

THIRTEENTH CONGRESS OF THE REPUBLIC }
OF THE PHILIPPINES }
First Regular Session }

5 FEB -9 P3:42

SENATE
PS Reso. No. 173

RECEIVED BY: G

Introduced by Senator Lacson

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED ANOMALOUS TRANSACTIONS OF THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS INVOLVING THE MOTOR VEHICLES USER'S CHARGE AND THE FOUR BILLION PESOS OVERPRICED ON 20 FOREIGN ASSISTED PROJECTS IMPLEMENTED BY THE DEPARTMENT, WITH THE END IN VIEW OF PROVIDING REMEDIAL LEGISLATIONS TO ADDRESS THE LOOPHOLES IN THESE LAWS THAT ALLOW GLARING WRONGDOINGS TO BE COMMITTED WITH IMPUNITY TO THE PREJUDICE OF THE INTEREST OF THE GOVERNMENT

Whereas, in pursuance of the State policy to provide for and ensure the adequate maintenance of national and provincial roads through sufficient funding, Congress enacted Republic Act 8794 which imposed a Motor Vehicles' User's Charge (MVUC) on every motor vehicle, which shall be earmarked solely and exclusively for road maintenance and drainage improvement, installation of traffic lights and road safety devices and air pollution control;

Whereas, the funds generated by this law shall be earmarked to four special funds to wit: (1) Special Road Support Fund; (2) Special Local Road Fund; (3) Special Road Safety Fund; and (4) Special Vehicle Pollution Control Fund, which shall be distinct and separate from and in addition to any appropriation authorized and granted to the Department of Public Works and Highways (DPWH) and the Department of Transportation and Communication (DOTC), including the road maintenance fund to be appropriated by Congress in the General Appropriations Act;

Whereas, there are allegations that part of this fund was used by this administration in their quest for the Presidency during the last election in such programs like the Kalsada Natin Alagaan Natin (KNAN) which resulted in the diminution of such fund in violation of the mandate of RA 8794;

Whereas, in addition to this, in a period of six months leading to the 2004 elections, the Department of Public Works and Highways conducted a public bidding and awarded more than 20 Foreign Assisted Projects totaling eighteen billion five hundred ninety one million two hundred forty six thousand nine hundred ninety four thousand pesos and forty five centavos (P18,591,246,994.45);

Whereas, the aggregate Approved Budget for the Contract (ABC) of these projects amounts to only fourteen billion five hundred thirty four million two hundred seventy one thousand six hundred eighteen pesos and thirty six centavos (P14,534,271,618.36);

Whereas, the ABC is the upper ceiling or limit for the bid prices and it is based on the approved agency estimate which is the estimated cost of the project as determined by

the program of work prepared by the technical personnel of the DPWH or by outside consultants;

Whereas, Section 31 of Republic Act No. 9184, otherwise known as the Government Procurement Reform Act provides that “the ABC shall be the upper limit or ceiling for Bid prices. Bid prices that exceed this ceiling shall be disqualified outright from further participating in the Bid. There shall be no lower limit to the amount of the award.”;

Whereas, Section 14 of the General Appropriations Act of 2003 which was reenacted in 2004 further provides that “except for projects which have already been bid-out and awarded, no project enumerated under Item II on Foreign Assisted Projects shall be awarded above the approved agency estimate or approved budget for the contract. Contracts entered into in violation of this provision shall be void.”;

Whereas, despite the provision of the aforementioned laws, the DPWH proceeded in awarding said foreign assisted projects even though the lowest bidder submitted a bid that was above the approved budget for the contract;

Whereas, this decision of the Department of Public Works and Highways resulted in the government losing roughly the amount of four billion pesos (P4,000,000,000.00) more or less;

Whereas, the amount of overprice range from a low of 14.17% of the ABC to a high of 39.33% translating to an overprice amount ranging from five million (P5,000,000.00) to a high of four hundred thirty million pesos (P430,000,000.00);

Whereas, one of the overpriced projects involved the C-5 Kalayaan Avenue (R4) which the DPWH awarded for five hundred sixteen million pesos (P516,000,000.00) when its ABC is only four hundred three million eight hundred eighty-eight thousand pesos (P403,888,000.00) or a difference of one hundred twelve million pesos (112,000,000.00) or 27% more than the ABC;

Whereas, at this time when this administration is making the lives of our people miserable by asking them to pay more taxes, it is unconscionable and totally unacceptable for it to allow the DPWH to get away with said anomalous and unnecessary spending;

Whereas, this attitude of the Department of Public Works and Highways if left unchecked would result in a wasteful use of the government’s limited resources and contribute further to our worsening fiscal crisis; **Now, therefore**,

BE IT RESOLVED AS IT IS HEREBY RESOLVED, to direct as it hereby directs the appropriate committees of the Senate to conduct an inquiry, in aid of legislation on the anomalous transactions entered into by the DPWH, with the end in view of providing remedial measures that will best protect the interest of the government and the Filipino people.

Adopted,


PANFILO M. LACSON