

AN ACT AUTHORIZING THE CONSTRUCTION OF SELF-LIQUIDATING PUBLIC IMPROVEMENTS BY PRIVATE PERSONS.

REPUBLIC ACT NO. 3741, June 22, 1963

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The Department of Public Works and Communications is hereby authorized to enter into, and bind the Government by, contracts with any private person, natural or juridical, for construction, operation, and maintenance of national highways, roads, bridges, public markets, irrigation systems and other self-liquidating public improvements subject to the terms and conditions hereinafter set forth: Provided, That said contracts shall be open to citizens of the Philippines or to corporations or associations as are authorized by law to engage in business operations in the Philippines.

SEC. 2. Any senator or congressman, by formal request reduced to writing, or any city or municipal council, by resolution, may propose to the Department of Public Works and Communications for the construction, operation and maintenance of any self-liquidating public improvements, which proposal may be favorably endorsed by the Secretary of Public Works and Communications to the President of the Philippines whose approval is necessary before any such public works project is undertaken pursuant to the provisions of this Act.

SEC. 3. Upon approval of such projects mentioned in the preceding section of this Act, the Secretary of Public Works and Communications shall forthwith cause to be published once every week for three consecutive weeks in at least two newspapers of general circulation, a notice inviting all eligible public works contractors to participate in a public bidding for the projects so approved. The contract shall be awarded to the lowest competent and eligible bidder.

SEC. 4. The Department of Public Works and Communications may require any contractor under this Act post bonds and in such amounts as may be necessary to protect the interests of the Government.

SEC. 5. For the construction, operation and maintenance of any public works project undertaken in accordance with this Act, the contractor shall be entitled to the return his capital plus interest on the unpaid balance thereof not exceeding twelve per cent per annum. Said contractor is authorized, subject to the next following section of this Act, to charge and collect reasonable tolls or fees for the use of the project. In the case of bridges, highways or roads constructed under this Act, tolls shall be collected only on motor vehicles using the same: Provided, That no such toll shall be collected from motor vehicles owned by the Government, when used for official business.

SEC. 6. In every case the Department of Public Works and Communications shall approve the fairness and equity of the tolls or fees, as the case may be, or the schedule of such tolls and fees, submitted by the persons or associations of persons contracting for any such national highway, road, bridge, public market, irrigation system and any other self-liquidating public improvement, and shall decide whether said tolls, fees or schedules are to the public; and no tolls, fees or schedules thereof shall be put in force and operation by the person or association of persons contracting such public improvements, until such tolls, fees or schedules thereof shall have been so approved; and the Department of Public Works and Communications may from time to time change and revise

such tolls, fees and schedules thereof.

SEC. 7. The sum collected from tolls or fees authorized to be collected under this Act shall first be applied to the interest, and the remainder to the principal in the accounting of the receipts from such tolls or fees.

SEC. 8. The imposition and collection of tolls or fees under this Act shall be discontinued after the principal expended on the project, and interest thereon, shall have been collected, and the contract on such project shall be declared inoperative.

SEC. 9. Until such time that the contract on public works under this Act is declared inoperative, the contractor shall make the necessary repairs or improvements on the project. Failure to do so shall be sufficient ground for the Government to decrease the amount of tolls or fees on the project or the Government may declare the contract inoperative.

SEC. 10. The Government shall undertake periodic audits of the collections made by the contractor on public works under this Act in accordance with existing law and regulations.

SEC. 11. Every public improvement constructed by any contracting person or association of persons under this Act shall be erected under the supervision of the Department of Public Works and Communications, and according to plans and specifications made or approved by said Department and the cost thereof to be approved by said Department.

SEC. 12. The form of contracts to be made under this Act shall be approved by the Department of Justice.

SEC. 13. It is unlawful for any official or employee of the Department of Public Works and Communications to enter into or be in any way interested in a contract for the working or building of any public improvement awarded pursuant to the provisions of this Act, or for the furnishing of any materials or supplies of any kind whatsoever to be used in the work, and person who violates the provision of this section shall be summarily removed from office, any provision of law to the contrary notwithstanding, and suffer imprisonment not exceeding five years.

SEC. 14. This Act shall take effect upon its approval.

Approved, June 22, 1963.

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