

[PRESIDENTIAL DECREE NO. 1062, December 15, 1976]

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

WHEREAS, Presidential Decree Nos. 3, 475 and 759 provide appropriations for rehabilitation and construction of infrastructure projects and 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 enable the implementation 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 COMMUNICATIONS

I, for the constructions, Improvement, rehabilitation, reconstruction, completion, including project preparation, and the purchase of necessary construction materials and supplies of the projects listed/summarized hereunder:

[See Table, Vol. 73, OFFICIAL GAZETTE No. 18, 3533, May 2, 1977]

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 or work for approval by the Department Head concerned for any project with an estimated cost of more than P200,000, but not more than 500,000; by the Regional Director concerned for any project with an estimated cost of more than P50,000 but not more than P200,000; and by the District or City Engineer concerned for any project with an estimated cost of P50,000 or less. In no case shall construction funds be remitted to field office or construction work on a project be started before the program of work is approved.

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: *Provided*, That for projects with an estimated cost of P100,000 or more, the PERT/CPM technique shall be used and a time-scaled 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 anticipated, 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 to Local Labor.* —In the execution and construction of any public works project, 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