

AN ACT TO APPROPRIATE FUNDS FOR PUBLIC WORKS, SYNCHRONIZING THE SAME WITH PREVIOUS PUBLIC WORKS APPROPRIATIONS.

REPUBLIC ACT NO. 2701, June 18, 1960

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

SECTION 1. Long-Range Program of Capital Improvements.—The following sums or so much thereof as may be necessary are hereby appropriated out the general funds in the National Treasury not otherwise appropriated, object to the provisions hereinafter set forth, for the Purposes mentioned hereunder:

SEC. 2. Short-Term Projects.—The following sums or so much thereof as may be necessary are hereby appropriated out of the General Fund in the National Treasury not otherwise appropriated, subject to the provisions hereinafter set forth for the purposes mentioned hereunder:

[Itemized portions omitted due to lack of Space]

SEC. 3. Public Works Projects to be Financed from Bond Issue.—The following sums or so much thereof as may be necessary are hereby appropriated from the proceeds of the sales of bonds issued and/or from loans that may be negotiated under existing laws, to be implemented by the President of the Philippines only upon recommendation of the National Economic Council and concurrence of the Council of State:

[Itemized portions omitted due to lack of Space]

SEC. 4. Apportionment of Portworks Special Fund.—The following sums or so much thereof as may be necessary are hereby apportioned out of the Portworks Special Fund that have accrued under Act No. 3592 as amended by Commonwealth Act No. 130 and by Republic Act No. 1216 not. otherwise apportioned, to be released by the Secretary of Public Works and Communications pursuant to the provisions hereinafter set forth and for the purposes mentioned hereunder:

[Itemized portions omitted due to lack of Space]

SEC. 5. Program of Work Required Before Prosecuting Public Works.—Before prosecuting any public works project, the district, city or project engineer concerned shall prepare a program of work which shall include among other things the total estimated cost of materials and labor, list of equipment and tools required, the anticipated duration of work in its various stages, and the probable date work shall start, but in no case shall construction work on a project be started, even after the program of work has been approved, if such program does not contemplate the completion of the project or a useful segment thereof. For any project already being undertaken, the engineer concerned may be allowed to submit a revised program of work before the completion of the project if, due to unforeseen contingencies or to changes in field conditions or other similar circumstances, it becomes evident that he cannot successfully accomplish the work within his original program.

No program of work for any project, which requires special site investigation, survey and construction plans, shall

be approved unless such plans are used as basis of the program. With the exception of projects the estimated cost of which is fifteen thousand pesos or less, under no circumstance shall the District or City Project Engineer start work without first securing approval of the corresponding program of work from the head of the bureau or office concerned or from the latter's duly authorized representative. The Auditor General or his authorized representatives shall be furnished a copy of the program of work for his guidance and shall have access to the data on which the program was based: Provided, That the work may be started as soon as the program of work is submitted and such program may be revised by the department concerned and such proviso be mandatory on the part of the district engineer.

SEC. 6. Rental of Equipment.—Rental of equipment shall not be deducted at the time of the release of funds for public works or even in anticipation of use of the equipment but shall be paid based on actual use when the appropriation so released is P20,000 or below; but when the appropriation so released is above P20,000, and rental of equipment is to be deducted in anticipation of use of the equipment, such deduction shall not be more than ten per centum of the released appropriation.

SEC. 7. Recognition of Civic Organization in the Prosecution of Community Improvement Projects.—Whenever the appropriation amounting to not more than fifteen thousand pesos for any project authorized in this and other Public Works Acts is released and made available for expenditure, wholly or partly, such project may be undertaken by administration or by negotiated contract by Civic Organization and Barrio Council, the provisions of listing laws or regulations to the contrary notwithstanding.

