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THIRTEENTH CONGRESS OF THE REPUBLIC )
OF THE PHILIPPINES )
First Regular Session )

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S.B. 1584

MECHINED BY:

## Introduced by Senator Miriam Defensor Santiago

## **EXPLANATORY NOTE**

The Civil Code, Article 1723, declares the liability for damages in any structure by reason of defects in its construction or use of inferior materials. The limited coverage of this provision allows the engineer, architect or contractor to avoid liability arising from non-observance of plans and specifications or the use of materials of inferior quality.

This bill seeks to expand its coverage with the following proposed amendments:

First, unlike the present provision, which includes only buildings as subject matter, this bill covers all kinds of infrastructure projects.

Second, the liability for damages shall not arise not only in case the structure should collapse, but also where the infrastructure undertaking should require major repair by reason of defective construction.

Thirdly, this bill proposes to hold the contractors directly responsible for defective construction undertaken by sub-contractors. The sub-contractors shall merely assume subsidiary liability. This is to encourage contractors to be more cautious in their selection of sub-contractors.

This bill is a product of the public hearings conducted by the Committee on Constitutional Amendments, Revision of Codes and Laws during the Tenth Congress.

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THIRTEENTH CONGRESS OF THE I OF THE PHILIPPINES First Regular Session	REPUBLIC ) ) )	'04 AUG -3 P2:28
	SENATE S. B. 1584	NECEIVED BY:
Introduced by Se	nator Miriam Defensor	r Santiago
AMENDING R A. NO. 386, OTH	AN ACT IERWISE KNOWN AS	S THE CIVIL CODE OF THE

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

PHILIPPINES, ARTICLE 1723

SECTION 1. Article 1723 of Republic Act No. 386, otherwise known as the The Civil Code of the Philippines is hereby amended to read as follows:

"Art. 1723. The engineer or architect who drew up the plans and specifications for ANY STRUCTURE PROJECT WHETHER UNDERTAKEN BY THE GOVERNMENT OR PRIVATE INDIVIDUAL OR ENTITY [building] is liable for damages if within fifteen (15) years from the completion of the structure, the same should collapse OR SHOULD REQUIRE MAJOR REPAIR by reason of a defect in those plans and specifications, or due to the defects in the ground. The contractor AND THE SUBCONTRACTOR DIRECTLY HIRED BY THE FORMER ARE [is] likewise responsible for damages if the STRUCTURE [edifice] falls OR REQUIRES MAJOR REPAIR, within the same period, on account of defects in the construction or the use of materials of inferior quality furnished by him, due to any violation of the terms of the contract. If the engineer or architect supervises the construction, he shall be solidarily liable with the contractor and the SUB-CONTRACTOR.

IN CASE THE CONSTRUCTION OF ANY INFRASTRUCTURE
PROJECT OR ANY PART THEREOF IS UNDERTAKEN BY A SUBCONTRACTOR HIRED BY THE CONTRACTOR, THE LATTER SHALL BE
DIRECTLY RESPONSIBLE AND THE FORMER SUBSIDIARILY

RESPONSIBLE IF UPON COMPLETION THEREOF OR WHILE UNDER CONSTRUCTION, THE STRUCTURE FALLS OR REQUIRES MAJOR REPAIR WITHIN THE SAME PERIOD AND FOR THE SAME CAUSE ABOVESTATED.

Acceptance of the building, after completion, does not imply waiver of any of the causes of action by reason of any defect mentioned in the preceding paragraph.

The action must be brought within ten (10) years following the collapse of the building.

SECTION 2. Repealing Clause. - Any law, presidential decree or issuance, executive order, letter of instruction, a dministrative order, rule or regulation contrary to, or inconsistent with, the provisions of this Act is hereby repealed, modified or amended accordingly.

SECTION 3. Effectivity Clause. - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.

/783