

[REPUBLIC ACT NO. 2701, June 18, 1960]

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

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 or 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: