

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



15 SEP 10 P1:30

SENATE
P. S. R. No. 1579

RECEIVED BY: *AS*

Introduced by Senator Miriam Defensor Santiago

RESOLUTION
DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY,
IN AID OF LEGISLATION, ON THE COMMISSION ON AUDIT REPORT THAT
THE POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION
ILLEGALLY AWARDED THE REHABILITATION OF THE HYDROELECTRIC PLANT
IN ILIGAN CITY

1 WHEREAS, the Constitution provides, in Article 2, Sections 27 and 28:

2 Section 27. The State shall maintain honesty and integrity in they public
3 service and take positive and effective measures against graft and corruption.

4 Sections 28. Subject to reasonable conditions prescribed by law, the State
5 adopts and implements a policy of full public disclosure of all its transactions
6 involving public interest.

7 WHEREAS, the *Philippine Daily Inquirer* on 29 August 2015 reported that the Power
8 Sector Assets and Liabilities Management Corp. (Psalm) had unlawfully awarded a P438-million
9 contract to rehabilitate a hydroelectric plant in Iligan City, which could have helped address the
10 power crisis in Mindanao;

11 WHEREAS, the Commission on Audit (COA) claimed in its 2014 report that Psalm
12 president Emmanuel Ledesma entered into a negotiated contract with the joint venture of
13 Guangxi Hydroelectric Construction Bureau (GHCB) and ITP Construction Inc. for the total
14 replacement of Agus IV hydroelectric power plant without the approval of the Psalm board;

15 WHEREAS, the awarding of the contract allegedly violated Section 48.1 of the
16 implementing rules and regulations of Republic Act No. 9184, also known as the Government
17 Procurement Reform Act;

18 WHEREAS, the COA, noting the major deficiency, reportedly asked the Psalm to cancel
19 the contract and demand the refund of P65 million in advance payment to GHCB;

20 WHEREAS, the report also claimed that GHCB had failed to start the project as of the
21 end of 2014, depriving the public of its intended benefits;

WHEREAS, the Congress, in consultation with the COA, should strengthen existing laws to demand from government agencies transparent and judicious use of public funds;

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 Commission on Audit report that the Power Sector Assets and Liabilities Management Corporation illegally awarded the rehabilitation of the hydroelectric plant in Iligan City.

Adopted,


MIRIAM DEFENSOR SANTIAGO
jr

/fmf