

AN ACT APPROPRIATING FUNDS FOR PUBLIC WORKS AND HIGHWAY PROJECTS AND FOR OTHER PURPOSES.

BATAS PAMBANSA BLG. 13, December 22, 1978

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Be it enacted by the Batasang Pambansa in session assembled:

SECTION 1. Appropriation of Funds.—The following: sums, or so much thereof as may be necessary, are hereby appropriated out of the General Fund in the National Treasury, including the proceeds of authorized bond issues and/or loans and grants from local or foreign institutions, to implement public works and highway projects of the National Government, as specified hereunder:

Title A—TRANSPORT PROJECTS

For the construction, improvement, rehabilitation, reconstruction, and/or completion of the following projects, including detailed engineering and acquisition of sites, equipment, materials, supplies, and services to be used directly for the projects:

(a) HIGHWAYS

National Capital Region

1.

Manila South Diversion Road Interchange (Pasay City)

.....P20,000,000

2.

Circumferential Road C-3 and Radial Road R-10 (Regionwide)

.....100,000,000

3.

Various local roads in support to Regional Development Plans (Regionwide)

.....50,000,000

4.

Various national roads and bridges (Regionwide)

.....80,000,000

5.

Road restoration and rehabilitation program (Regionwide)

.....50,000,000

Region I

6.

Rosario-Laoag Road (La Union, Ilocos Sur and Ilocos Norte)

.....100,000,000

7.

Laoag-Allacapan Road (Ilocos Norte)

.....50,000,000

8.

Ilocos Norte Rural Development Project (Ilocos Norte)

.....50,000,000

9.

Luzon Road Package, Olongapo-Bugallon (Pangasinan)

.....50,000,000

10.

Various project roads in support to Regional Development Plans (Regionwide)

.....10,000,000

11.

Major bridges (Regionwide)

.....10,000,000

12.

Various national roads and bridges (Regionwide)

.....15,000,000

13.

Road restoration and rehabilitation program (Regionwide)

.....20,000,000

Region II

14.

Ilagan-Palanan Road (Isabela)

.....50,000,000

15.

Chico Irrigation Project, road component (Isabela)

.....30,000,000

16.

Laoag-Allacapan Road (Cagayan)

.....50,000,000

17.

Various local roads in support to Regional Development Plans (Regionwide)

.....10,000,000

18.

Major bridges (Regionwide)

.....10,000,000

19.

Various national roads (Regionwide)

.....15,000,000

20.

Road restoration and rehabilitation program (Regionwide)

.....20,000,000

Region III

21.

Capaz-Botolan Road (Tarlac and Zambales)

.....50,000,000

22.

Luzon Road Package, Olongapo-Bugallon (Zambales)

.....80,000,000

23.

Various local roads In support to Regional Development Plans (Regionwide)

.....10,000,000

24.

Major bridges (Regionwide)

.....10,000,000

25.

Various national roads (Regionwide)

.....15,000,000

26.

Road restoration and rehabilitation program (Regionwide)

.....20,000,000

Region IV

27.

Mindoro Integrated Rural Development Project, road component (Mindoro Oriental and Mindoro Occidental)

.....60,000,000

28.

Luzon Road Package, Tagaytay-Batangas Road (Tagaytay City and Batangas)

.....80,000,000

29.

Various local roads in support to Regional Development Plans (Regionwide)

.....25,000,000

30.

Major bridges (Regionwide)

.....20,000,000

31.

Various national roads (Regionwide)

.....20,000,000

32.

Road restoration and rehabilitation program (Regionwide)

.....30,000,000

Region V

33.

Third and Fourth IBRD Package (Albay)

.....30,000,000

34.

Various local roads in support to Regional Development Plans (Regionwide)

.....10,000,000

35.

Major bridges (Regionwide)

.....10,000,000

36.

Various national roads (Regionwide)

.....15,000,000

37.

Road restoration and rehabilitation program (Regionwide)

.....20,000,000

38.

Secondary and feeder roads, Bicol River Basin (Camarines Sur)

.....80,000,000

Region VI

39.

