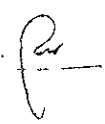


FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

Senate
Office of the Secretary

'11 SEP 21 P5:50

SENATE

RECEIVED BY: 

P.S. Res. No. 609

Introduced by Senators Teofisto "TG" Guingona III and
Antonio "Sonny" F. Trillanes IV

RESOLUTION

DIRECTING THE SENATE COMMITTEE ON ACCOUNTABILITY OF PUBLIC OFFICERS AND INVESTIGATIONS, THE SENATE SELECT OVERSIGHT COMMITTEE ON GOVERNMENT PROCUREMENT, AND OTHER APPROPRIATE COMMITTEES OF THE SENATE TO CONDUCT AN INQUIRY INTO THE ALLEGED ANOMALOUS PROCUREMENT BY THE DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS (DOTC) OF ONE BILLION ONE HUNDRED FIFTY MILLION (PHP 1.150 BILLION) WORTH OF OIL SPILL RESPONSE EQUIPMENT AND LIGHTHOUSES SPARE PARTS INTENDED FOR THE PHILIPPINE COAST GUARD (PCG), WITH THE END IN VIEW OF DETERMINING COMPLIANCE WITH REPUBLIC ACT NO. 9184, OTHERWISE KNOWN AS THE 'GOVERNMENT PROCUREMENT REFORM ACT OF 2003', AND ENACTING REMEDIAL LEGISLATION TO STRENGTHEN SAID ACT AND OTHER RELEVANT LAWS OF THE LAND

WHEREAS, Section 27, Article II of the 1987 Philippine Constitution explicitly declares that the State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption;

WHEREAS, Section 3 of R.A. No. 9184, otherwise known as the '*Government Procurement Reform Act of 2003*', provides that all procurement of the national government, its departments, bureaus, offices and agencies, including state universities and colleges, government-owned and/or-controlled corporations, government financial institutions and local government units, shall, in all cases, be governed by the principles of transparency, competitiveness, uniform application of the streamlined procurement process, a system of accountability, and public monitoring of the procurement process;

WHEREAS, it has been reported in the media that the Department of Transportation and Communications (DOTC) under the leadership of former DOTC Secretary Leandro Mendoza was involved in the anomalous procurement of around One Billion One Hundred and Fifty Million Pesos (PhP 1.150 Billion) of public equipment¹, allegedly in contravention of existing procurement laws as well as the pertinent implementing rules and regulations;

¹ See: DOTC Anomaly Bared by Jester Manalastas; Journal Online (www.journal.com.ph) dated August 20, 2011; Retrieved on 20 September 2011 from: <http://www.journal.com.ph/index.php/news/headlines/11668-dotc-anomaly-bared>

WHEREAS, a preliminary review of the pertinent records shows that in 2007, the Department of Budget and Management (DBM) issued three (3) Special Allotment Release Orders (SAROs) amounting to P250 Million, P300 Million and P400 Million, respectively, as funding for the upgrading and repair of various light stations in the country and to cover the requirements needed for the National Oil Spill Contingency Plan of the Philippine Coast Guard (PCG);

WHEREAS, pursuant to the afore-mentioned projects, the DOTC invited prospective parties to participate in the bidding of the Aids to Navigation (ATON) spare parts for the repair and maintenance of lighthouses nationwide and the Marine Environmental Protection Equipment (MEPE) and Supplies under the National Oil Spill Contingency Plan;

WHEREAS, in both cases, the DOTC proceeded to utilize the said SAROs despite the fact that the validity thereof have already lapsed without first securing the approval of the DBM to extend the validity of the lapsed allotment;

WHEREAS, the procurement of the ATON spare parts and MEPE and supplies was purportedly attended by numerous irregularities including blatant violation of R. A. No. 9184 and its Implementing Rules and Regulations (IRR), overpricing, submission of false and/or misleading records as well as falsified bank documents by the favored bidders, among others;

WHEREAS, it appears that the DOTC procured the ATON spare parts without any request from the PCG and without the knowledge of the latter as the purported end-user. As a result, more than Two Hundred Fifty Million (PhP 250 Million) worth of these spare parts have remained unused for over a year and are now 'rotting' at the DOTC's supply room²;

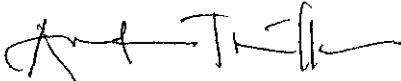
WHEREAS, it also appears that the procurement of ATON spare parts and the MEPE and supplies were not included in the Annual Procurement Plan of the DOTC for the relevant periods, as required under Section 7.1 of the IRR of R. A. No. 9184;

WHEREAS, from all of the foregoing, it appears that at various stages of the procurement process for both the ATON spare parts and MEPE and supplies, the concerned officials of DOTC may have failed to observe or deliberately ignored and/or circumvented the pertinent provisions of R. A. No. 9184 and its IRR and other pertinent laws of the land, rendering the entire process utterly flawed and anomalous, and possibly resulting to losses to Government and to the public in the amount of more than One Billion Pesos (PhP 1 Billion);

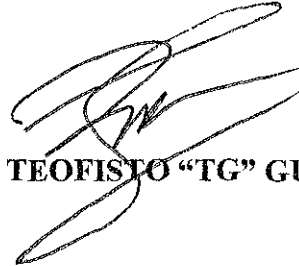
² See: COA – P250 M lighthouse parts rotting at DOTC by Michael Punongbayan; The Philippine Star; as reported in the PhilStar.com on September 12, 2011; Retrieved on September 20, 2011 from - <http://www.philstar.com/Article.aspx?articleId=726245&publicationSubCategoryId=63>

NOW, THEREFORE, BE IT RESOLVED as it is hereby resolved, for the Senate to direct the Senate Committee on Accountability of Public Officers and Investigations together with Senate Select Oversight Committee on Government Procurement and other appropriate committees of the Senate, to conduct an inquiry into the alleged anomalous procurement by the DOTC of One Billion One Hundred Fifty Million (PhP 1.150 Billion) worth of oil spill response equipment and lighthouses spare parts intended for the PCG, with the end in view of determining compliance with Republic Act No. 9184, otherwise known as the '*Government Procurement Reform Act of 2003*', and enacting remedial legislation to strengthen said act and other relevant laws of the land.

Adopted,



ANTONIO "SONNY" F. TRILLANES IV



TEOFISTO "TG" GUINGONA III