

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

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5506



Introduced by **Representative Manuel Luis T. Lopez**

EXPLANATORY NOTE

Recent developments at the House Committees on Transportation and Metro Manila Development have shown that huge government contracts have been entered into with terms that are unfavorable and onerous to the government. More specifically the MRT Common Station Memorandum of Understanding signed on January 18, 2017 is the latest and clearest example of contracts that are prejudicial and detrimental to the government and the public.

This representation has questioned some terms in the Memorandum of Understanding during a committee hearing held on February 15, 2017 and pointed out certain provisions, which clearly place the government at a disadvantageous position. The agreement provided that the parties would ensure interconnection of the Common Station with SM City North EDSA and TRINOMA. It also provided that "the unified station shall forever bear and include in its final name the phrase SM North EDSA and TRINOMA". Even minor provisions such as that pertaining to the operating hours was made in favor of the two aforementioned shopping malls, which provides that "the operating hours of LRT 1, MRT 3, and/or MRT 7 or LRTA shall take into consideration the operating hours of SM City North EDSA and TRINOMA.

Also, on February 23, 2017, during the hearing conducted by the Committee on Transportation, Deputy Speaker Gwendolyn Garcia of the 3rd District of Cebu City pointed out the anomaly regarding the Integrated Terminal more specifically the South Terminal and Southwest Terminal. She questioned that although the agreed Public-Private Partnership (PPP) Modality was a Build Transfer and Operate scheme, the government would still pay grantors fees amounting to 277 Million and 100 Million respectively. The undersigned, together with the other members of the committee present, manifested their disapproval towards these contracts being entered into by the DOTr as grossly prejudicial at a disadvantageous position and it is eventually the general public who will bear the greatest burden in these onerous projects and contracts.

In view of the foregoing, the passage of this bill is earnestly sought.


HON. MANUEL LUIS T. LOPEZ
Representative
1st District, City of Manila

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AN ACT
AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NO. 6975, AS AMENDED BY
REPUBLIC ACT NO. 7718 ENTITLED, "AN ACT AUTHORIZING THE FINANCING,
CONSTRUCTION, OPERATION AND MAINTENANCE OF INFRASTRUCTURE PROJECTS
BY THE PRIVATE SECTOR, AND FOR OTHER PURPOSES" OTHERWISE KNOWN AS
THE PHILIPPINE BOT LAW AND PROVIDING FUNDS THEREFOR

Be it enacted by the Senate and House of Representatives of the Republic of the Philippines in Congress assembled:

1 **SECTION 1.** A new section to be numbered as Section 10 is hereby added to read as
2 follows:

3 *"SECTION 10. Accountability of the PPP Modality. - The Commission on*
4 *Audit shall have jurisdiction over the activities and transactions of the PPP*
5 *Activity, which shall be limited to the exercise of its visitorial power as defined*
6 *in the 2009 Revised Rules of Procedure of the Commission on Audit. Such*
7 *power shall be further limited to determining whether the contribution/ share*
8 *of the public proponent in the activity is being allocated and utilized according*
9 *to its intended purpose and if the public proponent is getting its rightful share*
10 *from the revenues generated."*

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12 **SEC. 2.** A new section to be numbered as Section 10 is hereby added to read as follows:
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14 **SECTION 5. Creation of the PPP OVERSIGHT COMMITTEE**

- 15 1. Congress shall hereby create PPP Oversight Committee
16 (PPPOCOM) that will oversee and cater to all contracts involving
17 all modalities of PPP. The PPPOCOM will have a National and a
18 Local Division.
19

2. *The National PPPOCOM shall cater to all projects and activities entered into by GOCC's, GICP's, GFI's, SUC's, GCE's, department, bureau, office, commission, authority, or agency of the National Government, while the Local PPPOCOM shall cover the transactions entered into by LGU's.*
3. *The PPPOCOM shall be composed of the following*
 - i. *Representative from the Private Sector who must have had at least 15 years experience in the business, infrastructure or utilities sector.*
 - ii. *A member of the Philippine Bar who has been affiliated and has had experience in the business, infrastructure, or utilities sector.*
 - iii. *A representative from both houses of Congress who must be a Career Service individual involved in the processing and recommendation of PPP related activities.*
 - iv. *A Certified Public Accountant who must have had at least 10 years experience in the business, infrastructure or utilities sector.*
4. *The role of the PPPOCOM shall involve, but is not limited to:*
 - a) *Ensure that the contracts entered into by the proponents are not onerous, disadvantageous, and burdensome to the Government.*
 - b) *Providing technical assistance, expertise, and capacity necessary for a successful partnership program;*
 - c) *Creating an attractive, predictable, prosperous, and transparent environment that encourages private investment within the Country and protects the public interest;*
 - d) *Assisting in establishing a comprehensive strategy for meeting the country's various infrastructure and development needs;*
 - e) *Identifying, cultivating, and sharing best practices that optimize the value provided to the public and satisfy public accountability, policy, and transparency objectives;*
 - f) *Screening and monitoring the use of the PPP arrangements for the delivery of various Public-Private Partnerships projects;*
 - g) *Creating and adopting guidelines establishing a consistent framework to identify, procure, and execute PPP's;*
 - h) *Providing guidance on PPP laws, policies, and best practices;*
 - i) *Evaluating and synthesizing the different infrastructure needs submitted by the government and to determine whether or not the PPP model will provide the most profitable and beneficial framework for both sectors;*
 - j) *Consulting with persons and other stakeholders affected by the proposed PPP Project;*
 - k) *Submit an annual report to the House of Representatives and the Senate of the Philippines describing the nature of all approved PPP undertakings; and*
 - l) *Other duties necessary to effectuate the policies and objectives of this Act.*

1 **SEC. 3. *Repealing Clause.*** – All laws, ordinances, executive orders, administrative orders,
2 rules, regulations, decrees, and other issuances or parts thereof, which are inconsistent with the
3 provisions of this Act are hereby revoked, repealed, or modified accordingly.

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5 **SEC. 4. *Separability Clause.*** - If any provision of this Act is held unconstitutional or
6 invalid, the other provisions not affected thereby shall continue in operation and remain in full
7 force and effect.

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9 **SEC. 5. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its publication
10 in a newspaper of general circulation or the Official Gazette.

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12 Approved,