Third and Fourth IBRD Package (Iloilo, Capiz, Aklan and Negros Occidental)

.....250,000,000

40.

Various local roads in support to Regional Development Plans (Regionwide)

.....20,000,000

41.

Major bridges (Regionwide)

.....20,000,000

42.

Various national roads (Regionwide)

.....25,000,000

43.

Road restoration and rehabilitation program (Regionwide)

.....20,000,000

Region VII

44.

Third and Fourth IBRD Package (Cebu)

.....P120,000,000

45.

Various local roads in support to Regional Development Plans (Regionwide)

.....10,000,000

46.

Major bridges (Regionwide)

.....10,000,000

47.

Various national roads (Regionwide)

.....15,000,000

48.

Road restoration and rehabilitation program (Regionwide)

.....20,000,000

Region VIII

49.

Samar Integrated Rural Development Project, road component

.....200,000,000

50.

Various local roads in support to Regional Development Plans (Regionwide)

.....10,000,000

51.

Major bridges (Regionwide)

.....10,000,000

52.

Various national roads (Regionwide)

.....15,000,000

53.

Road restoration and rehabilitation program (Regionwide)

.....20,000,000

54.

Palo-Carigara-Ormoc-Maasin Sogod Road (Leyte and Leyte del Sur)

.....100,000,000

Region IX

55.

Various local roads in support to Regional Development Plans (Regionwide)

.....10,000,000

56.

Major bridges (Regionwide)

.....10,000,000

57.

Various national roads (Regionwide)

.....20,000,000

58.

Road restoration and rehabilitation program (Regionwide)

.....20,000,000

Region X

59.

Mindanao secondary and feeder roads (Misamis Oriental and Agusan del Norte)

.....100,000,000

60.

Various local roads in support to Regional Development Plans (Regionwide)

.....10,000,000

61.

Major bridges (Regionwide)

.....10,000,000

62.

Various national roads (Regionwide)

.....15,000,000

63.

Road restoration and rehabilitation program (Regionwide)

.....20,000,000

Region XI

64.

Mindanao secondary and feeder roads (South Cotabato)

.....150,000,000

65.

Various local roads in support to Regional Development Plans (Regionwide)

.....10,000,000

66.

Major bridges (Regionwide)

.....10,000,000

67.

Various national roads (Regionwide)

.....15,000,000

68.

Road restoration and rehabilitation program (Regionwide)

.....20,000,000

Region XII

69.

Mindanao secondary and feeder roads (Sultan Kudarat)

.....P45,000,000

70.

Various local roads in support to Regional Development Plans (Regionwide)

.....15,000,000

71.

Major bridges (Regionwide)

.....15,000,000

72.

Various national roads (Regionwide)

.....20,000,000

73.

Road restoration and rehabilitation program (Regionwide)

.....25,000,000

Nationwide

74.

Major bridges

.....40,000,000

75.

Road restoration and rehabilitation program

.....80,000,000

TOTAL FOR HIGHWAYS.....

P 2,900,000,000

(b) RAILWAYS

National Capital Region

Light Rail Transit System

.....P200,000,000

TOTAL FOR RAILWAYS.....

P200,000,000

(c) PORTS

Region I

1.

Sual Fishing Port Project (Pangasinan)

.....37,000,000

Region IV

2.

Lucena Fishing Port Project (Lucena City)

.....99,000,000

Region V

3.

Camaligan Fishing Port Project (Camarines Sur)

.....60,000,000

Region VI

4.

Philippine Rural Infrastructure Project, port components (San Jose de Buenavista, Antique; Culasi, Capiz; and Dumaguít, Aklan)

.....32,000,000

5.

Iloilo Fishing Port Project (Iloilo City)

.....161,000,000

Region VIII

6.

Samar Integrated Rural Development Project, port components (San Jose, Northern Samar; Catbalogan, Samar; and Guiuan and Dolores, Eastern Samar)

.....12,000,000

Region IX

7.

Zamboanga Fishing Port Project (Zamboanga City)

.....72,000,000

Region X

8.

Port of Cagayan de Oro (Cagayan de Oro City)

.....63,000,000

Region XI

9.

