



REPUBLIC OF THE PHILIPPINES
MINISTRY OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE MINISTER
MANILA

16 May 1985

MINISTRY ORDER)
No. 17)
Series of 1985)

SUBJECT: Insurance of projects against any
loss or damage for whatever cause
other than "excepted risks"

The government is spending millions of pesos annually for the repair of damages to works in on-going infrastructure projects, pursuant to the provisions of Art. 7.12 of the Standard Specifications for Highways and Bridges, quoted hereunder:

"Art. 7.12. CONTRACTOR'S RESPONSIBILITY FOR WORK. Until the final acceptance of the work by the Engineer, evidenced in writing, the contractor shall have the charge and care thereof and shall take every precaution against injury or damage to any part thereof by the action of the elements or from any other cause, whether arising from the execution or from the non-execution of work. The Contractor shall rebuild, repair, restore, and make good all injuries or damages to any portion of the work occasioned by any of the above causes before final acceptance and shall bear the expense thereof, except damages to the work due to unforeseeable causes beyond the control of, and without fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, acts of the Government, slides found by the Engineer to have been unavoidable, and ordinary wear and tear on any section of the road opened to traffic by order of the Engineer.

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This heavy drain on the finances of the government for repair of damages pursuant to the above-quoted provision of the Standard Specifications for Highways and Bridges could have been avoided if the works in the project had been insured against any damage or injury for whatever cause.

In the interest of the government, therefore, the Ministry hereby adopts the policy of requiring contractors of infrastructure projects with an estimated cost of P1M and above to insure their projects against any loss or damage for whatever cause other than "excepted risks" until the acceptance of the works.

For this purpose, "excepted risks" shall be understood to refer to war hostilities (whether declared or not) invasion (act of foreign enemy,) rebellion, revolution, insurrection or civil war.

It is understood, however, that the insurance of these projects shall not relieve the contractors of their obligation to have the charge and care of projects and take every precaution against any damage or injury to any part thereof until the final acceptance of the works.

To implement this policy, all bidding documents and instructions to bidders for projects with an estimated cost of P1M or more, advertised for bidding after the issuance of this order, shall include a provision requiring the contractor to insure the project against any loss or damage for whatever cause other than the "excepted risks," and the estimated cost thereof shall include the estimated premiums for the required insurance.

This order shall take effect immediately.



JESUS S. HIPOLITO
Minister