

# [ PRESIDENTIAL DECREE NO. 459, May 16, 1974 ]

## **AMENDING SECTION 10(b) OF REPUBLIC ACT NO. 5979, BY REVISING THE MEMBERSHIP OF THE COMMITTEE CREATED THEREUNDER, AND FOR OTHER PURPOSES.**

**WHEREAS**, Section 10 (b) of Republic Act No. 5979 provides for the mechanism whereby the contract amounts for public works may be readjusted for causes occurring after the perfection of and during the effectivity of the contracts therefor;

**WHEREAS**, recent developments have caused the escalation of prices of construction materials to a point where contractors stand to lose tremendously were they to proceed with their respective public works contracts;

**WHEREAS**, the escalation of prices of construction materials may not be necessarily due to any action by the Government enumerated in said Section 10 (b) of Republic Act No. 5979; and therefore, it is only fair and just that certain adjustment be made in the law to provide for such contingencies; and

**WHEREAS**, it is likewise necessary that the membership of the Committee created thereunder be revised so as to reflect recent changes in our laws, as well as for a better coordination of the economic and fiscal policies involved in any price adjustments for public works contracts.

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order:

**SECTION 1.** Paragraph (b) of Section 10 of Republic Act No. 5979, as amended, is hereby amended to read as follows:

"(b) Should the Government, at any time during the effectivity of a contract, impose, abolish, modify any tax, customs duties, license, impost, fee, or other similar charges or enact, amend or repeal any law affecting the number of hours of labor permissible a day or the number of days a week or the wages or salaries to be paid to laborers and employees, which would directly increase or decrease the cost of materials or the cost of the construction work beyond or under the amount stipulated in the contract, or should there be any abnormal or extraordinary increase or decrease in the cost of construction materials due to any cause beyond the control of either or both parties, the contract amount shall be readjusted accordingly by a committee, hereby created for this purpose, composed of the following:

Chairman—Secretary of Public Works, Transportation and Communications

Co-Chairman—Secretary of Public Highways

Member —National Economic and Development Authority (NEDA) Representative

Member —Bureau/Agency Head concerned

Member —Commission on Audit Representative

*Provided*, That the party seeking adjustment shall first apply for same in writing, stating therein the reasons justifying the change as well as the