Port of Davao (Davao City and Davao del Sur)

.....53,000,000

TOTAL FOR PORTS.....

P589,000,000

(d) AIRPORTS AND AIR NAVIGATIONAL FACILITIES

Region I

1.

Laoag International Airport (Laoag City)

.....46,000,000

Region IV

2.

Puerto Princesa Airport (Puerto Princesa City)

.....13,000,000

Region VI

3.

Kalibo Airport (Aklan)

.....10,000,000

Region VII

4.

Dumaguete Airport (Dumaguete City)

.....11,000,000

Region IX

5.

Pagadian Airport (Pagadian City)

.....11,000,000

6.

Cagayan de Sulu Airport (Tawi-Tawi)

.....11,000,000

Region XI

7. General Santos Airport (General Santos City)

.....22,000,000

8. Bislig Airport (Surigao del Sur)

.....10,000,000

TOTAL FOR AIRPORTS AND AIR NAVIGATIONAL FACILITIES.....

P134,000,000

TOTAL FOR TRANSPORT.....

P3,823,000,000

Title B—WATER RESOURCES PROJECTS

For the construction, improvement, rehabilitation, re-construction, and/or completion of the following projects, including detailed engineering and acquisition of sites, equipment, materials, supplies, and services to be used directly for the projects:

(a) IRRIGATION

Region I

1.

Ilocos Norte Integrated Development Project, including Palsiguan River and Quiaoit (Quiom-Maypalig) Multi-Purpose Projects, irrigation component (Ilocos Norte)

.....P705,000,000

2.

Philippine Rural Infrastructure Project, irrigation component (Abra)

.....12,000,000

3.

National Irrigation Systems Improvement Project (Regionwide)

.....20,000,000

Region II

4.

Chico River Basin Project, irrigation component (Isabela and Kalinga-Apayao)

.....540,000,000

5.

Upper Pampanga River Project Watershed Development (Nueva Vizcaya)

.....15,000,000

6.

Cagayan Integrated Area Development Project, irrigation component (Cagayan)

.....65,000,000

7.

Philippine Rural Infrastructure Project, irrigation component (Kalinga-Apayao)

.....19,000,000

8.

National Irrigation Systems Improvement Project (Regionwide)

.....20,000,000

Region III

9.

Upper Pampanga River Project Watershed Development (Nueva Ecija)

.....15,000,000

10.

Tarlac Irrigation System Improvement Project (Tarlac)

.....26,000,000

Region IV

11.

Laguna de Bay Development Project, irrigation component (Mabitac, Pagsanjan, Cabuyao, and San Pedro, Laguna; and Baras, Tanay, and Pililla, Rizal; and Cavite)

.....70,000,000

12.

Amnay (Asis River) Irrigation Project (Mindoro Occidental)

.....18,000,000

13.

National Irrigation Systems Improvement Project (Regionwide)

.....20,000,000

14.

Mindoro Integrated Area Development Project, irrigation component (Mindoro Oriental and Mindoro Occidental)

.....22,000,000

15.

Upper Pampanga River Project Watershed Development (Quezon)

.....15,000,000

Region V

16.

Baliuag-San Vicente Area Development Project, irrigation component (Camarines Sur)

.....90,000,000

17.

Rinconada Area Development Project, irrigation component (Camarines Sur)

.....42,000,000

18.

Bula-Minalabac Irrigation Project (Camarines Sur)

.....22,000,000

19.

National Irrigation Systems Improvement Project (Regionwide)

.....20,000,000

Region VI

20.

Philippine Rural Infrastructure Project, irrigation component (Aklan, Antique, and Capiz)

.....27,000,000

21.

National Irrigation Systems Improvement Project (Regionwide)

.....20,000,000

Region VII

22.

Philippine Rural Infrastructure Project, irrigation component (Bohol)

.....19,000,000

Region VIII

23.

Samar Integrated Rural Development Project, irrigation component (Northern Samar)

.....142,000,000

24.

National Irrigation Systems Improvement Project (Regionwide)

.....20,000,000

Region IX

25.

