

**[ REPUBLIC ACT NO. 5499, June 21, 1969 ]**

**AN ACT AUTHORIZING THE CONSTRUCTION OF THE UPPER PAMPANGA RIVER PROJECT PROVIDING FOR THE FINANCING THEREOF, AND FOR OTHER PURPOSES.**

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

Section 1. The construction of the Upper Pampanga River Project (hereinafter referred to as the "Project") is hereby authorized for the purpose of furnishing water for irrigation, generating electric power and energy regulating floods, providing water supply, and for other related uses.

SEC. 2. With the technical or financial cooperation of the National Power Corporation, National Waterworks and Sewerage Authority, the Bureau of Public Works, or such other government agency or instrumentality as the President of the Philippines may designate, the National Irrigation Administration shall carry out the construction of the Project, operate and administer all facilities therein, and determine the priorities in the use of the waters: *Provided, however,* That the National Irrigation Administration may, with the approval of the President of the Philippines, transfer certain functions with respect to the operation of the Project to appropriate agencies or instrumentalities of the Government.

SEC. 3. The President of the Philippines is hereby authorized to contract such loans, credits and indebtedness under the provisions of Section one of Republic Act Forty-eight hundred and sixty as may be necessary to enable the Republic of the Philippines to finance the foreign currency requirements of the Project which shall not exceed sixty million United States dollars, the equivalent thereof in other currencies. The total proceeds of such loans, credits and indebtedness are hereby appropriated to the National Irrigation Administration to be used exclusively for the construction of the project.

SEC. 4. There is hereby appropriated for the National Irrigation Administration, out of any funds in the National Treasury not otherwise appropriated, the sum of two hundred million pesos to finance the local currency costs of the project. This amount shall be released to the National Irrigation Administration in the following manner:

Twenty-seven million pesos in the fiscal year nineteen hundred sixty-nine to nineteen hundred seventy;

Thirty-three million pesos in the fiscal year nineteen hundred seventy to nineteen hundred seventy-one;

Thirty-three million pesos in the fiscal year nineteen hundred seventy-one to nineteen hundred seventy-two;

Thirty-six million pesos in the fiscal year nineteen hundred seventy-two to nineteen hundred seventy-three;

Thirty-eight million pesos in the fiscal nineteen hundred seventy-three to nineteen hundred seventy-four; and

Thirty-three million pesos in the fiscal year nineteen: hundred seventy-four to nineteen hundred seventy-five: *Provided*, That notwithstanding the above schedule, releases in a given fiscal year shall be adjusted in accordance with the actual requirements of the Project for said fiscal year: *Provided, further*, That releases from the general fund in a given fiscal year may be reduced to] the extent that funds shall have been made actually available in such year for the Project from the proceeds of bonds issued by the Republic of the Philippines under the provisions of Republic Act Numbered Forty-eight hundred and sixty-one, which proceeds from bond issues are hereby appropriated for the Project, any provision of law to the contrary notwithstanding.

SEC. 5. The loans, credits and indebtedness incurred pursuant to this Act and the payment of the principal, interest, and other charges thereon, as well as the importation of articles, materials, equipment and supplies including all building materials) by the National Irrigation Administration for the Project shall be exempt from all taxes, duties, fees, imposts, other charges and restrictions, including import restrictions, by the Republic of the Philippines or any of its agencies or political subdivisions.

SEC. 6. Any provision of law to the contrary notwithstanding, in the execution of the Project, the National Irrigation Administration shall award all contracts for construction and for the purchase of articles, materials, equipment and supplies (including all building materials) financed out of proceeds from loans, credits and indebtedness authorized under Section three of this Act, after international competition as may be required by the lending financial institution, to the lowest responsible bidder, taking into account not only price but also quality, experience and other relevant factors. Any law imposing restrictions on international competitive bidding or granting preferences, including Act Numbered Four thousand two hundred thirty-nine, Commonwealth Act Numbered. One hundred thirty-eight, Commonwealth Act Numbered Five hundred forty-one, Republic Act Numbered Five thousand one hundred eighty-three, and Republic Act Numbered Nine hundred twelve shall not be applicable to such contracts: *Provided, however*, That preference shall be granted in favor of articles, materials, equipment or supplies of the growth, production of the Philippines, or manufactured in the Philippines substantially from articles, materials, or supplies of the growth, production or manufacture of the Philippines, when offered by bidders who are citizens of the Philippines, or corporations, partnerships, associations or firms duly organized and registered under the laws of Philippines seventy-five *per centum* of the capital which is owned by citizens of the Philippines, which of preference shall be fifteen percent or such other higher percentage as may from time to time be agreed upon with the foreign or international institution providing financing for the Project: *Provided, further*, That in comparing the bids: (a) customs duties and any other taxes otherwise due on, or in respect of, imported articles materials, equipment or supplies and any national and local sales taxes thereon due on the sale to the National Irrigation Administration shall, if included in the bid price of a bidder not entitled to preference