

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



Senate  
Office of the Secretary

'13 JUL -8 P5:13

SENATE

RECEIVED BY: *Jui*

S. NO. 644

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

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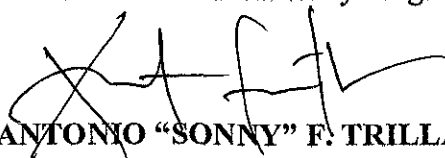
#### EXPLANATORY NOTE

Infrastructure development plays a vital role in shaping our country's economy. Improved infrastructure in the country would help us attract more investors to invest in our country which would then lead to a more productive and prosperous economy. Annually, the government allocates a substantial portion of its money to public works projects. However, the huge amount of money earmarked for the same are often vulnerable to anomalous acts, such as substandard work and the use of substandard materials.

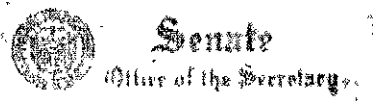
PD 1759 was signed in 1981 to prevent construction of public facilities that are substandard, as well as the use of materials that have poor quality. PD 1759 also imposes sanctions on violations of its provisions.

This bill seeks to strengthen PD No. 1759 by increasing the penal sanctions on the violations of the provision of this law from a minimum imprisonment of twelve (12) years to twenty (20) years. It also includes the use of premature deterioration of public works structure as *prima facie* evidence in determining the violation of the provisions of this law.

In view of the foregoing, immediate approval of this measure is earnestly sought.

  
ANTONIO "SONNY" F. TRILLANES IV  
Senator

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AN ACT  
INCREASING THE PENALTIES IMPOSED AGAINST CONTRACTORS AND  
SUBCONTRACTORS WHO VIOLATE ANY MATERIAL PROVISION OF  
CONTRACTS INVOLVING PUBLIC WORKS PROJECTS OF THE GOVERNMENT,  
AND PUBLIC OFFICIALS WHO ALLOW SUCH VIOLATIONS, AMENDING FOR  
THIS PURPOSE PRESIDENTIAL DECREE NO. 1759

*Be in enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

1 SECTION 1. Section 1 of Presidential Decree No, 1759, is hereby amended to read as  
2 follows:

3 "Section 1. - Any provisions of the law contrary notwithstanding, contractors and sub-  
4 contractors who violate any material provision[s] of contracts involving public works  
5 projects, either as to materials, quality and quantity of work, resulting [to the] IN  
6 prejudice [of the] TO THE government, shall suffer the penalty of IMPRISONMENT  
7 RANGING from [twelve (12) TWENTY (20) years to life [imprisonment], A FINE  
8 RANGING FROM FIFTY PERCENT (50%) TO TWO HUNDRED PERCENT (200%)  
9 OF THE AMOUNT OF THE CONTRACT, [at the discretion of the Court,] and shall, in  
10 addition, suffer [perpetual disqualification from participating in any government  
11 contracts,] IPSO FACTO REVOCATION OF THEIR CONTRACTOR'S LICENSES  
12 INCLUDING THE PROFESSIONAL LICENSES OF EXECUTIVES IN CHARGE OF  
13 THE DESIGN AND CONSTRUCTION OF THE PROJECT  
14

15 The offending contractor or sub-contractor shall further be liable for the cost of  
16 reconstructing such public works project in accordance with the specifications agreed  
17 upon.  
18

19 In case of corporations, partnerships or associations, the President, General  
20 Manager or any responsible chief executive officer/ officers shall be liable. ANY  
21 PROPRIETORSHIP, CORPORATION, PARTNERSHIP, ASSOCIATION, OR  
22 BUSINESS ORGANIZATION WHOSE PROPRIETOR, STOCKHOLDER, PARTNER,  
23 MEMBER OR OFFICER IS RELATED WITHIN THE FOURTH DEGREE OF

1           CONSANGUINITY OR AFFINITY TO THE PERSON CONVICTED OF VIOLATION  
2           OF ANY OF THE ACTS PUNISHABLE UNDER THIS ACT IS PROHIBITED FROM  
3           PARTICIPATING IN SAID GOVERNMENT CONTRACT THE PREMATURE  
4           DETERIORATION OF ANY PUBLIC WORKS PROJECT SHALL CONSTITUTE  
5           PRIMA FACIE EVIDENCE OF VIOLATION OF SHALL CONSTITUTE PRIMA  
6           FACIE EVIDENCE OF VIOLATION OF THE ACTS PUNISHABLE UNDER THE  
7           FIRST PARAGRAPH OF THIS SECTION. THE SECRETARY OF THE  
8           DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS IS HEREBY MANDATED  
9           TO PROMULGATE THE NECESSARY IMPLEMENTING RULES AND  
10          REGULATIONS TO EFFECTIVELY CARRY OUT THE INTENT OF THE  
11          PROVISIONS OF THIS PARAGRAPH."

12  
13          **SEC. 2.** - Section 2 is amended to read as follows:  
14

15          "Any public official who, by reason of the duties of his office, shall consent, or through  
16          abandonment or negligence, permit the contractor or subcontractor to commit [the violations  
17          mentioned in Section I hereof,] ANY OF THE ACTS PUNISHABLE UNDER THIS ACT shall  
18          suffer the penalty of IMPRISONMENT RANGING from [twelve (12)] TWENTY (20) years to  
19          life [imprisonment], A FINE EQUIVALENT TO THIRTY PERCENT (30%) OF THE  
20          AMOUNT OF THE CONTRACT and perpetual disqualification [to] FROM holding any public  
21          office. ANY PROPRIETORSHIP, CORPORATION, PARTNERSHIP, ASSOCIATION, OR  
22          BUSINESS ORGANIZATION WHOSE PROPRIETOR, STOCKHOLDER, PARTNER,  
23          MEMBER OR OFFICER IS RELATED WITHIN THE FOURTH DEGREE OF  
24          CONSANGUINITY OR AFFINITY TO THE PUBLIC OFFICER IN OF OR ASSOCIATED IN  
25          ANY MANNER WITH THE PROJECT BEING UNDERTAKEN IS PROHIBITED FROM  
26          PARTICIPATING IN SAID GOVERNMENT CONTRACT."  
27

28          **SEC. 3.** - Any provisions of law, degree, executive order or any issuance inconsistent  
29          herewith are hereby repealed and/ or modified accordingly.  
30

31          **SEC. 4** - This Act shall take effect fifteen (15) days following completion of its  
32          publication in at least two (2) newspapers of general circulation.

*Approved,*