Philippine-Australian Development Project, irrigation component (Zamboanga del Sur)

.....14,000,000

26.

National Irrigation Systems Improvement Project (Regionwide)

.....20,000,000

Region X

27.

Agusan del Sur Irrigation Project (Bunawan-Salvacion, Agusan del Sur)

.....50,000,000

28.

Pulangui River Irrigation Project (Valencia, Bukidnon)

.....39,000,000

29.

Agusan II Irrigation Project (Cabadbaran, Agusan del Norte; and Solibao-Gibong, Agusan del Sur)

.....60,000,000

30.

National Irrigation Systems Improvement Project (Regionwide)

.....20,000,000

Region XI

31.

Tago River Irrigation Project (Surigao del Sur)

.....138,000,000

32.

Davao del Norte Irrigation Project II (Libuganon-Lasang, Davao del Norte)

.....78,000,000

33.

National Irrigation Systems Improvement Project (Regionwide)

.....20,000,000

34.

Allah Valley Irrigation Project (South Cotabato)

.....220,000,000

Region XII

35.

National Irrigation Systems Improvement Project (Regionwide)

.....20,000,000

TOTAL FOR IRRIGATION.....

P2,663,000,000

(b) FLOOD CONTROL AND DRAINAGE

National Capital Region

1.

Mangahan Floodway (Rizal)

.....P132,000,000

2.

Napindan Hydraulic Control Structure, flood control component (Rizal)

.....66,000,000

3.

Marikina Multi-Purpose Project, flood control component (Rizal)

.....88,000,000

Region I

4.

Tina-Gasgas Flood Control and Twin Impounding Reservoirs (Ilocos Norte)

.....200,000,000

5.

Catchment basins and impounding reservoirs, flood control component (Regionwide)

.....50,000,000

6.

Construction and reconstruction of railroad and highway bridges with inadequate waterways (Regionwide)

.....75,000,000

7.

Dredging of main rivers and outlets (Regionwide)

.....15,000,000

8.

River training and bank protection of various rivers (Regionwide)

.....5,000,000

9.

Local flood control, drainage and related activities (Regionwide)

.....5,000,000

Region II

10.

Magat Multi-Purpose Project, flood control component (Isabela)

.....200,000,000

11.

Cagayan River Control (Cagayan and Isabela)

.....82,000,000

12.

Matuno Flood Control and Impounding Reservoir (Nueva Vizcaya)

.....100,000,000

13.

Sta. Cruz Flood Control and Impounding Reservoir (Nueva Vizcaya)

.....100,000,000

14.

Catchment basins and impounding reservoirs, flood control component (Regionwide)

.....40,000,000

15.

Dredging of main rivers and outlets (Regionwide)

.....3,000,000

16.

River training and bank protection of various rivers (Regionwide)

.....35,000,000

17.

Local flood control, drainage and related activities (Regionwide)

.....12,000,000

Region III

18.

Labangan Floodway (Bulacan)

.....10,000,000

19.

Catchment basins and impounding reservoirs, including sabo works, flood control component (Regionwide)

.....150,000,000

20.

Construction and reconstruction of railroad and highway bridges with inadequate waterways (Regionwide)

.....150,000,000

21.

Dredging of main rivers and outlets (Regionwide)

.....50,000,000

22.

River training and bank protection of various rivers (Regionwide)

.....30,000,000

23.

Local flood control, drainage and related activities (Regionwide)

.....20,000,000

Region IV

24.

Mindoro Flood Control and Schistosomiasis Control Project (Mindoro Oriental)

.....12,000,000

25.

Cavite Flood Control and Drainage (Cavite)

.....15,000,000

26.

Catchment basins and impounding reservoirs, flood control component (Regionwide)

.....3,000,000

27.

Dredging of main rivers and outlets (Regionwide)

.....4,000,000

28.

River training and bank protection of various rivers (Regionwide)

.....3,000,000

29.

Local flood control, drainage and related activities (Regionwide)

.....2,000,000

Region V

30.

Mayon Volcano Sabo Works and Related Projects (Albay and Legaspi City)

.....18,000,000

31.

