

Republic of the Philippines
HOUSE OF REPRESENTATIVES
CONGRESS OF THE PHILIPPINES
Quezon City, Metro Manila



EIGHTEENTH CONGRESS
Second Regular Session

House Resolution No. 1822

Introduced as Urgent by:
HON. ALFONSO V. UMALI JR.

RESOLUTION REQUESTING BOTH THE COMMITTEE ON GOOD GOVERNANCE AND PUBLIC ACCOUNTABILITY AND THE COMMITTEE ON TRANSPORTATION TO CONDUCT AN INVESTIGATION AND INQUIRY, IN AID OF LEGISLATION, ON THE CONTROVERSIES SURROUNDING THE UNTIMELY CONDUCT OF PUBLIC BIDDINGS OF GOVERNMENT PORTS, SEA TERMINALS AND PORT FACILITIES BY THE PHILIPPINE PORTS AUTHORITY UNDER ITS NEW TERMINAL LEASING & MANAGEMENT RULES AND REGULATIONS, WHICH ARE MARRED BY CORRUPTION AND GROSSLY DISADVANTAGEOUS TO THE GOVERNMENT AMID THIS LINGERING COVID-19 PANDEMIC.

WHEREAS, the governing principles of public bidding are transparency, competitiveness, streamlined procurement process, accountability, and public monitoring;

WHEREAS, the State recognizes the indispensable role of the private sector as the main engine for growth and development; to this end, procurement laws aim to encourage public participation and competition through a system of transparency and accountability;

WHEREAS, the officials of the PPA taking advantage of their position and influence, have given an unwarranted benefits, advantage and preference to a single corporate entity through manifest partiality, collusion and evident bad faith by recently awarding to a private corporate entity Five (5) out of Eight (8)

ports, which posted only a minimum bid despite the fact that there are other qualified bidders who posted higher bids thereby depriving in the process the National Government in the amount of **One Billion Two Hundred Million Pesos (Php 1,200,000,000.00)** more or less, for the five (5) ports alone, which act is manifestly and grossly disadvantageous to the Government;

WHEREAS, in the interest of transparency, the following are the government Ports that were awarded by PPA officials to a favored corporate entity, thus:

1. Puerto Princessa Port - the bid of the favored entity was P1,626,457,452.00, whereas the highest bidder posted a bid of P2,100,00,000.00, thereby depriving the government the amount of P473,542,548.00;
2. Ormoc Port - the bid of the favored entity was P850,647,979.00, whereas the highest bidder posted a bid of P1,100,168,000.00, thereby depriving the government the amount of P249,520,021.00;
3. Tabaco Port - the favored bidder was the lone bidder and yet the original minimum concession fee of P729,876,943.00 was reduced by 52% or the amount of P351,873,350.00, thereby depriving the government the amount of P328,003,593.00;
4. Legaspi Port - the favored bidder was the lone bidder and merely bided the minimum amount of concession fee;
5. Calapan Port - the bid of the favored entity was P1,490,061,908.00, whereas the highest bidder posted a bid of P1,600,800,000.00, thereby depriving the government the amount of P110,738,092.00.

WHEREAS, existing economic, political, and fiscal conditions of the country, not to mention the pressing health and safety concerns brought about by COVID-19, hinder public participation in public biddings and the lack of public participation coupled by reports of corruption, awarding of ports to favored entities, which are patently and grossly disadvantageous to the government, renders the bidding process ineffective and the policies behind it irrelevant;

WHEREAS, while some port operators, in consonance with the policy of the government to 'heal and recover as one' through *Bayanihan* acts, are doing their best to help and subsidize their

port-workers, exhausting all their savings and funds available to mutually help and assist each other, to overcome this pandemic; these so-called 'chosen few' big companies are primarily focused on the PPA bidding with an intention to monopolize the management of the ports. These big companies have already participated and awarded several ports bided out by the PPA as what occurred in the first eight (8) biddings where five (5) ports were awarded to a single corporate entity which posted only a minimum bid and whose net contracting capacity is inadequate to sustain long term operations which is grossly disadvantageous to the government.

WHEREAS, the conduct of bidding of the government ports by the Philippine Ports Authority (PPA) in the middle of COVID-19 pandemic and economic recession, at a time where health and safety is the primary concern, and in an environment designed for the benefit of chosen few participants (informally, *Big Boys from Manila*), makes this action of the PPA very untimely and highly questionable.

