

ADDITIONAL PRECONDITIONS FOR AWARD AND FINAL PAYMENT ON CONTRACTS FOR PUBLIC WORKS

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Section 138, Title I, Book II of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, provides that:

"Section 138. Tax on Sand, Gravel and Other Resources - The province may levy and collect not more than ten percent (10%) of fair market value in the locality per cubic meter of ordinary stones, sand, gravel, earth, and other quarry resources, as defined under the National Internal Revenue Code, as amended, extracted from public lands or from the beds of seas, lakes, rivers, streams, creeks, and other public waters within its territorial jurisdiction.

The permit to extract sand, gravel and other quarry resources shall be issued exclusively by the provincial governor, pursuant to the ordinance of the Sangguniang Panlalawigan x x x "

In keeping with the above-quoted provisions of law, contractors dealing with offices of the Department of Public Works and Highways shall, as a precondition for award of contract, present a permit issued by the Office of the Provincial Governor concerned for the extraction of sand and gravel and, as a precondition for final payment, tax clearance from the Office of the corresponding Provincial Treasurer that all taxes on sand, gravel or other quarry resources utilized in project implementation had been fully paid. Non-compliance with such prerequisites shall be a ground for non-award and/or non-payment, as the case may be.

All DPWH officials and employees concerned are hereby enjoined to discuss this matter during the pre-bid conferences for the information of all the participating bidders and that these preconditions shall be made part of the Instructions to Bidders.

This Order takes effect immediately and modifies DPH Memo-Circular No. 65 dated 24 May 1978 and such other issuances inconsistent herewith.

Adopted: 11 May 1993

(Sgd.) EDMUNDO V. MIR
CESO I, Acting Secretary

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