Sorsogon Schistosomiasis Control Project (Sorsogon)

.....10,000,000

32.

Lake Bato-Pantao Bay Diversion Channel (Camarines Sur)

.....230,000,000

33.

Catchment basins and impounding reservoirs, including sabo works, flood control component (Regionwide)

.....50,000,000

34.

Construction and reconstruction of railroad and highway bridges, with inadequate waterways (Regionwide)

.....50,000,000

35.

Dredging of main rivers and outlets (Regionwide)

.....20,000,000

36.

River training and bank protection of various rivers (Regionwide)

.....10,000,000

37.

Local flood control, drainage and related activities (Regionwide)

.....10,000,000

Region VI

38.

Panay River Control (Capiz and Roxas City)

.....18,000,000

39.

Catchment basins and impounding reservoirs, flood control component (Regionwide)

.....20,000,000

40.

Dredging of main rivers and outlets (Regionwide)

.....8,000,000

41.

River training and bank protection of various rivers (Regionwide)

.....6,000,000

42.

Local flood control, drainage and related activities (Regionwide)

.....4,000,000

Region VII

43.

Catchment basins and impounding reservoirs, including sabo works, flood control component (Regionwide)

.....30,000,000

44.

Dredging of main rivers and outlets (Regionwide)

.....8,000,000

45.

River training and bank protection of various rivers (Regionwide)

.....4,000,000

46.

Local flood control, drainage and related activities (Regionwide)

.....8,000,000

Region VIII

47.

Sab-a Basin Schistosomiasis Control and Drainage Project (Leyte)

.....17,000,000

48.

Catchment basins and impounding reservoirs, flood control component (Regionwide)

.....30,000,000

49.

Dredging of main rivers and outlets (Regionwide)

.....8,000,000

50.

River training and bank protection of various rivers (Regionwide)

.....3,000,000

51.

Local flood control, drainage and related activities (Regionwide)

.....9,000,000

Region IX

52.

Saaz River Control and Drainage (Zamboanga City)

.....10,000,000

53.

Catchment basins and impounding reservoirs, flood control component (Regionwide)

.....15,000,000

54.

Dredging of main rivers and outlets (Regionwide)

.....5,000,000

55.

River training and bank protection of various rivers (Regionwide)

.....6,000,000

56.

Local flood control, drainage and related activities (Regionwide)

.....4,000,000

Region X

57.

Catchment basins and impounding reservoirs, flood control component (Regionwide)

.....120,000,000

58.

Dredging of main rivers and outlets (Regionwide)

.....30,000,000

59.

River training and bank protection of various rivers (Regionwide)

.....30,000,000

60.

Local flood control, drainage and related activities (Regionwide)

.....20,000,000

Region XI

61.

Davao River Control, drainage and related projects (Davao City)

.....52,000,000

62.

Tuganay River Control (Carmen, Davao del Norte)

.....15,000,000

63.

Catchment basins and impounding reservoirs, flood control component (Regionwide)

.....40,000,000

64.

Dredging of main rivers and outlets (Regionwide)

.....10,000,000

65.

River training and bank protection of various rivers (Regionwide)

.....10,000,000

66.

Local flood control, drainage and related activities (Regionwide)

.....10,000,000

Region XII

67.

Catchment basins and impounding reservoirs, flood control component (Regionwide)

.....200,000,000

68.

Dredging of main rivers and outlets (Regionwide)

.....65,000,000

69.

River training and bank protection of various rivers (Regionwide)

.....30,000,000

70.

Local flood control, drainage and related activities (Regionwide)

.....30,000,000

TOTAL FOR FLOOD CONTROL DRAINAGE.....

P2,930,000,000

c) WATER SUPPLY

1.

Rural Water Supply Communal Systems (Nationwide)

.....P40,000,000

TOTAL FOR WATER SUPPLY.....

P40,000,000

TOTAL FOR WATER RESOURCES.....

P5,633,000,000

GRAND TOTAL.....