When any such project does not require complicated of construction or highly specialized techniques, it shall be turned over to the Municipal Council for. execution preferably to be undertaken by the Barrio Council of the barrio where the project is located or awarded through a negotiated contract without the approval of the department head to the most concerned civic organization in the locality which has filed an application therefor in the manner herein provided. The application for undertaking such work shall be filed by the organization concerned with the District Engineer or his official counterpart, as the case may be, specifying, among other things the barrio-management program of work or the payment to be received for the work. After evaluating the offers and the terms proposed by the Barrio Council and/or the civic organization by comparing them with the corresponding program of work and estimate, the work on the project may be turned over to the Barrio Council for prosecution or awarded by the official concerned to the applicant civic organization through a negotiated contract for an amount not to exceed ninety percent of the cost of the work as originally estimated and programmed pursuant to Section five of this Act. In case two or more civic organizations offer to undertake the project, the official concerned shall award the contract to the organization offering the lowest quotation, determined by sealed bidding to be opened in the municipal building of the municipality where the project is located within ten days, but not earlier than seven days, after notice of such bidding is posted on the public Bulletin Board of said municipality: Provided, That in pre-qualifying bidders and awarding contracts, no bid nor performance bonds will be required: Provided, further, That the provisions of existing law to the contrary notwithstanding, the civic organization or Barrio Council undertaking any work mentioned in this Section shall be exempt from all taxes and impost relating thereto.

The authority of the District Engineer or his official counterpart to undertake any work in the manner herein provided for shall be deemed to have been duly secured upon receipt by the Provincial or City Auditor of the official advice to the head of the bureau or office concerned to so prosecute the work.

Under no circumstance shall the provisions of this section be construed to deprive the District Engineer or his official counterpart, as the case may be, of his supervisory control over any of the projects referred to in this section nor to relieve him of any responsibility, administrative or otherwise, for any defect in procedure, control

or technical surveillance, resulting in waste of money, destruction of, or damage to, property or lowering of engineering standards. In cases where the work is prosecuted by administration of the Barrio Council through negotiated contract with a civic organization, the District Engineer, or his counterpart, may not charge against the fund of the project any expense for inspection by him or his assistant but he may designate as his representative and assign to the project as worker-inspector any competent craftsman whose compensation and travel expenses for the duration of the assignment shall be chargeable against the funds of the project but not against the contract and shall not exceed two percent of the Barrio Council estimate or of the contract price. The District Engineer, or his official counterpart, may make any other suitable arrangement to enable him to maintain supervisory control over the project without however exceeding the compensation limitation herein imposed.

SEC. 8. Prohibition in the Use of Sums Appropriated Herein.—No appropriation herein authorized shall be used to pay obligation or overdrafts previously incurred, nor be made available for the purchase of office equipment, supplies and automobiles or station wagons, nor be used to pay salaries of employees except those directly engaged in the work or assigned officially to projects for which the appropriation has been made, nor be used as aid for calamity: Provided, That the rates of compensation shall not be higher than those authorized under the General Appropriation Act for the same rank or position in the Bureau concerned.

SEC. 9. Suspension of Work Done by Administration Before General Elections.—The provisions of any existing law to the contrary notwithstanding, regardless of the source of funds, within forty-five days before every general or special election, no laborer shall be employed in or money spent for any public works project even if the appropriation is actually released before or within such period except for:

- Ordinary maintenance work on existing and/or completed public works projects: Provided, That there is no increase over the number of usual laborers or employees employed therein sixty days prior to the beginning of this forty-five-day period: Provided, further, That no extra gang of laborers are employed within the said period of forty-five days;
- Work undertaken by contract through public bidding held before the forty-five-day period: Provided, That work for the purpose of this section undertaken under the so-called "takay" or "paquiao" system shall not be considered as work by contract;
- Payment for the usual cost of preparation of working drawings, specifications, bills of materials, estimates, and other procedures preparatory to actual construction including the purchase of materials and equipment, and all incidental expenses for wages of watchmen and other laborers employed for such work in the central offices and field storehouses before the beginning of such period: Provided, That the number of such laborers shall not be increased over the number hired when the project or projects were commenced;
- Emergency work necessitated by the occurrence of a public calamity, but such work shall be limited to the restoration of the damaged facility.

Any violation of the foregoing provisions shall constitute a serious offense punishable under the provisions of the Revised Election Code.

