

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

OFF :

8 DEC -8 2022

SENATE

S. NO. 2944

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

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 allocated for these projects 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

8 DEC -8 11 22

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

1 In case of corporations, partnerships or associations, the President, General
2 Manager or any responsible chief executive officer/ officers shall be liable.

3 ANY PROPRIETORSHIP, CORPORATION, PARTNERSHIP, ASSOCIATION,
4 OR BUSINESS ORGANIZATION WHOSE PROPRIETOR, STOCKHOLDER,
5 PARTNER, MEMBER OR OFFICER IS RELATED WITHIN THE FOURTH DEGREE
6 OF CONSANGUINITY OR AFFINITY TO THE PERSON CONVICTED OF
7 VIOLATION OF ANY OF THE ACTS PUNISHABLE UNDER THIS ACT IS
8 PROHIBITED FROM PARTICIPATING IN SAID GOVERNMENT CONTRACT.

9 THE PREMATURE DETERIORATION OF ANY PUBLIC WORKS PROJECT
10 SHALL CONSTITUTE *PRIMA FACIE* EVIDENCE OF VIOLATION OF THE ACTS
11 PUNISHABLE UNDER THE FIRST PARAGRAPH OF THIS SECTION. THE
12 SECRETARY OF THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS IS
13 HEREBY MANDATED TO PROMULGATE THE NECESSARY IMPLEMENTING
14 RULES AND REGULATIONS TO EFFECTIVELY CARRY OUT THE INTENT OF
15 THE PROVISIONS OF THIS PARAGRAPH.”

16
17 **SEC. 2.** – Section 2 is amended to read as follows:

18 “Any public official who, by reason of the duties of his office, shall consent, or
19 through abandonment or negligence, permit the contractor or subcontractor to commit
20 [the violations mentioned in Section 1 hereof,] ANY OF THE ACTS PUNISHABLE
21 UNDER THIS ACT shall suffer the penalty of IMPRISONMENT RANGING from
22 [twelve (12)] TWENTY (20) years to life [imprisonment], A FINE EQUIVALENT TO
23 THIRTY PERCENT (30%) OF THE AMOUNT OF THE CONTRACT and perpetual
24 disqualification [to] FROM holding any public office.

25 ANY PROPRIETORSHIP, CORPORATION, PARTNERSHIP, ASSOCIATION,
26 OR BUSINESS ORGANIZATION WHOSE PROPRIETOR, STOCKHOLDER,
27 PARTNER, MEMBER OR OFFICER IS RELATED WITHIN THE FOURTH DEGREE

1 OF CONSANGUINITY OR AFFINITY TO THE PUBLIC OFFICER IN CHARGE OF
2 OR ASSOCIATED IN ANY MANNER WITH THE PROJECT BEING
3 UNDERTAKEN IS PROHIBITED FROM PARTICIPATING IN SAID
4 GOVERNMENT CONTRACT.”

5

6 **SEC. 3.** – Any provisions of law, degree, executive order or any issuance inconsistent
7 herewith are hereby repealed and/ or modified accordingly.

8

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

Approved,