

[**PRESIDENTIAL DECREE NO. 1342, April 04, 1978**]

APPROPRIATING FUNDS FOR INFRASTRUCTURE DEVELOPMENT, SYNCHRONIZING THE SAME WITH PREVIOUS PUBLIC WORKS, APPROPRIATIONS.

WHEREAS, Presidential Decree Nos. 759 and 1062 provide appropriations for improvement, construction and rehabilitation of infrastructure projects designed to further accelerate socio-economic development;

WHEREAS, there is a need to increase the appropriations of some on-going and previously authorized projects to ensure their completion in view of increased construction costs brought about by circumstances beyond the control of the government, and changes in technical designs and requirements;

WHEREAS, there is also a need to provide appropriations for new projects in support of priority programs of the government;

WHEREAS, it is necessary to provide adequate appropriations to cover the local counterpart fund requirements of on-going and proposed foreign-financed projects in view of the country's increasing capability to absorb foreign assistance as demonstrated by the various loans and aids extended to government projects;

WHEREAS, there is a need to appropriate adequate funds for these projects that will cover their total costs up to completion to assure continuity of their implementation and to enable the implementing agencies to enter into contract for a complete project or utile part thereof;

WHEREAS, in order to make more effective the National Development Program, there is a need to provide sustained financial support to the Infrastructure Program;

NOW, THEREFORE, I, FERDINAND E. MARCOS , President of the Philippines, by virtue of the powers vested in me by the Constitution, and for sustained development of the country through complementary infrastructure facilities, do hereby decree and order as follows:

SECTION 1. *Capital Development Projects.* —The following sums or so much thereof as may be necessary, are hereby appropriated, out of the general funds in the National Treasury not otherwise appropriated, from the proceeds of bond issues and/or loans from local or foreign financial institutions, to implement projects pertaining to the program of capital improvements of the Administration, subject to the provisions hereinafter set forth, for the purpose mentioned hereunder:

TITLE A —TRANSPORTATION AND COMMUNICATION

1. For the construction, improvement, rehabilitation, reconstruction, completion, including project preparation and the purchase of necessary construction materials and supplies of the projects listed/summarized hereunder:

[Pls. See Table Vol. 74, Official Gazette No. 33, p. 6311, August 14, 1978]

TITLE D —SPECIAL PROJECTS

1. For the construction, improvement, rehabilitation, reconstruction, including project preparation and the purchase of necessary construction materials and supplies of the projects listed/summarized hereunder:

(a) Dagat-Diagatan Lagoon	P230,000,000
Total for Special Projects	P230,000,000
Total for Section I	P17,010,000,000

SEC. 2. *Miscellaneous Projects.* —The following sums, or 80 much thereof as may be necessary are hereby appropriated out of the general funds in the National Treasury not otherwise appropriated, subject to the provisions hereinafter set forth for the purpose mentioned hereunder:

(a) For the prosecution of pre-investment studies, regional planning, project pre-feasibility and feasibility studies, preliminary engineering, and other activities necessary prior to actual project implementation, including administrative services and training directly identified with the studies and purchase of equipment, materials, and supplies as may be authorized by the National Economic and Development Authority upon recommendation of department heads concernedP100,000,000

(b) For the prosecution of necessary detailed engineering of projects authorized in this and other public works measures, including detailed surveys, soil investigation, detailed designs, preparation of specifications and contract documents, and other related activities that are necessary prior to actual project construction, as may be authorized by the National Economic and Development Authority upon recommendation of department heads concerned P50,000,000 (c) For the acquisition of necessary right-of-way for the implementation of projects authorized in this and other public works measures as may be authorized by the National Economic and Development Authority upon recommendation of department heads concerned P200,000,000

(d) For the construction of warehouses, Grains Center and related facilities necessary for the implementation of programs of the National Grains Authority and other government agencies P100,000,000

Total of Section 2 P450,000,000

Special Provisions

SEC. 3. *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 for approval by the Department Head concerned for any project with an estimated costs of more than P750,000; by the Bureau Head concerned for any project with an estimated cost of more than P300,000, but not more than P750,000; by the Regional Director concerned for any project with an estimated cost of more than P100,000 but not more than P300,000; and by the District or City Engineer concerned for any project with an estimated cost of P100,000 or less.

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.

For projects with an estimated cost of P200,000 or more, the PERT/CPM technique shall be used and a timescaled diagram of the activities as well as a monthly cash flow shall be made part of the program of work. The PERT CPM diagram shall be used by the agency concerned as a basis for, *inter alia*, monitoring the progress of work, making progress payments, and assessing claims for extra cost and time extension.

The program of work for any project shall not be amended, except in case of unforeseen contingencies, or any change in field condition or other similar circumstances, in which case an amendment may be allowed, provided that such amendment will not result in a deficiency of the expected accomplishment in excess of fifteen per centum thereof and an extension of project duration beyond a reasonable period.

SEC. 4. *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 P25,000 or less. When the appropriation so released is more than P25,000 and use of rented equipment is anticipation, deduction for rental shall be made at the time of the release of funds but such deduction shall not exceed ten per centum of the released appropriation: *Provided*, That should the amount so deducted be in excess of actual rental, the balance of such deduction should be remitted immediately to the district or city engineering office concerned.

SEC. 5. *Preference of Local Labor.* —In the execution and construction of any public works projects, the labor requirements shall be filled by laborers from the sitio, Barangay, Poblacion or municipality where the project is being undertaken. However, in case of skilled labor, it may be procured elsewhere within the province where the project is located; and in the case of specialized skilled labor, it may be procured outside the province where the project is located.

SEC. 6. *Labor-Intensive Methods.* —Whenever technically practicable and economically feasible, labor intensive methods shall be used in the prosecution of public works projects or portion thereof authorized in this Decree and other Public Works measures: *Provided*, That the structural integrity of the project is not impaired and its financial cost does not increase by more than ten per centum over that involved in alternative normal equipment-intensive construction technique as defined by the agency concerned: *Provided, further*, That the employment of workers for the labor-intensive operations will not unduly impair the labor requirements for agricultural production. 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 selecting the most advantageous construction technique to be employed in terms of the criteria in the preceding sentence.

The selected construction technique shall be made part of and the basis of the program of work which shall be subject to approval by the officials concerned in accordance with the provisions of Section 3 of this Decree.

The purchase of hand tools and other work implements for undertaking public works projects by labor-intensive technique is authorized to be charged against the project