

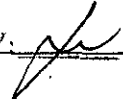
FIFTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

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SENATE
P.S.R. No. **398**

RECEIVED BY: 

Introduced by Senator Miriam Defensor Santiago

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED ANOMALOUS CONTRACTS ENTERED INTO BY THE PROVINCIAL GOVERNMENT OF CEBU WITH REGARD TO THE CONSTRUCTION OF THE CEBU INTERNATIONAL CONVENTION CENTER

WHEREAS, the Constitution, Article 2, Section 11 states: "The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption";

WHEREAS, in a complaint submitted by one Crisologo Saavedra, it was alleged that there were contracts illegally entered into by Provincial Governor of Cebu Gwendolyn F. Garcia for the construction of the Cebu International Convention Center (CICC);

WHEREAS, it was alleged that the contracts entered into by the Provincial Governor were overpriced and in violation of Republic Act No. 9184, otherwise known as the Government Procurement Reform Act, since the provincial government allegedly did not conduct a bidding, but instead entered into negotiated contracts with some contractors of public works;

WHEREAS, as a result, the government was not able to award the contract to the lowest bidder, and therefore save on costs;

WHEREAS, in addition, it was alleged that the CICC project also violated Commission on Audit Circular No. 76-41 (1976), which prohibits the splitting of contracts, thereby increasing the costs;

WHEREAS, it was further alleged that Governor Gwendolyn Garcia misrepresented the actual cost of the project when she presented the total amount spent as P581.273 million, which was way below the P637.4 million allocated for it;

WHEREAS, in her presentation, Governor Garcia did not take into account the additional billing statement of WT Construction, one of the contractors, which amounted to P261,217,886.06, thus increasing the allocated amount from P637.4 million to P842.49 million;

WHEREAS, it was also alleged that the Office of the Ombudsman stationed in Cebu discovered that the decorative lamps used in the CICC were priced higher than the amount stated in the import documents of the manufacturer, Zhongsan Guzhen Yongan, when it shipped the said items to Gampik Construction and Development, Inc.;

WHEREAS, according to the import documents, each lamp is only 224 RMB, which when converted to Philippine Pesos only amounts to P1,399.22; however, the amount charged for each lamp was P50,000, and such amount was accepted and approved by the Department of Public Works and Highways;

WHEREAS, it was also alleged that the provincial government also purchased streetlights which were priced based on the prepared program of works and estimates for single, double, and triple-arm streetlights at a cost of P72,500, P85,500, and 95,000 per unit, excluding installation cost;

WHEREAS, the cost of these streetlights should have only cost P7,536, P8,121, and P9,523 each, respectively;

WHEREAS, the exorbitant increase in the prices of the materials in the contracts entered into by the provincial government of Cebu is unconscionable and revolting to one's sense of common decency;

WHEREAS, such a practice of enriching oneself at the public's expense is should be punished with the full extent of the law;

WHEREFORE, be it resolved, as it is hereby resolved by the Philippine Senate, to direct the proper Senate committee to conduct an inquiry, in aid of legislation, on the alleged anomalous contracts entered into by the provincial government of Cebu with regard to the construction of the Cebu International Convention Center.

Adopted,

miriam defensor santia
MIRIAM DEFENSOR SANTIAGO

/mmt