

AN ACT TO AUTHORIZE THE DIRECTOR OF MINES TO ENTER INTO AN OPERATING CONTRACT, WITH THE APPROVAL OF THE SECRETARY OF AGRICULTURE AND NATURAL RESOURCES, WITH PRIVATE ENTERPRISE F...

REPUBLIC ACT NO. 2313, June 19, 1959

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

SECTION 1. Recognizing the importance to the national economy of the immediate development, exploration, utilization, processing and disposition by private enterprise of the mineral deposits in the Zambales Mineral Reservations, it is hereby declared to be the policy of the Government to engage private enterprise in the development, exploration, processing and disposition of the minerals therefrom.

SEC. 2. The Director of Mines is hereby authorized to enter into an operating contract, through public bidding, with any qualified, competent and responsible domestic party or parties possessing all the qualifications under section three hereof, for the development and operation of the government chromite reservations described and known as Parcels of Land numbers one, two and three thereof, set aside as such by Proclamation Numbered Three hundred thirteen dated April twenty-four, nineteen hundred and thirty of the then Governor General of the Philippine Islands, such contract to be executed by the Director of Mines with the approval of the Secretary of Agriculture and Natural Resources.

SEC. 3. No private enterprise can be a party to the operating contract, referred to in section two hereof, unless he/it possesses, at the time of the bid and award, all of the following qualifications, namely, that such party:

- Is qualified under section one, Article XIII of the Constitution to exploit, develop and utilize the natural resources of the Philippines;
- Has been engaged in the business of mining for at least ten (10) years;
- Has already capital or if a corporation, a paid-up capital of at least five million pesos (P5,000,000.00) ; and
- Has available the necessary machineries, equipment, and competent technical staff and facilities for undertaking the economical and efficient development and operation of the Zambales Mineral Reservations and the Processing of the ores mined therefrom.

SEC. 4. At least sixty (60) days before the scheduled date for the opening of the sealed bids, the Director of Mines shall publish once a week for three consecutive ks in two newspapers of general circulation the call terms for the bid. The Director of Mines, with the approval of the Secretary of Agriculture and Natural Resources, is hereby authorized to stipulate such terms and conditions as he may see fit in the call for bids, which shall constitute the basis of the operating contract to be executed with the awardee, in addition to the following:

- The amount and nature of the bid bond to be required;
- Submittal of a verified inventory of machineries and equipment, actually owned by the bidder for mining

processing and shipping operations and available for use in the operation of the Zambales Mineral Reservation;

- Submittal of a verified list of engineers and technical men, actually employed by the bidder, indicating their specialization and actual work;
- The minimum royalty on production to be paid by the operator to the Government of the Philippines, and the time and form of payment thereof;
- That the operating contract shall be for a period of twenty-five (25) years, renewable for a like period;
- That the operator under the operating contract shall be an independent contractor and as such shall furnish all materials, labor, equipment, plants and other installations required by the operations and shall be solely responsible for any and all liabilities to laborers and workers as well as to third parties as may result from the operations in accordance with existing laws;
- That the operator will, during the first two years, spend yearly a minimum of three hundred thousand (P300,000.00) pesos for exploration, development of, and equipment placed in the Zambales Mineral Reservations and shall commence such development and operation work within ninety (90) days from the date of signing of the operating contract;
- That the operator shall file with the Director of Mines in favor of the Government of the Philippines a performance bond in such amount as may be fixed in the call for bids guaranteeing compliance by the operator with each of the terms and conditions of the contract as herein set forth;
- That the operator shall enjoy gratuitous use of timber water for mining and processing purposes in the areas covered by the operating contract before such operation; and
- That the Director of Mines may reject any and all bids for justified reasons.

The Committee on Award shall be composed of three members, namely, the Director of Mines, as chairman, one representative of the Secretary of Agriculture and Natural Resources and another representative of the Secretary of Justice, as members. The award shall be made within ten (10) days from the date of the opening of the sealed bids to the bidder best qualified to develop and operate successfully the Zambales Mineral Reservations in point of organization, finances, resources, experience and technical competence as set forth herein and offering the best terms and conditions in favor of the Government and the corresponding operating contract shall be executed immediately thereafter.

SEC. 5. The Director of Mines shall have the power and authority to represent the Government in such operation and to ensure compliance with the terms and conditions of the operating contract, and for this purpose, he is hereby authorized to set aside five percent (5%) of the royalties or participation received by the Government under the contract to cover necessary expenses of his office in connection therewith.

SEC. 6. All laws and regulations inconsistent with the provisions of this Act are hereby accordingly amended or repealed.

SEC. 7. This Act shall take effect upon its approval.

Approved, June 19, 1959.

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