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SENATE
P. S. R. No. 1293

RECEIVED BY: *J.*

Introduced by Senator Miriam Defensor Santiago

1 RESOLUTION

2 DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY,
3 IN AID OF LEGISLATION, ON THE 2013 COMMISSION ON AUDIT REPORT
4 FLAGGING ₱3.2B BILLION IN CASH ADVANCES UNLIQUIDATED BY THE
5 COMMISSION ON ELECTIONS

6 WHEREAS, the Constitution, Article 2, Section 27 provides: "The State shall
7 maintain honesty and integrity in the public service and take positive and effective
8 measures against graft and corruption";

9 WHEREAS, the Constitution, Article 2, Section 28 provides: "Subject to
10 reasonable conditions prescribed by law, the State adopts and implements a policy of full
11 public disclosure of all its transactions involving public interest";

12 WHEREAS, Republic Act No. 9184, otherwise known as the "Government
13 Procurement Reform Act," states in Article 4, Section 10: "All Procurement shall be done
14 through Competitive Bidding, except as provided for in Article 16 of this Act";

15 WHEREAS, Republic Act No. 9184 states further, in Article 16, Section 48:

16 Subject to the prior approval of the Head of the Procuring Entity or
17 his duly authorized representative, and whenever justified by the conditions
18 provided in this Act, the Procuring Entity may, in order to promote
19 economy and efficiency, resort to any of the following alternative methods
20 of Procurement:

21 a. Limited Source Bidding, otherwise known as Selective Bidding -
22 a method of Procurement that involves direct invitation to bid by the
23 Procuring Entity from a set of pre-selected suppliers or consultants with
24 known experience and proven capability relative to the requirements of a
25 particular contract;

1 b. Direct Contracting, otherwise known as Single Source
2 Procurement - a method of Procurement that does not require elaborate
3 Bidding Documents because the supplier is simply asked to submit a price
4 quotation or a pro-forma invoice together with the conditions of sale, which
5 offer may be accepted immediately or after some negotiations;

6 c. Repeat Order - a method of Procurement that involves a direct
7 Procurement of Goods from the previous winning bidder, whenever there is
8 a need to replenish Goods procured under a contract previously awarded
9 through Competitive Bidding;

10 d. Shopping - a method of Procurement whereby the Procuring
11 Entity simply requests for the submission of price quotations for readily
12 available off-the-shelf Goods or ordinary/regular equipment to be procured
13 directly from suppliers of known qualification; or

14 e. Negotiated Procurement - a method of Procurement that may be
15 resorted under the extraordinary circumstances provided for in Section 53
16 of this Act and other instances that shall be specified in the IRR, whereby
17 the Procuring Entity directly negotiates a contract with a technically,
18 legally and financially capable supplier, contractor or consultant.

19 In all instances, the Procuring Entity shall ensure that the most
20 advantageous price for the government is obtained;

21 WHEREAS, the *Philippine Daily Inquirer* on 12 April 2015 reported that state
22 auditors have flagged the Commission on Elections (Comelec) for failing to account for
23 the more than ₱3.2 billion in cash advances that its officials and employees took out in
24 2013;

25 WHEREAS, the news quoted the Commission on Audit (COA) as saying that the
26 unliquidated cash advances by Comelec officials and personnel went up by more than
27 700 percent in 2013 compared to the previous year;

28 WHEREAS, the COA said, of the total cash advances released during the midterm
29 elections, only ₱281 million had been accounted for;

30 WHEREAS, the funds were allegedly distributed by the Comelec during the 2013
31 senatorial and local elections to its accountable officers, who failed to promptly liquidate
32 their cash advances;

1 WHEREAS, the COA further claimed that the increase in the amount of
2 unliquated cash advances may likewise be attributed to the Comelec's highly centralized
3 accounting system, wherein all liquidation reports of the main and regional offices were
4 processed solely in the finance services department;

5 WHEREAS, state auditors also reportedly found that the Comelec spent ₱72.3
6 million for the printing of the voter's information and instruction sheet (VIIS) without a
7 public bidding;

8 WHEREAS, the Comelec is purportedly required to provide every registered voter
9 with a VIIS which contains their name, address and the precinct and place where the
10 voter is registered;

11 WHEREAS, the information sheet should also contains guidelines regarding the
12 voting process and the instructions in getting sample ballots and the official list of
13 candidates from the Comelec's official website;

14 WHEREAS, the COA claimed that for the VIIS used in the 2013 elections, the
15 contracts for the printing were awarded to 19 private suppliers through shopping or direct
16 contracting, instead of a public bidding as mandated by the Government Procurement
17 Reform Act;

18 WHEREAS, state auditors further charged that inquiry from the property officer
19 revealed that there was no more lead time to conduct the required competitive public
20 bidding for the information sheet and its timely delivery and distribution to the voters
21 prior to the election;

22 WHEREAS, it was also allegedly discovered that the Comelec did not allocate
23 funds for the printing of the VIIS forms when it submitted its annual budget for 2013, a
24 fact which the COA cited as a confirmation of the Comelec's lack of due diligence;

25 WHEREAS, in justifying its decision to do away with a public bidding, the
26 Comelec reportedly said the printing of the information sheets was decentralized to its
27 regional offices to minimize the cost of forwarding services;

28 WHEREAS, the state auditors discovered that some Comelec regional offices did
29 not award the supply contracts to local suppliers as clearly stated under the Comelec
30 resolution. Instead, some Metro Manila suppliers were awarded contracts to service the
31 allocations of other regions while some regional suppliers were contracted for Metro
32 Manila requirements or for other regions;

1 WHEREFORE, BE IT HEREBY RESOLVED BY THE PHILIPPINE SENATE
2 to direct the proper Senate committee to conduct an inquiry, in aid of legislation, on the
3 2013 Commission on Audit report flagging ₱3.2 billion in cash advances unliquidated by
4 the Commission on Elections.

Adopted,


MIRIAM DEFENSOR SANTIAGO
RP

/tsc