

[REPUBLIC ACT NO. 3741, June 22, 1963]

AN ACT AUTHORIZING THE CONSTRUCTION OF SELF-LIQUIDATING PUBLIC IMPROVEMENTS BY PRIVATE PERSONS.

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

SECTION 1. The Department of Public Works and Communications is hereby authorized to enter into, and bind the Government by, contracts with any private person, natural or juridical, for construction, operation, and maintenance of national highways, roads, bridges, public markets, irrigation systems and other self-liquidating public improvements subject to the terms and conditions hereinafter set forth: *Provided*, That said contracts shall be open to citizens of the Philippines or to corporations or associations as are authorized by law to engage in business operations in the Philippines.

SEC. 2. Any senator or congressman, by formal request reduced to writing, or any city or municipal council, by resolution, may propose to the Department of Public Works and Communications for the construction, operation and maintenance of any self-liquidating public improvements, which proposal may be favorably endorsed by the Secretary of Public Works and Communications to the President of the Philippines whose approval is necessary before any such public works project is undertaken pursuant to the provisions of this Act.

SEC. 3. Upon approval of such projects mentioned in the preceding section of this Act, the Secretary of Public Works and Communications shall forthwith cause to be published once every week for three consecutive weeks in at least two newspapers of general circulation, a notice inviting all eligible public works contractors to participate in a public bidding for the projects so approved. The contract shall be awarded to the lowest competent and eligible bidder.

SEC. 4. The Department of Public Works and Communications may require any contractor under this Act post bonds and in such amounts as may be necessary to protect the interests of the Government.

SEC. 5. For the construction, operation and maintenance of any public works project undertaken in accordance with this Act, the contractor shall be entitled to the return his capital plus interest on the unpaid balance thereof not exceeding twelve per cent *per annum*. Said contractor is authorized, subject to the next following section of this Act, to charge and collect reasonable tolls or fees for the use of the project. In the case of bridges, highways or roads constructed under this Act, tolls shall be collected only on motor vehicles using the same: *Provided*, That no such toll shall be collected from motor vehicles owned by the Government, when used for official