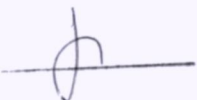


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SENATE

P. S. Res. No. 112

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Introduced by Senator Ralph G. Recto

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**RESOLUTION**

**DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE BIDDING PROCESS OF PUBLIC-PRIVATE PARTNERSHIP (PPP) PROJECTS, WITH THE END IN VIEW OF ENSURING THAT THE FILIPINO PEOPLE WILL BENEFIT FROM QUALITY PUBLIC SERVICES AT THE LEAST POSSIBLE COST**

1           WHEREAS, the 1987 Constitution mandates the State to recognize the  
2 indispensable role of the private sector, encourage private enterprise, and provide  
3 incentive to needed investments;

4           WHEREAS, Republic Act No. 6957, as amended, recognizes the private sector  
5 as the main engine for national growth and development, and provides the most  
6 appropriate incentives to mobilize private resources for the purpose of financing the  
7 construction, operation, and maintenance of infrastructure and development projects  
8 normally financed through public funds and undertaken by the Government;

9           WHEREAS, the Philippine Development Plan 2017-2022 acknowledges the  
10 importance of private sector participation in Public-Private Partnership (PPP) schemes  
11 to attain a stable, inclusive, competitive, and resilient economy towards the realization  
12 of a "*matatag, maginhawa at panatag na buhay*" for all Filipinos;

13           WHEREAS, a number of PPP projects are also expected to provide revenues to  
14 the Philippine Government by bidding rights to build and/or operate public  
15 infrastructure and public services;

16           WHEREAS, Republic Act No. 6957, as amended, provides that build-operate  
17 transfer contracts shall be awarded to the bidders who submitted the lowest bid and  
18 most favorable terms for the project, while build-lease-transfer contracts shall be

1 awarded to the lowest complying bidder based on the present value of its proposed  
2 schedule of amortization payments for the facility to be constructed;

3 WHEREAS, the Revised Implementing Rules and Regulations (IRR) of Republic  
4 Act No. 6957, as amended, establishes the evaluation criteria for determining the most  
5 advantageous bid for the Government, which include, among others, the "highest  
6 present value of proposed payments to Government, such as: concession fees,  
7 lease/rental payments, fixed/guaranteed payments, and/or variable  
8 payments/percentage shares of revenue for the period covered by the contract;"

9 WHEREAS, winning bids for certain PPP projects like the Cavite-Laguna  
10 Expressway and the Mactan-Cebu International Airport Passenger Terminal Building  
11 Project were based largely on the highest proposed payments to the Philippine  
12 Government pursuant to the evaluation criteria adopted in the Revised IRR of Republic  
13 Act No. 6957, as amended by Republic Act No. 7718;

14 WHEREAS, awarding projects and concessions based on proposed concession  
15 payments while providing additional revenues for the government, may shift the  
16 burden of payment to the people through increased user charges and consumer costs;

17 WHEREAS, prohibitive user charges and consumer costs may increase domestic  
18 costs of living and doing business, and undermine the Philippine national  
19 competitiveness ranking;

20 WHEREAS, the National Economic Development Authority (NEDA) Board has  
21 approved the adoption of seventy-five (75) high-impact "Infrastructure Flagship  
22 Projects" that "represent the major capital undertakings that the government will  
23 implement within the medium term;"

24 WHEREAS, nine (9) of the 75 Infrastructure Flagship Projects with total  
25 estimated project cost of One Hundred Two Billion Seven Hundred Eighty Million One  
26 Hundred Thousand Pesos (P102,780,100,000.00) will be financed or implemented  
27 through Public-Private Partnership (PPP) modality;

28 WHEREAS, it is imperative that the Philippine Government adopts a  
29 standardized bid evaluation guideline for PPP projects that puts emphasis not on the  
30 realization of additional government revenues, but on the protection of the public from  
31 excessive charges and cost: Now, therefore, be it

1           RESOLVED BY THE SENATE, as it is hereby resolved, To direct the appropriate  
2 Senate Committee to conduct an inquiry, in aid of legislation, on the bidding process  
3 of Public-Private Partnership (PPP) projects, with the end in view of ensuring that the  
4 Filipino people will benefit from quality public services at the least possible cost.

Adopted,



**RALPH G. RECTO**

/mdg