

EIGHTEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES Third Regular Session

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SENATE

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P.S. Res. No. 855

Introduced by SENATOR LEILA M. DE LIMA

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE RECENT AWARDING OF THE COMMISSION ON ELECTIONS (COMELEC) LOGISTICS CONTRACT FOR THE 2022 NATIONAL AND LOCAL ELECTIONS TO F2 LOGISTICS PHILIPPINES, WITH THE END VIEW OF ENSURING FAITHFUL COMPLIANCE WITH OUR PROCUREMENT LAWS AND PROTECTING THE CREDIBILITY OF OUR ELECTION PROCESSES BY IDENTIFYING CONFLICTS OF INTERESTS BETWEEN COMELEC SUPPLIERS AND POSSIBLE CANDIDATES IN THE UPCOMING ELECTIONS

1 WHEREAS, Section 2 of Republic Act No. 9184 otherwise known as the 2 "Government Procurement Reform Act" declares that it is the policy of the State to 3 "promote the ideals of good governance in all its branches, departments, agencies, 4 subdivisions, and instrumentalities, including government-owned and/or -controlled 5 corporations, and local government units";

WHEREAS, on 27 July 2021, it was reported that the Commission on Elections
(COMELEC) special bids and awards committee (SBAC) had declared Parañaque Citybased F2 Logistics Philippines, Inc. as the bidder with the lowest calculated bid for the
P1.61 billion project for procurement of deployment of election equipment,
peripherals, forms, supplies, paraphernalia and warehousing for Halalan 2022;¹

WHEREAS, F2 bested three other firms that qualified out of eight participating companies, according to the Commission's SBAC. Under the project specifications, the winning bidder must be responsible for the delivery and reverse logistics of all

¹ Reformina, I. (27 July 2021). F2 Logistics PH wins bid to transport Comelec supplies for #Halalan2022. Retrieved 9 August 2021, from https://news.abs-cbn.com/business/07/27/21/f2-logistics-ph-wins-bid-tosupply-comelec-needs-for-halalan2022

automated election system-related equipment, peripherals, forms and supplies for
 election day. These equipment and supplies include vote-counting machines, external
 batteries and accessories, consolidation or canvassing system machines, transmission
 equipment and devices, ballots, and generator sets;²

5 WHEREAS, for its single largest completed contract similar to the project 6 subject of bidding, F2 listed its P678.55 million contract with United Laboratories, Inc. 7 for product pick up, haul and transport, and another contract with COMELEC in 8 December 2018 for forward and reverse logistics and warehousing services, 9 amounting to P248 million;³

WHEREAS, noted Duterte campaign donor and Davao-based businessman
 Dennis Uy has reportedly sat as chairman of F2 Logistics Philippines since 2006;4

WHEREAS, this is not the first time that a company owned by Dennis Uy has been awarded a government contract and was investigated for his alleged links with the administration. It can be recalled that he had previously admitted to his close ties with President Duterte and some members of his Cabinet during a Senate probe in 2019 which inquired into the government's selection process of the third telecommunications player in the country;⁵

WHEREAS, it behooves the Senate to conduct an inquiry to ensure that the
awarding of these contracts is compliant with the provisions of the Government
Procurement Reform Act and other relevant laws;

WHEREAS, there is a need to revisit and review existing rules and regulations
regarding the bidding out of government contracts to ensure competitiveness and fair
play in public bidding processes;

WHEREAS, most importantly, there is need to avoid any semblance of conflict of interest and ensure that no supplier that participated in partisan political activities

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² Ibid.

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⁴ Bilyonaryo.com. (n.d.) *Three-peat: Dennis Uy bags Comelec logistics contract for 2022 presidential polls.* Retrieved 9 August 2021, from https://bilyonaryo.com/2021/07/31/three-peat-dennis-uy-bags-comelec-logistics-contract-for-2022-presidential-polls/

⁵ Ager, M. (24 January 2019). *Dennis Uy admits close ties with Duterte, Cabinet members*. Retrieved 9 August 2021, from https://newsinfo.inquirer.net/1077000/dennis-uy-admits-close-ties-with-duterte-cabinet-members

should be awarded with contracts connected to the conduct of our national and local
 elections;

WHEREAS, there is need to ensure that the election processes must be free
from even suspicions of cheating, manipulation and irregularities by disqualifying
suppliers with known links to identified political parties and possible candidates;

6 WHEREAS, any transaction or contract that would erode public trust in 7 government, and in the objectivity of civil service, must be put under the strictest 8 scrutiny;

9 WHEREAS, should conflict of interest be found to surround the subject 10 contract, those who are found to have taken part in it must be brought before the public 11 to answer for the decisions they have made and choices they have taken that could 12 potentially endanger public interest;

WHEREAS, even a whiff of cronyism and the slightest accusation of possible corruption must warrant public concern for these threaten the people's right of suffrage. This issue should not be taken lightly especially when an apparent major control over many industries that affect the lives and rights of Filipinos are concentrated in the same hands and within the same circle who are closely connected to the President;

19 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE, to direct the 20 appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the 21 recent awarding of the Commission on Elections (COMELEC) logistics contract for the 22 2022 presidential elections to F2 Logistics Philippines, with the end view of ensuring 23 faithful compliance with our procurement laws and protecting the credibility of our 24 election processes by identifying conflicts of interests between COMELEC suppliers 25 and possible candidates in the upcoming elections.

Adopted,

filade for LEILA M. DE LIMA