

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



'14 APR 24 P3:29

SENATE  
P.S.R No. 603

RECEIVED BY: JW

---

Introduced by Senator Miriam Defensor Santiago

---

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED ANOMALOUS BIDDING CONDUCTED BY OFFICIALS OF THE NATIONAL IRRIGATION ADMINISTRATION IN THE PROVINCE OF ISABELA

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

WHEREAS, the Constitution, Article 11, Section 1 states: "Public office is a public trust. Public officers and employees must, at all times, be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency; act with patriotism and justice, and lead modest lives";

WHEREAS, the *Philippine Daily Inquirer* on 16 April 2014 reported that the National Irrigation Administration (NIA) may have thwarted what seemed to be an attempt by officials at its Isabela regional office to break down an irrigation project into smaller contracts in order to sidestep a limit on the value of projects that local offices can award to contractors;

WHEREAS, it was alleged that documents provided to the *Philippine Daily Inquirer* showed that NIA's Region 2 office in Cauayan City attempted to bid out several components of the Dibuluan River irrigation project in San Agustin, Isabela;

WHEREAS, the report claimed that in November 2013, the regional office — then headed by Irrigation Manager Vicente Galvez — posted bidding notices for the project divided into seven components, and was ultimately posted on the Philippine Government Electronic Procurement System (PhilGEPS) website;

WHEREAS, the report also said that these included two contracts worth P54 million and P36.8 million for the construction of canal and canal structures; and two contracts worth P44.4 million and P43.9 million for the construction of a settling basin, protection works and canal structures;

WHEREAS, in total, the report alleged that the Dibuluan River irrigation project would cost P205.45 million — a value that would have required clearance from the national office had it been bid out in a single deal;

WHEREAS; it was reported that later that same month, NIA administrator Claro Maranan sent out a memo to all regional directors, operations and project managers ordering the temporary suspension of bidding for projects valued at more than the existing delegated authority;

WHEREAS; according to the news report, the so-called “splitting” of contracts is prohibited under the NIA’s memorandum circular 20 of 2012; however, the practice has been used in the past to allow regional offices to bid out projects without having to go to their head offices for approval;

WHEREAS, it was also reported that current rules give project approval power to NIA regional directors for projects costing up to P40 million, the agency head for projects costing over P40 million to P100 million, and the agency’s board of directors for projects costing P100 million;

WHEREAS, in the case of the Dibuluan River irrigation project, the report claimed that not only was the deal broken down into several components, the bidding dates were also set ahead of the submission of the project’s program of works to the NIA engineering department; it added that the program of works is the basis for a project’s bidding, and is a requirement before it can be bid out;

WHEREAS, because of these rules, NIA acting deputy administrator for operations Modesto Membreve reportedly ordered the agency’s Region 2 office in December 2013 to repackage and resubmit the program of works for the Dibuluan River irrigation project with only two packages, at most, instead of the earlier seven-component structure;

WHEREAS, despite these orders from the head office, NIA’s Region 2 office allegedly proceeded with the bidding and opened the bids submitted by interested parties on last 23 January 2014 — only presenting belatedly the program of works for the project to the NIA board, which deferred action on the issue;

WHEREAS, in February, the NIA board reportedly approved the revised program of works and ordered that the Dibuluan project be rebid;

WHEREAS, it was reported that Galvez has since been relieved of his Region 2 office responsibilities and reassigned to NIA’s Quezon City head office;

WHEREAS, it is imperative that other government agencies should also be investigated to ascertain if these agencies engage in the “splitting” of contracts and if kickbacks are received as a result;

WHEREAS, the legislature should therefore create stricter measures to put an end to the splitting of contracts in government agencies and to increase penalties against erring public officials;

WHEREAS, public officials responsible for this anomaly should also be prevented from being reassigned but instead, should be removed from government service if found guilty by the appropriate body;

WHEREFORE, BE IT HEREBY RESOLVED BY THE PHILIPPINE SENATE to direct the proper Senate committee to conduct an inquiry in aid of legislation on the alleged anomalous bidding conducted by officials of the National Irrigation Administration in the province of Isabela.

Adopted,

*arr.*  
  
MIRIAM DEFENSOR SANTIAGO

/rjd