WHEREAS, these "chosen few" holding offices in Makati, Muntinlupa and Manila are big companies involved in domestic port operations as well as domestic shipping. Their unrestricted access to and familiarity with the agency, give them full advantage in terms of participation in the bidding; provincial port operators and their lowly port-workers, on the other hand, have very limited, or have no access at all, thereby effectively denying them of a fair opportunity to participate.

WHEREAS, this untimely and questionable conduct of bidding where there is very limited participation and access to the bidding documents and the bidding itself, thereby creating an 'advantageous' environment, under the existing conditions, where only a 'chosen few' can participate, can only be considered a *farce*. Further, taking 'undue advantage' of the existing conditions in this time of pandemic is utterly unjust, unfair and will result to irreparable injury to disadvantaged port operators and their lowly port-workers who stand to lose their livelihood.

WHEREAS, the Philippine Government thru its IATF and other Pandemic Crisis Management Committees/Task Force has time and again imposed various health, safety, security and travel protocols to combat COVID-19. As of date, incidence is increasing and the risk of contracting the disease remains real and imminent. Thus, travel restrictions in and out of NCR Plus, the

virus' "epicenter," remain stringent. These travel restrictions affected the business operations in ports and terminals.

WHEREAS, as it is, the port industry is in a *state of desolation*. The economic activities in the ports have slowed down and with trips reduced in half, the income on stevedoring, arrastre and mooring are barely enough to sustain the operations. Due to this '*economic slow-down*' their port operators have already exhausted their funds. It is during these hard times that the Government is duty bound to assist their stake holders and their workers and at the very least re- schedule these port biddings and meantime maintain "status quo" for the industry to heal and recover.

WHEREAS, with the effectivity of Republic Act No. 11534 or the "Corporate Recovery and Tax Incentives for Enterprises Act (CREATE Act)" with a declared objective of providing support to businesses in their recovery from the effects of the global pandemic, it is prudent and wise to give enterprises reasonable time for economic recovery.

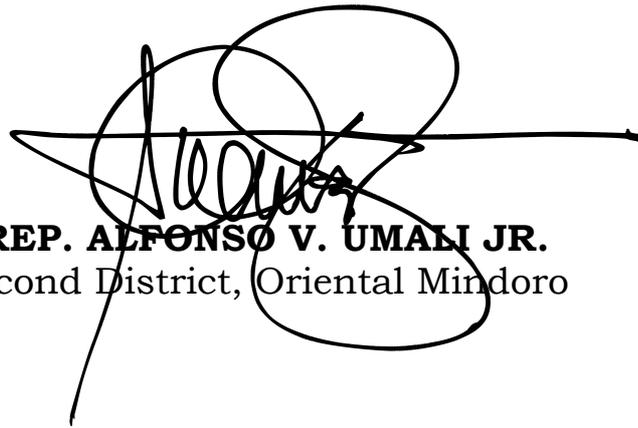
WHEREAS, despite the clear and present situation and amidst the magnitude of this COVID-19, the PHILIPPINE PORTS AUTHORITY is conducting marathon biddings of Government Ports at its Head Office in Manila which is contrary to the intent and policy of the "*BAYANIHAN to Heal as One Act*" and the "*BAYANIHAN to Recover as One Act*".

WHEREAS, various letters, articles, including Sangguniang Panglalawigan and Sangguniang Panglungsod Resolutions have reached this House of Representatives, requesting postponement of PPA public biddings of these ports to a later date in the year 2022 or until after this COVID-19 pandemic on similar reasons as above-discussed. The resolve of the respectable members of this House of Representatives that though public biddings are encouraged it is just untimely to hold them now during these hard times when we are in a state of calamity and the country is trying to heal and recover as one because of this pandemic.

NOW THEREFORE, BE IT RESOLVED by the House of Representatives to request its Committee on Good Governance and Public Accountability to investigate the conduct of the biddings; ***further resolved***, to recommend to the Secretary of the Department of Transportation (DOTr) Hon. ATHUR P. TUGADE to cause the SUSPENSION and POSTPONEMENT of the biddings

conducted by the Philippine Ports Authority and its General Manager, Atty. JAY DANIEL R. SANTIAGO, until end of the investigation, and to recommend to the DOTr the filing of the appropriate and necessary charges against the erring accountable officer/s of the PPA, if warranted.

Adopted.



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