

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



'22 SEP 14 A9:15

SENATE  
P.S. Resolution No. **213**

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Introduced by **SENATOR IMEE R. MARCOS**

**RESOLUTION**  
**DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN**  
**INQUIRY, IN AID OF LEGISLATION, INTO THE ALLEGED OVERPRICED**  
**PROCUREMENT OF FARM TRACTORS AMOUNTING TO PHP 1.737 BILLION**  
**BY THE DEPARTMENT OF AGRICULTURE**

**WHEREAS**, Art. XII, Section 1 of the Constitution states that the "*the State shall promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets.*" Further, Article XIII, Section 5 of the Constitution provides that, "*the State shall recognize the right of farmers, farmworkers, and landowners, as well as cooperatives, and other independent farmers' organizations to participate in the planning, organization, and management of the program, and shall provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services*";

**WHEREAS**, on 06 September 2022, the new chief of the Philippine Center for Postharvest Development and Mechanization (PhilMech) under the Department of Agriculture (DA), Dionisio Alvindia, said that he has uncovered irregularities in the purchase of Php 1.737 billion worth of 1,346 tractors under the Department's farm mechanization program;

**WHEREAS**, according to news reports, the tractors were purchased for Php 1.298 million each under the Rice Competitiveness Enhancement Fund (RCEF)-Mechanization Program funding for 2021. Alvindia alleged that the procured farm machinery was overpriced by nearly Php 100,000 per unit, and that the Approved Budget for the Contract or the maximum price set by PhilMech for every unit of four-wheel tractors should have been Php 1.2 million only;

**WHEREAS**, on 09 September 2022, Alvindia stated on a press conference that former Agriculture Secretary William Dar issued a memorandum to stop the bidding

for the tractor contract, but the bids and awards committee went ahead with the proceedings;

**WHEREAS**, according to Alvidia, the bidding committee did not follow the specifications laid out by the Department of Budget and Management (DBM). However, Alvidia refused to mention the names of the people implicated in the issue;

**WHEREAS**, the Department of Agriculture's (DA) internal audit services is currently investigating the questionable and alleged overpriced tractor deal;

**WHEREAS**, former PhilMech Director Baldwin Jallorina refuted Alvidia's allegations of the procured "*overpriced tractors*" under the 2021 RCEF fund. Jallorina explained that the procurement of the four-wheel tractors were based on a market research, in consideration of the "*technical specifications*," conducted by a technical working group (TWG) composed of experts within PhilMech;

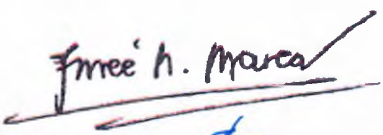
**WHEREAS**, Jallorina stated that the bidding documents of PhilMech showed that the Approved Budget for the Contract set by the agency for the supply, delivery, and testing of four-wheel tractors for Regions I, CAR, II, III, IV-A, IV-B, V, VI, VII, VIII, IX, X, XI, XII and BARMM funded under 2021 RCEF was P1.3 million;

**WHEREAS**, due to the irregularity, PhilMech announced that it will not be paying the contractors of said farm tractors and has sought the legal opinion of both the Commission on Audit (COA) and the DA's legal service;

**WHEREAS**, there are concerns that the discovery of such irregularity would cause delay in the implementation of vital programs to ramp up mechanization of farms, thereby affecting our agriculture sector;

**NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED**, directing the appropriate Senate committee to conduct an inquiry, in aid of legislation, into the alleged overpriced procurement of farm tractors amounting to Php 1.737 billion by the Department of Agriculture.

*Adopted*

  
**IMEE R. MARCOS**