P9,456,000,000

SEC. 2. Detailed Plans and Programs of Work.—Prior to the actual construction, improvement, rehabilitation and/or reconstruction of the projects covered in whole or in part by appropriations in this Act, approval of detailed engineering plans and programs of work by the Minister of Public Works, Transportation and Communications or the Minister of Public Highways, as the case may be, shall be obtained for every project with an estimated cost greater than P1,000,000; by the Bureau Head concerned for every project with an estimated cost greater than P 500,000 but not more than P1,000,000; by the Regional Director concerned for every project with an estimated cost greater than P200,000 but not more than P500,000; and by the District or City Engineer concerned for every project with an estimated cost of P200,000 or less. The program of work shall include, among other things, estimates of the work items, quantities and costs, a PERT/CPM (Program Evaluation Review Technique/Critical Path Method) network of the project activities, and monthly cash flows. The program of work shall cover at least a usable portion of the project and no construction shall be started for portions of the project that are less than usable, except projects requiring stage construction, provided that continuity of construction up to the completion of a usable portion is assured. Once the program of work is approved, it shall serve as the basis for the implementation of the project and the corresponding expenditure of funds. No project shall be divided into smaller portions for the purpose of circumventing the provisions of this Section.

SEC. 3. Local Labor.—In the implementation of projects covered by appropriations in this Act, the required unskilled labor shall be procured, where available, from the sitio, barangay, poblacion, municipality or city where the project is located, and, for this purpose, a certification from the City or Municipal Mayor or Barangay Captain, as the case may be, shall be secured as to the availability of the unskilled labor. Skilled labor shall be procured, where available, from within the province where the project is located. Specialized skilled labor may be procured outside the province where the project is located.

SEC. 4. Labor-Intensive Methods.—Whenever technically and economically feasible, labor-intensive methods

shall be used in the prosecution of the projects authorized in this Act: Provided, That (a) the estimated financial cost of each project done by labor-intensive methods does not exceed the cost of the best alternative construction method de-fined by the agency concerned by more than ten per centum (10%), (b) the estimated duration of the project done by labor-intensive methods does not exceed the duration of the best alternative method defined by the agency concerned by more than fifty per centum (50%), and (c) the employment of workers in the projects will not unduly impair the labor requirements of agricultural production: Provided, finally, That before any such project is prosecuted, the agency concerned shall prepare at least two alternative methods of construction based on the same plans and structural standards, one being labor-intensive together with a comparative evaluation of projected financial and economic costs, employment generation, and technical quality; such comparison shall be the basis for select-ing the most advantageous construction techniques to be employed in terms of the criteria aforestated. The District or City Engineer concerned shall certify in the program of work that he has maximized the use of labor-intensive methods in accordance with the foregoing criteria. The purchase of hand tools and other work implements for undertaking projects by labor-intensive methods may be charged against project funds not exceeding five per centum (5%) of the estimated project cost. These implements may be turned over to the laborers with the payment therefor deductible from their wages on reasonable installments during the duration of their employment in the project.

The agencies concerned shall refer to and take into consideration the relevant studies of the Ministry of Public Works, Transportation and Communications and the Ministry of Public Highways for the identification of project work items or activities suitable for labor-intensive methods of construction.

SEC. 5. Pre-Construction Activities.—In the implementation of the work, a general plan of operations shall be prepared to indicate the methods and the procedures to be followed. This plan will cover and organize all relevant fields of study, delineation of responsibilities for undertaking each phase, specifying or analyzing all analytical procedures and resources to be required for conducting the studies.

SEC. 6. Purchase of Materials and Supplies.—The Minister of Public Works, Transportation and Communications or the Minister of Public Highways, as the case may be, is authorized, subject to bidding and auditing requirements, to procure the necessary materials and supplies for the construction, reconstruction, improvement, repair and/or rehabilitation of any project covered by appropriations in this Act. When these materials and supplies are obtainable locally in the province or city where the project is located, the same may be procured by the District or City Engineer or, in the case of special projects, the Project Manager, without prior authority from the Minister of Public Works, Transportation and Communications or the Minister of Public Highways, as the case may be, subject to bidding and auditing requirements. No surcharge shall be imposed for the service of procuring such materials and supplies. The expenditures for these materials and supplies shall not exceed the estimated cost for the same as stated in the approved program of work.

