to existing laws, Executive Order No. 380, S. of 1989 and Memorandum Order No. 266, S. of 1989 shall be submitted to the National Economic and Development Authority (NEDA) Board for review, recommendation, and endorsement to the President for final approval and signature. The NEDA Board shall act on these contracts within a period of thirty (30) days from date of submission.

SECTION 3. In connection with Section 2 above, all contracts requiring approval by the President shall be transmitted to the NEDA Board only after the same have been completely processed by the concerned department or agency and signed by the head of such department or agency, indicating such official's prior and own approval thereof. The head of the department or agency shall further certify that the contract is in accordance with existing laws, rules and regulations.

SECTION 4. All other contracts involving the amount of Php50 million and above shall be submitted to the NEDA Board for information within seven (7) days from the date of signing by the head of the department or agency. Such contracts shall be transmitted to the NEDA Board only after the same have been completely processed by the concerned department or agency and signed by the head of such department or agency, indicating such official's approval thereof. The head of the department or agency shall further certify that the contract is in accordance with existing laws, rules and regulations.



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The NEDA Board, through its Chairman or Vice-Chairman, shall formally notify the head of the department or agency concerned, within 15 days of its receipt of a contract submitted under this section, that it has examined and duly noted such contract, together with comments it may have related thereto. Unless otherwise indicated in said notification, the head of the department or agency concerned may, upon receipt of the same and the contract earlier submitted, proceed with implementation of the contract, without prejudice to a further review and monitoring of the same by the NEDA Board.

SECTION 5. All contracts presently being processed/reviewed by the Presidential Management Staff shall be immediately transmitted to the NEDA Board or the concerned department/agency as the case maybe for their expeditious disposition in accordance with this Order.

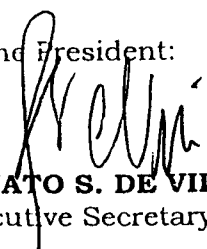
SECTION 6. The NEDA Board may issue appropriate rules and regulations to implement the provisions of this Administrative Order, including guidelines to ensure the transparency of all contracts entered into by all government agencies.

SECTION 7. The following issuances on the review of contracts are hereby repealed: Memoranda from the President dated 25 August 1998, dated 7 September 1998, dated 25 January 1999, dated 5 February 1999, dated 8 February 1999, dated 10 February 1999, date 23 February 1999, dated 10 June 1999, dated 12 July 1999, and dated 8 February 2000, and Memorandum Circular No. 25 dated 10 February 1999. All other Presidential directives, issuances, orders, rules and regulations or parts thereof inconsistent with this Administrative Order are likewise hereby repealed.

SECTION 8. This Administrative Order shall take effect immediately.

DONE in the City of Manila, this 23rd day of March, in the year of our Lord Two Thousand and One.

By the President:


RENATO S. DE VILLA
Executive Secretary






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