


11 OCT 11 P2:55

SENATE  
P. S. R. No. **619**

RECEIVED BY: 

---

Introduced by Senator Miriam Defensor Santiago

---

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID  
OF LEGISLATION, ON THE NEED TO IMPOSE STRICTER PENALTIES FOR ERRING  
CONTRACTORS FOR DELAYED COMPLETION OF INFRASTRUCTURE PROJECTS

WHEREAS, the Constitution, Article 2, Section 27 provides: “The State shall maintain honesty and integrity in the public service and take effective measures against graft and corruption”;

WHEREAS, according to the 11 October 2011 article in the Philippine Star, auditors from the Commission on Audit (COA) asserted that they have repeatedly asked the Department of Public Works and Highways (DPWH) to blacklist and file charges against contractors who do not honor their obligations with the government;

WHEREAS, in 2007, state auditors had taken note that P1.036-billion worth of projects implemented by DPWH field offices were not completed within contract time, “thus depriving the public of the benefits that could have been derived from their immediate and maximum use;”

WHEREAS, based on the same report, COA said the DPWH should collect liquidated damages from defaulting contractors and terminate the contracts of infrastructure projects with negative slippage of more than 10 percent resulting from the contractor’s fault or negligence;

WHEREAS, State auditors said the primary consideration of the government for entering into a contract is the timely completion of the infrastructure projects;

WHEREAS, among the uncompleted projects cited by COA are bridge and road construction projects in Region II, Region IV-A, Region IX, Region X, and Region XI;

WHEREAS, in 2009, COA again called the attention of the DPWH after no legal actions were instituted to recover the P54.717 million in advances granted to contractors whose contracts were terminated because of “abandonment of the projects”;

WHEREAS, the biggest portion of collectibles from contractors is the P44.8-million cost of projects in Region VII that were not even started;

WHEREAS, COA believes the chances of recovering these advances are slim because these have been unpaid for more than five years; some of the contractors who received the advances are no longer engaged in business with the DPWH;

WHEREAS, despite the situation, state auditors said DPWH should instruct concerned accountants to trace back all available records and to identify the contractors with outstanding advances as well as institute the proper legal action to help in collection;

WHEREAS, it is imperative that the government agency concerned mainly the DPWH institute preventive measures such as blacklisting these contractors to prevent them from engaging in contracts with the government considering their dismal performance in completing the projects;

WHEREFORE, be it hereby resolved by the Philippine Senate, to direct the proper Senate Committee on education to conduct an inquiry in aid of legislation, on the need to impose stricter penalties for erring contractors for delayed completion of infrastructure projects.

Adopted,

*Miriam Defensor Santiago*  
MIRIAM DEFENSOR SANTIAGO

/dpm