SEC. 10. Payment of Labor and Readjustment of Contracts.—All contracts for the furnishing of materials or supplies and for the construction of any project authorized in this Act, and previous Public Works Acts, executed by any person, association or corporation with the government after the approval of this Act shall contain provisions adequately covering the prosecution of the following:

- The contractor shall provide and have on hand every pay-day, in addition to the usual requirement of cash outlay for the contract work, a labor fund in an amount sufficient to cover each fifteen-day labor payroll for the project

and payment to the laborers and employees shall be made within three days after every pay-period. Payment of wages and salaries to laborers and employees engaged in the project shall be witnessed by the engineer-in-charge of the work or his representative, who shall certify to such payment. Upon failure of the contractor to pay his laborers and employees within the period herein stated, the Government shall forthwith make such payment out of the funds of the project, in which case the sum paid out plus a surcharge of one per cent shall be deducted from any amount due or to become due the contractor without prejudice to the right of the Government to rescind the contract.

- Should the Government, at any time during the effectivity of a contract, impose, abolish, modify any tax, custom duties, license, impost, fee or other similar charges, or enact, amend or repeal any law affecting the number of hours of labor permissible a day or the number of days a week or the wages or salaries to be paid to laborers and employees, which would directly increase or decrease the cost of materials or the cost of the construction work beyond or under the amount stipulated in the contract, the contract amount shall be readjusted accordingly by a mittee, hereby created for this purpose, composed of the Auditor General as Chairman, the Secretary of Public Works and Communications and the Commissioner of the Budget as members: Provided, That the party seeking adjustment shall first apply for same in writing, stating therein the reasons justifying the change as well as the data and computations in sufficient detail which determine accurately the amount of the change.

SEC. 11. When payment of laborers and employees cannot be effected by the contractor due to delay in the payment by the Government of what is due the contractor, then the pending labor payroll shall be paid by the contractor who may secure loans from any financing institution, with the Government paying the interest of the amount paid to the laborers from such loan at the rate of 6 per cent per annum.

SEC. 12. Preference to Local Labor.—In the execution and construction of community projects and of school building projects, laborers from the place or municipality where the project is being undertaken shall be hired.

Community projects as well as projects in the rural areas financed by National funds shall be prosecuted by administration of the Barrio Council whenever the people in the barrio or barrios where such projects are located agree to perform the work on the basis of self-help under the supervision of the Highway District Engineer or City Engineer concerned. The Secretary of Public Works and Communications is hereby required to promulgate such rules and regulations as are necessary to safeguard the appropriation of said projects and effectively guide the Barrio Council.

The provisions of this section shall be applicable to all previous Public Works Acts.

SEC 13. Use of Excess Funds; Inadequate Funds.—Whenever any building project or other community project is completed and a balance of appropriation remains, the district or city engineer may use such balance for the purchase or acquisition of essential equipment or for any urgent improvement work within the school premises and for covering deficiency of appropriation of any project of the same category within the same municipality.

Whenever the appropriation released for expenditure of any project provided in this Act or in previous Public Works Acts is found, thru the program of work devised therefor pursuant to Section five of this Act, to be inadequate to complete the project or a utile part thereof, the project shall not be persecuted and in such case, the engineer concerned shall advise Congress accordingly thru the Secretary of Public Works and Communications.

SEC. 14. Publication of Call for Bids in Newspaper Sufficient.—Any law, rule or regulation to the contrary notwithstanding, in the calling for bids, as required by law, for the execution of any project with appropriation in this Act or in any of the previous Public Works Acts, advertisement thereof in any newspaper of general circulation in Manila and/or the locality, or province, or region where the project is located is sufficient

compliance to the pertinent provisions of the Revised Administrative Code.

SEC. 15. Project Sites.—Unless otherwise specified in the project item, appropriation herein authorized for construction of any project shall be understood to cover the acquisition or purchase of sites whenever such acquisition or purchase is duly certified as necessary for the prosecution of the project.