SEC. 7. Prosecution of Projects by Administration.—Any project covered by appropriations in this Act with a cost of P500,000 or less, based on the approved program of work under Section 2 hereof, may be done by administration or force account by the bureau or agency concerned without benefit of public bidding. Every project with a cost of more than P500,000 shall be advertised for public bidding, provided that, if there are no acceptable bids for such project, the project may be prosecuted by administration by the bureau or agency concerned after securing the approval of the Minister of Public Works, Transportation and Communications or the Minister of Public Highways, as the case may be, if the project cost is P2,000,000 or less; and the approval of the President of the Philippines, upon recommendation of the Minister of Public Works, Transportation and Communications or the Minister of Public Highways, as the case may be, if the project cost is more than P2,000,000. In case of urgent necessity or emergency, however, a project costing more than P500,000 may be

prosecuted by administration, without prior public bidding, by the bureau or agency concerned, subject to the approval by the Minister of Public Works, Transportation and Communications or the Minister of Public Highways, as the case may be, if the project cost is P2,000,000 or less; and to the approval of the President of the Philippines, upon recommendation of the Minister of Public Work, Transportation and Communications or the Minister of Public Highways, as the case may be, if the project cost is more than P2,000,000.

SEC. 8. Negotiated Contracts.—Pursuant to the general policy of undertaking projects by contract after public bidding, no project covered by appropriations in this Act shall be prosecuted by negotiated contract except: (a) in cases where public bidding has failed to produce bids acceptable to the bureau or agency concerned; or (b) in case of urgent necessity or emergency or danger to life and property; or (c) in case of a project which is contiguous to an on-going project under contract, in which case the agency concerned may negotiate with the contractor of the on-going project to undertake the additional work under the same contractual terms and conditions of the on-going contract less credit for mobilization, except in cases of extraordinary inflation or state of recession declared by the government: Provided, That no negative slippage is incurred by the contractor in any of his on-going projects: Provided, further, That the additional work is within his contracting capabilities. Authority to negotiate contracts for projects under these exceptional cases shall be subject to prior approval by the Minister of Public Works, Transportation and Communications or the Minister of Public Highways, as the case may be, if the project cost is P2,000,000 or less; and to approval by the President of the Philippines, upon recommendation of the Minister of Public Works, Transportation and Communications or the Minister of Public Highways, as the case may be, if the project cost is more than P2,000,000.

SEC. 9. Engineering and Administrative Overhead.—Appropriations authorized in this Act shall be used solely for project implementation which may include direct engineer-ing and administrative overhead expenditures incidental thereto. These expenditures shall be reflected in the individual project program of work provided for in Section 2 of this Act and shall not exceed five per centum (5%) of the amount actually released for the project. The ex-penditures shall be reduced to the extent of any personnel and other services that are already supported by regular appropriations of the agencies concerned.

SEC. 10. Reports.—The head of the bureau or agency concerned shall submit to the Minister of Public Works, Transportation and Communications or the Minister of Public Highways, as the case may be, quarterly accom-plishment reports, copies of which shall be furnished the President (Prime Minister), the National Economic and Development Authority, the Ministry of the Budget, the Speaker of the Batasang Pambansa and the Chairman of the Regional Development Council of the Region where the project is undertaken. At the end of the calen-dar year, the Minister of Public Works, Transportation and Communications and the Minister of Public Highways, shall submit their annual accomplishment reports which shall include the appropriations released as of the end of the calendar year, the extent of the work accomplished, further works to be done to complete the program of broad categories of public works and public highway projects and recommendations, if any, for transfer of appropriations or changes of program to be incorporated in the succeeding appropriations measure, to the President (Prime Minister), with copies furnished the National Economic and Development Authority, the Ministry of the Budget and the Batasang Pambansa through the Speaker.

SEC. 11. Separability.—If any provision of this Act is declared unconstitutional, the remaining provisions shall remain in force.

SEC. 12. Effectivity.—This Act shall take effect im-mediately upon approval.

Approved, December 22, 1978.

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