

AN ACT AUTHORIZING THE CONSTRUCTION OF SPECIFIC PUBLIC WORKS PROJECTS BY PRIVATE CORPORATIONS, ASSOCIATIONS, PARTNERSHIP OR INDIVIDUALS PAYABLE WITH, OR IN CONSIDERATION OF CERT...

REPUBLIC ACT NO. 5279, June 15, 1968

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

SECTION 1. In addition to the methods and manner prescribed by existing law, upon approval by a committee composed of the Secretary of Public Works and Communications, the Secretary of Finance, the Chairman of the Public Works and Communications Committee of the Senate, the Chairman of the Finance Committee of the Senate, the Chairman of the Public Works Committee of the House of Representatives, the Chairman of the Appropriations Committee of the House of Representatives, and the Com-missioner of the Budget, hereinafter called the Committee, the agency head in charge of the category of public works projects concerned is hereby authorized, to enter into contracts for the construction, reconstruction, repair, and/or movement of buildings, highways, artesian wells, water systems, shore protection works, river control, irrigation, airports and air navigation facilities, port works, telecommunications and other public works including the acquisition of necessary sites and rights-of-way, with private persons, corporations, associations or partnerships which may offer to undertake the same at their own expense, subject to the terms and conditions herein set forth: Provided, That said contracts shall be entered into only with private persons, corporations, associations or partnerships which are duly authorized by law to engage in business in the Philippines at least sixty per cent of the capital stock of which is owned by Filipino citizens and ,which have sufficient financial capacity and means to undertake such projects to completion and which on the date of the bid are qualified as contractors pursuant to the provisions of Republic Act Numbered Four thousand five hundred sixty-six.

SEC. 2. Upon approval of such projects, the agency head concerned shall forthwith cause to be published once every week for three consecutive weeks in at least two newspapers of general circulation, and in local newspapers of general circulation in the locality where the public works project will be undertaken, a notice inviting all eligible public works contractors to participate in public bidding for the projects so approved. The contract shall be awarded to the lowest qualified bidder.

Any private person, corporation, association or partnership awarded contract under this Act shall undertake the work in accordance with the approved plans and specifications under the supervision and control of the agency head concerned.

SEC. 3. Private persons, corporations, associations, or partnerships undertaking such public works projects shall be paid in the form of certificates of indebtedness which may be used by said private persons, corporations, associations or partnerships in payment of internal revenue taxes and customs duties, whether current or future.

SEC. 4. The certificates of indebtedness to be issued in accordance herewith when used in settlement for any tax liabilities of contractors shall be chargeable to funds appropriated by law and allotted from funds certified by the

Commissioner of the Budget as available for the particular public works projects.

Certificates of indebtedness shall be issued within thirty days from the time the work has been completed or within ten days after the close of every quarter by the Secretary of finance upon recommendation of the bureau or agency under whose jurisdiction the project falls to cover the proportional cost of the work completed for the preceding quarter at the option of the contractor. These certificates of indebtedness shall be availed of in payment of internal revenue taxes and customs duties which may be due: Provided, That a contractor or his assignees shall not be allowed in one single fiscal year to apply his certificates of indebtedness in an amount exceeding that programmed for release for the project from funds available during said period: Provided, further, That the shares of municipalities, cities and provinces from all internal revenue taxes shall not be diminished by reason of the payment of such taxes with certificate of indebtedness whose value shall be considered in the computation thereof; and such shares shall be fully remitted by the national government to the municipality, city or province concerned: Provided, finally, That the unredeemed portion of certificates of indebtedness issued under this Act shall earn interest at the prevailing rate until the obligation is fully settled. Unused certificates of indebtedness may be carried over for as many years as necessary, but in no case shall they be assigned, transferred, or otherwise encumbered more than once. The assignee may use said certificates of indebtedness in payment of its own tax liabilities. Upon dissolution of any corporation, association, or partnership, unused certificates of indebtedness shall be forfeited in favor of the government.

SEC. 5. The authority herein granted to the agency head concerned shall be subject to the provisions and requirements of existing laws and regulations on the awarding and execution of contracts for public works and the expenditure of public funds: Provided, That no contract for the construction of public works projects included in or covered by the Public Works Act shall be entered into and executed under this Act unless the Commissioner of Budget shall have certified that funds equivalent to the contract price have been duly appropriated and allotted from funds certified as available for the purpose.

SEC. 6. The Committee shall prescribe and promulgate rules and regulations to implement and give effect to the purposes of this Act within ninety days from the approval hereof.

SEC. 7. All Acts, executive orders, administrative orders, proclamations, rules and regulations, or parts thereof, inconsistent with any of the provisions of this Act are repealed or modified accordingly.

SEC. 8. Within sixty days after the end of each fiscal year, the Committee shall submit an accomplishment report to both Houses of Congress and to the President of the Philippines, of projects undertaken under the provisions of this Act, specifying the stage of completion and value thereof of each project as well as the total certificates of indebtedness issued and the total amount of interest earned by certificates of indebtedness outstanding.

SEC. 9. This Act shall take effect immediately upon its approval.

Approved, June 15, 1968.

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