SEC. 16. Hydro-electric Installations in Irrigation Canals.—The appropriations authorized in this Act as well as in previous Public Works Acts for irrigation projects shall be understood to include outlays for hydroelectric installations in main canals whenever the hydraulic drop thereof is sufficient to generate appreciable hydroelectric energy: Provided, That the hydro-electric plant shall be operated by the Director of Public Works as part of the irrigation system and the income thereof constituted into a special fund for the amortization of costs of construction of the irrigation projects.

SEC. 17. Purchase of Materials, Equipment and Supplies.—The provisions of existing laws, executive orders, rules and regulations to the contrary notwithstanding, the department head concerned is authorized and in the interest of the public service and subject to auditing requirements, to procure the necessary materials, equipment and supplies needed for the construction, reconstruction, improvement, repair and/or maintenance of any public works project as provided in this and previous acts, regardless of the source of funds: Provided, That locally available materials may be procured by the district or city engineer; Provided, further, That the Secretary of Public Works and Communications and the Auditor General may promulgate rules and regulations to implement this provision: Provided, Finally, That no surcharge shall be imposed for the service of procuring such materials, supplies and equipments.

SEC. 18. Engineering Surcharge.—Any provision of law, executive orders, rule or regulation to the contrary notwithstanding, and regardless of the source of funds, no national surcharge shall be collected from the appropriations or expenditures authorized for any category of public works and provincial surcharge on expenditures of appropriations for any public works project shall not exceed two per cent.

SEC. 19. Public Works Appropriations under This Act Are National Disbursing Funds: Exceptions.—Any provision of existing law to the contrary notwithstanding, all funds appropriated for under the provisions of this Act shall, when released, be carried in the account books of the treasurers as national disbursing funds and all the projects herein specified are classified as national projects unless such funds are appropriated specifically as aid to the provinces, chartered cities and municipalities, as the case may be: Provided, That provincial funds allocated as counterpart shall not be considered as national fund.

SEC. 20. Release of Public Works Appropriations.—The provisions of Republic Act No. 992 and all other previous Public Works Acts to the contrary notwithstanding, the sums appropriated in this Act and in all the previous Public Works Acts above mentioned shall be released in lump sums either wholly or partially, by the Commissioner of the Budget with the approval of the President of the Philippines over appropriations other than for the ordinary operation of the National Government; and appropriations for all projects under this Act and any other previous Public Works Acts are hereby authorized to be released either from the proceeds of bond issues or loans and/or from the general revenue: Provided, That appropriations released for community projects provided in this Act shall be prorated to all Congressional District made available simultaneously.

SEC. 21. Reports.—Thirty days before the opening day of every regular session of Congress, the proper Department Head shall make a report to both Houses of Congress and to the President, in printed and bound form, which shall include the appropriations as of date of said report and the percentage of work accomplished and work to be done to accomplish the program of broad categories of public works including his recommendations, if any, for transfer of appropriations or for program changes to be incorporated in the next Public Works Appropriation

Act; us well as a tabulated report containing the following data and information:

- Financial Report on Public Works Appropriations from Bond Issues from the Year 1954, including
 - Total appropriation per year
 - Amount released per year
 - Unreleased balance from appropriations
 - Percentage of unreleased balance
 - Amount expended (actual disbursement)
 - Unexpended balance from released portion
 - Sum totals or summary of foregoing items; and
- Financial Report of Public Works Appropriations from General and Special Funds from the year 1954
 - Total appropriation per year
 - Amount released per year
 - Unreleased balance from appropriation
 - Percentage of unreleased balance
 - Amount expended (actual disbursement)
 - Unexpended balance from released portion
 - Sum totals or summary of foregoing items:

Provided, That report in individual projects incorporating the aforementioned date will be supplied whenever deemed relevant: Provided, further, That within the period of fifteen days from the opening of the regular session of Congress, the Secretary of Public Works and Communications must submit a report to Congress of how much has been released of all community projects by district.

SEC. 22. This Act shall take effect upon its approval.

Approved, June 18, 1960, except Section 20.

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